

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have sold or otherwise transferred all your shares in Vesuvius plc, please pass this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

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# VESUVIUS PLC

(Company number 8217766)

## Notice of Annual General Meeting Thursday, 14 May 2015

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**The Annual General Meeting of the Company will be held at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED on Thursday 14 May 2015 at 11.00 am. Notice of the Annual General Meeting is set out on pages 4 to 7 of this document and is accompanied by an explanation of the business to be transacted at the Meeting.**

If you are unable to attend the AGM you can still vote if you appoint a proxy. Shareholders will find enclosed a reply-paid Form of Proxy for use at the AGM. Whether or not you intend to be present at the AGM you are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to arrive no later than 11.00 am on 12 May 2015, being 48 hours before the time the AGM begins. The completion and return of a Form of Proxy will not preclude you from attending the AGM and voting in person if you subsequently wish to do so. At the AGM all resolutions will be voted on a poll. This is a more transparent method of voting than a "show of hands" as shareholders' votes are counted according to the number of shares held.

Arrangements have also been made for CREST Members to appoint a proxy or proxies through the CREST electronic appointment service. Further details are included in Notes 9, 10, 11 and 12 on pages 6 and 7 of the Notice of AGM.

**To the ordinary shareholders of Vesuvius plc**

Vesuvius plc  
165 Fleet Street  
London  
EC4A 2AE

Registered in England & Wales number 8217766

31 March 2015

Dear Shareholder,

I am pleased to inform you that the Vesuvius plc 2014 Annual Report has now been published.

If you have requested a printed copy of the Annual Report, it is enclosed with this letter. If you requested to receive your Annual Report electronically, or did not return the election card previously sent to you, please accept this letter as notification that Vesuvius' 2014 Annual Report is now available on the Company's website at: <http://vesuviannualreport2014.com>.

**2015 Annual General Meeting ("AGM")**

Vesuvius' AGM will be held at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED on Thursday 14 May 2015 at 11.00 am. The Lincoln Centre has facilities for attendees with disabilities; please contact the Company Secretary if you require assistance.

There will be an opportunity to meet Directors and Senior Executives of the Group both before and after the Meeting.

**Business of the Meeting**

The formal notice of the AGM is set out later in this document, and full details of the resolutions to be proposed are contained in the Explanatory Notes appended to the Notice of AGM.

I am delighted to confirm that the Board has been further strengthened by the appointment of two new independent Non-executive Directors. Hock Goh and Douglas Hurt will join the Board on 2 April 2015 and will stand for election at the AGM. Hock is a Singaporean citizen with more than 30 years' experience in the global oil and gas services industry. He has worked extensively in Asia and in particular China. Douglas is an experienced finance professional having served for nine years as the Finance Director of IMI plc. I am extremely pleased to welcome the new Directors to the Board and encourage you as shareholders to support their election to the Board at the AGM. Further biographical details for Hock and Douglas are set out on page 9 of this document. Having reviewed their other commitments the Board believes that both will be able to devote the necessary amount of time to the Company's business. They have been appointed on the same terms as the other Non-executive Directors, details of which can be found in the 2014 Annual Report. As at 31 March 2015, neither individual held any interests in the ordinary shares of the Company.

At the same time as welcoming Hock and Douglas, we will shortly be saying goodbye to Jeff Hewitt, who, having served for nine years as a Non-executive Director on the boards of Cookson Group plc and Vesuvius plc, as Chairman of the Audit Committee, and latterly as Senior Independent Director, will be retiring from the Board and will not seek re-election at the AGM. On behalf of the Board I would like to thank Jeff for his outstanding service to the Company over these years. Jeff will be succeeded by Douglas Hurt as Senior Independent Director and Chairman of the Audit Committee following the AGM.

In line with the Company's Articles of Association and the UK Corporate Governance Code (the "Code"), all Directors standing for election will retire at the AGM and seek election or re-election by the shareholders. Biographical details of the Directors are on pages 8 and 9 of this document.

During 2014, in accordance with the provisions of the Code, the Board conducted a formal and rigorous evaluation of the Board's performance and effectiveness. The Board engaged an external moderator, Lintstock Ltd, an independent advisory firm that provides advice to the Company on governance matters and practices, to conduct this evaluation. This included an evaluation of the performance of the Board's Committees and an individual performance review of each Board member. In addition, the Senior Independent Director led an evaluation of my performance as Chairman. The overall outcome of the evaluation was that the Board and its individual Directors are performing effectively, and that the Board continues to promote open debate and is well-supported in terms of information flow.

