

Notice of Meeting 2017

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 seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in the Company, please pass this document together with the accompanying document(s) to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Elementis plc (the 'Company')
(registered in England & Wales no 3299608)
Caroline House
55-57 High Holborn
London WC1V 6DX

21st March 2017

Dear Shareholder

Notice of Annual General Meeting to be held on 25 April 2017

I am writing to give you notice of the Company's Annual General Meeting ('AGM') that is to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Tuesday 25 April 2017 at 9.30 a.m.

The following items are also included in this document:

- the 'Highlights' and 'Chairman's statement' sections extracted from the 2016 Annual Report and Accounts; and
- an explanation of certain resolutions at the AGM.

Enclosed also is a proxy form.

Shareholders who have elected to receive printed copies of documents that we provide for shareholders will also find enclosed a printed copy of the 2016 Annual Report and Accounts. A copy of that document can be accessed through the Company's website at:
www.elementisplc.com/financial-information/reports-&-presentations.

Website communication has helped the Company not only to reduce printing and mailing costs but also to reduce the impact of those activities on the environment. If you wish to review all or specific sections of the 2016 Annual Report and Accounts, you will find the interactive version on our website particularly useful and easy to use. Alternatively, if you wish for a printed copy to be sent to you in full, then please request this from the Company Secretary at the above address.

As an alternative to submitting a proxy form by post, you may wish to vote electronically by visiting our registrar's website at **www.sharevote.co.uk**. Once you have selected Elementis from the list, you will be asked to enter a Voting ID, Task ID and Shareholder Reference Number. These are printed in this order on the enclosed personalised proxy form. To be valid, all electronic voting instructions must be received by 9.30 a.m. on 21 April 2017. Please read the notes to the Notice of Meeting as these set out other rights of shareholders and further requirements which you should check, to ensure your proxy vote will be valid.

Yours sincerely



Andrew Duff
Chairman

Highlights

- Group earnings declined due to the negative impact of currency on our Chromium segment and oil prices on our Energy sector within our Specialty Products segment.
- Progress overall in Specialty Products where constant currency sales were up 3 per cent in 2016 and up 8 per cent in H2 2016 versus the same period last year.
 - Coatings sector up 4 per cent for the year*; 6 per cent growth* in Coatings Asia.
 - Personal Care sector up 14 per cent*, with good momentum in H2 which was up 23 per cent year on year*.
 - Energy down 16 per cent* for the year but H2 2016 sales improved by 15 per cent compared to H1*.
- Proposed acquisition of SummitReheis, a high quality personal care business, was announced on 10 February 2017 – expected to complete mid-year after regulatory requirements are satisfied.
- Continued strong cash generation – net cash position increased to \$77.5 million.
- Total dividends for the year increased by 2 per cent to 16.80 cents:
 - Final dividend maintained at previous year level.
 - Special dividend increased by 4 per cent; fifth consecutive payment.

* constant currency reflects prior year results translated at current year exchange rates
2015 restated – see note 31 in the 2016 Annual Report and Accounts

Financial summary

	2016	2015
Sales	\$659.5m	\$677.2m [†]
IFRS profit for the year	\$68.1m	\$94.6m [†]
Statutory basic earnings per share	14.7c	20.5c [†]
Net cash	\$77.5m	\$74.0m
Operating profit ^Δ	\$94.2m	\$121.5m [†]
Profit before tax ^Δ	\$89.7m	\$115.2m [†]
Diluted earnings per share ^Δ	16.8c	20.6c [†]
Operating cash flow ^Δ	\$96.0m	\$102.5m
Dividends to shareholders:		
– Interim dividend	2.70c	2.70c
– Final proposed	5.75c	5.75c
– Special dividend proposed	8.35c	8.00c
– Total for the year	16.80c	16.45c

^Δ after adjusting items – see note 5 in the 2016 Annual Report and Accounts

[†] restated – see note 31 in the 2016 Annual Report and Accounts

Chairman's statement

We are confident that we have the foundations on which to make progress in 2017 and beyond



The markets in which we operate continued to be challenging in 2016, adversely affecting our two principal business segments.

In the Chromium segment, although the US business remained structurally advantaged and maintained a consistently high degree of stability, a strengthening US dollar and competitive pressures impacted both volumes and margins on export sales from the US to the rest of the world. As a result, the overall impact on volumes and earnings in 2016 has been material.

In the Specialty Products segment, we saw good underlying performance in all our sectors, with a resumption of growth in our Chinese coatings activities and the delivery of good growth in Personal Care. However, lower oil prices reduced demand in our Energy sector by some 16 per cent versus 2015 and the appreciation of the US dollar against most global currencies also impacted results.

