

# NOTICE OF ANNUAL GENERAL MEETING 2020

ELEMENTIS

## 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 independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

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

19 March 2020

Dear Shareholder

### NOTICE OF ANNUAL GENERAL MEETING ('AGM') TO BE HELD ON 29 APRIL 2020

#### IMPACT OF CORONAVIRUS/COVID-19

In the lead up to the AGM, we are closely monitoring the impact of the COVID-19 virus in the United Kingdom and UK Government guidance, in particular on events and gathering. It may become necessary or appropriate to make alternative arrangements to the structure and organisation of the meeting. In those circumstances, we will ensure that shareholders are given as much notice as possible, however the Board encourages shareholders to submit their proxies as early as possible and to be mindful of UK Government guidance. Further information will be made available at: [www.elementis.com](http://www.elementis.com)

As announced on 19 March 2020, due to the ongoing uncertainties arising out of the COVID-19 pandemic, the Board has decided that it is prudent to preserve cash. Therefore, the previously announced proposed 2019 final dividend will no longer be proposed at the AGM.

I am writing to give you notice of the Company's AGM that is to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Wednesday 29 April 2020 at 9.00 am.

As you will see from the notice of AGM overleaf, there are a number of items of business to be considered and you will find explanatory notes for each resolution on pages 4 to 9.

The directors believe that in the interests of shareholder democracy, it is important that the voting intentions of all members are taken into account, not just those who are able to attend the AGM and as such we propose putting Resolutions 1 to 18 to shareholders by way of poll rather than a show of hands. Shareholders attending the AGM will still have the opportunity to ask questions and vote on each resolution.

#### Action required

If you would like to vote on the resolutions but cannot come to the AGM, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the AGM. You will find a Form of Proxy and an Attendance Card enclosed with this notice. Alternatively, submit an electronic proxy appointment instruction as soon as possible and, in any event, so as to be received by the Company's Registrar at the relevant address set out below by no later than 9.00 am on 27 April 2020. Completion and return of the Form of Proxy or submission of an electronic instruction will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

#### Questions

If you have any questions about the AGM or your shareholding, please contact our Registrar, Equiniti, by post at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; by telephone on 0371 384 2379 (overseas +44 121 415 7043; or for shareholders who have already registered with Equiniti's online portfolio service; Shareview, on the internet at [www.shareview.co.uk](http://www.shareview.co.uk) (lines are open from 8.30 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales). Further shareholder information can be found on the Company's corporate website at [www.elementis.com](http://www.elementis.com)

#### Recommendation

The Board confirms that, in its opinion, all of the resolutions are in the best interests of the Company and its shareholders as a whole and unanimously recommends that shareholders vote in favour of them. The directors intend to vote in favour of the resolutions in respect of their own beneficial shareholdings.

Yours sincerely



**ANDREW DUFF**  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2020 Annual General Meeting ('AGM' or the 'Meeting') of the Company will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Wednesday 29 April 2020 at 9.00am to transact the business set out below.

Resolutions 1 to 14 will be proposed as ordinary resolutions and resolutions 15 to 18 will be proposed as special resolutions.

## ANNUAL REPORT AND ACCOUNTS 2019

1. That the Company's accounts and the reports of the directors and auditors for the year ended 31 December 2019 be received.

## DIRECTORS' REMUNERATION REPORT

2. That the directors' remuneration report (excluding the directors' remuneration policy) for the year ended 31 December 2019 be approved.

## RE-ELECTION OF DIRECTORS

3. That Andrew Duff be re-elected as a director.
4. That Paul Waterman be re-elected as a director.
5. That Ralph Hewins be re-elected as a director.
6. That Sandra Boss be re-elected as a director.
7. That Dorothee Deuring be re-elected as a director.
8. That Steve Good be re-elected as a director.
9. That Anne Hyland be re-elected as a director.
10. That John O'Higgins be elected as a director.

## APPOINTMENT OF AUDITORS

11. That Deloitte LLP be re-appointed as auditors.

## AUDITORS' REMUNERATION

12. That the Audit Committee be authorised to determine the remuneration of the auditors.

## GENERAL AUTHORITY TO ALLOT SHARES

13. 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 £9,675,365; and
  - b. comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further nominal amount of £9,675,365 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 AGM of the Company or on 29 July 2021, 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.