I fully concur with the results of the Board evaluation and, as Chairman, I believe that the contribution and performance of each of the Directors is extremely valuable and effective. They all demonstrate commitment to their roles and I therefore believe that it is appropriate that all Directors standing for election or re-election should continue to serve on the Board.

I want to emphasise that Resolution 14 – Authority for the Company to incur political expenditure – is being proposed solely as a safeguard. There is no intention that the Company make political donations of any nature. As explained on page 10, this resolution is being proposed in case of an inadvertent infringement of the UK Companies Act 2006 (the "Companies Act"). Many other companies put similar resolutions to shareholders for the same reason.

Please note, this letter is not a summary of the proposals set out in the Notice of AGM and should not be regarded as a substitute for reading the 2014 Annual Report, the Notice of AGM or the explanatory notes on pages 8 to 11.

**Questions**

Shareholders who wish to put any questions to the Board prior to the AGM are invited to send these for the attention of the Company Secretary to: 165 Fleet Street, London EC4A 2AE, England, e-mail (for these purposes only): [shareholder.information@vesuvius.com](mailto:shareholder.information@vesuvius.com) or fax (for these purposes only) to: +44 (0)20 7822 0100.

**Voting**

At the AGM, all resolutions, as is usual, will be voted on a poll. This is a more transparent method of voting than a “show of hands” as it allows the votes of all shareholders to be counted according to the number of shares held. If you are unable to attend the AGM you can still vote if you appoint a proxy. Shareholders will find enclosed a reply-paid Form of Proxy for use at the AGM. Whether or not you intend to be present at the AGM you are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to arrive no later than 11.00 am on 12 May 2015, being 48 hours before the time the AGM begins. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the AGM if you subsequently wish to do so.

Arrangements have also been made for CREST Members to appoint a proxy or proxies through the CREST electronic appointment service. Further details are included in Notes 9, 10, 11 and 12 on pages 6 and 7 of the Notice of AGM.

As soon as practicable after the AGM the results of the poll (and other information required by Section 341 of the Companies Act) will be announced via a regulated information service and made available on the Company’s website – [www.vesuvius.com](http://www.vesuvius.com).

**Recommendation**

The Directors believe all the proposals to be considered at the AGM to be in the best interests of the Company and its shareholders as a whole. Your Directors therefore unanimously recommend shareholders to vote in favour of each of these resolutions, as they intend to do in respect of their own shareholdings.

**Electronic Communications**

Further information is available to view online on our corporate website: <http://investors.vesuvius.com/investor-relations>

Along with the 2014 Annual Report you can access other information including an electronic copy of the Notice of AGM which is available at: <http://investors.vesuvius.com/investor-relations/shareholder-services/shareholder-meetings>

If you would like to receive notice of future general meetings and other notifications online, please register through the online service provided by our Registrar, Equiniti, at <http://www.shareview.co.uk>

If you are already receiving notifications from the Company electronically, and would like us to amend your records to receive a paper copy of the 2014 Annual Report, please contact us on tel: + 44 (0)20 7822 0000 or alternatively write to the Company Secretary at the above address, stating your name, address, shareholding and shareholder reference number (the latter of which can be found on your share certificate).

Thank you for your continued support of Vesuvius plc. I look forward to welcoming you to our AGM and to meeting as many of our shareholders as possible at that time.

Yours sincerely

**John McDonough CBE**  
Chairman

# Vesuvius plc

## Notice of Annual General Meeting 2015

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of Vesuvius plc (the "Company") will be held at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED on Thursday 14 May 2015 at 11.00 am for the transaction of the following business:

To consider and, if thought fit, to pass resolutions 1 to 15 below as ordinary resolutions and resolutions 16, 17 and 18 below as special resolutions:

### Ordinary Resolutions

1. THAT the annual report and accounts for the year ended 31 December 2014 be received. (See Explanatory Notes – page 8)
2. THAT a final dividend of 11.125 pence per ordinary share for the year ended 31 December 2014 be declared, to be paid on 22 May 2015 to holders of ordinary shares in the capital of the Company ("Ordinary Shareholders") on the register of members at the close of business on 10 April 2015. (See Explanatory Notes – page 8)
3. THAT the Directors' Remuneration Report and the Remuneration Committee Chairman's statement, excluding the Directors' Remuneration Policy, as set out on pages 75 to 93 in the Annual Report for the year ended 31 December 2014, be approved. (See Explanatory Notes – page 8)
4. THAT Ms N Connors be re-elected a Director of the Company. (See Explanatory Notes – page 8)
5. THAT Mr C Gardell be re-elected a Director of the Company. (See Explanatory Notes – page 8)
6. THAT Mr H Goh be elected a Director of the Company. (See Explanatory Notes – page 9)
7. THAT Ms J Hinkley be re-elected a Director of the Company. (See Explanatory Notes – page 9)
8. THAT Mr D Hurt be elected a Director of the Company. (See Explanatory Notes – page 9)
9. THAT Mr J McDonough be re-elected a Director of the Company. (See Explanatory Notes – page 9)
10. THAT Mr C O'Shea be re-elected a Director of the Company. (See Explanatory Notes – page 9)
11. THAT Mr F Wanecq be re-elected a Director of the Company. (See Explanatory Notes – page 9)
12. THAT KPMG LLP be reappointed as Auditor of the Company to hold office from the conclusion of the Meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid. (See Explanatory Notes – page 10)
13. THAT the Directors be authorised, subject to the passing of Resolution 12 above, to determine the Auditor's remuneration. (See Explanatory Notes – page 10)
14. THAT the Company and those companies which are subsidiaries of the Company at any time during the period for which this Resolution has effect be authorised for the purposes of Part 14 of the Companies Act 2006 (the "Companies Act") during the period from the date of the passing of this Resolution to the end of the next Annual General Meeting or 30 June 2016, whichever is the earlier:
  - (i) to make political donations to political parties, and/or independent election candidates;
  - (ii) to make political donations to political organisations other than political parties; and
  - (iii) to incur political expenditure,
 up to an aggregate amount of £100,000, and the amount authorised under each of paragraphs (i) to (iii) shall also be limited to such amount. Words and expressions defined for the purposes of the Companies Act shall have the same meaning in this Resolution. (See Explanatory Notes – page 10)
15. THAT the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or convert any security into shares:
  - (a) up to a nominal amount of £9,040,463;
  - (b) comprising equity securities (as defined in Section 560(1) of the Companies Act) up to a further nominal amount of £9,040,463 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the Companies Act and to expire at the end of the next Annual General Meeting or on 30 June 2016, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

For the purposes of this Resolution "rights issue" means an offer to Ordinary Shareholders in proportion (as nearly as may be practicable) to their existing holdings, to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to shares held by the Company in treasury ("Treasury Shares"), fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory. (See Explanatory Notes – page 10)

### Special Resolutions

16. THAT, subject to the passing of Resolution 15 above, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Companies Act) wholly for cash:
- (a) pursuant to the authority given by paragraph (a) of Resolution 15 above or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Companies Act in each case:
    - (i) in connection with a pre-emptive offer; and
    - (ii) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £2,712,138; and
  - (b) pursuant to the authority given by paragraph (b) of Resolution 15 above in connection with a rights issue, as if Section 561(1) of the Companies Act did not apply to any such allotment; such power to expire at the end of the next Annual General Meeting or on 30 June 2016, whichever is the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended.

For the purposes of this Resolution:

- (a) "rights issue" has the same meaning as in Resolution 15 above;
- (b) "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the Directors to Ordinary Shareholders (other than the Company) on the register on a record date fixed by the Directors in proportion to their respective holdings, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to Treasury Shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- (c) references to an allotment of equity securities shall include a sale of Treasury Shares; and
- (d) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

(See Explanatory Notes – page 10)

17. THAT, pursuant to Article 7 of the Company's Articles of Association, general and unconditional authority be given for the purpose of Section 701 of the Companies Act for market purchases (as defined in Section 693 of the said Act) by the Company of its ordinary shares of 10 pence each, provided that:
- (a) the maximum number of ordinary shares which may be purchased shall be 27,121,389 ordinary shares;
  - (b) the minimum price which may be paid for each ordinary share shall not be less than the nominal value of the ordinary shares at the time of purchase;
  - (c) the maximum price which may be paid for each ordinary share shall be an amount equal to the higher of (i) 105% of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List on the five business days immediately preceding the date on which such share is contracted to be purchased and (ii) the price stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation of 22 December 2003; and
  - (d) this authority shall expire at the end of the next Annual General Meeting or on 30 June 2016, whichever is the earlier (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be implemented wholly or partly after such expiry). (See Explanatory Notes – page 11)
18. THAT a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice. (See Explanatory Notes – page 11)