Our new CEO Paul Waterman joined us in February 2016 and he has, initially with the support of our CFO at the time, Brian Taylorson, set about developing a strategy for the business in order to 'reignite growth' which aligns the management of the Company in the delivery of this strategy, which was presented to analysts and investors in November 2016. Following Brian's decision to step down after his many years of great service we appointed his successor, Ralph Hewins, who took up his role in November 2016. This growth strategy continues to build on the long standing strengths of the Group, improving operational efficiency through a range of 'self help' initiatives and focusing investment towards our highest growth markets and in our high performing Personal Care sector in particular. Since the end of the year, I am delighted to report that we have reached agreement on the acquisition of SummitReheis, which is a world leading personal care chemicals business, and will increase our exposure to this attractive sector. We expect the acquisition to complete mid-year after regulatory requirements are satisfied. Our track record of consistent cash generation over the last seven years has been an important component of the Group's investment case, contributing significantly to total shareholder returns. I am pleased that in 2016, despite the more challenging environment, the Group still delivered a strong cash flow performance. This in turn means that we have been able to increase our special dividend by 4 per cent.

Financial results

In 2016, Group sales were \$659.5 million compared to \$677.2 million[†] in the previous year and IFRS profit before tax was \$75.5 million compared to \$120.8 million[†]. These results were mainly due to the impact of currency on Chromium and oil prices on Energy. Group basic earnings per share was 14.7 cents compared to 20.5 cents[†] in 2015.

In addition the Group's results will report a number of adjusting items and these items are discussed more fully in the Finance report. After taking account of these items, Group diluted earnings per share after adjusting items was 16.8 cents compared to 20.6 cents[†] last year.

Balance sheet

The Group's balance sheet remains strong after another year of robust cash generation despite lower profits and higher dividend payouts. The Group's net cash position at the end of 2016 was \$77.5 million, compared to \$74.0 million at the end of the previous year.

The IAS 19 deficit, on the Group's post retirement benefit plans, changed from \$29.0 million at the end of 2015 to \$30.1 million. The UK pension plan accounts for the majority of the Group's pension obligations.

Dividends

Under the dividend policy introduced in 2012, the Board undertook to pay approximately one third of earnings, after adjusting items, each year in a combination of interim and final dividends. In addition, a special dividend is paid each year of up to 50 per cent of the net cash balance at the end of the year, provided there are no immediate investment plans for that cash. This year, the Board is recommending a maintained final dividend, reflecting its confidence in the Group's business model and its medium term prospects. In addition, as the year end net cash balance increased, we will be distributing half of this by way of a special dividend, notwithstanding our investment in the acquisition of SummitReheis. Consequently, proposed total dividends for the year are increased by 2 per cent to 16.80 cents per share, the components of which are as follows:

- The Board is recommending a final dividend for 2016 of 5.75 cents per share (2015: 5.75 cents) and a special dividend of 8.35 cents per share (2015: 8.00 cents).
- The Board declared an interim dividend at the time of the Interim Results announcement of 2.70 cents per share (2015: 2.70 cents).

The final and special dividends will be paid on 26 May 2017, in pounds sterling at an exchange rate of £1.00:\$1.2502 (equivalent to a sterling amount of 11.2782 pence per share), to shareholders on the register on 28 April 2017.

Health, safety and the environment

This is an area in which we have intensified focus in 2016. Whilst our overall performance continues to be of a high standard compared to the industry, management is seeking continuous improvement. Our goal is for everyone to go home safely every day.

We continue to invest in measures to improve our environmental impact. We will continue to be cooperative and proactive with regulators, while striving always to exceed their expectations.

[†] restated – see note 31 in the 2016 Annual Report and Accounts

Chairman's statement

continued

Board changes

This has been a year of change at the top of our Company. As reported this time last year, Paul Waterman became CEO, joining the Board on 8 February 2016, replacing David Dutro. Ralph Hewins was appointed CFO-Designate and a Director of the Company on 12 September 2016 and replaced Brian Taylorson as CFO on 1 November 2016, when Brian stepped down from the role and the Board. On behalf of the Board I would like to take this opportunity to thank Brian for his significant contribution as CFO during the past 14 years. He has been central to the strong progress made by Elementis over many years and provided much valued support to myself and to both Paul and Ralph during the leadership transition.

Having served for nearly nine years, Andrew Christie will be standing down as a Director and as Chairman of the Remuneration Committee, in line with best practice, at the conclusion of the Annual General Meeting on 25 April 2017. Steve Good will succeed Andrew as Chairman of the Remuneration Committee at the conclusion of the meeting. Andrew has served the Board with great commitment over many years and I wish to extend my thanks to him for his efforts on our behalf.

Following a review of the Board's structure, capabilities, international experience and diversity, it was decided to increase the size of the Board from seven to eight members by appointing an additional non-executive Director. Sandra Boss and Dorothee Deuring joined the Board on 1 February 2017 and 1 March 2017 respectively. Both new Directors bring different expertise and insights and will make strong contributions in our boardroom. I am delighted to welcome them to Elementis and look forward to working with them.

