



TERMS AND CONDITIONS OF THE EMISSION OF WARRANTS OF TESSENDERLO CHEMIE SA

RESERVED FOR TOP DIRECTORS OF TESSENDERLO GROUP

PLAN 2012: (UNIQUE) ALLOTMENT 2012 (150.000 WARRANTS)

INFORMATION BROCHURE

I. INTRODUCTION

1.1. Decision and purpose of the offer of warrants

The board of directors of Tessenderlo Chemie SA, acting within the framework of the authorised capital, has decided, during its meeting of 14 November 2012 to offer on a complementary basis warrants to its top directors allowing them to subscribe to new Tessenderlo Chemie SA shares. The issue of the warrants is subject to the suspensive condition of acceptance of the warrants by the Beneficiaries.

The top directors may benefit so from any increase in the price of the Tessenderlo Chemie SA share¹ in relation to the exercise price determined at the moment of the decision to issue the warrants. In this way, Tessenderlo Group is looking to increase the loyalty and motivation of its top directors, by enabling them to benefit financially from Tessenderlo Group's performance.

The plan includes only one allotment, being the Allotment 2012, under which in total a maximum of 150.000 complementary warrants can be issued, each of which entitles a holder to subscribe to one new ordinary share of Tessenderlo Chemie SA without nominal value.

The warrants will be allotted by the board of directors, on the advice of the appointment and remuneration committee. It should, however, be noted that the offer of warrants is not part of the employment contract, and may not therefore be regarded as an acquired right. Each beneficiary needs to confirm via MyPlansByBelfius the number of accepted warrants. The end of the acceptance period for this Allotment 2012 is set on 12 January 2013.

The current warrants are offered within the framework of the unique allotment (Allotment 2012) of the Plan 2012.

¹ The term "share" as used in the Directors' Report and in this document refers to the terms "aandeel"/"action" as used in the articles of association of Tessenderlo Chemie SA. The three terms have exactly the same meaning and are interchangeable in the present documents.

1.2. Beneficiaries of the offer

The offer is addressed exclusively to 19 top directors of Tessenderlo Group. The persons involved, hereinafter called the “Beneficiaries”, are persons that are employed under an employment contract with Tessenderlo Chemie SA or any of its affiliates, with no conditions as to years of service.

The list of Beneficiaries has to be approved by the board of directors. Beneficiaries will be allotted a quota of warrants determined by board of directors, on the advice of the appointment and remuneration Committee.

The following persons are not considered to be employed under an employment contract and may not be considered as Beneficiaries:

- Persons who are dismissed, whether or not for serious misdemeanour;
- persons who resigned;
- persons employed by a company which no longer belongs to Tessenderlo Group,

even if they are serving out their period of notice (except when leaving the company for regular retirement or agreed early retirement).

1.3. Duration of the offer

The offer for Allotment 2012 set out in the present document is valid from 14 November 2012 up to and including 12 January 2013. The acceptance of each beneficiary should be entered via MyPlansByBelfius at the latest on 12 January 2013. After this deadline, the beneficiary is deemed to have refused the offer.

For Belgian residents, the fiscal and parafiscal charges will be taken into account by the salary administration in January 2013.

1.4. Important remark

The present warrant plan is drafted according to Belgian Law. In view of optimisation of the exercise conditions and fair treatment of the Beneficiaries resident in different countries, the board of directors can, however, within the context of the present plan and for each of the countries where the present warrant plan is carried into effect, interpret and adjust the terms and conditions of the present warrant plan in order to bring them into line with the current legislation for stock option plans for that country.

The tax consequences set out below solely relate to Beneficiaries who are resident in Belgium and are subject to personal income tax in Belgium².

Beneficiaries who are not resident in Belgium and who are not subject to Belgian personal income tax may find information on the tax and social security consequences of accepting the offer in the annexes to this document.

² When reference is made in this document to “Beneficiaries or participants resident in Belgium”, (or in similar terms) this also includes the foreign executives benefiting from the Belgian special expatriate tax regime / “Statuts Cadres Etrangers”).