By Order of the Board

**Henry Knowles**  
Company Secretary  
31 March 2015

Registered office: 165 Fleet Street, London EC4A 2AE

Registered in England & Wales number 8217766

## Notes

1. Shareholders (or their proxies) are entitled to attend and vote at general meetings of the Company. On a vote by "show of hands" every shareholder or effectively appointed proxy who is present shall have one vote. On a poll vote every shareholder who is present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder.
2. A shareholder entitled to attend and vote at the AGM is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and speak and vote at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Proxies need not be shareholders of the Company.
3. The appointment of a proxy must be in writing in any usual or common form or in any other form which the Directors may approve and (i) in the case of an individual must either be signed by the appointor or his/her attorney; and (ii) in the case of a corporation must be either given under its common seal or be signed on its behalf by an attorney or a duly authorised officer of the corporation. Any signature on or authentication of such appointment need not be witnessed. Where an appointment of a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a copy thereof certified notarially or in some other way approved by the Directors must (failing previous registration with the Company) be submitted to the Company, failing which the appointment may be treated as invalid.
4. A Form of Proxy is enclosed with this notice. The appointment of a proxy will not preclude a shareholder from attending the AGM and voting in person if they subsequently wish to do so.
5. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must either be (a) sent to the Company's Registrars, Equiniti Limited, of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or (b) lodged using the CREST Proxy Voting Service – see Note 9 below – in each case so as to arrive no later than 11.00 am on 12 May 2015 or, if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM.  
  
Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of shareholders of the Company as at 6.00 pm on 12 May 2015 will be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of shareholders after 6.00 pm on 12 May 2015 will be disregarded in determining the rights of any person to attend or vote at the AGM.
6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act ("Nominated persons"). Nominated persons may have a right under an agreement with the shareholder on whose behalf they hold the shares to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
7. Entitlement to attend and vote at the AGM, and the number of votes which may be cast at the AGM, will be determined by reference to the Company's register of shareholders at 6.00 pm on 12 May 2015 or, if the Meeting is adjourned, at 6.00 pm on the day two days before the day fixed for the adjourned meeting (as the case may be). In each case, changes to the register of shareholders after such time will be disregarded.
8. As at 31 March 2015 the Company's issued share capital consists of 278,485,071 ordinary shares, 7,271,174 of which were held as Treasury shares. Therefore, the total number of shares in issue excluding Treasury shares was 271,213,897, each carrying one vote on a poll. The total number of voting rights in the Company as at 31 March 2015 was 271,213,897.
9. CREST shareholders who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 14 May 2015 and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal shareholders or other CREST sponsored shareholders, and those CREST shareholders who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for the appointment of a proxy or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy, the revocation in appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of appointments of proxy specified in Note 5 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to the appointed proxy by other means.
11. CREST shareholders (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST shareholder concerned to take (or, if the CREST shareholder is a CREST personal shareholder or sponsored shareholder or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST shareholders (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
13. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual shareholder provided that they do not do so in relation to the same shares.
14. Shareholders should note that under section 527 of the Companies Act it is possible that shareholders meeting the threshold requirements set out in that section may require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM or (ii) any circumstance connected with an Auditor of the Company appointed for the financial year ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholder requesting any such website publication to pay its expenses in complying with sections 527 or 528 (requirements as to website availability) of the Companies Act. Where the Company is required to place a statement on the website under section 527 of the Companies Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under section 527 of the Companies Act to publish on a website.
15. All shareholders and their proxies have the right to and will have the opportunity to ask questions at the AGM. When invited by the Chairman, any shareholder or proxy who wishes to ask a question should wait for a Company representative to bring them a microphone. It would be helpful if questioners could state their name before asking their question. Questions may not be answered at the Meeting if they are deemed not to be in the interests of the Company or the good order of the Meeting, would involve the disclosure of confidential information, or the answer has already been given on the website. The Chairman may also nominate a Company representative to answer a specific question after the Meeting or refer the response to the Company's website.
16. Shareholders have the right, under section 338 of the Companies Act, to require the Company to give shareholders entitled to receive Notice of the AGM, notice of a resolution which the shareholders wish to be moved at the Company's AGM. Additionally, shareholders have the right under section 338A of the Companies Act to require the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the AGM. The Company is required to give such notice of a resolution or include such matter once it has received requests from shareholders representing at least 5% of the total voting rights of all the shareholders who have a right to vote at the AGM or from at least 100 shareholders with the same right to vote who hold shares in the Company on which there has been paid up an average sum per shareholder of at least £100. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or electronic form and must be received by the Company not later than six clear weeks before the AGM or, if later, the time at which notice is given of the AGM. In the case of a request relating to section 338A of the Companies Act, the request must be accompanied by a statement setting out the grounds for the request.
17. In accordance with section 311A of the Companies Act, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, details of the total number of the voting rights that Shareholders are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website – [www.vesuvius.com](http://www.vesuvius.com).
18. Email addresses provided in this Notice of Meeting or any related documents (including the Form of Proxy) should not be used to communicate with the Company for any purposes other than those expressly stated.
19. Each of the resolutions to be put to the Meeting will be voted on by poll and not by "show of hands". This is a more transparent method of voting as shareholders' votes are counted according to the number of shares held. As soon as practicable after the AGM the results of the poll (and other information required by section 341 of the Companies Act) will be announced via a regulated information service and made available on the Company's website – [www.vesuvius.com](http://www.vesuvius.com).
20. Copies of all contracts of service or, where applicable, letters of appointment of the Directors are available for inspection during business hours at the registered office of the Company and will be available for inspection at the place of the Meeting for 15 minutes prior to and during the AGM.
21. This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have sold or otherwise transferred all your shares in Vesuvius plc, please pass this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom you made the sale or transfer, for transmission to the purchaser or transferee.