Governance

One of the primary points of focus for the Board in 2016 was the successful implementation of the change of executive leadership. The Board is pleased that the transition to the new CEO and CFO team in Paul and Ralph was a smooth process. One of the challenges that this type of change brings is that the dynamics between non-executive and executive Directors need to be re-established and I am pleased to report that your Board remains cohesive and transparent, and has shared values that are based on trust, integrity and a common purpose, which enables all Directors to perform effectively, both collectively and as individuals. It is my intention to ensure that these dynamics are further strengthened by the recent Board additions.

The Board considers that it has applied fully all of the principles and provisions of the Corporate Governance Code during 2016. More information is provided in the Corporate governance report.

People

The business owes its success to the contribution of all of its talented individuals. One of the distinctive features of Elementis is the dedication and commitment of its employees. Despite the challenges and changes of 2016, this has been unwavering and, on behalf of the Board, I would like to thank all of the staff for everything they have done.

Outlook

The Board believes that the economic environment is likely to continue to be uncertain as we go through the current year. However, the management team is focused on self help measures to deliver underlying operational improvements, as well as concentrating on our strengths and the development of our principal growth sectors, whatever the market environment. We expect to maintain our distinctive margins and are looking to grow share in our markets based on superior products and customer service.

The Group has a solid financial platform, a new, energised leadership team and a clear strategy for delivery. We are confident that we have the foundations on which to make progress in 2017 and beyond.



Andrew Duff
Chairman
1 March 2017

Annual General Meeting ('AGM')

Explanatory notes to the Notice of Meeting

The Notice of Meeting appears on pages 8 to 10. The following information provides additional background information to several of the resolutions proposed.

Resolutions 2 and 14 – Final dividend (ordinary business) and special dividend (special business)

Two resolutions are being proposed at the AGM in respect of dividends being recommended by the Directors. The first is in respect of the final dividend for 2016 and the second, the payment of a special dividend for 2016. Full details of the final and special dividends are set out in Chairman's statement on page 3.

Resolution 3 – Directors' remuneration report

Resolution 3 will be proposed as an advisory vote to approve the Directors' remuneration report for 2016 (excluding the remuneration policy report). An advisory vote means the outcome will not be binding on the Company. The policy was last approved by shareholders at the AGM in 2015 and is only subject to a vote every three years unless changes to policy are being proposed which is not the case this year.

Resolutions 4 to 11 – Election/Re-election of Directors

In accordance with the provisions of the UK Corporate Governance Code concerning the annual election/re-election of all Directors of FTSE 350 companies, all the Directors, with the exception of Andrew Christie, will be retiring at the AGM and offer themselves for election or re-election (as applicable) by shareholders.

Comments about Board changes are contained in the Chairman's statement on page 4.

The Board and the Nomination Committee have discussed the Board's succession plans and all non-executive Directors, including the Chairman, have indicated their willingness to be re-appointed. Following these discussions and its annual performance evaluation, the Board is satisfied that all our Directors, both executives and non-executives, contribute effectively and demonstrate appropriate commitment to their role and, therefore, shareholders are asked to support their election/re-election at the AGM.

Shareholders may find the biographical information provided below useful to help them understand how a Director's background or experience shapes or influences the contribution he or she makes to the operation and effectiveness of the Board and should assist shareholders in assessing the skills and experience of the Board, as a whole, when determining how to vote on these resolutions at the AGM.

Ralph Hewins Chief Financial Officer, Age: 53

Ralph joined Elementis in September 2016 as an executive Director and CFO-designate and became CFO in November 2016. He has a strong track-record in finance, strategy development and implementation, and mergers and acquisitions. During his 30 year career with BP Lubricants, Ralph enjoyed a number of significant leadership positions, including roles in financial management, sales and marketing, corporate development (M&A), strategy and planning, as well as being CFO of BP Lubricants/Castrol since 2010. He also served on the Board of Castrol India Ltd since 2010 until 2016. Ralph holds an MA degree in Modern History and Economics from the University of Oxford, and an MBA from INSEAD.

Sandra Boss Non-executive Director, Age: 49

Sandra was appointed a non-executive Director on 1 February 2017. She is an external member of the Bank of England's Prudential Regulation Authority board (since September 2014) and an independent director of Enstar Group Limited, a NASDAQ-listed insurance group, where she is a member of its compensation, nominating and governance committees (since November 2015). She was a senior partner at McKinsey & Company from 2005 to 2014 (and a partner from 2000), where she specialised in investment banking and risk, and held several senior

management positions both in the UK and the US since joining in 1994. She has a BA degree in American Studies and Economics from Stanford University and an MBA degree from Harvard Business School. Sandra has also held non-executive and advisory appointments with the Institute of International Finance, the McKinsey Master Retirement Trust and the Edith Wharton Restoration.

