

[Renewal of Vesuvius Share Plan rules - to be tabled as a resolution at the Vesuvius plc AGM to be held on 18 May 2022](#)

VESUVIUS PLC

THE VESUVIUS SHARE PLAN

Adopted by the board of the Company on ~~31 October 2012~~ [1 March 2022](#)

Approved by shareholders of ~~Cookson Group plc on 26 November 2012~~ [the Company on \[18 May\] 2022](#)

~~HMRC Reference (Schedule 1 only): X110878~~

~~Amended by the Remuneration Committee on 25 February 2015, 10 May 2018~~

~~and 4 December 2018~~

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Plan, unless the context otherwise requires:

~~"Admission" means the first date on which Shares are admitted to dealing on the London Stock Exchange;~~

~~"Approved Option" means a Market Price Option granted in accordance with Schedule 1 to the Plan;~~

"Award" means a ~~Performance Share Award, a Deferred Share Bonus Award, a Restricted Shares Award, or a Market Price~~ Conditional Award or an Option;

"Board" means the board of directors of the Company or a duly authorised committee of the Board or a duly authorised person, or any successor entity;

"Bonus" means a benefit payable under a discretionary bonus arrangement operated by a Participating Company;

"Cash Conditional Award" has the meaning set out in Rule ~~12.6~~ 13.6;

"Committee" means the remuneration committee or any of committee of the Board appointed by the Board for the purposes of the Plan, a sub-committee or an individual appointed by such ~~remuneration~~ committee or, on and after the occurrence of a corporate event described in Rule ~~15 (Takeovers and other corporate events), the remuneration~~ 11, the committee of the Board or such sub-committee as constituted immediately before such event occurs;

"Company" means Vesuvius plc (registered in England and Wales with registered number 8217766);

"Conditional Award" means ~~a Performance Share Award, a Deferred Share Bonus Award or a Restricted Share Award granted in the form of~~ a conditional right to acquire Shares granted under the Plan;

"Control" means control within the meaning of section 719 of ITEPA;

"Deferred Share Bonus Award" means an Award which represents a deferred Bonus and which may only be granted to an individual who has been awarded a Bonus by a Participating Company;

"Dividend Equivalent" means a benefit calculated by reference to dividends paid on Shares as described in Rule ~~3.4~~ 3.4;

"Early Vesting Date" means either:

- (a) the date of cessation of employment of a Participant in the circumstances referred to in Rule ~~14.1 (Good leavers)~~ 10.1; or
- (b) a date of notification referred to in Rule ~~15.1 (General offers)~~ 11.1, the date of the relevant event referred to in Rule ~~15.2 (Schemes of arrangement and~~

~~winding-up~~ [11.2](#) or the date of Vesting referred to in Rule ~~15.3 (Demergers and similar events)~~ [11.3](#);

"**Exercise Period**" means the period referred to in Rule ~~10.26.2~~ during which an Option may be exercised;

"**Grant Date**" means the date on which an Award is granted;

"**Group Member**" means:

- (a) a Participating Company or a body corporate which is the Company's holding company (within the meaning of section 1159 of the Companies Act 2006) or a Subsidiary of the Company's holding company;
- (b) a body corporate which is a subsidiary undertaking (within the meaning of section 1162 of that Act) of a body corporate within paragraph (a) above and has been designated by the Board for this purpose; and
- (c) any other body corporate in relation to which a body corporate within paragraph (a) or (b) above is able (whether directly or indirectly) to exercise 20% or more of its equity voting rights and has been designated by the Board for this purpose;

and, for the purposes of Rule 5.3, 5.4 and 7.1, includes former Group Members.

"**Holding Period**" means ~~any~~ any period ~~following the Vesting of an Award set by the Committee during which the Participant may not transfer, assign, charge or otherwise dispose of the Shares subject to the Award, save to the extent necessary to discharge any Tax Liability due on Vesting of a Conditional Award or exercise of an Option;~~ during which the Schedule will apply;

"**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003;

"**Listing Rules**" means the Listing Rules published by the ~~UKLA~~ UK Listing Authority;

"**London Stock Exchange**" means London Stock Exchange plc or any successor to that company;

~~"Market Price Option" means an Option granted under Rule 8;~~

~~"Nil Cost Option" means a Performance Share Award, a Deferred Share Bonus Award or a Restricted Share Award granted in the form of an option with a nil Option Price or an Option Price below that of a Market Price Option;~~

"Market Value" on any day means

- (a) where Shares are quoted on the Daily Official List of the London Stock Exchange, an amount equal to the middle-market quotation of a Share (as derived from the London Stock Exchange Daily Official List) on the dealing day before the Grant Date or, if the Committee so determines, the average of the middle market quotations during a period not exceeding the 5 dealing days

before the Grant Date provided such dealing day(s) do not fall within any period when dealings in Shares are prohibited under the Company's share dealing code; or

(b) if Shares have not been admitted to the Daily Official List of the London Stock Exchange, the market value of a Share determined in accordance with the provisions of Part VIII of the Taxation of Chargeable Gains Act 1992;

"**Normal Vesting Date**" means the date on which an Award vests under Rule ~~9.1~~ *(Timing of Vesting: Normal Vesting Date)* 5.1;

"**Option**" means ~~an option~~ a right to acquire Shares under the Plan, ~~being either a Market Price Option or a Nil Cost Option~~ which is designated as an option by the Committee under Rule 3.2;

"**Option Price**" means the amount, if any, payable on the exercise of an Option;

"**Participant**" means a person who holds an Award including ~~his~~ their personal representatives;

"**Participating Company**" means the Company or any Subsidiary of the Company;

"**Performance Condition**" means a condition related to performance which is specified by the Committee under Rule ~~3.1~~ *(Terms of grant)* 3.1;

"**Performance Share Award**" means an Award ~~granted under Rule 5~~ to which one or more Performance Conditions apply;

"**Plan**" means the Vesuvius Share Plan as amended from time to time;

"**Restricted Share Award**" means an Award ~~granted under Rule 7~~ which is not subject to Performance Conditions;

"**Rule**" means a rule of the Plan;

"**Shares**" means fully paid ordinary shares in the capital of the Company;

"**Subsidiary**" means a body corporate which is a subsidiary (within the meaning of section 11562 of the Companies Act 2006);

"**Tax Liability**" means any amount of tax or social security contributions for which a Participant would or may be liable and for which any Group Member or former Group Member would or may be obliged to (or would or may suffer a disadvantage if it were not to) account to any relevant authority;

~~"Trustees" means the trustees of any employees' share ownership plan trust designated by the Board for the purposes of the Plan;~~

~~"UKLA" means the United Kingdom Listing Authority;~~

"**US Code**" means the US Internal Revenue Code of 1986;

"US Participant" means (1) a US citizen, (2) a US resident or (3) a non-resident alien of the US, but in the case of a non-resident alien, only with respect to the portion of an Award that is taxable in the US and subject to section 409A of the US Code;

"Vest" means:

- (a) in relation to a Conditional Award, a Participant becoming entitled to have Shares transferred to ~~him~~them (or ~~his~~their nominee) subject to the Rules; or
- (b) in relation to an Option, it becoming exercisable

and Vesting and Vested Shares shall be construed accordingly.

~~"Vested Shares" means those Shares in respect of which an Award Vests.~~

- 1.2 Any reference in the Plan to any enactment includes a reference to that enactment as from time to time modified, extended or re-enacted.
- 1.3 Expressions in italics and headings are for guidance only and do not form part of the Plan.

2. ELIGIBILITY

2.1 Performance Share Awards

An individual is eligible to be granted ~~an~~ Performance Share Award Award only if ~~he is~~they are an employee (including an executive director) of a Participating Company.

2.2 Restricted Share Awards

An individual is eligible to be granted a Restricted Share Award only if they are an employee (including an executive director), save that no Restricted Share Award shall be granted to an executive director of the Company unless the Committee determines that there are exceptional circumstances justifying the grant.

2.3 Deferred Share Bonus Awards

An individual is eligible to be granted a Deferred Share Bonus Award only if they are an employee (including an executive director) of a Participating Company and they are eligible to receive a Bonus.

3. GRANT OF AWARDS

3.1 Terms of grant

Subject to Rule ~~3.6 (Timing of grant)~~3.6, Rule ~~3.8 (Approvals and consents)~~3.8 and Rule ~~4 (Limits)~~4, the Committee may resolve to grant an Award to any person who is eligible under Rule 2 on:

- (a) the terms set out in the Plan; and

- (b) ~~such additional~~ any other terms as the Committee may specify (whether a Performance Condition, Holding Period ~~and/or any otherwise~~ terms) ~~as the Committee may specify~~).

~~to any person who is eligible to be granted an Award under Rule 2 (Eligibility).~~

3.2 Type of Award

On or before the Grant Date, the Committee shall determine whether an Award shall be ~~a Performance Share Award, a Deferred Share Bonus Award, a Restricted Share Award or a Market Price Option, and, in the case~~ in the form of:

- (a) a Conditional Award or an Option; and
- (b) a Performance Share Award, a Deferred Share Bonus Award or a Restricted Share Award, ~~the Committee shall further determine whether such Award shall be granted in the form of a Conditional Award or a Nil Cost Option (or such other form as the Committee considers has a substantially similar effect).~~

3.3 Method of grant

An Award shall be granted by deed executed by the Company and, if an Award is an Option, the Committee will set the Option Price (if any) on or before the Grant Date (and may reduce or waive any Option Price on or before the exercise of the Option).

~~An Award shall be granted as follows:~~

- (a) ~~a Conditional Award or an Option shall be granted by deed executed by the Company;~~
- (b) ~~if an Award is an Option, the Committee shall determine the Option Price (if any) on or before the Grant Date.~~

3.4 Treatment of Dividends

The Committee may:

- (a) decide at any time that a Participant (or ~~his~~ their nominee) shall be entitled to receive a benefit determined by reference to the value of all or any of the dividends ~~(excluding the dividend tax credit unless the Committee decides otherwise)~~ that would have been paid on the Vested Shares in respect of dividend record dates occurring during the period between the Grant Date and the date of Vesting and may further decide that such benefit shall be provided in cash and/or Shares. The Committee may decide to exclude the value of all or part of any special dividend from the amount of the Dividend Equivalent; or
- (b) grant an Award on terms whereby the number of Shares comprised in the Award shall increase by deeming dividends (excluding special dividends, unless the Committee decides otherwise) paid on the Shares from the Grant Date to Vesting to have been reinvested in additional Shares on such terms ~~(as to the inclusion or exclusion of any dividend tax credit, the price at which any~~

~~additional Shares shall be deemed to have been purchased or otherwise)~~ as the Committee shall decide.

~~This Rule shall not apply to a Market-Price-Option.~~

3.5 Method of satisfying Awards

Unless specified to the contrary by the Committee on the Grant Date, an Award may be satisfied:

- (a) by the issue of new Shares; and/or
- (b) by the transfer of treasury Shares; and/or
- (c) by the transfer of Shares (other than the transfer of treasury Shares).

The Committee may decide to change the way in which it is intended that an Award may be satisfied after it has been granted, having regard to the provisions of Rule ~~4~~ 4 (~~Limits~~)4.