## POLITICAL DONATIONS

14. 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 29 July 2021, 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.

## NOTICE OF GENERAL MEETINGS

15. That any general meeting of the Company other than the AGM may be held on 14 clear days' notice.

## DISAPPLICATION OF PRE-EMPTION RIGHTS

16. That subject to the passing of Resolution 13, 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 13 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:

- the allotment of equity securities or sale of treasury shares pursuant to rights issues and other pre-emptive issues; and
- the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £1,451,305.

such authority to expire at the end of the next AGM of the Company or on 29 July 2021, 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:

- 'rights issue and other pre-emptive issues' 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 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
  - 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.
17. That subject to the passing of Resolution 13, and in addition to any authority granted under Resolution 16, 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 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 the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,451,305; and
  - 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 AGM of the Company or on 29 July 2021, 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.

## COMPANY'S AUTHORITY TO PURCHASE ITS OWN SHARES

18. 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:

- the maximum number of ordinary shares hereby authorised to be purchased is 58,052,190;
- the minimum price which may be paid for such shares is 5 pence per share exclusive of expenses;
- the maximum price, exclusive of expenses, which may be paid for each such share is an amount equal to the higher of
  - 105 per cent of the average of the middle market quotations 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 and
  - the higher of the price of the last independent trade and the highest current independent bid for a share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 18 will be carried out;
- unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or 29 July 2021, if earlier; and
- 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

**LAURA HIGGINS**  
**Group Company Secretary**

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

19 March 2020

# EXPLANATORY NOTES

The Notice of AGM appears on pages 2 to 3. The following information provides additional background information to each of the resolutions proposed.

## RESOLUTION 1 – ANNUAL REPORT AND ACCOUNTS

The Companies Act 2006 requires the directors of a public company to lay before the company in general meeting copies of the annual report and accounts in respect of each financial year. As such, the Company proposes a resolution on its audited accounts and directors' and auditors' reports for the year ended 31 December 2019. Shareholders will have the opportunity to put any questions to the directors before the resolution is proposed to the Meeting.

## RESOLUTION 2 – DIRECTORS' REMUNERATION REPORT

The vote will be proposed as an advisory vote to approve the directors' remuneration report for 2019 (excluding the remuneration policy). An advisory vote means the outcome will not affect the actual remuneration paid to any individual director. The directors' remuneration policy was last approved by shareholders at the AGM in 2018 and is only subject to a vote every three years unless changes to policy are being proposed which is not the case this year. The directors' remuneration policy will be put to shareholders again no later than the Company's AGM in 2021.

## RESOLUTIONS 3 TO 10 – ELECTION/RE-ELECTION OF DIRECTORS

In accordance with the provisions of the UK Corporate Governance Code concerning the annual re-election of all directors of premium listed companies, all the directors, will be retiring at the AGM and offer themselves for election or re-election by shareholders.

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.

Biographical details of each of the directors standing for either election or re-election are set out below, together with the reasons why their contributions are, and continue to be, important to the Company's long-term sustainable success.

## ANDREW DUFF, CHAIRMAN

Andrew joined the Board as a Non-Executive Director and Deputy Chairman on 1 April 2014 and was appointed Non-Executive Chairman and Chairman of the Nomination Committee on 24 April 2014.

### Skills, experience and contribution

Andrew has significant boardroom experience gained from serving as a director and chairman of a number of UK and international companies. This combined with experience in the manufacturing, energy and utilities sector, enables Andrew to effectively lead the Board and deliver value to shareholders and other stakeholders.

From 2003 until 2009, Andrew was chief executive officer of npower, the successor entity to Innogy plc which in 2000 was demerged from National Power, restructured and then sold to RWE, the German electricity and gas company. He was also a member of the RWE's executive committee. Before this, he spent 16 years at BP in downstream international markets. Andrew was a non-executive director of Wolseley plc, the international plumbing and building materials company, between 2004 and 2013, where he was also the senior independent director and chairman of the remuneration committee.

Andrew holds a BSc (Honours) degree in Mechanical Engineering and is a fellow of the Energy Institute.