Dorothee Deuring Non-executive Director, Age: 48

Dorothee Deuring was appointed a non-executive Director on 1 March 2017. She is a non executive director of Bilfinger SE, a German listed industrial services provider (where she is also a member of its audit committee), and Röchling Group SE, a privately owned group processing engineering plastics (both since 2016), as well as managing her own corporate advisory consultancy serving a number of European clients in the pharma/biotech sector. Her previous executive roles included managing director and head of Corporate Advisory Group (Europe) at UBS in Zurich, head of M&A chemicals and healthcare at a private investment bank in Germany and as a senior executive in the corporate finance department at the Roche group. Dorothee has an MSc degree in Chemistry from the Université Louis Pasteur, Strasbourg, and an MBA from INSEAD. She is active in various industry bodies.

Andrew Duff Chairman, Age: 57

Committee membership: N (c)

Andrew was appointed non-executive Chairman and Chairman of the Nomination Committee in April 2014. He has been non-executive chairman of Severn Trent plc since July 2010 and was a non-executive director of Wolseley plc from 2004 to 2013, where he was also the senior independent director and chairman of the remuneration committee. From 2003 to 2009, he was CEO of npower, the successor entity to Innogy plc which in 2000 was demerged from National Power and then sold to RWE, the German electricity and gas company, where he was also a member of the group executive committee. Before that he spent 16 years at BP in downstream international markets. He is a member of the CBI President's Committee, trustee of Macmillan Cancer Support and Earth Trust and a fellow of the Energy Institute. Andrew holds a BSc (Honours) degree in Mechanical Engineering.

Paul Waterman Chief Executive Officer, Age: 52

Paul was appointed CEO in February 2016. Before joining Elementis he was global CEO of the BP lubricants business from July 2013 after having overseen the BP Australia/New Zealand downstream business and been country president of BP Australia since August 2010. Prior to that he was CEO of BP's global aviation, industrial, marine and energy lubricants businesses (2009 to 2010) and CEO of BP lubricants Americas (2007 to 2009). He joined BP after it acquired Burmah-Castrol in 2000 having joined the latter in 1994 after roles at Reckitt Benckiser and Kraft Foods. Paul holds a BSc degree in Packaging Engineering from Michigan State University and an MBA in Finance and International Business from New York University, Stern School of Business.

Nick Salmon Senior Independent Director, Age: 64

Committee membership: A, N, R

Nick was appointed a non-executive Director in October 2014 and Senior Independent Director in December 2014. He is a non-executive director of Interserve plc and independent chairman of South East Water Limited. He was a non-executive director of United Utilities Group plc between April 2005 and July 2014, where he was also the senior independent director between 2007 and 2014. He was chief executive of Cookson Group plc from July 2004 to December 2012 when Cookson demerged to create two new listed companies. He was formerly executive vice-president of Alstom S.A. and chief executive of Babcock International Group plc. He held other senior management positions that include at GEC and GEC Alsthom in the UK and France and the China Light and Power Company in Hong Kong. Nick holds a BSc degree in Mechanical Engineering and is a fellow of the Royal Academy of Engineering.

Annual General Meeting ('AGM')

Explanatory notes to the Notice of Meeting continued

Steve Good Non-executive Director, Age: 55

Committee membership: A, N, R

Steve was appointed a non-executive Director in October 2014. He has been a non-executive director of Cape plc since July 2015 (where he is chairman of the remuneration committee), Anglian Water Services Limited since April 2015, and chairman of Zotefoams plc since April 2016, having been a non-executive director since October 2014. He was CEO of Low & Bonar plc, the industrial textile manufacturing business, from 2009 to 2014. Prior to joining Low & Bonar he spent 10 years with BTP plc (now part of Clariant) in a variety of leadership positions managing international speciality chemicals businesses. He has a BA degree in Economics and Finance and is a chartered accountant.

Anne Hyland Non-executive Director, Age: 56

Committee membership: A (c), N, R

Anne was appointed a non-executive Director in June 2013 and Chairman of the Audit Committee in August 2013. She is CFO of Kymab Ltd, a biopharmaceutical company specialising in advanced therapeutic antibody discovery and development. Previous to that, she was CFO and company secretary of BBI Diagnostics Group Ltd and Vectura Group plc. Prior to her role at Vectura, she held a number of senior finance positions (including director of corporate finance) at then FTSE 100 Celltech Group plc, Medeva plc and KPMG. She is also a trustee of the charity Sustrans which campaigns for national cycling networks. Anne is a chartered accountant, a corporate tax adviser and holds a degree in Business Studies from Trinity College, Dublin.