3.6 Timing of grant

Subject to Rule ~~3.8 (Approvals and consents)~~ 3.8, an Award may only be granted at the following times up to [18 May] 2032:

- ~~(a) in the period of 6 weeks beginning with:~~
 - ~~(i) the date of Admission; or~~
- ~~(ii)~~ (a) in the period of 6 weeks beginning with the dealing day after the date on which the Company announces its results for any period; ~~or~~
- ~~(b)~~ (b) in the period of 6 weeks beginning with the date on which the Plan is approved by the Shareholders of the Company; or
- ~~(bc)~~ (c) at any other time when the Committee considers that exceptional circumstances ~~are sufficiently exceptional to justify its grant~~ exist.

~~but an Award may not be granted after 26 November 2022 (that is, the expiry of the period of 10 years beginning with the date on which the Plan is approved by the shareholders of Cookson Group plc).~~

3.7 Non-transferability and bankruptcy

An Award granted to any person:

- (a) shall not be transferred, assigned, charged or otherwise disposed of except on ~~his~~ their death to ~~his~~ their personal representatives and shall lapse immediately on any attempt to do so; and
- (b) shall lapse immediately if ~~he is~~ they are declared bankrupt.

3.8 Approvals and consents

The grant of any Award shall be subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers, or any other UK or overseas regulation or enactment.

3.9 Confirmation of Award Terms

Each Participant shall, for any Award granted to them, be provided with confirmation of the terms set out below:

- (a) the Grant Date;
- (b) the number of Shares over which the Award is granted;
- (c) any applicable Performance Condition(s);
- (d) the Normal Vesting Date(s);
- (e) in the case of an Option, the period(s) during which such Option may be exercised;
- (f) any obligations on the part of the Participant that may be deemed necessary or desirable to comply with any securities or tax laws or other regulatory issues which may apply to the Company, any Group Member, the Participant or any other person; and
- (g) any other terms which the Committee considers appropriate.

3.10 US Participants

An Award granted to a US Participant shall be in the form of a Conditional Award.

4. LIMITS

4.1 **5 per cent. in 10 years limit**

An Award shall not be granted ~~in any calendar year~~ if, at the time of ~~its~~the proposed Grant Date, it would cause the number of Shares "allocated" (~~as defined in Rule 4.3~~) ~~in the period of 10 calendar years ending with that calendar year under the Plan and under any other discretionary share plan adopted by the Company or by Cookson Group plc to exceed such number as represents 5 per cent. of the, including the Plan~~ in the period of 10 years ending with the calendar year in which the proposed Grant Date falls, to exceed 5% of the issued ordinary share capital of the Company ~~in issue at that time.~~

4.2 **10 per cent. in 10 years limit**

An Award shall not be granted ~~in any calendar year~~ if, at the time of ~~its~~the proposed Grant Date, it would cause the number of Shares "allocated" (~~as defined in Rule 4.3~~) ~~in the period of 10 calendar years ending with that calendar year under the Plan and~~

under any ~~other~~ employee share plan adopted by the Company ~~or by Cookson Group~~ ple to exceed such number as represents 10 per cent. of the, including the Plan) in the period of 10 years ending with the calendar year in which the proposed Grant Date falls, to exceed 10% of the issued ordinary share capital of the Company ~~in issue at that time.~~

4.3 Meaning of "allocated"

~~For the purposes of Rules 4.1 and 4.2:~~

- ~~(a) Shares are allocated:~~
- ~~(i) when an option, award or other contractual right to acquire unissued Shares or treasury Shares is granted;~~
 - ~~(ii) where Shares are issued or treasury Shares are transferred otherwise than pursuant to an option, award or other contractual right to acquire Shares, when those Shares are issued or treasury Shares transferred;~~
- ~~(b) any Shares which have been issued or which may be issued (or any Shares transferred out of treasury or which may be transferred out of treasury) to any trustees to satisfy the exercise of any option, award or other contractual right granted under any employee share plan shall count as allocated unless they are already treated as allocated under this Rule; and~~
- ~~(c) for the avoidance of doubt, existing Shares other than treasury Shares that are transferred or over which options, awards or other contractual rights are granted shall not count as allocated.~~

4.4 Post-grant events affecting numbers of "allocated" Shares

~~For the purposes of Rule 4.3:~~

- ~~(a) where:~~
- ~~(i) For the purposes of Rules 4.1 and 4.2 Shares will cease to be allocated where any option, award or other contractual right to acquire unissued Shares or treasury Shares is released or lapses (whether in whole or in part);- or the Committee chooses to satisfy the award, option or other contractual right in cash or by the transfer of existing Shares (other than treasury Shares).~~
 - ~~(ii) after the grant of an option, award or other contractual right the Committee determines that:~~
 - ~~(A) where an amount is normally payable on its exercise it shall be satisfied without such payment but instead by the payment of cash equal to the gain made on its exercise; or~~
 - ~~(B) it shall be satisfied by the transfer of existing Shares (other than Shares transferred out of treasury)~~

~~the unissued Shares or treasury Shares which consequently cease to be subject to the option, award or other contractual right shall not count as allocated; and~~

- ~~(b) the number of Shares allocated in respect of an option, award or other contractual right shall be such number as the Board shall reasonably determine from time to time.~~

4.5 ~~Changes to investor guidelines~~

~~Treasury Shares shall cease to count as allocated Shares for the purposes of Rule 4.3 if institutional investor guidelines cease to require such Shares to be so counted.~~

4.64 Individual Limit

- (a) ~~The maximum total market value of Shares (calculated as set out in this Rule) over which Market Price Options may be granted to any employee during any calendar year is 300 per cent of his salary (as defined in this Rule).~~
- (ba) The maximum total ~~m~~Market ~~v~~Value of Shares ~~(calculated as set out in this Rule)~~ over which Performance Share Awards may be granted to any employee during any calendar year is 200 ~~per cent~~% of ~~his~~their salary (as defined in this Rule).
- (eb) The maximum total ~~m~~Market ~~v~~Value of Shares ~~(calculated as set out in this Rule)~~ over which Restricted Share Awards may be granted to any employee during any calendar year is 150 ~~per cent~~% of ~~his~~their salary (as defined in this Rule), unless the Committee decides that exceptional circumstances exist, in which case the maximum total value may be such higher percentage of ~~his~~their salary as the Committee may determine.
- (dc) The maximum total ~~m~~Market ~~v~~Value of Shares ~~(calculated as set out in this Rule)~~ over which Deferred Share Bonus Awards may be granted to any employee during any calendar year shall be the amount of the Bonus that might have otherwise been paid to such employee.
- (ed) If in any calendar year an employee is to be granted more than one type of Award (ignoring Deferred Share Bonus Awards, and any Restricted Share Award granted to ~~a~~an executive director of the Company in exceptional circumstances), the Committee shall reduce the individual limits set out above on an appropriate exchange ratio in the light of such individual limits (so that, for instance, if a Participant is granted a Performance Share Award over Shares with a total ~~m~~Market ~~v~~Value of one-half of the maximum which could be granted to ~~him~~them under the above individual limit for Performance Share Awards, ~~he~~they may be granted a ~~Market Price Option~~Restricted Share Award over Shares with a total ~~m~~Market ~~v~~Value of up to one-half of the maximum which could be granted to ~~him~~them under the above individual limit for ~~Market Price Options~~Restricted Share Awards).

~~For the purpose of this Rule 4.6:~~

- (†) ~~For the purpose of this Rule 4.4~~ an employee's **salary** shall be taken to be ~~his~~their base salary (excluding benefits in kind), expressed as an annual rate payable

by the Participating Companies to ~~him~~them on the Grant Date (or such earlier date as the Committee shall determine). Where a payment of salary is made in a currency other than sterling, the payment shall be treated as equal to the equivalent amount of sterling determined by using any rate of exchange which the Committee may reasonably select;~~and.~~

~~(ii) the market value of the Shares over which an Award is to be granted shall, at a time when Shares in the Company are listed in the London Stock Exchange Daily Official List, be taken to be the middle market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the dealing day last preceding the Award Date or the average of the middle market quotations of such Shares on the five dealing days preceding the Award Date, as the Committee shall decide.~~

4.75 **Effect of limits**

Any Award shall be limited and take effect so that the limits in this Rule ~~44~~ are complied with.

5. **PERFORMANCE SHARE VESTING OF AWARDS**

5.1 **Granting Performance Share Awards**

~~Subject to Rule 3.6 (Timing of Grant) and Rule 3.8 (Approvals and Consents), the Committee may from time to time resolve to grant a Performance Share Award to any person who is eligible to be granted such an Award under Rule 2 (Eligibility).~~

5.2 **Form of Performance Share Awards**

~~The Committee shall determine whether a Performance Share Award shall be granted in the form of a Conditional Award or a Nil-Cost Option and, in the latter case, the Committee shall further determine the Option Price (if any) payable on the exercise of such Option.~~

5.3 **Confirmation of Award Terms**

~~Each Participant shall in respect of any Performance Share Award granted to him be provided with confirmation of the terms set out below and this may be provided in electronic or paper form:~~

- ~~(a) the Grant Date;~~
- ~~(b) the number of Shares in respect of which the Performance Share Award is granted;~~
- ~~(c) any applicable Performance Condition(s);~~
- ~~(d) the Normal Vesting Date(s);~~
- ~~(e) in the case of a Nil-Cost Option, the period(s) during which such Option may be exercised;~~

- (f) ~~any obligations on the part of the Participant that may be deemed necessary or desirable to comply with any securities or tax laws or other regulatory issues which may apply to the Company, any Group Member, the Participant or any other person; and~~
- (g) ~~any other terms which the Committee considers appropriate.~~

5.4 US Participants

~~A Performance Share Award shall not be granted to a US Participant in the form of a Nil-Cost Option unless the Committee is advised that such Nil-Cost Option would comply with Section 409A of the US Code or, alternatively, would be exempt from the provisions of Section 409A of the US Code.~~

6. DEFERRED SHARE BONUS AWARDS

6.1 Granting Deferred Share Bonus Awards

~~Subject to Rule 3.6 (*Timing of Grant*) and Rule 3.8 (*Approvals and Consents*), the Committee may from time to time resolve to grant a Deferred Share Bonus Award to any person who is eligible to be granted such an Award under Rule 2 (*Eligibility*) and who is eligible to receive a Bonus.~~

6.2 Form of Deferred Share Bonus Awards

~~The Committee shall determine whether a Deferred Share Bonus Award shall be granted in the form of a Conditional Award or a Nil-Cost Option and, in the latter case, the Committee shall further determine the Option Price (if any) payable on the exercise of such Option.~~

6.3 Confirmation of Award Terms

~~Each Participant shall in respect of any Deferred Share Bonus Award granted to him be provided with confirmation of the terms set out below and this may be provided in electronic or paper form:~~

- (a) ~~the Grant Date;~~
- (b) ~~the number of Shares in respect of which the Deferred Share Bonus Awards is granted;~~
- (c) ~~the Normal Vesting Date(s);~~
- (d) ~~in the case of a Nil-Cost Option, the period(s) during which such Option may be exercised;~~
- (e) ~~any obligations on the part of the Participant that may be deemed necessary or desirable to comply with any securities or tax laws or other regulatory issues which may apply to the Company, any Group Member, the Participant or any other person; and~~