Please note that the annexes reflect the prevailing tax regulations as of September 2012 in the different countries. Beneficiaries who wish to receive more information need to contact their external consultant.

The information contained in the present note reflects the prevailing Belgian tax regulations as of (September 2012). It is possible that these regulations could be modified in the future and may as such have an influence on the potential benefit for the Beneficiaries. Any effect, positive or negative, of such modifications will be for the sole account of the Beneficiaries.

II. TERMS AND CONDITIONS OF THE EMISSION OF WARRANTS ON SHARES OF TESSENDERLO CHEMIE – PLAN 2012

2.1. Number of warrants

The maximum number of warrants for Allotment 2012 will be 150.000.

2.2. Maturity

The term of the warrants will be seven years as from the issue date of the warrants but they cannot be exercised before the end of the third calendar year following the year in which the offer has taken place.

2.3. Exercise Price

The Exercise Price for each warrant is equal to the lower of:

- the average of the closing stock market prices of Tessenderlo Chemie SA on NYSE Euronext Brussels³ during the 30 days preceding the offer,
- or
- the last closing stock market price of Tessenderlo Chemie SA on NYSE Euronext Brussels on the day before the offer,

The aforesaid notwithstanding, the Exercise Price for American residents is equal to the price of the normal shares of Tessenderlo Chemie SA at the stock exchange closing on the day itself of the offer.

The Exercise Price of each warrant will, for some participants not resident in Belgium, be equal to the exercise price as applicable to stock option plans under the present legislation in the respective countries of the participants; be it that latter exercise price will be as close as possible to the Exercise Price as determined under the present warrant plan. For this allotment, a sub-plan with special conditions for American residents is attached to this brochure.

2.4. Exercise periods

In order for the offer to be made in a way that allows the benefit in kind, related to the acceptance of the warrants, to be taxed at a reduced rate of 10% (**for participants resident in Belgium**) (instead of 20%), the warrants may not be exercised before the end of the third calendar year following the year in which the offer has taken place. Consequently they can only be exercised in the 4th and up to and including the 7th year following the year of the offer. However, the exercise period of the warrants shall during these four years only be open from the 5th bank working day following the approval of the annual accounts by the general shareholders' meeting until the 15th bank working day before the end of each of the calendar

³ The Tessenderlo Chemie SA share is currently listed on the continuous settlement market ("continuumarkt" or "marché à terme continu) NYSE Euronext Brussels. In the present document, the concept "NYSE Euronext Brussels" must be interpreted to include any stock exchange, which may, in the future, be substituted for NYSE Euronext Brussels.

years involved (always taking into account – where necessary – the maximum duration of the warrants).

Even during these exercise periods, the warrants may not be exercised during closed periods and, as the case may be, occasional prohibited periods (cf. Corporate Governance Charter of Tessenderlo Chemie – see website). Such interdiction is amongst others valid during the period of 30 calendar days preceding the publication of the results of the group and the day of the publication itself. At the time of the drafting of this plan, this means that the beneficiary may not exercise the warrants during the last days of July and the month of August, as well as during the month of October and the first days of November because of the publication of the half-year results in August and the third quarter results in November of each year.

As a reminder: in accordance with the current legislation persons with managerial responsibilities, who exercise their warrants and/or afterwards transfer or sell Tessenderlo Chemie SA shares, must notify these transactions to the FSMA. This notification has to be done by filling out the standard form, which you can obtain from the Compliance Officer or download on the FSMA website (<http://www.fsma.be>). You must notify the FSMA either within 5 working days after the transaction if the value of the transaction exceeds the threshold of 5.000 EUR, or within 5 working days after the last transaction following which the threshold of 5.000 EUR was exceeded, or before January 31 of the following year if the transactions during that year remained below the threshold of 5.000 EUR.