### Committee membership

N\*

### External appointments

- Non-executive chairman of Severn Trent plc (from July 2010) and chairman of the nominations committee and member of the corporate responsibility committee and remuneration committee. (He will be stepping down from the Severn Trent board in April 2020)
- Non-executive director of UK Government Investments Ltd (UKGI) (from July 2019). UKGI is responsible for the portfolio of over 20 arm's length bodies and for delivering a range of corporate finance advice to the UK government
- Member of the CBI President's Committee
- Trustee of Macmillan Cancer Support

### Nationality

British

## PAUL WATERMAN, CHIEF EXECUTIVE OFFICER

Paul was appointed Group CEO on 8 February 2016.

### Skills, experience and contribution

Paul has a proven track record in developing markets, products and opportunities for creating value, business optimisation and transformation. Paul's global experience provides the skill set required to deliver the Company's strategy and provide inspiring leadership.

Prior to joining Elementis, Paul was global CEO of the BP lubricants business in 2013 after having overseen the BP Australia/New Zealand downstream business. In 2010, Paul was country president of BP Australia. Prior to this 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.

### Nationality

American

**RALPH HEWINS, CHIEF FINANCIAL OFFICER**

Ralph was appointed CFO-Designate and an executive director on 12 September 2016, and became Group CFO on 1 November 2016.

**Skills, experience and contribution**

Ralph is an accomplished CFO who has a strong track record in finance, strategy development and implementation, and M&A which enables him to provide effective financial leadership to underpin the delivery of the Company's strategy.

Ralph had a 30 year career with BP, where he held a number of significant leadership positions, including roles in financial management, sales and marketing, corporate development (M&A), strategy and planning. In 2010, Ralph was CFO of BP Lubricants and served on the board of Castrol India Limited from 2010 until 2016.

Ralph holds an MA degree in Modern History and Economics from the University of Oxford and an MBA from INSEAD.

**Nationality**

British

**SANDRA BOSS, NON-EXECUTIVE DIRECTOR**

Sandra was appointed a non-executive director on 1 February 2017.

**Skills, experience and contribution**

Sandra brings strategic advisory and corporate finance experience gained as a consultant to complex global companies on transformational change. Her contribution in relation to financial markets alongside risk management in regulated industries provides the Board with valuable insight.

Sandra 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 in the United Kingdom and the United States. At McKinsey, Sandra acted as an adviser to global financial institutions, corporates and public sector bodies on a wide range of strategic, operational and policy issues. Sandra has held other non-executive and advisory appointments with the Institute of International Finance, the McKinsey Master Retirement Trust and the Edith Wharton Restoration.

Sandra has a BA degree in American Studies and Economics from Stanford University and an MBA degree from Harvard Business School.

**Committee membership**

A, N, R

**External appointments**

- External member of the Bank of England's Prudential Regulation Committee (from September 2014) and an independent member of its RTGS/CHAPS board which oversees the UK's high value payment system, chair of the RTGS/CHAPS board risk committee and member of the RTGS renewal committee
- A non-executive director of Enstar Group Ltd (from November 2015), chairman of the risk committee and a member of the compensation and nominating committees. (She will be stepping down from the Enstar Group board on 31 March 2020)

**Nationality**

British/American

**DOROTHEE DEURING, NON-EXECUTIVE DIRECTOR**

Dorothee was appointed a non-executive director on 1 March 2017.

**Skills, experience and contribution**

Dorothee provides the Board with valuable insight into the wider European chemicals and life science sector as well as sector specific acquisition expertise.

Dorothee manages her own corporate advisory consultancy serving a number of European clients in the pharma/ biotech sector. She is active in various industry bodies. 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 was a former non-executive director of Röchling SE & Co (until May 2019).

Dorothee holds a masters degree in Chemistry from the Université Louis Pasteur, Strasbourg and an MBA from INSEAD.

**Committee membership**

A, N, R

**External appointments**

- Non-executive director of supervisory board of Bilfinger SE (from May 2016) and member of Audit Committee
- Non-executive director of AXPO Holding AG (from March 2017)
- Non-executive director of PIQUR Therapeutics AG (from May 2019)
- Non-executive director of Selecta Group (from January 2020)
- Nominated as non-executive director of Lonza Group AG (subject to shareholder approval in April 2020)

**Nationality**

Austrian

**STEVE GOOD, NON-EXECUTIVE DIRECTOR**

Steve was appointed a non-executive director on 20 October 2014 and became chairman of the remuneration committee on 25 April 2017.