- (f) ~~any other terms which the Committee considers appropriate.~~

6.4 US Participants

~~A Deferred Share Bonus Award shall not be granted to a US Participant in the form of a Nil Cost Option unless the Committee is advised that such Nil Cost Option will comply with Section 409A of the US Code or, alternatively, would be exempt from the provisions of Section 409A of the US Code.~~

7. RESTRICTED SHARE AWARDS

7.1 Granting Restricted Share Awards

~~Subject to Rule 3.6 (*Timing of Grant*) and Rule 3.8 (*Approvals and Consents*), the Committee may from time to time resolve to grant a Restricted Share Award to any person who is eligible to be granted such an Award under Rule 2 (*Eligibility*), save that no Restricted Share Award shall be granted to a director of the Company unless the Committee determines that there are exceptional circumstances.~~

7.2 Form of Restricted Share Awards

~~The Committee shall determine whether a Restricted Share Award shall be granted in the form of a Conditional Award or a Nil Cost Option and, in the latter case, the Committee shall further determine the Option Price (if any) payable on the exercise of such Option.~~

7.3 Confirmation of Award Terms

~~Each Participant shall in respect of any Restricted Share Award granted to him be provided with confirmation of the terms set out below and this may be provided in electronic or paper form:~~

- (a) ~~the Grant Date;~~
- (b) ~~the number of Shares in respect of which the Restricted Share Awards is granted;~~
- (c) ~~the Normal Vesting Date(s);~~
- (d) ~~in the case of a Nil Cost Option, the period(s) during which such Option may be exercised;~~
- (e) ~~any obligations on the part of the Participant that may be deemed necessary or desirable to comply with any securities or tax laws or other regulatory issues which may apply to the Company, any Group Member, the Participant or any other person; and~~
- (f) ~~any other terms which the Committee considers appropriate.~~

~~7.4 US Participants~~

~~A Restricted Share Award shall not be granted to a US Participant in the form of a Nil-Cost Option unless the Committee is advised that such Nil-Cost Option will comply with Section 409A of the US Code or, alternatively, would be exempt from the provisions of Section 409A of the US Code.~~

~~8. MARKET-PRICE OPTIONS~~

~~8.1 Granting Market-Price Options~~

~~Subject to Rule 3.6 (Timing of Grant) and Rule 3.8 (Approvals and Consents), the Committee may from time to time resolve to grant a Market-Price Option to any person who is eligible to be granted a Market-Price Option under Rule 2 (Eligibility). Where the Committee determines that it is appropriate to do so, a Market-Price Option may be granted under this Rule 8 or under Schedule 1 (the UK Company Share Option Plan), Schedule 2 (the US Incentive Stock Option Plan), Schedule 3 (French Approved Option Plan) or under any other Schedule to this Plan which may be adopted at any time for the purposes of granting Awards to employees in any country or territory.~~

~~8.2 The Option Price under a Market-Price Option shall not be less than:~~

- ~~(a) if Shares are quoted in the London Stock Exchange Daily Official List, the middle-market quotation of the Shares (as derived from that List) on the dealing day before the Grant Date (or on such other dealing day(s) as the Committee may decide) provided that such dealing day(s) do not fall within any period when dealings in Shares are prohibited under Company's share dealing code;~~
- ~~(b) if Rule 8.2(a) does not apply, the market value of the Shares on the Grant Date as determined by the Committee; and~~
- ~~(c) in the case of a Market-Price Option to acquire Shares only by subscription, the nominal value of those Shares.~~

~~8.3 Confirmation of Option Terms~~

~~As soon as practicable after the Grant Date, each Participant shall in respect of any Market-Price Option granted to him be provided with confirmation of the terms set out below and this may be provided in electronic or paper form:~~

- ~~(a) the Grant Date;~~
- ~~(b) the number of Shares in respect of which the Market-Price Option is granted;~~
- ~~(c) the Option Price;~~
- ~~(d) any applicable Performance Condition(s);~~
- ~~(e) the Normal Vesting Date(s);~~

- ~~(f) any obligations on the part of the Participant that may be deemed necessary or desirable to comply with any securities or tax laws or other regulatory issues which may apply to the Company, any Group Member, the Participant or any other person; and~~
- ~~(g) any other terms which the Committee considers appropriate.~~

~~8.4 Share settlement of Market Price Options~~

~~The Company may agree with a Participant to settle the exercise of any Market Price Option held by him so that:~~

- ~~(a) no Option Price is payable by the Participant to exercise the Market Price Option;~~
- ~~(b) the Participant is provided with, free of charge, a number of Shares whereby such number (rounded down to the nearest whole number of Shares) shall have an aggregate value equal, on the date of exercise, to the difference between:
 - ~~(i) the aggregate middle market quotation on the date of exercise of the number of Shares in respect of which the Market Price Option is exercised; and~~
 - ~~(ii) the aggregate Option Price that would otherwise be payable in respect of such Shares.~~~~

~~8.5 Granting Market Price Option on share settlement terms~~

~~The Committee may alternatively resolve to grant a Market Price Option on the basis that, on exercise, the provisions of Rule 8.4 above shall apply to such Market Price Option.~~

~~9. VESTING OF AWARDS~~

~~9.1 Timing of Vesting: Normal Vesting Date~~

~~Subject to Rule 9.3 (*Restrictions on Vesting: regulatory and tax issues*) and Rules 9.6 and 9.7 (*Malus and clawback and Operation of Clawback*), [5.3](#) and [Rules 5.6 and 5.7](#), and except where Vesting occurs before the Normal Vesting Date under [Rule 10](#) or [Rule 11](#) an Award shall Vest on the later of:~~

- ~~(a) the date on which the Committee determines whether or not any Performance Condition and any other condition imposed on the Vesting of the Award has been satisfied (in whole or part); and~~
- ~~(b) the third anniversary of the Grant Date (or, in the case of a Restricted Shares Award ~~granted in exceptional circumstances~~, such earlier date or dates of Vesting as may be prescribed by the Committee ~~in respect of~~ [on](#) the ~~Award~~ [Grant Date](#)).~~

~~except where earlier Vesting occurs on an Early Vesting Date under Rule 14 (Leavers) or Rule 15 (Takeovers and other corporate events).~~

95.2 Extent of Vesting

An Award shall only Vest to the extent:

- (a) that any Performance Condition is satisfied on the Normal Vesting Date or, if appropriate, the Early Vesting Date;
- (b) as permitted by any other term imposed on the Vesting of the Award; and
- (c) in relation to Vesting before the Normal Vesting Date, as permitted by Rules ~~14.3 and 15.5 (Reduction in number of Vested Shares)~~[10.3](#) and [11.5](#).

Where, under Rule ~~14 (Leavers)~~[10](#) or Rule ~~15 (Takeovers and other corporate events)~~[11](#), an Award would (subject to the satisfaction of any Performance Condition) Vest before the end of the full period over which performance would be measured under the Performance Condition then, unless provided to the contrary by the Performance Condition, the extent to which the Performance Condition has been satisfied in such circumstances shall be determined by the Committee on such reasonable basis as it decides.

95.3 Restrictions on Vesting: regulatory and tax issues

An Award shall only ~~v~~[V](#)est on a dealing day for the purposes of the London Stock Exchange Daily Official List (assuming that Shares are quoted in such List on the day of Vesting, otherwise this restriction shall not apply) and not Vest unless and until the following conditions are satisfied:

- (a) the Vesting of the Award, and the issue or transfer of Shares after such Vesting, would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;
- (b) if, on the Vesting of the Award, a Tax Liability would arise by virtue of such Vesting and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule ~~9.5 (Payment of Tax Liability)~~[5.5](#), then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability;
- (c) the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the Vesting of the Award; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

~~For the purposes of this Rule 9.3, references to Group Member include any former Group Member.~~

95.4 Tax liability before Vesting

If a Participant will, or is likely to, incur any Tax Liability before the Vesting of an Award then that Participant must enter into arrangements acceptable to any relevant Group Member to ensure that it receives the amount of such Tax Liability. If no such arrangement is made then the Participant shall be deemed to have authorised the Company to sell or procure the sale of sufficient of the Shares subject to [his](#)/[their](#) Award on [his](#)/[their](#) behalf to ensure that the relevant Group Member receives the amount required to discharge the Tax Liability and the number of Shares subject to [his](#)/[their](#) Award shall be reduced accordingly.

~~For the purposes of this Rule 9.4, references to Group Member include any former Group Member.~~

95.5 Payment of Tax Liability

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following the Vesting of [his](#)/[their](#) Award on [his](#)/[their](#) behalf to ensure that any relevant Group Member or former Group Member receives the amount required to discharge the Tax Liability which arises on Vesting except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

95.6 Malus and clawback

Notwithstanding any other provision of the Plan and regardless of whether any Performance Condition has been satisfied, the Committee may decide:

- (a) at any time before an Award Vests that the number of Shares that would otherwise Vest shall be reduced (to nil if appropriate) (a "**Malus Adjustment**"); and/or
- (b) within 3 years of the Vesting of the Award, the Vested Award shall be repaid in whole or in part ("**Clawback**")

in either case, as a result of:

- (i) any material misstatement of the Group's financial results between the Grant Date and the Vesting Date (the "**Vesting Period**");
- (ii) any error in the calculation of the extent of Vesting of any Award during the Vesting Period;
- (iii) the Participant's actions during the Vesting Period having, in the reasonable opinion of the Committee, amounted to gross misconduct;

- (iv) the Participant's conduct during the Vesting Period having, in the reasonable opinion of the Committee, caused serious harm to the reputation of the Group and/or significant financial loss to the Group;
- (v) a material failure of risk management during the Vesting Period which caused serious harm to the reputation of the Group;
- (vi) a serious breach of health and safety during the Vesting Period which caused serious harm to the reputation of the Group.

95.7 Operation of Clawback

To ensure that any Clawback is satisfied, the Committee may:

- (a) reduce (to nil if appropriate):
 - (i) the amount of the next bonus (if any) which would otherwise be payable to the Participant under any bonus plan operated by any Group Member;
 - (ii) the extent of Vesting of any other subsisting Award under the Plan held by Participant;
 - (iii) the extent of vesting of any rights to acquire Shares granted to the Participant under any employees' share plan (other than a UK tax qualifying plan) operated by any Group Member;
 - (iv) the number of Shares subject to any vested but unexercised rights to acquire Shares granted to the Participant under any employees' share plan (other than a UK tax qualifying plan) operated by any Group Member; and / or
- (b) require the Participant to pay to such Group Member and on such terms as the Committee may direct, (including, but without limitation, on terms that the relevant amount is to be deducted from any payment to be made to the Participant by any Group Member), such amount as is required for the Clawback to be satisfied in full.

106. CONSEQUENCES OF VESTING

10.16.1 Conditional Awards

On or as soon as reasonably practicable after the Vesting of a Conditional Award, the Board shall, subject to Rule ~~9.5 (Payment of Tax Liability)~~ 5.5 and any arrangement made under Rules ~~9.3(b) and 9.3(c) (Restrictions on Vesting: regulatory and tax issues)~~ 5.3(b) and 5.3(c), transfer or procure the transfer of the Vested Shares to the Participant (or a nominee for ~~him~~them).