The Beneficiaries included in the list of persons in possession of information, which could have a considerable impact on the market price of the shares, need to abstain from any transaction with warrants and/or Tessenderlo Chemie SA shares. Moreover, the Compliance Officer may inform the beneficiaries of other occasional periods of interdiction.

In case of problems with the application of the above-mentioned rules, you need to contact the Compliance Officer. The Beneficiaries, who intend to exercise their warrants and/or trade Tessenderlo Chemie SA shares need to inform the Compliance Officer in advance anyway.

2.5. Modification of the conditions of the plan

The Board of Directors has the authority at any time to modify, suspend or terminate the plan or to deviate from the rules regarding the exercisability of warrants or other plan rules. Such modification, suspension, termination or deviation cannot affect the rights or obligations relating to an offered warrant in a way which is negative for the warrant holder, unless the consent of the warrant holder is obtained.

2.6. Underlying shares

Each warrant entitles its holder to subscribe to one Tessenderlo Chemie SA share. Allotment 2012 gives an overall maximum of 150.000 new shares. These new shares will be of the same type and will enjoy the same rights as the existing ordinary shares (in particular as regards voting rights, entitlement to dividends and the right of distribution in the event of liquidation). They will be completely fungible with the existing shares.

2.7. Application for listing on NYSE Euronext Brussels

Prior to the exercise of the warrants, an application for listing on NYSE Euronext Brussels will be made, in respect of new shares issued through the exercise of the warrants.

2.8. Form and delivery of the securities

Warrants are and will remain nominally registered until expiry.

The new shares potentially issued following the exercise of the warrants will be dematerialized shares.

The dematerialized shares will be delivered as soon as possible after the enactment of the capital increase following the exercise of the warrants.

2.9. Rules applicable if the Beneficiary ceases working for the Tessenderlo Group

If at any time the Beneficiary takes retirement or is required to take prolonged sick leave, or if his contract is terminated for reasons of force majeure, or if he dies (see point 2.10. below), the Beneficiary (or his legal successors) retains the right to exercise the warrants until their final expiry date.

The persons employed by a company that no longer belongs to Tessenderlo Group retain all their rights.

If at any time during the validity period of the warrants the Beneficiary resigns, or is dismissed with notice or with compensatory indemnities in lieu of period of notice, or if his employment contract is terminated by mutual agreement, his warrants with respect to an allotment may be exercised only during the first year of exercise of this respective allotment following his departure.

In case of dismissal for serious misdemeanour, the Beneficiary will immediately lose all his unexercised warrants.

2.10. Death of Beneficiary

If the Beneficiary dies, his warrants may be exercised by his legal or designated successors. Such successors are subject to the same rules as the Beneficiaries. This means that dividing up of warrants between successors may not lead to a situation of split ownership, in which case the right to exercise the split-owned warrants will be suspended until a single representative will have been appointed by the successors.

2.11. Restriction on the transfer of warrants

It is also important to note that the warrants are non-transferable. In other words they may not be sold, nor may ownership of them be transferred in any other way “inter vivos”. They may be transferred only in the event of the Beneficiary’s death, and then only to his successors. For this reason these securities are not listed on the stock exchange.

III. PARTICULAR ASPECTS

3.1. Acceptance or refusal of the offer

It is important to note that this offer is proposed to Beneficiaries, but that participation to the plan is in no way obligatory.

According to Belgian tax law, the warrant is deemed for tax purposes to have been granted at the latest on the 60th day following the date of the offer if the Beneficiary has, prior to this deadline, given notice in writing (in this case via MyPlansByBelfius) of his partial or total acceptance of the offer. The deadline for the Allotment 2012 acceptance period is 12 January 2013.

The Beneficiary who has not given notice in writing of his acceptance (in this case via MyPlansByBelfius) of the offer prior to this deadline (i.e. at the latest on 12 January 2013) is deemed to have refused the offer.

As a result, Beneficiaries (**resident in Belgium**) are required to take the following steps, depending on whether they accept or refuse the offer.