Key to membership of committees:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- (c) Chairman of Committee

Resolutions 12 and 13 – Appointment of auditor and auditor's remuneration

Resolution 12 relates to the reappointment of Deloitte LLP as the Company's auditor to hold office until the next AGM of the Company and Resolution 13 authorises the Audit Committee of the Board to set their remuneration.

Resolution 15 – General authority to allot shares

Under the Companies Act 2006 and Article 4.2 of the Company's Articles of Association, the Directors may only allot equity securities (being ordinary shares in the capital of the Company or grant rights to subscribe for or convert any security into shares), if authorised to do so by shareholders in general meeting. At last year's AGM held on 27 April 2016, shareholders granted the Directors such authority to allot equity securities.

Part (a) of Resolution 15 seeks to renew that authority to allow the Directors to allot equity securities up to an aggregate nominal amount of £7,726,491, representing an amount equal to one-third of the Company's issued share capital, excluding any shares held by the Company in treasury ('Treasury Shares'), as at 1 March 2017 the latest practicable date prior to the printing of this document. The Company holds no such Treasury Shares.

In addition, the Company is seeking authority in part (b) of Resolution 15 to allow the Directors to allot equity securities only in connection with a rights issue up to a further nominal value of £7,726,491, representing an amount equal to one-third of the Company's issued share capital, excluding Treasury Shares, as at 1 March 2017.

The authority being sought in Resolution 15 complies with the latest guidelines issued by the Investment Association. If Resolution 15 is passed, the Directors will have the authority in certain circumstances to allot equity securities up to a total nominal value of £15,452,983, representing a total amount equal to two-thirds of the Company's issued share capital, excluding Treasury Shares, as at 1 March 2017.

The Directors have no present intention of exercising the authority in Resolution 15. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to manage the Company's share capital base. The authority granted in Resolution 15 will expire on the date of the Company's next AGM or 30 June 2018, whichever is the earlier.

Resolution 16 – Political donations

This resolution will renew the authority granted to the Group in last year's AGM to make donations to political parties, independent election candidates and political organisations and to incur political expenditure.

The Group's policy is generally to prohibit direct or indirect political contributions and the Directors have no intention of using this authority for the above purpose. What constitutes a political donation, a political party, a political organisation, or political expenditure is not easy to define, as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this.

Accordingly, the Directors have decided to seek shareholder authority for political donations and political expenditure in case any of our normal business activities are caught by the legislation. As permitted by Part 14 of the Companies Act 2006, the resolution covers any political donations made, or political expenditure incurred, by any subsidiaries of the Company. The Companies Act 2006 covers three categories: political parties and independent election candidates, political organisations and political expenditure. The Directors have decided to place a cap of £50,000 per category provided that authorised political donations or political expenditure do not exceed in aggregate £50,000. The authority will expire at the conclusion of the next AGM or 30 June 2018 (whichever is earlier) and the Directors expect to seek to renew this authority at each AGM.

Resolution 17 – Renewal of authority to hold general meetings at 14 clear days' notice

This special resolution, if renewed, will allow the Company to call general meetings, other than the AGM, at 14 clear days' notice for the purposes of the Companies Act 2006, provided that electronic voting facilities have been put in place, as would be the case with Elementis. The reduction in notice period to 14 days would be of significant advantage to the Company should it require to seek shareholder approval on any matter. However, the shorter notice period would not be routine but used only for general meetings if the Board considers that the flexibility is merited by the business of the meeting and the circumstances surrounding the business, or to keep a period of uncertainty about the future of the Company to a minimum. Examples of when it might be appropriate to call a general meeting at 14 days' notice include when significant time-sensitive transactions or other price sensitive transactions are being put to shareholders for approval.

Resolution 18 and 19 – Authority to allot shares for cash free from pre-emption rights

Under the Companies Act 2006 and Article 4.4 of the Company's Articles of Association, the Directors may seek approval from shareholders to waive the application of statutory pre-emption rights such that the allotment of equity securities pursuant to the authority granted in Resolution 15 may be made without first having to offer it to existing shareholders in proportion to their existing holdings.

At last year's AGM shareholders passed a special resolution approving the disapplication of statutory pre-emption rights 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. This year, and in line with the Pre-Emption Group's recommendations, the Directors have proposed two separate resolutions to disapply pre-emption rights.

Resolution 18 will permit the Directors to use the authority in Resolution 15 to allot:

- (a) equity securities up to a nominal amount of £15,452,983, representing two-thirds of the Company's issued share capital as at 1 March 2017 (the latest practicable date prior to publication of this document) on an offer to existing shareholders on a pre-emptive basis, that is including a rights issue or an open offer, with one-third being available only in connection with a rights issue as a result of the limitation on the authority in Resolution 15 (in each case subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the Directors see fit); and
- (b) equity securities up to a maximum nominal value of £1,159,089, representing approximately 5 per cent of the issued ordinary share capital of the Company as at 1 March 2017 (the latest practicable date prior to publication of this document) otherwise than in connection with a pre-emptive offer to existing shareholders.