**Skills, experience and contribution**

Steve has strong and relevant international experience in specialty chemicals businesses, manufacturing and diverse industrial markets which enables him to provide guidance and challenge to management. Steve's involvement with remuneration committees in other organisations enable him to provide judgement and knowledge of topical remuneration matters in his capacity as Remuneration Committee chair.

Steve was chief executive of Low & Bonar plc between September 2009 and September 2014. Prior to that role, he was managing director of its technical textiles division between 2006 and 2009, director of new business between 2005 and 2006, and managing director of its plastics division between 2004 and 2005. Prior to joining Low & Bonar he spent 10 years with BTP plc (now part of Clariant) in a variety of leadership positions managing international specialty chemicals businesses. Steve served as non-executive director and chairman of the remuneration committee of Cape plc from July 2015 to September 2017 and non-executive director of Anglian Water Services and member of the audit committee, nomination committee and remuneration committee from April 2015 to October 2018.

Steve holds a degree in Economics and Financial Management from Sheffield University. He is a chartered accountant.

**Committee membership**

R\*, N

**External appointments**

- Non-executive chairman of Zotefoams plc (non-executive director from October 2014 and chairman from April 2016) and chairman of the nomination committee and member of the remuneration committee
- Non-executive chairman of Devro plc (from June 2019)
- Non-executive director of Dialight plc (from June 2018) and member of the nominations committee and remuneration committee. (He will be stepping down from the Dialight board on 31 March 2020)
- Director of Low & Bonar Pension Trustee Ltd (from July 2018)

**Nationality**

British



## EXPLANATORY NOTES (continued)

### ANNE HYLAND, NON-EXECUTIVE DIRECTOR

Anne was appointed a non-executive director in June 2013 and became chairman of the audit committee on 1 August 2013.

#### Skills, experience and contribution

Anne brings substantial financial, internal controls, audit and tax expertise to the Board which enables her to be effective in her role as Audit Committee chair. Anne's background with global organisations enables her to effectively contribute in the context of Elementis' existing markets and new business opportunities.

She is currently CFO of Kymab Group Ltd, a biopharmaceutical company funded by the Wellcome Trust and the Bill & Melinda Gates Foundation. Prior to her current executive role, she was CFO and company secretary of BBI Diagnostics Group Ltd and FTSE-listed Vectura Group plc. Previous senior finance positions held include director of corporate finance at Celltech Group plc, Medeva plc and KPMG.

Anne holds a degree in Business Studies from Trinity College, Dublin and is a chartered accountant (FCA) and a corporate tax adviser (CTA – AIT).

#### Committee membership

A\*, N

#### External appointments

- Non-executive director of Clinigen Group plc (from January 2018) and chairman of the audit committee chairman of the audit committee
- CFO of Kymab Group Ltd (from March 2015)

#### Nationality

Irish

### JOHN O'HIGGINS, NON-EXECUTIVE DIRECTOR

John was appointed a Non-Executive Director on 4 February 2020 and will become Senior Independent Director following the conclusion of the 2020 AGM.

#### Skills, experience and contribution

John has strong strategic and operational experience including leading a high technology equipment manufacturer through a period of significant transformation and development. John's background in global markets, chemicals, and manufacturing will enable him to provide valuable knowledge and guidance to the Board.

John served as chief executive of Spectris plc from January 2006 to September 2018, leading the business through a period of significant strategic transformation and development. Prior to Spectris plc, John spent 14 years at Honeywell International in a number of senior management roles including Chairman of Honeywell Automation India and President of Automation & Control for Asia-Pacific. His early career was spent at Daimler Benz A.G. as a research and development engineer.

Previous non-executive director roles include Exide Technologies, a US based supplier of battery technology to automotive and industrial users (from 2010 to 2015).

John holds a master's degree in Mechanical Engineering from Purdue University (USA) and an MBA from INSEAD.