10.26.2 Options

An Option shall, subject to Rule ~~11.1 (Restrictions on the exercise of an Option: regulatory and tax issues)~~ 7.1, be exercisable in respect of Vested Shares for a period

of 10 years beginning with the Grant Date (or such shorter period beginning with the Grant Date as the Committee may have decided before the grant of the Option) and shall lapse at the end of that period unless it lapses earlier under ~~Rule 14.2 (Cessation of employment in other circumstances), Rule 15.1 (General offers), Rule 15.2 (Schemes of arrangement and winding up) or Rule 15.3 (Demergers and similar events)~~ 10.2, Rule 11.1, Rule 11.2 or Rule 11.3.

If an Option is not exercised during the last 30 days of the Exercise Period because of any regulatory restrictions referred to in Rule ~~11.1(a)~~ 7.1(a), the Committee may extend the period during which the Option may be exercised so as to permit the Option to be exercised as soon as those restrictions cease to apply.

~~10.3~~ 6.3 **Dividend equivalent**

If the Committee decided at any time under Rule ~~3.4(a) (Treatment of Dividends)~~ 3.4(a) that a Participant would be entitled to the Dividend Equivalent in relation to Shares under their Award, then the provision of the Dividend Equivalent to the Participant shall ~~(subject to Rule 10.4)~~ be made as soon as practicable after Vesting and;

- (a) in the case of a cash payment, shall be subject to such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable;
- (b) in the case of a provision of Shares, Rule ~~9.3 (Restrictions on Vesting: regulatory and tax issues), Rule 9.5 (Payment of Tax Liability)~~ 5.3, Rule 5.5 and Rules 9.6 and 9.7 (Malus and clawback and Operation of Clawback) 5.6 and 5.7 shall apply as if such provision was the Vesting of an Award.

~~10.4~~ In the case of a ~~Nil-Cost~~ an Option, a Dividend Equivalent shall accrue to the time of Vesting but shall only be paid at the time of exercise and, if provided in Shares, shall be subject to Rule ~~11.7~~ below.

~~10.5~~ 6.4 **Holding Period**

Where the Committee has determined that a Holding Period shall apply to an Award, the Committee shall transfer or allot the legal ownership of the number of Shares that Vest, in the case of a Conditional Award, or the number of Shares over which an Option is exercised, to the Participant on the condition that the Participant undertakes to comply with the ~~Schedule 4~~. The Vested Shares shall be subject to the provisions of the ~~Schedule 4~~ until the end of the Holding Period.

~~11.7.~~ **EXERCISE OF OPTIONS**

~~11.1~~ 7.1 **Restrictions on the exercise of an Option: regulatory and tax issues**

An Option which has Vested may not be exercised unless the following conditions are satisfied:

- (a) the exercise of the Option and the issue or transfer of Shares after such exercise would be lawful in all relevant jurisdictions and in compliance with the Listing Rules, any relevant share dealing code of the Company, the City

Code on Takeovers and Mergers and any other relevant UK or overseas regulation or enactment;

- (b) if, on the exercise of the Option, a Tax Liability would arise by virtue of such exercise and the Board decides that such Tax Liability shall not be satisfied by the sale of Shares pursuant to Rule ~~11.4 (Payment of Tax Liability)~~7.4, then the Participant must have entered into arrangements acceptable to the Board that the relevant Group Member will receive the amount of such Tax Liability;
- (c) the Participant has entered into such arrangements as the Committee requires (and where permitted in the relevant jurisdiction) to satisfy a Group Member's liability to social security contributions in respect of the exercise of the Option; and
- (d) where the Committee requires, the Participant has entered into, or agreed to enter into, a valid election under Part 7 of ITEPA (*Employment income: elections to disapply tax charge on restricted securities*) or any similar arrangement in any overseas jurisdiction.

~~For the purposes of this Rule 11.1, references to Group Member include any former Group Member.~~

~~11.2~~7.2 **Exercise in whole or part**

An Option must be exercised to the maximum extent possible at the time of exercise unless the Committee decides that a Participant may exercise the Option in respect of such fewer number of Shares as it decides.

~~11.3~~7.3 **Method of exercise**

The exercise of any Option shall be effected in the form and manner prescribed by the Board. Unless the Board, acting fairly and reasonably determines otherwise, any notice of exercise shall, subject to Rule ~~11.1 (Restrictions on the exercise of an Option: regulatory and tax issues)~~7.1, take effect only when the Company receives it, together with payment of any relevant Option Price (or, if the Board so permits, an undertaking to pay that amount).

~~11.4~~7.4 **Payment of Tax Liability**

The Participant authorises the Company to sell or procure the sale of sufficient Vested Shares on or following exercise of ~~his~~their Option on ~~his~~their behalf to ensure that any relevant Group Member receives the amount required to discharge the Tax Liability which arises on such exercise except to the extent that the Board decides that all or part of the Tax Liability shall be funded in a different manner.

~~11.5~~7.5 **Transfer or allotment timetable**

As soon as reasonably practicable after an Option has been exercised, the Company shall, subject to Rule ~~11.4 (Payment of Tax Liability)~~7.4 and any arrangement made under Rules ~~11.1(b) and 11.1(c) (Restrictions on exercise: regulatory and tax issues)~~7.1(b) and 7.1(c), transfer or procure the transfer to ~~him~~them (or a nominee for

~~him~~them) or, if appropriate, allot to ~~him~~them (or a nominee for ~~him~~them) the number of Shares in respect of which the Option has been exercised.

~~12.8.~~ CASH ALTERNATIVE AND OTHER CASH AWARDS

~~12.18.1~~ Committee determination

Where a Conditional Award Vests or where an Option has been exercised and Vested Shares have not yet been allotted or transferred to the Participant (or ~~his~~their nominee), the Committee may determine that, in substitution for ~~his~~their right to acquire such number of Vested Shares as the Committee may decide (but in full and final satisfaction of ~~his~~their right to acquire those Shares), ~~he~~they shall be paid by way of additional employment income a sum equal to the cash equivalent (as defined in Rule ~~12.38.3~~) of that number of Shares in accordance with the following provisions of this Rule ~~12.8~~.

~~12.28.2~~ Limitation on the application of Rule ~~12.18.1~~

Rule ~~12.18.1~~ shall not apply in relation to an Award made to a Participant in any jurisdiction where the presence of Rule ~~12.18.1~~ would cause:

- (a) the grant of the Award to be unlawful or for it to fall outside any applicable securities law exclusion or exemption; or
- (b) adverse tax or social security contributions consequences for the Participant or any Group Member as determined by the Board-

provided that this Rule 8.2 shall apply only if its application would prevent the occurrence of a consequence referred to in (a) or (b) above.

~~12.38.3~~ Cash equivalent

For the purpose of this Rule ~~12.8~~, the cash equivalent of a Share is:

- (a) in the case of a Conditional Award, the market value of a Share on the day when the Award Vests;
- (b) in the case of an Option, the market value of a Share on the day when the Option is exercised reduced by the Option Price (if any) in respect of that Share.

Market value on any day shall be determined as follows:

- (i) if on the day of Vesting or exercise, Shares are quoted in the London Stock Exchange Daily Official List, the middle-market quotation of a Share, as derived from that List, on that day; or
- (ii) if Shares are not so quoted, such value of a Share as the Committee reasonably determines.

~~12.4~~12.4~~8.4~~8.4 Payment of cash equivalent

~~Subject to Rule 12.5 (Share alternative), as~~ As soon as reasonably practicable after the Committee has determined under Rule ~~12.18.1~~ that a Participant shall be paid a sum in substitution for ~~his~~their right to acquire any number of Vested Shares:

- (a) the Company shall pay to ~~him~~them or procure the payment to ~~him~~them of that sum in cash; and
- (b) if ~~he has~~they have already paid the Company for those Shares, the Company shall return ~~to him~~ the amount ~~so paid by him~~to the Participant.

~~12.5~~ **Share alternative**

~~If the Committee so decides, the whole or any part of the sum payable under Rule 12.3 shall, instead of being paid to the Participant in cash, be applied on his behalf:~~

- ~~(a) in subscribing for Shares at a price equal to the market value by reference to which the cash equivalent is calculated; or~~
- ~~(b) in purchasing such Shares; or~~
- ~~(c) partly in one way and partly in the other~~

~~and the Company shall allot or transfer to him (or his nominee) or procure the transfer to him (or his nominee) of the Shares so subscribed for or purchased.~~

~~12.6~~12.6~~8.5~~8.5 Phantom Options

Alternatively, the Committee may determine that an Option shall take the form of a right (a "**Phantom Option**") to receive a cash sum calculated by reference to the growth in value of a specified number of notional Shares, on the basis that:

- (a) Rules ~~12.18.1~~ to ~~12.5~~12.5~~8.4~~8.4 above shall apply to determine the amount payable to a Participant on the exercise of a Phantom Option; and
- (b) the Rules of the Plan applying to Options shall, mutatis mutandis, apply equally to Phantom Options.

~~12.7~~12.7~~8.6~~8.6 Cash Conditional Awards

As a further alternative, the Committee may determine that a Conditional Award shall take the form of a right (a "**Cash Conditional Award**") to receive a cash sum calculated by reference to the value of a specified number of notional Shares, on the basis that:

- (a) Rules ~~12.18.1~~ to ~~12.5~~12.5~~8.4~~8.4 above shall apply to determine the amount payable to a Participant on the Vesting of a Cash Conditional Award; and
- (b) the Rules of the Plan applying to Conditional Awards shall, mutatis mutandis, apply equally to Cash Conditional Awards.

~~12.88.7~~ Deductions

There shall be deducted from any payment under this Rule ~~128~~ such amounts (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.

~~139.~~ LAPSE OF AWARDS

An Award shall lapse:

in accordance with the Rules or ~~(a) in accordance with the Rules; or~~

~~(b)~~ to the extent it does not Vest under these Rules.

~~1410.~~ LEAVERS

10.1 Leavers

If a Participant ceases to be a director or employee of a Group Member for any reason other than those specified in Rule 10.2 then any Award held by them shall lapse immediately on cessation.