Resolution 19 will permit the Directors to allot additional equity securities up to a maximum nominal value of £1,159,089, representing approximately a further 5 per cent of the issued ordinary share capital of the Company as at 1 March 2017 (the latest practicable date prior to publication of this document), otherwise than in connection with a pre-emptive offer to existing shareholders for the purposes of financing or refinancing a transaction as contemplated by the Pre-emption Principles described above. The Directors believe that it is appropriate to seek this additional 5 per cent authority in Resolution 19 to give the Company the flexibility that this resolution affords.

The Board confirms that, in accordance with the Pre-Emption Principles, it does not intend to issue shares for cash representing more than 7.5 per cent of the Company's issued ordinary share capital in any rolling three-year period to those who are not existing shareholders (save in accordance with Resolution 19) without prior consultation with shareholders. If passed, the authorities given in Resolution 18 and 19 will expire on the date of the Company's next AGM or 30 June 2018, whichever is the earlier.

The Directors do not currently intend to allot equity securities for cash on a non pre-emptive basis pursuant to the authority in Resolution 18 and 19, other than in connection with the operation of the Company's share schemes.

Resolution 20 – Authority for the Company to purchase its own shares

This special resolution will renew the Company's authority to make market purchases of its ordinary shares on the London Stock Exchange until the Company's next AGM or, if earlier, until 30 June 2018. The Directors have no plans at present to exercise such authority and, in any event, would only do so where they believe such purchases would result in an increase in earnings per share and would be in the best interests of shareholders generally. The authority will allow the Company to purchase up to 46,363,588 ordinary shares, representing 10 per cent of the Company's issued share capital as at 1 March 2017, the latest practicable date prior to the printing of this document. The maximum price at which any such purchase may be made is equal to 105 per cent of the average of the middle market quotations for a share as taken from the London Stock Exchange's Daily Official List for the five business days preceding the date of purchase.

The Company is able to hold shares purchased under this authority in treasury with a view to selling them later on, rather than cancelling them. This provides the Company with additional flexibility in the management of its capital base. For so long as any such shares are held in treasury no dividends will be paid on them and no voting rights will attach to them. If Resolution 20 is passed, it is the Company's current intention to cancel the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so.

The number of unissued shares that were subject to subscription options as at 1 March 2017 was approximately 6,329,000. This equals, in number, 1.37 per cent of the Company's issued shares at that date. If the proposed share purchase authority were to be exercised in full, those 6,329,000 shares would represent 1.52 per cent of the issued shares as reduced by the share purchases. As at 1 March 2017, the latest practicable date prior to the printing of this document, the Company was authorised to make market purchases of up to 46,297,623 ordinary shares pursuant to an ordinary resolution passed at the 2016 AGM on substantially the same terms as those set out in Resolution 20.

Recommendation on voting

The Directors consider that all of the resolutions to be put to the meeting are in the best interests of the Company and its shareholders. Your Directors will be voting in favour of them and unanimously recommend that you do so as well.

Documents for inspection

See Note 6 to the Notice of Meeting on page 10.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth ANNUAL GENERAL MEETING of the Company will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Tuesday 25 April 2017 at 9.30 a.m. to consider and if thought fit to pass Resolutions 1 to 16 inclusive as ordinary resolutions and Resolutions 17 to 20 inclusive as special resolutions.

Ordinary business

1. To receive and adopt the reports of the Directors and audited financial statements for the year ended 31 December 2016 and the report of the auditors thereon.
2. To declare a final dividend on the ordinary shares, as recommended by the Directors, for the year ended 31 December 2016.
3. To approve the Directors' remuneration report for the year ended 31 December 2016, excluding the remuneration policy report.
4. To elect Ralph Hewins as a Director of the Company.
5. To elect Sandra Boss as a Director of the Company.
6. To elect Dorothee Deuring as a Director of the Company.
7. To re-elect Andrew Duff as a Director of the Company.
8. To re-elect Paul Waterman as a Director of the Company.
9. To re-elect Nick Salmon as a Director of the Company.
10. To re-elect Steve Good as a Director of the Company.
11. To re-elect Anne Hyland as a Director of the Company.
12. To re-appoint Deloitte LLP as auditors.
13. To authorise the Audit Committee to determine the remuneration of the auditors.

Special business

14. To declare a special dividend on the ordinary shares, as recommended by the Directors, for the year ended 31 December 2016.
15. That, the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006, 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 £7,726,491; and
 - (b) comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further nominal amount of £7,726,491 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 2018, whichever is the earlier but, in each case, save 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:

- (a) 'rights issue' means an offer to ordinary shareholders on the register of members at such record date as the Directors may determine 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 equivalent arrangement) 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, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange in any territory or any other matter; and
- (b) 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.