#### Committee membership

A, N, R

#### External appointments

- Trustee of the Wincott Foundation
- Member of the Corporate Advisory Board of Great Ormond Street Hospital Children's Charity
- Non-executive director of Oxford Nanopore Technologies
- Non-executive director of Johnson Matthey plc and a member of the audit, nomination and remuneration committees

#### Nationality

Irish

#### Key to membership of committees:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- \* Chairman of Committee

### RESOLUTIONS 11 AND 12 – APPOINTMENT OF AUDITOR AND AUDITOR'S REMUNERATION

Resolution 11 relates to the re-appointment of Deloitte LLP as the Company's auditor to hold office until the next AGM of the Company. This resolution is recommended by the Audit Committee and endorsed by the Board. The directors propose the re-appointment of Deloitte LLP. The rationale for this recommendation can be found in the 2019 annual report and accounts on page 76.

Resolution 12 authorises the Audit Committee of the Board to set the auditor's remuneration. The Audit Committee considers that the nature and level of consultancy-related non-audit fees to audit fees undertaken by Deloitte LLP (which are detailed on page 77 of the 2019 annual report and accounts) is in accordance with the Company's non-audit services policy, is appropriate for the advisory work required to be undertaken for the year ended 31 December 2019 and that they do not impact on the auditor's objectivity and independence.

### RESOLUTION 13 – GENERAL AUTHORITY TO ALLOT SHARES

Under the Companies Act 2006, 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 30 April 2019, shareholders granted the directors such authority to allot equity securities.

Part (a) of Resolution 13 seeks to renew that authority to allow the directors to allot equity securities up to an aggregate nominal amount of £9,675,365 representing an amount equal to one-third of the Company's issued share capital as at 19 March 2020 the latest practicable date prior to the printing of this document. The Company holds no shares in treasury ("Treasury Shares").

In addition, the Company is seeking authority in part (b) of Resolution 13 to allow the directors to allot equity securities only in connection with a rights issue up to a further nominal value of £9,675,365, representing an amount equal to one-third of the Company's issued share capital, excluding Treasury Shares, as at 19 March 2020.

The authority being sought in Resolution 13 complies with the latest guidelines issued by the Investment Association. If Resolution 13 is passed, the directors will have the authority in certain circumstances to allot equity securities up to a total nominal value of £19,350,730, representing a total amount equal to two-thirds of the Company's issued share capital, excluding Treasury Shares, as at 19 March 2020.

The directors have no present intention of exercising the authority in Resolution 13, however 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 13 will expire on the date of the Company's next AGM or 29 July 2021, whichever is the earlier.

## **RESOLUTION 14 – 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 29 July 2021 (whichever is earlier) and the directors expect to seek to renew this authority at each AGM.

## **RESOLUTION 15 – NOTICE OF GENERAL MEETING**

This special resolution, if renewed, will allow the Company to call general meetings, other than the AGM, on 14 clear days' notice. The reduction in notice period to 14 days may be advantageous 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 the directors may consider it 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 16 AND 17 – AUTHORITY TO ALLOT SHARES FOR CASH FREE FROM PRE-EMPTION RIGHTS**

Under the Companies Act 2006, 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 13 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 two special resolutions in relation to the disapplication of statutory pre-emption rights.

This year, and in line with the Pre-Emption Group's Statement of Principles on the Disapplication of Pre-Emption Rights (the Pre-emption Group Principles) the directors have proposed again two separate resolutions to disapply pre-emption rights.

Resolution 16 will permit the directors to use the authority in Resolution 13 to allot:

- a. equity securities up to a nominal amount of £19,350,730, representing two-thirds of the Company's issued share capital as at 19 March 2020 (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 13 (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 £1,451,305, representing approximately 5 per cent of the issued ordinary share capital of the Company as at 19 March 2020 (the latest practicable date prior to publication of this document) otherwise than in connection with a pre-emptive offer to existing shareholders.

Resolution 17 will permit the directors to allot additional equity securities up to a maximum nominal value of £1,451,305, representing approximately a further 5 per cent of the issued ordinary share capital of the Company as at 19 March 2020 (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. The directors believe that it is appropriate to seek this additional 5 per cent authority in Resolution 17 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 17) without prior consultation with shareholders. If passed, the authorities given in Resolution 16 and 17 will expire on the date of the Company's next AGM or 29 July 2021, 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 16 and 17.