The Beneficiary decides to accept the offer:

⇒ The Beneficiary must complete his personal data and enter through MyPlansByBelfius (via 'Invest' menu) his acceptance order as soon as possible, but no later than 12 January 2013.

The Beneficiary decides to refuse the offer:

⇒ The Beneficiary, who refuses the offer made to him, is not obliged to give notice of his refusal. If the Beneficiary does not enter an order through MyPlansByBelfius, he will be deemed to have refused any warrants.

3.2. Tax consequences of the plan for participants resident in Belgium

The tax consequences set out below solely relate to Beneficiaries who are resident in Belgium and are subject to personal income tax in Belgium. Beneficiaries who are not resident in Belgium and who are not subject to Belgian personal income tax may find information on the tax and social security consequences of accepting the offer in the annexes to this document. Please note that the annexes reflect the prevailing tax regulations as of September 2012 in the different countries. Beneficiaries who wish to receive more detailed information need to contact their external consultant.

Given the fact that the allotment of warrants represents a taxable benefit, participation in the proposed plan will have tax effects for the Beneficiary at the time of allotment of the warrants, regardless of whether the warrants are exercised at a later date. In the case of the present offer, the tax base is equal to 10% of the exercise price of the warrants.

Given an exercise price of EUR [] and supposing that the Beneficiary is taxed at 53.5% (marginal personal tax rate for tax year 2012),

⇒ the Beneficiary's personal tax base will increase by EUR [] x 10% per warrant obtained (tax value of the benefit in kind).

⇒ the additional tax charge to be borne by the Beneficiary, following the allotment of the warrants, will be [EUR [] x 10% x 53.3% = [] per warrant.

The benefit in kind must be included at its tax value in the Beneficiary's tax year 2014 income tax return; this amount will be mentioned on the tax form 281.10 of said tax year. Where the Beneficiary is subject to marginal tax at a rate higher than used for calculating the salary withholding tax retained on the warrants, an additional tax charge could be due in the tax assessment relating to income for 2013.

Under current Belgian tax legislation, the Beneficiary will not owe any further tax on his participation in the plan, neither on exercising the warrants, nor on selling the shares. No social security contributions are due on the allotment of warrants, either by the employer or the Beneficiary, in the specific context of the present offer.

The information contained in the present note reflects the prevailing tax regulations as of September 2012. It is possible that this legislation could be modified in the future.

3.3. Dilution for existing shareholders

The current share capital amounts to 153.700.000 EUR represented by 30.661.800 shares without nominal value.

The maximum dilution through the allocation of 150.000 warrants will be calculated taking into account the number of shares existing on 14 November 2012. For more information in this regard, please consult the annexes to the report of the board of directors of 14 November 2012.

3.4. Anti-dilution clause in favour of Participants

In the event that the company carries out a capital increase by cash contribution, warrant holders will be entitled to exercise their warrants prior to the exercise date initially foreseen⁴ at the conditions then prevailing and consequently take part in the new issue, insofar as existing shareholders are so entitled.

Warrant holders will also be entitled to exercise their warrants in advance⁴ in the event of any operation that significantly impacts the shareholder structure. This paragraph also relates to any public takeover bid on the Tessenderlo Chemie SA shares or any other form of change of control or any merger involving a redistribution of the securities. Such early exercise would allow warrant holders to take part in the above-mentioned operations at the same conditions as existing shareholders.

On the other hand, the company expressly reserves the right to take any possible decisions and to carry out any transactions which might have an impact on the capital of Tessenderlo Chemie SA,

⁴It should be noted that where warrants are exercised in advance, in a way which no longer respects the legal deadlines for the reduced tax base percentage, additional tax will be due by the Beneficiary (**for Beneficiaries resident in Belgium**), representing the difference between the tax due under the reduced percentage regime (10% for benefits in kind) and the tax due under the standard regime (20% for benefits in kind).

on the distribution of the profit or on the liquidation surpluses or that may otherwise affect the rights of the warrant holders, even in the event that these decisions might cause a reduction of the benefits offered to the warrant holders, unless the only purpose of these decisions and transactions would be such reduction. This includes capital increases by contribution in kind, the incorporation of reserves into capital accompanied by the issuing of free shares (“bonus shares”), the issue of convertible bonds or bonds with warrants, the distribution of stock dividends, exceptional dividend distributions as well as changing the representation of the capital or the provisions governing the distribution of profits or liquidation surpluses.