16. That in accordance with Sections 366 and 367 of the Companies Act 2006, the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective be and hereby are authorised in aggregate to:
 - (a) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;
 - (b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
 - (c) incur political expenditure not exceeding £50,000 in total;

(as such terms are defined in Sections 363 to 365 of the Companies Act 2006) provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000 during the period beginning with the date of passing this resolution and expiring at the conclusion of the next AGM of the Company or until the close of business on 30 June 2018, whichever is earlier provided that the authorised sums referred to in paragraphs a), b) and c) above, may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sums, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day on which the Company enters into any contract or undertaking in relation to the same.

17. That, any general meeting of the Company other than the Annual General Meeting may be held at 14 clear days' notice.

18. That, subject to the passing of Resolution 15, the Directors be authorised to allot equity securities pursuant to Section 570 and Section 573 of the Companies Act 2006 (as defined in Section 560 of that Act) for cash under the authority given by Resolution 15 and to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:
 - (a) the allotment of equity securities or sale of treasury shares pursuant to rights issues and other pre-emptive issues; and
 - (b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £1,159,089.

such authority to expire at the end of the next Annual General Meeting of the Company or on 30 June 2018, whichever is the earlier, save that prior to its expiry, the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

For the purposes of this Resolution:

- (a) 'rights issue and other pre-emptive issues' mean an offer to ordinary shareholders on the register of members at such record date as the Directors may determine in proportion (as nearly as may be practicable) to their existing holdings, to subscribe for further securities 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, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange in any territory or any other matter; and
- (b) 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.

19. That, subject to the passing of Resolution 15, and in addition to any authority granted under Resolution 18, the Directors be authorised to allot equity securities pursuant to section 570 and section 573 of the Companies Act 2006 (as defined in Section 560 of that Act) for cash or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:
- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,159,089; and
 - (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice

such authority to expire at the end of the next Annual General Meeting of the Company or on 30 June 2018, whichever is the earlier, save that prior to its expiry, the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

20. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of 5 pence each of the Company in such terms and in such manner as the Directors may from time to time determine:
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 46,363,588;
 - (b) the minimum price which may be paid for such shares is 5 pence per share exclusive of expenses;
 - (c) the maximum price, exclusive of expenses, which may be paid for each such share is an amount equal to 105 per cent of the average of the market values for such share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is contracted to be purchased;
 - (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 30 June 2018, if earlier; and
 - (e) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract.

By Order of the Board



Wai Wong
Company Secretary
21 March 2017

Registered office:
Caroline House
55-57 High Holborn
London WC1V 6DX

Notes to the Notice of Meeting

1. To be entitled to attend, speak and vote at the Annual General Meeting ('AGM') (and for the purpose of the determination by the Company of the votes they may cast), a member of the Company must be registered on the Register of Members as the holder of ordinary shares by 6.30 p.m. on 21 April 2017, or, in the case of an adjournment, by 6.30 p.m. on the day two business days immediately preceding the day fixed for the adjourned meeting (the 'Specified Time'). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the right of any person to attend and vote at the meeting.
2. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him/her, as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company.

Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its rights as a member provided that they do not do so in relation to the same shares.

Any or all joint holders of shares, registered on the Register of Members at the Specified Time, may attend the AGM, although only one holder may vote in person or by proxy. The vote or proxy appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of joint holders appear in the Company's Register of Members.

3. A proxy form, which covers all resolutions to be proposed at the AGM, is provided for use by holders of ordinary shares and should be read in conjunction with the Notice of Meeting and these notes. To be valid a proxy form must be received by post or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Lancing, West Sussex BN99 6DA by 9.30 a.m. on 21 April 2017 or, in the case of an adjournment, by the time 48 hours (excluding non-working days) before the time appointed for the adjourned meeting. Completing and returning a proxy form, other such instrument (including the appointment of a proxy electronically) or any CREST Proxy instruction (as described in paragraph 7 below) will not prevent a member from attending in person and voting at the meeting should he/she so wish.

Shareholders wishing to appoint a proxy and register their proxy votes electronically should visit the website, **www.sharevote.co.uk**. The on-screen instructions will give details on how to appoint a proxy and submit proxy voting instructions. Electronic proxy appointments and voting instructions must be received by no later than 9.30 a.m. on 21 April 2017 (or 48 hours excluding non-working days before an adjourned meeting) in order to be valid. Shareholders may not use any other electronic address or telephone number, whether found on this circular and Notice of Meeting, or in the Annual Report or on any Proxy Form or the Company's website, for the purposes of submitting voting instructions or appointing proxies. The only electronic address accepted for this stated purpose is the one at the **www.sharevote.co.uk** website.