~~14.1~~10.2 Good leavers

If a Participant ceases to be a director or employee of a Group Member before the Normal Vesting Date by reason of:

- (a) retirement with the agreement of ~~his~~their employer (and provided that the Participant re-confirms retirement status at Vesting);
- (b) ill health, injury or disability evidenced to the satisfaction of the Committee;
- (c) redundancy (within the meaning of the Employment Rights Act 1996) or any overseas equivalent;
- (d) death;
- (e) ~~his office or~~their employment ~~being with either a~~ company ~~which ceases~~ceasing to be a Group Member or their employment relating to a business or part of a business which is transferred ~~to a person who is not a~~out of the Group ~~Member~~;
- (f) for any other reason, if the Committee so decides at its discretion

then

- ~~1.~~ (i) subject to Rule ~~9.3 (Restrictions on Vesting: regulatory and tax issues), Rules 9.6 and 9.7 (Malus and clawback and Operation of Clawback) and Rule 15 (Takeovers and other corporate events), his~~ 5.3, Rules 5.6 and 5.7 and Rule 11, the Award shall Vest on the Normal Vesting Date and Rule ~~14.3 (Leavers: reduction in number of Vested Shares)~~10.3 shall apply; unless

(ii) the Committee decides that, ~~subject to Rule 9.3 (Restrictions on Vesting: regulatory and tax issues) and Rules 9.6 and 9.7 (Malus and clawback and Operation of Clawback), his~~ the Award shall Vest on the date of cessation ~~or on a later date which falls between the date of cessation and the Normal Vesting Date~~ and Rule ~~14.3 (Leavers: reduction in number of Vested Shares)~~10.3 shall apply,

and provided that where the Committee decides that a Participant's Award shall Vest after the date of cessation, the Committee may determine that Vesting will only occur provided that at any time prior to Vesting the Participant is not deemed by the Committee to be in breach of any restrictions which continue to apply to ~~him~~them after the termination of ~~his~~their employment or office at any time when those restrictions are expressed to apply and where the Committee determines that such a breach has occurred the Participant's Award shall lapse immediately.

Subject to the above proviso, ~~in both cases (i) and (ii) above~~ a Participant's Award shall lapse one year after the date on which it Vests or if a Participant ceases to be a director or employee of a Group Member on or after the Normal Vesting Date by reason of any of the matters set out above, ~~his~~their Award shall lapse one year after the date of such cessation provided that in either case the Committee shall have discretion to set a different period.

~~14.2 Cessation of employment in other circumstances~~

~~If a Participant ceases to be a director or employee of a Group Member for any reason other than those specified in Rule 14.1 (Good leavers) then any Award held by him shall lapse immediately on such cessation.~~

~~14.0.3~~ **Leavers: reduction in number of Vested Shares**

Where an Award Vests on or after a Participant ceasing to be a director or employee of a Group Member, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) applying a pro rata reduction to the number of Shares determined under ~~14.3(a)~~Rule 10.3(a) based on the period of time after the Grant Date and ending on the date of cessation relative to the period from the Grant Date to the Normal Vesting Date

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule ~~14.3(b)~~10.3(b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule ~~14.3(a)~~10.3(a).

If an Award Vests under any of Rules ~~15.1~~11.1 to ~~15.3~~11.3 when the holder of that Award has ceased to be a director or employee of a Group Member then this Rule ~~14.3~~10.3 shall take precedence over Rule ~~15.5~~11.5.

140.4 Meaning of ceasing employment

A Participant shall not be treated for the purposes of this Rule ~~14~~10 as ceasing to be a director or employee of a Group Member until such time as ~~he~~ ~~is~~ ~~they~~ ~~are~~ no longer a director or employee of any Group Member. If any Participant ceases to be such a director or employee before the Vesting of ~~his~~ ~~their~~ Award in circumstances where ~~he~~ ~~they~~ retains a statutory right to return to work then ~~he~~ ~~they~~ shall be treated as not having ceased to be such a director or employee until such time (if at all) as ~~he~~ ~~they~~ ceases to have such a right to return to work while not acting as an employee or director.

140.5 Death following cessation of employment

If a Participant dies following cessation of employment in circumstances where ~~his~~ ~~their~~ Award did not lapse but it has not Vested by the time of ~~his~~ ~~their~~ death, it shall Vest on the Normal Vesting Date unless the Committee decides that ~~his~~ ~~their~~ Award shall Vest immediately on ~~his~~ ~~their~~ death to the extent determined by reference to the time of cessation of employment in accordance with Rule ~~14.1~~10.2.

~~15~~11. TAKEOVERS AND OTHER CORPORATE EVENTS

~~15~~1.1 General offers

If any person (or group of persons acting in concert):

- (a) obtains Control of the Company as a result of making a general offer to acquire Shares; or
- (b) having obtained Control of the Company makes such an offer and such offer becomes unconditional in all respects

the Board shall within 7 days of becoming aware of that event notify every Participant of it and, subject to Rule ~~15.4~~ ~~(Internal reorganisations)~~11.4, the following provisions shall apply:

- (i) subject to Rule ~~9.3~~ ~~(Restrictions on Vesting: regulatory and tax issues)~~5.3 and Rules ~~9.6 and 9.7~~ ~~(Malus and clawback and Operation of Clawback)~~5.6 and 5.7, all Awards shall Vest ~~on the date of such notification if they have not then Vested~~ and Rule ~~15.5~~ ~~(Corporate events: reduction in number of Vested Shares)~~11.5 shall apply; and
- (ii) any Option may, subject to Rule ~~11.1~~ ~~(Restrictions on exercise)~~7.1 be exercised within one month of the date of such notification, but to the extent that an Option is not exercised within that period, that Option shall (regardless of any other provision of the Plan) lapse at the end of that period.

~~15~~1.2 Schemes of arrangement and winding up

In the event that:

- (a) a compromise or arrangement is sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change in Control of the Company; or
- (b) the Company passes a resolution for a voluntary winding up of the Company; or
- (c) an order is made for the compulsory winding up of the Company

all Awards shall, subject to Rule ~~9.3 (Restrictions on Vesting: regulatory and tax issues)~~5.3 and Rules ~~9.6 and 9.7 (Malus and clawback and Operation of Clawback)~~5.6 and 5.7, and Rule ~~15.4 (Internal reorganisations)~~11.4, Vest on the date of such event if they have not then Vested and Rule ~~15.5 (Corporate events: reduction in number of Vested Shares)~~11.5 shall apply.

If an event described in this Rule occurs then an Option may, subject to Rule ~~11.1 (Restrictions on exercise)~~7.1 and Rule ~~15.4 (Internal reorganisations)~~11.4, be exercised within one month of such event, but to the extent that the Option is not exercised within that period, it shall (regardless of any other provision of the Plan) lapse at the end of that period.

151.3 Demergers and similar events

If a demerger, special dividend or other similar event (the "**Relevant Event**") is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may, at its discretion, decide that the following provisions shall apply:

- (a) the Committee shall, as soon as reasonably practicable after deciding to apply these provisions, notify a Participant that, subject to earlier lapse under Rule ~~14 (Leavers), his~~10, their Award Vests and, if relevant, ~~his~~their Option may be exercised, each on such terms as the Committee may determine and during such period preceding the Relevant Event or on the Relevant Event as the Committee may determine;
- (b) if an Award Vests, or an Option is exercised, conditional upon the Relevant Event and such event does not occur then the conditional Vesting or exercise shall not be effective and the Award shall continue to subsist; and
- (c) if the Committee decides that an Award Vests under this Rule ~~15.3~~11.3 then the date of that Vesting shall be the Early Vesting Date and the provisions of Rule ~~15.5 (Corporate events: reduction in number of Vested Shares)~~11.5 shall apply.

151.4 Internal reorganisations

In the event that:

- (a) a company (the "**Acquiring Company**") is expected to obtain Control of the Company as a result of an offer referred to in Rule ~~15.1 (General offers)~~11.1

or a compromise or arrangement referred to in Rule ~~15.2(a)~~ (~~Schemes of arrangement and winding up~~)11.2(a); and

- (b) at least 75% of the shares in the Acquiring Company are expected to be held by substantially the same persons who immediately before the obtaining of Control of the Company were shareholders in the Company

then the Committee, with the consent of the Acquiring Company, may decide before the obtaining of such Control that an Award shall not Vest under Rule ~~15.1~~11.1 or Rule ~~15.2~~11.2 but shall be automatically surrendered in consideration for the grant of a new award which the Committee determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company.

The Rules will apply to any new award granted under this Rule ~~15.4~~11.4 as if references to Shares were references to shares over which the new award is granted and references to the Company were references to the company whose shares are subject to the new award.

~~15~~11.5 **Corporate events: reduction in number of Vested Shares**

If an Award Vests under any of Rules ~~15.1~~11.1 to ~~15.3~~11.3, the Committee shall determine the number of Vested Shares of that Award by the following steps:

- (a) applying any Performance Condition and any other condition imposed on the Vesting of the Award; and
- (b) subject to Rule ~~14.3~~ (~~Leavers: reduction in number of Vested Shares~~)10.3, by applying a pro rata reduction to the number of Shares determined under Rule ~~15.5(a)~~11.5(a) based on the period of time after the Grant Date and ending on the Early Vesting Date relative to the period from the Grant Date to the Normal Vesting Date

unless the Committee, acting fairly and reasonably, decides that the reduction in the number of Vested Shares under Rule ~~15.5(b)~~11.5(b) is inappropriate in any particular case when it shall increase the number of Vested Shares to such higher number as it decides provided that number does not exceed the number of Shares determined under Rule ~~15.5(a)~~11.5(a).

If an Award Vests under any of Rules ~~15.1~~11.1 to ~~15.3~~11.3 after the holder of that Award has ceased to be a director or employee of a Group Member then Rule ~~14.3~~10.3 shall take precedence over this Rule ~~15.5~~11.5.

~~16~~12. **ADJUSTMENT OF AWARDS**

~~16~~12.1 **General rule**

~~In the event of:~~

- (a) ~~any variation of the share capital of the Company; or~~

- (b) In the event of any variation of the share capital of the Company or a demerger, special dividend or other similar event which affects the market price of Shares to a material extent

the Committee may make such adjustments as it considers appropriate under Rule ~~16.2 (Method of adjustment)~~12.2.

16.2 **Method of adjustment**

An adjustment made under this Rule shall be to one or more of the following:

- (a) the number of Shares comprised in an Award;
- (b) subject to Rule ~~16.3 (Adjustment below nominal value)~~12.3, the Option Price; and
- (c) where an Award has Vested or an Option has been exercised but no Shares have been transferred or allotted after such Vesting or exercise, the number of Shares which may be so transferred or allotted and (if relevant) the price at which they may be acquired.

16.3 **Adjustment below nominal value**

An adjustment under Rule ~~16.2~~12.2 may have the effect of reducing the price at which Shares may be subscribed for on the exercise of an Option to less than their nominal value, but only if and to the extent that the Board is authorised:

- (a) to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option is exercised and which are to be allotted after such exercise exceeds the price at which the Shares may be subscribed for; and
- (b) to apply that sum in paying up such amount on such Shares

so that on exercise of any Option in respect of which such a reduction shall have been made the Board shall capitalise that sum (if any) and apply it in paying up that amount.

~~17~~13. **ALTERATIONS**

~~17~~3.1 **General rule on alterations**

Except as described in Rule ~~17.2 (Shareholder approval)~~13.2, and Rule ~~17.4 (Alterations to disadvantage of Participants)~~13.4 the Committee may at any time alter the Plan or the terms of any Award.

~~17~~3.2 **Shareholder approval**

Except as described in Rule ~~17.3 (Exceptions to shareholder approval)~~13.3, no alteration to the advantage of ~~an individual to whom an Award has been or may be granted shall be made under Rule 17.1 to the provisions concerning:~~ a Participant to

any provisions concerning the following matters shall be made without the prior approval by ordinary resolution of the members of the Company:

- (a) eligibility;
- (b) the individual limits on participation;
- (c) the overall limits on the issue of Shares or the transfer of treasury Shares;
- (d) the basis for determining a Participant's entitlement to, and the terms of, Shares or cash provided under the Plan;
- (e) the adjustments that may be made in the event of any variation of capital; and
- (f) the terms of this Rule ~~17.2~~13.2.