Where the operations referred to in the above paragraph negatively impact the exercise price of the warrants, this price will be adjusted to the extent necessary in order to safeguard the interests of the holders of these warrants, in the manner customary in such circumstances.

Any changes in the conditions and arrangements for the exercise of the warrants will be communicated in an appropriate way to the Beneficiaries involved. No adjustment will, however, be made to the exercise price when such adjustment would be under 1% of the prevailing exercise price. At any adjustment, the resulting exercise price will be rounded to the nearest multiple of EUR 0,10.

3.5. Dividends

Each new share with VVPR strip will be entitled to the full dividend for the accounting year during which the warrant is exercised.

Any dividends paid on shares acquired through the exercise of the warrants will be subject to a withholding tax of 25% (or a reduced rate of 21%, if applicable under the VVPR regime as currently provided by law).

For Belgian shareholders subject to personal income tax, and for whom the Tessenderlo Chemie SA shares are part of their private patrimony, this withholding tax is a liberatory tax. Declaration of the dividends on these shares is therefore optional.

Where the Beneficiary elects to declare them, the dividends will, in normal circumstances, be taxed at a rate distinct from the personal income tax rate, equal to the withholding tax rate due on dividends.

However, these dividends will be globally taxed at the progressive personal income tax rate together with the other declared income, where the amount obtained in this way is lower than that resulting from the application of the distinct tax rate.

In both cases, the amount of tax payable must be increased with the additional communal tax (“aanvullende gemeentebelasting” or “centimes additionnels”), and the withholding tax retained at source is refundable and reimbursable where it exceeds the tax actually due.

For non-residents (physical persons or corporate entities), withholding tax is, in principle (apart from the reductions or exemptions provided for in the various double taxation treaties) also payable at the 25% rate (or at a reduced rate of 21%, if applicable under the VVPR regime as currently provided by law).

3.6. Additional costs, charges and taxes

The costs linked to the implementation of the present offer, including the legal and administrative costs and the structuring costs will be borne by Tessenderlo Chemie SA as well as the charges related to the exercise of the warrants.

The Beneficiaries will bear all charges related to the holding of the shares acquired through the exercise of the warrants and the sale of the shares on the market. This includes in particular, stock exchange transaction taxes and any other fees and taxes that might be payable.

3.7. Law applicable to the offer of warrants

The present offer of the warrant plan is subject to Belgian law. The courts of the legal district of Brussels are competent to judge any dispute arising from the execution or interpretation of the present offer.

3.8. Other provisions

In view of optimisation of the exercise conditions and equal treatment of the Beneficiaries resident in the different countries, the board of directors can, within the context of the present plan and for each of the countries where the present option plan is carried into effect, interpret and adjust the terms and conditions of the present warrant plan in order to bring them into line with the present legislation for stock option plans applicable in that country.

In all cases for which no provision is made in the present document, the decision will lie with the board of directors of Tessenderlo Chemie SA, with due regard for prevailing legislation.

3.9. Modifications to the Plan for Beneficiaries not resident in Belgium

In view of the optimisation of the attribution of these warrants, the board of directors may decide to modify some of the terms of the proposed plan in order to adapt them to the different applicable legislations for stock option plans for Beneficiaries who are not resident in Belgium, and thus create specific sub plans.

IV. FORMALITIES

The Beneficiary is asked to visit the website www.MyPlansByBelfius.be, to identify himself with his access key codes, to check if his personal data are complete and correct and to complete or modify them if needed.

The new Beneficiaries of warrants will receive their user ID and access codes at home by a separate letter of Belfius Bank.