## Explanatory Notes to Business of the Annual General Meeting 2015

### Ordinary and Special Resolutions

Resolutions 16, 17 and 18 are special resolutions; the remainder are ordinary resolutions. Ordinary resolutions require a simple majority of Shareholders voting in person or by proxy to pass the resolutions, whereas special resolutions require at least 75% of Shareholders voting in person or by proxy to pass the resolutions.

### Items of Business

#### Receipt of 2014 Annual Report and Declaration of a Final Dividend (Resolutions 1 and 2)

Resolution 1 deals with the receipt of the annual report and accounts of the Company. Resolution 2 deals with the declaration of a final dividend of 11.125 pence per ordinary Share for the year ended 31 December 2014. If approved, the dividend will be paid on 22 May 2015 to Shareholders on the register of members at 10 April 2015.

#### Directors' Remuneration Report (Resolution 3)

In accordance with the provisions of the UK Companies Act 2006 (the "Companies Act"), the Directors' Remuneration Report as set out on pages 75 to 93 in the 2014 Annual Report, contains a statement by the Chairman of the Company's Remuneration Committee, and the annual Directors' report on remuneration, which sets out the payments made to Directors in the financial year ended 31 December 2014. It is confirmed that all payments made to Directors during the year have been made in accordance with the Directors' Remuneration Policy approved by the Shareholders at the 2014 AGM.

The Directors' Remuneration Policy set out on pages 86 to 93 of the 2014 Annual Report, which describes the Company's forward looking policy on Directors' remuneration (including the approach to exit payments to Directors), is subject to a binding Shareholder vote by ordinary resolution every three years, and was approved by the Shareholders at the AGM held in May 2014. A further vote on the Remuneration Policy is therefore not required at this AGM as the Policy has not changed. The Directors' Remuneration Report will, as in the past, be put to an advisory Shareholder vote by ordinary resolution.

Resolution 3 is the annual advisory vote on the Directors' Remuneration Report as set out on pages 75 to 93 of the 2014 Annual Report (excluding the Policy Section referred to above as required under Section 439 of the Companies Act).

#### Election of Directors (Resolutions 4 to 11)

With the exception of Jeff Hewitt, who will retire from the Board at the close of the 2015 AGM, all Directors will retire and offer themselves for election or re-election at the AGM in accordance with the Company's Articles of Association and the UK Corporate Governance Code (which recommends that all directors of FTSE 350 companies be subject to annual election by Shareholders).

The Board believes that its composition in respect of expertise, diversity, and experience remains appropriate and has been strengthened by the addition of two new independent Non-executive Directors. The Chairman believes that the Board is well-equipped to face the challenges of setting and managing the strategic direction of the business going forward. The biographies below contain details of the individual skills and experience that each Director brings to the Board. As such the Chairman recommends that the Shareholders support each of the Directors standing for election at the AGM.

#### NELDA CONNORS

##### *Independent Non-executive Director*

Nelda was appointed as a Director of the Company on 1 March 2013. She served as President and Chief Executive of Tyco International, Electrical & Metal Products division (renamed Atkore International in 2010) from 2008 to 2011, prior to which she spent six years at Eaton Corporation, in a number of international management roles which included nearly four years based in Shanghai. Nelda spent much of her early career in the automotive industry working for Ford, Chrysler and Mogami Denki, a Toyota supplier. During this period she undertook roles in general management, engineering, quality, customer service and strategic planning and worked in the US, Europe and Asia Pacific. Nelda is a US citizen.

Other appointments: Nelda is a Non-executive Director of Blount International, Inc., Echo Global Logistics, Inc and Boston Scientific Corporation and sits on the board of the Federal Reserve Bank of Chicago. She was recently assigned to the Independent Takata Quality Assurance Panel focused on the US airbag investigations. She is Chairwoman and Founder of Pine Grove Holdings, LLC, a consultancy that provides advisory services to private equity and investment firms and limited investments to small and mid-sized businesses.