Notice of Annual General Meeting

continued

4. Any person to whom this Notice of Meeting is sent who is currently nominated by a member of the Company to enjoy information rights under Section 146 of the Companies Act 2006 (a 'nominated person') may have a right under an agreement between him/her and such member to be appointed, or to have someone else appointed, as a proxy for the meeting. If he/she has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 2 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
5. As at 1 March 2017 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 463,635,588 ordinary shares of 5 pence each, all carrying one vote each, and (ii) the total voting rights in the Company were 463,635,588.
6. The Directors' service contracts, contracts of indemnity and letters of appointment will be available for inspection from the date of this Notice of Meeting during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until 25 April 2017 at the Company's registered office.

These documents will also be available for inspection at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG for not less than 15 minutes prior to and during the AGM.
7. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in 'the CREST voting service' section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a 'CREST proxy appointment instruction') must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ('Euroclear'), and must contain all the relevant information required by the CREST Manual (www.euroclear.com). To be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by Equiniti Limited (ID RA19), as the Company's 'issuer's agent', by 9.30 a.m. on 21 April 2017. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner.
8. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on 'Practical limitations of the system'. In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
9. In accordance with Section 311A of the Companies Act 2006, 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 and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of Meeting will be available on the Company's website at www.elementisplc.com/investors/agm-information.
10. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including (i) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered; or (ii) if to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; or (iii) if the answer has already been given on a website in the form of an answer to a question.
11. In accordance with Section 527 of the Companies Act 2006, members satisfying the thresholds in that section can require the Company to publish a statement on its website 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 circumstances connected with an Auditor of the Company ceasing to hold office since the last AGM which the members propose to raise at this AGM. The Company cannot require the members requesting the publication to pay expenses and any statement required to be published on the website must also be sent to the Company's Auditor no later than the time it makes the statement available on its website. The business which may be dealt with at the AGM includes any statement published on a website pursuant to a request made by members under Section 527 of the Companies Act 2006.
12. Voting on Resolutions 1 to 20 shall be conducted by way of a poll as this is a more transparent way of voting as member votes are counted according to number of shares held.

Shareholder services

Elementis corporate website

The Group operates a website which can be found at **www.elementisplc.com**. This site is frequently updated to provide you with information about the Group and each of its operating divisions. In particular the Group's press releases and announcements can be found on the site together with copies of the Group's accounts.

Registrars

Enquiries concerning shares or shareholdings such as the loss of a share certificate, consolidation of share certificates, amalgamation of holdings or dividend payments should be made to the Company's registrars:

Equiniti Limited

Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel: 0371 384 2379 or +44 (0) 121 415 7043
Lines are open 8.30a.m. to 5.30 p.m., Monday to Friday.

Website: **www.shareview.co.uk**

In any correspondence with the registrars, please refer to Elementis plc and state clearly the registered name and address of the shareholder. Please notify the registrars promptly of any change of address.

Payment of dividends

It is in the best interests of shareholders and the Company for dividends to be paid directly into bank or building society accounts. Any shareholder who wishes to receive dividends in this way should contact the Company's registrars to obtain a dividend mandate form.

Registrars' text phone

For shareholders with hearing difficulties:

Callers inside the UK telephone: 0371 384 2255

Callers outside the UK telephone: +44 (0) 121 415 7028

Web-based enquiry service

Equiniti provide a range of shareholders' services online. The portfolio service provides access to information on investments including balance movements, indicative share prices and information on recent dividends and also enables address and mandate details to be amended online. For further information and practical help on transferring shares or updating your details, please visit **www.shareview.co.uk**.

Equiniti also provides a share dealing service that enables shares to be bought or sold by UK shareholders by telephone or over the internet. For telephone share dealing please call 0345 603 7037 between 8.30 a.m. and 4.30 p.m (lines are open until 6.00 p.m for enquiries) and for internet share dealing please visit: **www.shareview.co.uk/dealing**.

Corporate information

Company Secretary

Wai Wong

Registered office

Caroline House
55-57 High Holborn
London WC1V 6DX, UK

Registered number

3299608

Auditors

Deloitte LLP

Joint Corporate Brokers

UBS Investment Bank
N+1 Singer

Financial Calendar

1 March 2017	Preliminary announcement of final results for the year ended 31 December 2016
25 April 2017	Annual General Meeting
25 April 2017*	Trading update
27 April 2017	Ex-dividend date for final and special dividend for 2016 payable on ordinary shares
28 April 2017	Record date for final and special dividend for 2016 payable on ordinary shares
26 May 2017	Payment of final and special dividend for 2016 on ordinary shares
1 August 2017*	Interim results announcement for the half year ending 30 June 2017
7 September 2017*	Ex-dividend date for interim dividend for 2017 payable on ordinary shares
8 September 2017*	Record date for interim dividend for 2017 payable on ordinary shares
29 September 2017*	Payment of interim dividend for 2017 on ordinary shares
27 October 2017*	Trading update

* Provisional date

Elementis plc

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