These are the steps to create an acceptance order :

1. In the 'Invest' menu, selection of the plan that can be accepted to subscribe.
2. Acceptance of the disclaimer; the Beneficiary is invited to read and accept the disclaimer on the acceptance orders; by the electronic signature of the order, the Beneficiary agrees to accept without restriction all conditions for acceptance as described in this brochure.
3. Completion of the amount of warrants the Beneficiary wishes to subscribe (all or part of the offer).
4. Access to the summary and electronic signature of the order.
5. Confirmation of the order and indication of the order number.
6. Follow up of the order via 'Order book' menu.
7. Receipt of the order statement via 'Messages' menu in MyPlansByBelfius.

(see also point "3.1. Acceptance or refusal of the offer" in this respect)

4.1. Payment conditions in case of exercise of the warrants

The terms and conditions of payment of the warrants in case of exercise will be communicated in due time.

4.2. Comment

The purely administrative aspects of the exercise of the warrants will be set out in an explanatory memorandum. This will be made available to the Beneficiaries through MyPlansByBelfius.

Annex : Argentina;
Annex : Belgium;
Annex : Brasil;
Annex : China;
Annex : France;
Annex : Germany
Annex : Italy;
Annex : The Netherlands;
Annex : Poland;
Annex : United Kingdom;
Annex : United States.

SUB-PLAN United States

Plan 2012 for Residents of the United States

In accordance with the provisions of this Annex, the following terms and conditions shall supplement the language of the Plan and shall apply to a grant of warrants to a resident of the United States. In the event there is a conflict between the language in this Annex and that found elsewhere in the Plan, the language in this Annex shall control.

1. Definitions. For purposes of this Annex, the following terms shall be defined as set forth below:

- (a) "Affiliate" shall mean any parent or subsidiary corporation. For these purposes, the term "parent corporation" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of the Option Grant Date, the corporation possesses more than 50% of the total combined voting power of all share classes in one of the other corporations in the chain. The term "subsidiary corporation" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the Option Grant Date, each of the corporations possesses more than 50% of the total combined voting power of all share classes in one of the other corporations in the chain.
- (b) "Common Shares" shall mean the ordinary shares of Tessenderlo Chemie SA.
- (c) "Company" shall mean Tessenderlo Chemie SA.
- (d) "Disability" shall mean a physical or mental impairment which renders the Participant permanently and totally disabled such that he or she cannot engage in any substantial gainful activity and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. A Participant shall not be considered to be disabled unless proof of such disability is provided in the form and manner required (if any) under Internal Revenue Code Section 22(e).
- (e) "Employee" shall mean any individual who is a common law employee of the Company or of any Affiliate.
- (f) "Exercise Price" shall mean the price per share that must be paid by a Participant to acquire one Common Share subject to an Option.
- (g) "Fair Market Value" shall mean the closing price of the Common Shares on the principal exchange on which Common Shares are traded on the applicable date.
- (h) "Grant Date" shall mean the date that an Option grant becomes effective pursuant to the Company's corporate governance provisions, the language of the Plan and other applicable laws that specify the actions required in order to effect the grant of an Option under the Plan.

- (i) "Incentive Stock Option" shall mean a warrant granted under the Plan that is the type of option described in Internal Revenue Code Section 422(b).
- (j) "Internal Revenue Code" shall mean the Internal Revenue Code of the United States, as amended.
- (k) "Nonqualified Stock Option" shall mean a warrant granted under the Plan that is not an option of the type described in Internal Revenue Code Section 422(b).
- (l) "Option" or "Stock Option" shall mean a warrant granted under the Plan that is treated as either a Nonqualified Stock Option or an Incentive Stock Option.
- (m) "Optionee" shall mean a Participant holding an Option under the Plan.
- (n) "Participant" shall mean an individual to whom an Option has been awarded under the Plan.
- (o) "Plan" shall mean the document referred to as the "TESSENDERLO GROUP - Terms and conditions of the emission of warrants of Tessenderlo Chemie SA - Reserved for Top Directors of Tessenderlo Group - PLAN 2012."
- (p) "Termination of Employment" shall mean a termination of a Participant's services with the Company or an Affiliate for any reason. A transfer of employment or services between or among the Company and an Affiliate shall not be considered a Termination of Employment. For these purposes, the employment relationship is treated as continuing intact while the Participant is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed three months, or if longer, so long as the Participant's right to reemployment with the Company or an Affiliate is provided either by statute or by contract. If the period of leave exceeds three months and the Participant's right to reemployment is not provided either by statute or by contract, the employment relationship is deemed to terminate on the first day immediately following such three-month period.
- (q) "Voting Power" shall mean the total combined rights to cast votes at elections for an entity's board of directors.