#### CHRISTER GARDELL

##### *Non-executive Director*

Christer was appointed as a Director of the Company on 31 October 2012 having previously joined the Board of Cookson Group plc in June 2012. Christer co-founded Cevian Capital in 2002, and continues to serve as Managing Partner. On 31 March 2015, Cevian Capital held just over 21% of Vesuvius' issued share capital. From 1996 to 2001, he was the Chief Executive Officer of AB Custos, the Swedish investment company. Prior to joining AB Custos he had been a partner of Nordic Capital and McKinsey & Company. He served as a Non-executive Director of AB Lindex until December 2007 and of Tieto Corporation until March 2012. Christer is a Swedish citizen.

Other appointments: Christer is Managing Partner of Cevian Capital, and Vice Chairman of the global Finnish technology and services company Metso Corporation.

**HOCK GOH***Independent Non-executive Director*

Hock Goh will be appointed to the Board on 2 April 2015 as a Non-executive Director. Hock has more than 30 years' experience in the oil and gas industry, having spent 25 years with Schlumberger, the leading global oilfield services provider. His roles included President of Network and Infrastructure Solutions in London, President of Asia Pacific, and Vice President and General Manager of China. From 2005 to 2012, Hock was a Partner of Baird Capital Partners Asia, the private equity arm of the US investment bank Robert W Baird & Co. Based in China, he focused on the industrial, business services and healthcare sectors. He is a graduate of Monash University, Australia, and is a Singaporean citizen.

Other appointments: Hock is Chairman of MEC Resources Ltd and Advent Energy Ltd, and Non-executive Director of AB SKF, Santos Ltd, Stora Enso Oyj, and KS Distribution Pte Ltd.

**JANE HINKLEY***Independent Non-executive Director and Remuneration Committee Chairman*

Jane was appointed as a Director of the Company on 3 December 2012. Jane became Chairman of the Remuneration Committee in June 2013. Jane spent a large part of her career working at Gotaas-Larsen Shipping Corporation, the LNG shipping specialist which was listed on both the London Stock Exchange and NASDAQ. She served as CFO from 1988 to 1992, and as Managing Director until 1997. In 1998 Jane was appointed Managing Director of Navion Shipping AS, a company majority owned by Statoil, the oil and gas company, a position she held until 2001. She previously held the position of Non-executive Director of Revus Energy ASA, a Norwegian exploration and production company. Jane is a Chartered Accountant and a British citizen.

Other appointments: Jane is a Non-executive Director and Chairman of the Remuneration Committee of Premier Oil plc, an oil exploration and production company. She also serves as a Non-executive Director of Teekay GP L.L.C, the international provider of marine transportation services for Liquefied Natural Gas, LPG and crude oil, which is an NYSE listed partnership.

**DOUGLAS HURT***Independent Non-executive Director, Audit Committee Chairman (elect), Senior Independent Director (elect)*

Douglas will be appointed to the Board on 2 April 2015 as a Non-executive Director, and will assume the roles of Senior Independent Director and Chairman of the Audit Committee on Jeff Hewitt's retirement from the Board. Douglas brings significant financial experience to the Board, having served as Finance Director of IMI plc, the global engineering group, from 2006 to 2015. Prior to this he held a number of senior finance and operational positions at GlaxoSmithKline PLC, which he joined in 1983, previously having worked at Price Waterhouse. His career has included several years working in the USA and significant experience in European businesses including periods as a Chief Financial Officer and as an Operational Managing Director. Douglas is a Chartered Accountant and a British citizen.

Other appointments: Douglas is a Non-executive Director and Chairman of the Audit Committee of Tate & Lyle plc.

**JOHN MCDONOUGH CBE***Chairman*

John was appointed as a Director and Chairman of the Company on 31 October 2012. John was group Chief Executive Officer of Carillion plc, the support services and construction firm, for 11 years until he retired in 2011. Prior to joining Carillion plc he spent nine years at Johnson Controls Inc. working for the automotive systems division, initially in the UK, before moving to become Vice President of the division's European operations and ultimately to Singapore to develop the business in Asia Pacific. He then returned to the UK as Vice President of the integrated facilities management division for EMEA. John served as Chairman of the Remuneration Committee of Tomkins plc from 2007 to 2010 and as a Non-executive Director of Exel plc from 2004 to 2005. John was awarded a CBE in 2011 for services to industry and is a British citizen.