~~without the prior approval by ordinary resolution of the members of the Company in general meeting.~~

17.3.3 **Exceptions to shareholder approval**

Rule ~~17.2~~ (~~Shareholder approval~~)13.2 shall not apply to:

- (a) any minor alteration to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Member; or
- (b) any alteration to a Performance Condition made under Rule ~~17.5~~13.5.

17.3.4 **Alterations to disadvantage of Participants**

No alteration to the material disadvantage of Participants (other than to any Performance Condition) shall be made under Rule ~~17.1~~13.1 unless:

- (a) the Board shall have invited every relevant Participant to indicate whether or not ~~he~~they approves the alteration; and
- (b) the alteration is approved by a majority of those Participants who have given such an indication.

17.3.5 **Alterations to a Performance Condition**

The Committee may amend any Performance Condition without prior shareholder approval if:

- (a) an event has occurred which causes the Committee reasonably to consider that it would be appropriate to amend the Performance Condition;
- (b) the altered Performance Condition will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unaltered Performance Condition would have been but for the event in question; and

(c) the Committee shall act fairly and reasonably in making the alteration.

1814. MISCELLANEOUS

184.1 Employment

The rights and obligations of any individual under the terms of ~~his~~their office or employment with any Group Member shall not be affected by ~~his~~their participation in the Plan or any right which ~~he~~they may have to participate in it. An individual who participates in the Plan waives any and all rights to compensation or damages in consequence of the termination of ~~his~~their office or employment for any reason whatsoever (and regardless of whether such termination is lawful or unlawful) insofar as those rights arise or may arise from ~~him~~them ceasing to have rights under an Award as a result of such termination. Participation in the Plan shall not confer a right to continued employment upon any individual who participates in it. The grant of any Award does not imply that any further Award will be granted nor that a Participant has any right to receive any further Award.

184.2 Disputes

- (a) In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or relating to the Plan, the decision of the Committee shall be final and binding upon all persons.
- (b) The exercise of any power or discretion by the Committee shall not be open to question by any person and a Participant or former Participant shall have no rights in relation to the exercise of or omission to exercise any such power or discretion.

184.3 Share rights

- (a) All Shares allotted under the Plan shall rank equally in all respects with Shares then in issue except for any rights attaching to such Shares by reference to a record date before the date of the allotment.
- (b) Where Vested Shares are transferred to Participants (or their nominee), Participants will be entitled to all rights attaching to such Shares by reference to a record date on or after the date of such transfer.

184.4 Notices

- (a) Any notice or other communication under or in connection with the Plan may be given in such manner as the Board consider to be appropriate, which may include communication by email or intranet or by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to ~~his~~their last known address, or, where ~~he~~is~~they~~are a director or employee of a Group Member, either to ~~his~~their last known address or to the address of the place of business at which ~~he~~they performs the whole or substantially the whole of the duties of ~~his~~their office or employment.

- (b) Where any such notice or other communication is given by a Participant to the Company, it shall be effective only on receipt by the Company.

184.5 **Third parties**

No third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

184.6 **Benefits not pensionable**

Benefits provided under the Plan shall not be pensionable.

184.7 **Data protection**

(a) If a Participant is employed outside the European Economic Area or the United Kingdom and consent is needed for the collection, processing or transfer of their personal data under applicable local law, by participating in the Plan, the Participant gives their consent for the purposes of the Plan.

(b) For the purposes of compliance with the General Data Protection Regulation (EU) 2016/679, and any UK or other legal or regulatory equivalent, the Company will separately provide a Participant with information on the collection, processing and transfer of their personal data, including the grounds for processing.

(c) If UK law diverges from EU law, then any references in the plan documentation to EU legislation will be interpreted as to the UK equivalent legislation, as in force from time to time.

184.8 **Governing law**

The Plan and all Awards shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales have exclusive jurisdiction to hear any dispute.

SCHEDULE 1

~~THE VESUVIUS UK COMPANY SHARE OPTION PLAN TO BE APPROVED BY HM REVENUE & CUSTOMS UNDER SCHEDULE 4 TO THE INCOME TAX (EARNINGS AND PENSIONS) ACT 2003 ("ITEPA")~~

Application of the Plan

~~The Rules of the Vesuvius Share Plan (the "**Plan**") shall apply to Market Price Options granted under this Schedule. No other type of Award may be granted under this Schedule. In the event of any conflict between the Rules of the Plan and this Schedule, the provisions of this Schedule will have effect so far as they relate to Market Price Options granted under this Schedule.~~

Definitions and Interpretation

~~In this Schedule, the following definitions shall apply and shall replace (where relevant) the equivalent definitions in Rule 1.1 of the Plan:~~

~~"**Connected Person**" means a connected person as defined by section 993 of the Income Tax Act 2007;~~

~~"**HMRC**" means HM Revenue & Customs;~~

~~"**Restriction**" means a restriction as defined in paragraph 36(3) of Schedule 4;~~

~~"**Schedule 4**" means Schedule 4 to ITEPA; and~~

~~"**Shares**" means fully paid ordinary shares in the Company which satisfy the requirements of paragraphs 16 to 18 and paragraph 20 of Schedule 4.~~

Eligibility

~~An individual is eligible to be granted an Approved Option under this Schedule if he is (1) an employee of a Participating Company (other than one who is a director of a Participating Company) or (2) a director employed by a Participating Company who is required to devote not less than 25 hours per week (excluding meal breaks) to his duties and who, in either case, is not ineligible to participate in this Schedule by virtue of paragraph 9 of Schedule 4 to ITEPA.~~

Grant of Options

~~Rule 3 of the Plan shall be amended by the addition of the following Rule 3.9:~~

~~"3.9 No Approved Options may be granted before the date on which this Schedule is approved by HMRC under Schedule 4 and this date shall be an exceptional circumstance for the purposes of Rule 3.6(b) of the Plan."~~

Additional Terms

~~Rule 3.1(b) of the Plan shall be amended by adding after "as the Committee may specify", the words "provided that such additional terms are not inconsistent with the provisions of this Schedule and that any Performance Condition be objective in nature".~~

~~HMRC Limit~~

~~Rule 4 of the Plan shall be amended by the addition of the following Rule 4.8.~~

~~"4.8 No person shall be granted an Approved Option which would, at the time it is granted, cause the total market value of the shares which he may acquire as a result of options granted to him (and not exercised) under:~~

- ~~(a) this Schedule; and~~
- ~~(b) any other share option plan approved under Schedule 4 and established by the Company or by any associated company of the Company~~

~~to exceed £30,000 (or such other limit as may from time to time be imposed by Schedule 4) and for these purposes the **market value** of the Shares over which an Approved Option is to be granted shall be taken to be an amount equal to:~~

- ~~(i) the middle market quotation of such Shares (as derived from the London Stock Exchange Daily Official List) on the dealing day before the Grant Date or, if the Committee so determines, the average of the middle market quotations during a period determined by the Committee not exceeding the period of 5 dealing days ending with the dealing day before the Grant Date provided such dealing days(s) do not fall within any period when dealings in shares are prohibited under the Company's share dealing code; or~~
- ~~(ii) if Rule 4.8(i) does not apply, the market value (within the meaning of Part VIII of the Taxation of Chargeable Gains Act 1992) of Shares, as agreed in advance for the purposes of this Schedule with HMRC Shares and Assets Valuation, on the Grant Date (or on such other day(s) as may be agreed with HMRC Shares and Assets Valuation).~~

~~The price at which Shares may be acquired shall be determined under this Rule 4.8 as if any Restriction to which the Shares are subject does not apply."~~

~~Market Value~~

~~Rules 8.2(a), (b) and (c) shall be deleted and replaced with the following:~~

~~"The Option Price under an Approved Option shall not be less than:~~

- ~~(a) if Shares are quoted in the London Stock Exchange Daily Official List, the middle market quotation of the Shares (as derived from that List) on the dealing day before the Grant Date or, if the Committee so determines, the average of the middle market quotations during a period determined by the Committee not exceeding the period of 5 dealing days ending with the dealing day before the Grant Date provided that such dealing day(s) do not fall in any period when dealings in Shares are prohibited under the Company's share dealing code;~~

~~(b) if Rule 8.2(a) does not apply, the market value (within the meaning of Part VIII of the Taxation of Chargeable Gains Act 1992) of Shares, as agreed in advance for the purposes of this Schedule with HMRC Shares and Assets Valuation, on the Grant Date (or on such other day(s) as may be agreed with HMRC Shares and Assets Valuation).~~

~~The price at which Shares may be acquired shall be determined under this Rule 8.2 as if any Restriction to which the Shares are subject does not apply."~~

Restrictions

~~Rule 8 shall be amended by the addition of the following Rule 8.6:~~

~~"8.6—At the time the Option is granted it shall be stated whether or not the Shares may be subject to any Restriction and if so the details of any such Restriction."~~

Tax liability before Vesting

~~Rule 9.4 of the Plan shall be amended by deleting the words "and the number of Shares subject to his Award shall be reduced accordingly." from the end of the first paragraph.~~

Exercise of Options

~~Rule 11 shall be amended by:~~

~~(a) deleting Rule 11.1(b) and replacing it with the following:~~

~~"(b) if a Tax Liability would arise by virtue of the exercise of the Option, then the Participant must have either:~~

~~(i) made a payment to the relevant Group Member of an amount at least equal to the Company's estimate of the Tax Liability; or~~

~~(ii) entered into arrangements acceptable to the Board to secure that such a payment is made (whether by authorising the sale of some or all of the Shares on his behalf and the payment to the Group Member of the relevant amount out of the proceeds of sale or otherwise);"~~

~~(b) the addition of the following Rule 11.2 and the re-numbering of the subsequent sub-rules of Rule 11:~~

~~"11.2—A Participant shall not be eligible to exercise an Approved Option at any time when he is not eligible to participate in this Schedule by virtue of paragraph 9 of Schedule 4."~~

~~(e) amending Rule 11.3 (*Method of exercise*) by inserting the following words at the end of Rule 11.3:~~

~~"and, where applicable, payment relating to the Tax Liability in accordance with Rule 11.1(b) or an agreement to secure that such a payment is made under arrangements acceptable to the Board."~~

- (d) ~~deleting Rule 11.4 (Payment of Tax Liability) and the re-numbering of the subsequent sub-rules of Rule 11;~~
- (e) ~~deleting Rule 11.5 (Transfer or allotment timetable) and replacing it with the following:~~

~~"Within 30 days after an Option has been exercised by a Participant, the Company shall, subject to Rule 11.1(b) and 11.1(c) (Restrictions on exercise: regulatory and tax issues), allot to him (or a nominee authorised by him) or, if appropriate, transfer or procure the transfer to him (or a nominee authorised by him) of the number of Shares in respect of which the Option has been exercised."~~

Deceased Participants

~~The provisions relating to deceased employees in Rule 14 of the Plan shall be replaced with the following:~~