2. Classification of Awards. The awards granted under the Plan shall be treated as either Nonqualified Stock Options or Incentive Stock Options. Incentive Stock Options may only be granted to Employees of the Company or of an Affiliate. To the extent that any Option is not designated as an Incentive Stock Option (or if an Incentive Stock Option does not qualify as an Incentive Stock Option under the provisions of this Plan and the Internal Revenue Code), it shall be treated as a Nonqualified Stock Option.

3. Maximum Number of Incentive Stock Option Awards. The maximum number of Common Shares that may be awarded in the form of Incentive Stock Options under the Plan is that number stated in Section 1.1 of the Plan, as further limited by the

allotment of warrants for any particular calendar year. To the extent that an outstanding Incentive Stock Option expires or terminates or is canceled or forfeited, the Common Shares subject to such Incentive Stock Option shall again be available for re-issuance under the Plan.

4. Limit on Grant of Incentive Stock Options. To the extent the aggregate Fair Market Value (determined as of the Grant Date) of Common Shares with respect to which Incentive Stock Options are exercisable for the first time during any calendar year (under the Plan and all other similar types of plans of the Company and/or any Affiliate in which the Optionee participates) exceeds \$100,000, such portion in excess of \$100,000 shall be treated as a Nonqualified Stock Option. In the event the Optionee holds two or more such Options that become exercisable for the first time in the same calendar year, such limitation shall be applied on the basis of the order in which such Options are granted.
5. Option Exercise Price. On the Grant Date, the Exercise Price for each Common Share subject to a Nonqualified Stock Option or an Incentive Stock Option shall not be less than 100% of the Fair Market Value per share of the Common Shares on the Grant Date. Notwithstanding the above, in the event the Incentive Stock Option is granted to an individual who owns more than 10% of the total Voting Power of all classes of Common Shares, then the Exercise Price for each Common Share subject to the Incentive Stock Option shall not be less than 110% of the Fair Market Value per share of the Common Shares on the Grant Date.
6. Incentive Stock Option Grant Date. An Incentive Stock Option must be granted to an Employee within the 10 years from the earlier of the date the Plan was amended to include this Annex, or the date this Annex was approved by Company shareholders.
7. Term of Incentive Stock Option. In the event an Incentive Stock Option is awarded to an individual who owns more than 10% of the total Voting Power of all classes of Common Shares, then the Incentive Stock Option shall expire no later than the date 5 years from its Grant Date.
8. Exercise of Incentive Stock Option. An Incentive Stock Option must be exercised by an Optionee within the limits set in section 2.2 of the Plan.
9. Exercise of Incentive Stock Option following Termination of Employment. In the event an Incentive Stock Option is exercised more than 3 months after an Employee's Termination of Employment, or is exercised more than 1 year after a Termination of Employment because of death or Disability, the Incentive Stock Option shall be treated as a Nonqualified Stock Option and may continue to be exercised during the remaining term (if any) of the Option.
10. Assignment of Incentive Stock Option. An Incentive Stock Option must be exercised by the Participant, or by a legal representative of the Participant (such as in the case of disability or death). No Incentive Stock Option granted under the Plan may be assigned, pledged or transferred by a Participant other than by will, the applicable laws of descent and distribution or by a domestic relations order entered by a court of competent jurisdiction.