Other appointments: John joined The Vitec Group plc in March 2012, and has served as its Chairman since June 2012. He is also a Director of Cornerstone Property Assets Ltd and Sunbird Business Services Ltd.

**CHRIS O'SHEA***Executive Director – Chief Financial Officer*

Chris was appointed as a Director of the Company on 31 October 2012, having joined Vesuvius earlier that year. Prior to joining Vesuvius, Chris held a number of senior finance roles at BG Group, latterly serving as CFO for the group's businesses in Africa, the Middle East and Asia. From 1998 to 2005 Chris lived and worked in the UK, the US and Nigeria for Royal Dutch Shell in a variety of roles, including CFO for Shell's offshore exploration and production business in Nigeria. Chris is a Chartered Accountant with degrees from the University of Glasgow and Duke University, and has also worked for Ernst & Young. Chris is a British citizen.

**FRANÇOIS WANECQ***Executive Director – Chief Executive*

François was appointed as a Director of the Company on 31 October 2012. He previously joined the Cookson Group plc Board in February 2010. François has been the Chief Executive of Cookson's Engineered Ceramics division since October 2005. Prior to joining Cookson he held a series of senior management roles at Arjo Wiggins Group and served as an Executive Director of Arjo Wiggins Appleton plc from 1999 until it was delisted. From 1985 to 1995 he was Managing Director of the technical ceramics division of the Saint-Gobain Group. François graduated from the École Polytechnique and École des Mines de Paris and is a French citizen.

### **Reappointment of KPMG LLP as Auditor and authorisation of Directors to determine the Auditor's remuneration (Resolutions 12 and 13)**

Resolutions 12 and 13 deal, respectively, with the reappointment of KPMG LLP as Auditor of the Company and the authorisation of the Directors to determine its remuneration for the current financial year. The level of remuneration paid in 2014 by way of audit fees to the Auditor, together with the amounts paid in respect of non-audit fees, are shown in Note 6 on page 113 of the 2014 Annual Report.

### **Authority for the Company to incur political expenditure (Resolution 14)**

Resolution 14 is an ordinary resolution which authorises the Company and its UK subsidiaries to make political donations and to incur political expenditure. The Companies Act requires companies to obtain Shareholders' authority for donations to registered political parties, other political organisations and independent election candidates totalling more than £5,000 in any 12-month period, and for any political expenditure, subject to limited exceptions. The definitions of "donations", "political organisations", "independent election candidates" and "political expenditure" are very wide in this context and there is concern that they may have had the effect of covering a number of normal business activities that would not be thought to be political donations in the usual sense.

As required by the Companies Act, the resolution is in general terms and does not purport to authorise particular donations. It remains the policy of the Company not to make political donations or incur political expenditure as those expressions are normally understood. However, to avoid inadvertent infringement of the Companies Act, the Directors are seeking Shareholders' authority for the Company and its subsidiaries to make political donations and to incur political expenditure during the period from the passing of the resolution until the conclusion of the Company's next AGM or 30 June 2016, whichever is the earlier, up to a maximum aggregate amount of £100,000.

### **Directors' authority to allot shares (Resolution 15)**

Under the Companies Act the Directors may only allot unissued Shares if authorised to do so by the Shareholders in general meeting. At the Annual General Meeting held on 15 May 2014, Shareholders granted the Directors authority to allot relevant securities under Section 551 of the Companies Act. Resolution 15 seeks to renew this authority to allow the Directors to allot Shares or grant rights to subscribe for or convert any security into Shares up to an aggregate nominal amount of £9,040,463 representing an amount equal to one-third of the Company's issued share capital, excluding Treasury Shares, as at 31 March 2015. This authority complies with the latest institutional guidelines issued by the Investment Association.

In addition, the Company is seeking authority in part (b) of Resolution 15 to allow the Directors to allot new Shares or grant rights to subscribe for or convert any security into Shares only in connection with a rights issue up to a further nominal value of £9,040,463 representing an amount equal to one-third of the Company's issued share capital, excluding Treasury Shares, as at 31 March 2015. If this resolution is passed, the Directors will have the authority in certain circumstances to allot new Shares and other relevant securities up to a total nominal value of £18,080,926 representing a total amount equal to two-thirds of the Company's issued share capital, excluding Treasury Shares, as at 31 March 2015.

The Company has no present intention of undertaking a rights issue, or of allotting new Shares other than in connection with any outstanding share option awards or allocations under the Vesuvius Share Plan. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place.

As at 31 March 2015, the Company held 7,271,174 Treasury Shares which represent 2.61% of the total number of ordinary Shares in issue at that date.