~~"If a Participant dies at a time when either he is a director or employee of a Group Member or he is or may be entitled to exercise the Approved Option under Rule 14.1, the following provisions apply:~~

- (a) ~~any Approved Option granted to him that is already capable of exercise at the time of death shall, subject to Rules 11.1 and 11.2, continue to be capable of exercise by his personal representatives for a period of 12 months after his death and if not exercised shall lapse at the end of that period;~~
- (b) ~~any other Approved Option granted to him may, subject to any applicable Performance Condition and Rules 11.1 and 11.2, be exercised by his personal representatives during the period of 12 months after his death and if not exercised shall lapse at the end of that period; and~~
- (c) ~~in both cases (a) and (b) above, the period of exercise shall be shortened if Rule 10.2 or any of Rules 15.1 to 15.5 applies.~~

Good leavers

- (a) ~~Rule 14.1(b) of the Plan shall be amended by deleting the following words:~~

~~"evidenced to the satisfaction of the Committee".~~

- (b) ~~Rule 14.1(f) of the Plan shall be amended by adding the following words after the words "if the Committee":~~

~~"acting fairly and reasonably,"~~

- (c) ~~Rule 14.1(i) and (ii) shall be deleted and replaced with the following:~~

~~"(i) any Approved Option granted to him that is already capable of exercise at the date of cessation shall, subject to Rule 9.3 (Restrictions on vesting: regulatory and tax issues) and Rule 15 (Takeovers and other corporate events), continue~~

~~to be capable of exercise for a period of 12 months after the date of cessation; and~~

~~(ii) any other Approved Options granted to him may, subject to Rule 9.3 (Restrictions on vesting: regulatory and tax issues) and Rule 15 (Takeovers and other corporate events), be exercised during the period of 12 months after the date of cessation (or such longer period as the Committee may determine being not greater than 42 months after the Grant Date) and Rule 14.3 (Leavers: reduction in number of Vested Shares) shall apply"~~

~~(a) The last paragraph of Rule 14.1 of the Plan shall be deleted and replaced with the following:~~

~~"A Participant's Award shall lapse one year after the date on which it Vests or if a Participant ceases to be a director or employee of a Group Member on or after the Normal Vesting Date by reason of any of the matters set out above; his Award shall lapse one year after the date of such cessation."~~

~~(e) Rule 14.3 shall be amended by deleting in its entirety the paragraph under Rule 14.3(b) beginning "unless the Committee, acting fairly and reasonably".~~

Takeovers and other corporate events

~~Rules 15.1 and 15.2 shall be deleted and replaced with the following (and the subsequent sub-rules of Rule 15 shall be re-numbered):~~

~~"15.1 If any person (or any group of persons acting in concert) obtains Control of the Company as a result of making a general offer to acquire:~~

~~(a) the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the acquiring company will have Control of the Company; or~~

~~(b) all the Shares~~

~~the Board shall within 7 days of becoming aware of that event notify every Participant of it and, subject to Rule 9.2(a), Rule 10.2 (Options), Rule 11.1 (Restrictions on exercise), Rule 14 (Leavers and deceased Participants) and Rule 15.6 (Internal reorganisations), any Option may be exercised within one month after such notification or such longer period as the Committee may permit, provided such period is not later than 6 months after such person has obtained Control of the Company and Rule 15.5 (Corporate events: reduction in number of Vested Shares) shall apply.~~

~~For the purposes of this Rule 15.1:~~

~~(a) the reference to the "issued ordinary share capital" of the Company does not include any capital already held by the person making the offer or held by any Connected Person of that person;~~

- ~~(b) the reference to "Shares" does not include any Shares already held by the person making the offer or held by a Connected Person of that person; and~~
- ~~(c) it does not matter if the general offer is made to different shareholders by different means.~~

~~15.2 In the event that any person becomes bound or entitled to acquire shares in the Company under sections 979 to 982 or 983 to 985 of the Companies Act 2006 the Committee shall, as soon as practicable, notify every Participant of that event and, subject to Rule 9.2(a), Rule 10.2 (Options), Rule 11.1 (Restrictions on exercise), Rule 14 (Leavers and deceased Participants) and Rule 15.6 (Internal reorganisations), any Option may be exercised at any time when that person remains so bound or entitled and Rule 15.5 (Corporate events: reduction in number of Vested Shares) shall apply, but to the extent that it is not exercised within that period an Option shall (regardless of any other provision of the Plan) lapse at the end of that period.~~

~~15.3 In the event that under section 899 of the Companies Act 2006 (or other local procedure which HMRC agrees is equivalent) a court sanctions a compromise or arrangement applicable to or affecting:~~

- ~~(a) all the ordinary share capital of the Company or all Shares of the same class as the Shares; or~~
- ~~(b) all the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in an approved company share option scheme~~

~~an Option may, subject to Rule 9.2(a), Rule 10.2 (Options), Rule 11.1 (Restrictions on exercise), Rule 14 (Leavers and deceased Participants) and Rule 15.6 (Internal reorganisations), be exercised within one month after such event and Rule 15.5 (Corporate events: reduction in number of Vested Shares) shall apply, but to the extent that the Option is not exercised within that period it shall (regardless of any other provision of the Plan) lapse at the end of that period.~~

~~15.4 In the event that:~~

- ~~(a) the Company passes a resolution for a voluntary winding up of the Company; or~~
- ~~(b) an order is made for the compulsory winding up of the Company~~

~~an Option may, subject to Rule 9.2(a), Rule 10.2 (Options), Rule 11.1 (Restrictions on exercise), Rule 14 (Leavers and deceased Participants) and Rule 15.6 (Internal reorganisations), be exercised within one month of such event, but to the extent that the Option is not exercised within that period, it shall (regardless of any other provision of the Plan) lapse at the end of that period."~~

Demergers and similar events

~~Rule 15.3(a) (*Demergers and similar events*) shall be amended by deleting "on such terms as the Committee may determine and".~~

Internal reorganisations

~~Rule 15.4 (*Internal reorganisation*) shall be amended by replacing the words "but shall be automatically surrendered in consideration of the grant of a new award which the Committee determines is equivalent to the Award it replaces except that it will be over shares in the Acquiring Company or some other company" with the words "but instead a Participant may be invited to release his Approved Option in consideration of the grant of a new option in accordance with Rule 15.8 below".~~

Exchange of Options

~~The following Rules 15.8 and 15.9 shall be added to Rule 15:~~

~~"15.8 If any company (the "**acquiring company**"):~~

- ~~(a) obtains Control of the Company as a result of making a general offer to acquire;~~
 - ~~(i) the whole of the issued share capital of the Company (other than that which is already owned by it) which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company); or~~
 - ~~(ii) all the Shares (other than those Shares already owned by it); or~~
- ~~(b) obtains control of the Company as a result of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006; or~~
- ~~(c) becomes bound or entitled to acquire shares in the Company under sections 979 to 982 or 983 to 985 of the Companies Act 2006~~

~~any Participant may, at any time within the relevant period specified under paragraph 26(3) of Schedule 4, by agreement with the acquiring company, release any Approved Option granted under this Schedule (the "**Old Option**") in consideration of the grant to him of an Option (the "**New Option**") which for the purposes of paragraph 27 of Schedule 4 is equivalent to the Old Option but relates to shares in a different company (whether the acquiring company itself or some other company falling within paragraph 16(b) or (c) of Schedule 4).~~

~~For the purposes of this Rule 15.8:~~

- ~~(a) the reference to the "issued ordinary share capital" of the Company does not include any capital already held by the person making the offer or held by any Connected Person of the person;~~
- ~~(b) the reference to "Shares" does not include any Shares already held by the person making the offer or held by a Connected Person of the person; and~~

~~(e) it does not matter if the general offer is made to different shareholders by different means;~~

~~15.9 Where a New Option is granted under Rule 15.8, the following terms of the Plan shall, in relation to the New Option, be construed as if:~~

~~(a) except for the purposes of the definitions of "Group Member", "Participating Company" and "Subsidiary" in Rule 1.1 and the reference to the "Committee" in Rule 10.2, the expression "the Company" were defined as "a company whose shares may be acquired by the exercise of Approved Options granted under the Plan";~~

~~(b) any Performance Condition had been satisfied (subject to any alterations made under Rule 17.5, including the altered Performance Condition applying to the New Option); and~~

~~(c) Rule 17.2 were omitted."~~

Omitted Rules

~~Rules 3.4 (Treatment of Dividends), 4.4 (a)(ii)(A) (Allocated Shares), 8.4 and 8.5 (Share Settlement), 10.3 and 10.4 (Dividend Equivalent) and 12 (Cash Alternative and other Cash Awards) shall not apply to Approved Options granted under this Schedule.~~

Variation of Share Capital

~~Rule 16 of the Plan shall be amended by the addition of the following Rule 16.4:~~

~~"Rule 16.1(b) shall not apply to any Approved Option granted under this Schedule and, while this Schedule remains approved by HMRC, no adjustment to Approved Options may be made under Rule 16.2 without the prior approval of HMRC."~~

Alterations

~~(a) Rule 17.1 shall be amended by deleting "or the terms of any Awards".~~

~~(b) The following additional words shall be added at the end of Rule 17.1:~~

~~"If an alteration is made to a key feature (as defined in paragraph 30(4) of Schedule 4) of the Plan at a time when this Schedule is approved by HMRC under Schedule 4, the alteration will not have effect unless and until either HMRC has approved the alteration or the Committee resolves that the alteration shall take effect even if this causes this Schedule to cease to be approved under Schedule 4. The Committee will notify HMRC if an alteration is made to a key feature which causes this Schedule to cease to be approved under Schedule 4."~~

~~(c) Rule 17.5(b) shall be amended by deleting the words "no materially less difficult" and replacing them with the words "no more difficult".~~

SCHEDULE 2

~~THE VESUVIUS US INCENTIVE STOCK OPTION PLAN GOVERNED BY SECTIONS 421 AND 422 OF THE US CODE~~

~~Application of the Plan~~

~~The Rules of the Vesuvius Share Plan (the "Plan") shall apply to Incentive Stock Options granted under this Schedule. In the event of any conflict between the Rules of the Plan and this Schedule, the provisions of this Schedule will have effect so far as they relate to Incentive Stock Options granted under this Schedule.~~

~~Definitions and Interpretation~~

~~In this Schedule:~~

~~"Incentive Stock Option" or "ISO" means an Option as defined in and satisfying the requirements of section 422 of the US Code;~~

~~"Market Value" at any date means the fair market value of a Share on that date, as reasonably determined by the Committee, provided that if on such date the Shares are quoted in the London Stock Exchange Daily Official List, the fair market value shall be not less than the middle market quotation of a Share (as derived from that List) on the Grant Date;~~

~~"Non-Qualified Stock Option" means an Option which is not an Incentive Stock Option.~~

~~Grant of Incentive Stock Options~~

~~The Committee may grant an ISO over Shares to any US Participant upon the terms set out in the Plan and subject to the additional terms and conditions in this Schedule provided that the US Participant is an employee of the Company; or a "subsidiary corporation" (as defined in section 424(f) of the Code) with respect to the Company; or a "parent corporation" (as defined in section 424(e) of the Code) with respect to the Company.~~

~~Option Price for Incentive Stock Options~~

~~Subject to paragraph 4(b) below, the Option Price for a Share subject to an ISO granted under this Schedule may not be less than the Market Value of the Share on the Grant Date.~~

~~A person who, within the meaning of section 422(b)(6) of the Code, is deemed to own Shares possessing more than 10% of the total combined voting power of all classes of shares of the Company (or of its parent or subsidiary corporations within the meaning of section 424 of the Code) shall be eligible to receive an ISO only if the Option Price of a Share is at least 110% of the Market Value of the Share on the Grant Date and only if the term of the Option does not exceed 5 years.~~

~~Individual Limit~~

~~The aggregate Market Value determined at the Grant Date of the number of Shares with respect to which ISOs first become exercisable by any US Participant in any calendar year~~

~~under the Plan (or any other stock option required to be taken into account under section 422(d) of the Code) shall not exceed US \$100,000.~~

~~To the extent that this US \$100,000 limit is exceeded, an ISO will be treated as a Non-Qualified Stock Option.~~

~~Each Option that is intended to be granted as an ISO shall so indicate that, and to what extent, the Option is intended to be an ISO.~~

~~Leavers~~

~~Section 421(a) of the Code will not apply to an ISO unless it is exercised no more than:~~

- ~~(a) 12 months after the date of termination of employment because of "permanent and total disability" (as defined in Code section 22(e)(3)); or~~
- ~~(b) 3 months after the date of termination of employment for any reason other than that described in paragraph (a) and death (provided that the employment regulations in US Treasury Regulation 1.421-1(h) were satisfied by the US Participant at the time of the US Participant's death or within 3 months before that time).~~

~~Other Dispositions~~

- ~~(a) Section 421(a) of the Code will not apply to Shares acquired upon exercise of ISOs if such Shares are disposed of in a disqualifying disposition within the meaning of section 422 of the Code by a US Participant within either 2 years from the Grant Date of such Option or 1 year from the issue or transfer of the Shares to satisfy such Option, or in any other disqualifying disposition within the meaning of section 422 of the Code.~~
- ~~(b) If a disqualifying disposition occurs, the US Participant shall be required to notify the Company in writing as soon as practicable of the date and terms of the disposition and, if the Company (or any affiliate) has a tax withholding obligation, the US Participant shall pay to the Company (or affiliate) an amount equal to any withholding tax the Company (or affiliate) is required to pay as a result of the disqualifying disposition.~~

~~Maximum Aggregate Number of Shares subject to ISOs~~

~~The maximum aggregate number of Shares subject to ISOs granted under this Schedule is such number as represents 5% of the ordinary share capital of the Company in issue on Admission.~~

~~Modifications~~

~~Any modification, extension or renewal of an ISO shall be subject to the terms of Treasury Regulation 1.424-1.~~

~~Timing of Grant of ISOs~~

~~The ISO must be granted within 10 years from the earlier of (i) the date on which the Plan is adopted and (ii) the date the Plan is approved by shareholders of the Company.~~

~~**Non-transferability**~~

~~The ISO must be exercisable during the lifetime of the US Participant only by the US Participant.~~

~~**Miscellaneous**~~

~~Notwithstanding any other provision of the Plan, the Company will not be required to issue or transfer or cause to be issued or transferred any Shares if at such time such issuance or transfer would violate the United States Federal Securities laws or any other laws of the United States or any state of the United States. In addition, the holder of any Shares acquired under the Plan agrees not to sell or transfer such Shares in violation of the United States Federal Securities laws or any other laws of the United States or any state of the United States. The Company shall have the right in its sole discretion to modify the terms of the Plan at any time and from time to time as it deems necessary or appropriate to ensure or facilitate such compliance and to include appropriate legends on any Options or Shares issued or transferred or caused to be issued or transferred to persons under the Plan.~~

SCHEDULE 3

THE VESUVIUS FRENCH APPROVED OPTION PLAN

1. Application of the Plan

~~The Rules of the Vesuvius Share Plan (the "Plan") shall apply to Market Price Options granted under this Schedule. No other type of Award may be granted under this Schedule. In the event of any conflict between the Rules of the Plan and this Schedule, the provisions of this Schedule will have effect so far as they relate to Market Price Options granted under this Schedule.~~

2. Options to subscribe

~~Only options to subscribe for new shares ("Approved Options") may be granted in accordance with the terms of this Schedule to French resident employees of any Participating Company.~~

3. Option Price

~~The Option Price under an Approved Option as determined in accordance with Rule 8.2 of the Plan shall be at least equal to 80% of the average of the middle market quotations of the Shares (as derived from the London Stock Exchange Daily Official List) over the 20 dealing days ending with the day immediately before the Grant Date of the Approved Option.~~

4. 10% holding

~~In addition to being a Participating Company, any company whose French resident employees are granted Approved Options must be a company in which the Company holds (directly or indirectly) at least 10% of the share capital (Article L225-180 of the French Commercial Code ("FCC")).~~

5. Eligible French Employees

~~Notwithstanding Rule 2 of the Plan, Approved Options may only be granted to employees, the Chairman of the Board (*Président du Conseil d'Administration*), the Managing Directors (*Directeurs Généraux*), the Deputy Managing Directors (*Directeurs Généraux Délégués*), Members of the Management Board (*Membres du Directoire*) and Managers (*Gérants*) ("Eligible French Employees") (Article L 225-185 of the FCC) of a Participating Company.~~

6. Limitation on eligibility

~~No Approved Option may be granted to any Eligible French Employee who owns more than 10% of the ordinary share capital of the Company then in issue except as permitted under Article L225-185 of the FCC.~~

7. Limitation on grant period

~~No Approved Option may be granted less than 20 dealing days after detachment from the Shares of a coupon giving entitlement to a dividend or a capital increase (Article L 225-177 of the FCC).~~

~~8. **Further limitations on grant**~~

~~Notwithstanding Rule 3.6 of the Plan, no Approved Option may be granted:~~

- ~~(a) within 10 dealing days before or after the date on which the Company announces its results for any period; or~~
- ~~(b) during the period between the date on which the Company's directors become aware of price sensitive information and the date 10 dealing days after that information has been made public (Article L 225-177 of the FCC).~~

~~9. **Adjustments**~~

~~Notwithstanding Rule 14 of the Plan, the Option Price of an Approved Option shall be adjusted only upon the occurrence of the events specified under Article L 225-181 of the FCC and in accordance with that Article.~~

~~10. **Issue of shares**~~

~~The Shares issued on the exercise of an Approved Option shall be registered in the name of the Eligible French Employee or registered in a securities account opened in the name of the Eligible French Employee.~~

~~11. **Vesting period**~~

~~Notwithstanding Rule 9.1 of the Plan and except where Rule 15 applies, an Approved Option may not be capable of being exercised earlier than the fourth anniversary of the Grant Date unless the Eligible French Employee ceases employment due to:~~

- ~~(a) compulsory retirement at the request of the employer provided that (i) the Eligible French Employee has reached the age provided by Article L351-8-1 of the French Social Security Code on the date of his retirement and qualifies for a full pension, (ii) the Eligible French Employee's employer is legally entitled to request such retirement and (iii) the Approved Option is exercised at least 3 months before the date of retirement;~~
- ~~(b) disability in accordance with Paragraphs 2 and 3 of Article L341-4 of the French Social Security Code;~~
- ~~(c) the death of the Eligible French Employee.~~

~~Notwithstanding Rule 14 of the Plan, on the death of an Eligible French Employee, the Approved Option may not be exercised more than 6 months after the date of the Eligible French Employee's death by his personal representatives.~~

~~12. **Merger**~~

~~Where there is a public offer, merger or spin-off of the Company, the conditions to benefit from the French favourable tax regime are transferred on to any shares that the Eligible French Employee receives in exchange for his Shares but not if he receives a payment in cash ("*soulte*").~~

~~13. **Cessation of employment**~~

~~If an Eligible French Employee ceases to be a director or employee of a Participating Company before the fourth anniversary of the Grant Date for any reason other than those set out in paragraph 11 above, the Approved Option shall immediately lapse.~~

~~14. **Cash alternative for Approved Options**~~

~~Rule 12 of the Plan (cash alternative) shall not apply to Approved Options.~~

~~15. **Share settlement of Market Price Options**~~

~~Rule 8.4 of the Plan shall not apply to Approved Options.~~

~~16. **38 month limit on shareholder approval**~~

~~No Approved Option may be granted after the expiry of the period of 38 months beginning with the date on which the Plan is approved by shareholders of the Company.~~

~~17. **Filing**~~

~~The Eligible French Employee and his employer shall comply with the filing requirements provided for by French tax law.~~

SCHEDULE 4

SHARES SUBJECT TO HOLDING PERIOD

This Schedule shall apply to any Shares received on Vesting of a Conditional Award or exercise of an Option which are subject to a Holding Period.

1. Rights during the Holding Period

1.1 The following will apply to Shares during the Holding Period:

- (a) the Participant will be entitled to vote and to receive dividends and have all other rights of a shareholder in respect of the Shares from the date the Participant becomes the beneficial owner of them;
- (b) the Participant may not transfer, assign or otherwise dispose of the Shares or any interest in them (or instruct anyone to do so) except in the case of:
 - (i) the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue;
 - (ii) a forfeiture as described in paragraph [22](#) below; or
 - (iii) to fund any Tax Liability in accordance with Rules [9.55.5](#) or [11.47.4](#).
- (c) Any securities which the Participant receives in respect of Shares subject to a Holding Period as a result of an event described in Rule [16.11.1](#) during the Holding Period will, unless the Committee decides otherwise, be subject to the same restrictions as the corresponding Shares subject to a Holding Period. This will not apply to any Shares which a Participant acquires on a rights issue or similar transaction to the extent that they exceed the number ~~he~~[they](#) would have acquired on a sale of sufficient rights under the rights issue nil-paid to take up the balance of the rights.

2. Forfeiture of Shares

To the extent that Shares subject to a Holding Period are forfeited under Rule [9.65.6](#) (or a similar provision in any other plan or policy of a Group Member), the Participant is deemed to consent to the immediate transfer of ~~his~~[their](#) beneficial ownership of the Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Committee.

3. End of the Holding Period

3.1 The Holding Period will end on earliest of the following:

- (a) the date on which the Holding Period will normally end, as set by the Committee on the Grant Date (and which unless specified otherwise by the

Committee shall be the fifth anniversary of the Grant Date), subject to the Committee's discretion in exceptional circumstances to end the Holding Period early if the Participant leaves employment;

- (b) the date on which the Committee decides that the number of Shares subject to a Holding Period is sufficiently small that the continuation of the Holding Period is not warranted;
- (c) the date on which the Participant dies;
- (d) unless the Committee decides otherwise, if the Participant has left employment (before or after the start of the Holding Period) due to ill-health, injury or disability, as established to the satisfaction of the Company;
- (e) the date on which an event by virtue of which Rule ~~4~~511 applies, unless the Award is exchanged.

3.2 At the end of a Holding Period, the restrictions relating to Shares will cease to apply and (to the extent not already held by ~~him~~them) the Shares will be transferred to the Participant or as ~~he~~they may direct.