The authorities granted in Resolution 15 will expire on the date of the Company's next AGM or 30 June 2016, whichever is the earlier.

## **Special Resolutions**

### **Directors' authority to allot shares other than on a pre-emptive basis (Resolution 16)**

If equity securities are to be allotted for cash using the authority given by Resolution 15 explained above, Section 561(1) of the Companies Act requires that those securities be offered first to existing Shareholders in proportion to their existing holdings. The Board considers it appropriate for the Company to seek approval from Shareholders to waive these rights in certain circumstances, in order to allow the Company maximum flexibility to react to future business needs without the need to comply with the strict requirements of the statutory pre-emption provisions. To this end, Resolution 16 is a special resolution which renews and extends the Directors' authority, granted by the Shareholders at a general meeting of the Company held on 15 May 2014, to allot equity securities, or sell Treasury Shares, for cash up to an aggregate nominal value of 10 per cent of the Company's issued share capital excluding Treasury Shares without first being required to offer such Shares to existing Shareholders in proportion to their existing holdings.

The Board intends to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in March 2015, and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 15:

- i) in excess of an amount equal to 5 per cent of the Company's issued share capital excluding Treasury Shares; or
- ii) in excess of an amount equal to 7.5 per cent of the Company's issued share capital excluding Treasury Shares within a rolling three-year period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The resolution seeks a disapplication of the pre-emption rights in relation to a rights issue to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems, for example issues arising as a result of local legal or regulatory requirements in respect of overseas Shareholders' participation in a rights issue. This resolution complies with the Pre-Emption Group's Statement of Principles.

If passed, the authority given in this resolution will expire on the date of the Company's next AGM or 30 June 2016, whichever is the earlier.

#### **Authority for the Company to purchase its own shares (Resolution 17)**

Resolution 17 is a special resolution whereby Shareholders grant authority for the Company to purchase its own Shares during the period from the passing of the resolution until the conclusion of the Company's next AGM or 30 June 2016, whichever is the earlier. The Company's exercise of this authority is subject to the stated upper and lower limits on the price payable, which reflect the requirements of the Listing Rules. Any Shares purchased under this authority would be cancelled or held as Treasury Shares. If Shares are cancelled, the number of Shares in issue would be reduced accordingly.

If approved, the resolution would authorise the Company to purchase up to a total of 27,121,389 Shares of 10 pence each (representing 10% of the Company's issued Shares, excluding Treasury Shares, as at 31 March 2015). As at 31 March 2015 (which is the latest practicable date before publication of this Notice), approximately 1.8 million Shares were capable of issue in respect of allocations or options to subscribe for Shares. This represents 0.66% of the issued share capital of the Company at that date, which would increase to 0.73% if the authority to buy back Shares under this resolution were used in full.

The Company purchased 7,271,174 of its own Shares under the authority granted at the 2013 AGM which are held in treasury. The Board has no present intention of exercising the authority granted pursuant to this resolution.

#### **Authority for the Company to call a general meeting on 14 clear days' notice (Resolution 18)**

Under the Companies Act, the notice period required for all general meetings of the Company is 21 days. AGMs will always be held on at least 21 clear days' notice but Shareholders can approve a shorter notice period for other general meetings, as long as this is not less than 14 clear days.

Resolution 18 is a special resolution which will preserve the ability of the Company to call general meetings (other than an AGM) on 14 clear days' notice. The Company does not propose to use this reduced notice period as a matter of routine, but wishes to maintain the flexibility to do so where it is merited by the business of the meeting (for example because the matter to be discussed is time sensitive) and is thought to be to the advantage of Shareholders as a whole. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Shareholder Rights Directive in order to be able to call a general meeting on 14 clear days' notice.

#### **Definitions**

"AGM" or "Meeting"	The Annual General Meeting of Vesuvius plc to be held on Thursday 14 May 2015, notice of which is contained in this document
"Annual Report"	The annual report and accounts of the Company for the year ended 31 December 2014
"Board"	The board of Directors of the Company
"Company" or "Vesuvius"	Vesuvius plc, registered in England and Wales with company number 8217766
"Director"	A Director of the Company
"Listing Rules"	The Financial Conduct Authority's listing rules relating to the admission of securities to the official list of the London Stock Exchange
"Notice of AGM" or "Notice"	The Notice of the Annual General Meeting of Vesuvius plc to be held on Thursday 14 May 2015
"Shares"	The ordinary shares of 10 pence each in the capital of the Company
"Shareholder"	A holder of Shares
"Treasury Shares"	Shares held by the Company in treasury and to which no dividend or voting rights are attached, until such time as they are transferred out of treasury to another Shareholder