## **RESOLUTION 18 – 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 29 July 2021. 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 58,052,190 ordinary shares, representing 10 per cent of the Company's issued share capital as at 19 March 2020, the latest practicable date prior to the printing of this document. The Resolution also sets out the maximum and minimum price at which any such purchase may be made.

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 18 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 19 March 2020 was approximately 6,559,000. This equals, in number, 1.13 per cent of the Company's issued shares at that date. If the proposed share purchase authority were to be exercised in full, those 6,559,000 shares would represent 1.23 per cent of the issued shares as reduced by the share purchases. As at 19 March 2020, the latest practicable date prior to the printing of this document, the Company was authorised to make market purchases of up to 58,039,485 ordinary shares pursuant to an ordinary resolution passed at the 2019 AGM on substantially the same terms as those set out in Resolution 18.

## **DOCUMENTS FOR INSPECTION**

See Note 9 to the Notice of Meeting on page 8.

# 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 pm on 27 April 2020, or, in the case of an adjournment, by 6.30 pm 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.
3. 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.
4. 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.
5. 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 9.00 am on 27 April 2020 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 10 below) will not prevent a member from attending in person and voting at the meeting should he/she so wish.
6. Shareholders wishing to appoint a proxy and register their proxy votes electronically should visit the website, [www.sharevote.co.uk](http://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 9.00 am on 27 April 2020 (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 website, [www.sharevote.co.uk](http://www.sharevote.co.uk).
7. 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.
8. As at 19 March 2020 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 580,521,906 ordinary shares of 5 pence each, all carrying one vote each, and (ii) the total voting rights in the Company were 580,521,906.
9. Copies of the directors' service contracts 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 29 April 2020 at the Company's registered office and at Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG. 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.
10. 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](http://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 9.00 am on 27 April 2020. 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.



## NOTES TO THE NOTICE OF MEETING (continued)

11. 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.
12. 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.elementis.com](http://www.elementis.com).
13. Pursuant to Section 319A of the Companies Act, 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.
14. 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.
15. It is intended that voting on Resolutions 1 to 18 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 corporate website which can be found at [www.elementis.com](http://www.elementis.com). This site is frequently updated to provide shareholders with information about the Group. 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 Group plc  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

Tel: 0371 384 2379 or +44 (0)121 415 7043

Tel: 0371 384 2255 or +44 (0)121 415 7028

For shareholders with hearing difficulties:

Tel: 0371 384 2255 or +44 (0)121 415 7028

Lines are open 8.30 am to 5.30 pm, Monday to Friday (excluding public holidays in England and Wales).

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.

## ELECTRONIC COMMUNICATIONS

Shareholders can elect to receive shareholder documents electronically by registering with Shareview at [www.shareview.co.uk](http://www.shareview.co.uk). This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent an email notification to say when shareholder documents are available on our website and you will be provided with a link to that information. When registering, you will need your shareholder reference number which can be found on your share certificate or form of proxy. Please contact Equiniti if you require any assistance or further information.

## SHARE DEALING SERVICES

Equiniti 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 am and 4.30 pm (lines are open until 6.00 pm for enquiries) and for internet share dealing please visit: [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing).

## SHARE FRAUD

Share or investment scams are often run from 'boiler rooms' where fraudsters cold call investors offering them worthless, overpriced or even non-existent shares, or offer to buy their shares in a company at a higher price than the market value. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount, or offers of free reports about the company. Even seasoned investors have been caught out by such fraudsters. The FCA have some helpful information.

## REPORT A SCAM

If you are contacted by a cold caller, you should inform the Company Secretary by email and also the FCA by using their share fraud reporting form at [www.fca.org.uk/scams](http://www.fca.org.uk/scams) or calling their Consumer Helpline on 0800 111 6768.

If you have already paid money to a share fraudster, please contact Action Fraud on 0300 123 2040 or [www.actionfraud.police.uk](http://www.actionfraud.police.uk).

# CORPORATE INFORMATION

## COMPANY SECRETARY

Laura Higgins

## REGISTERED OFFICE

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

## REGISTERED NUMBER

3299608

## AUDITORS

Deloitte LLP

## JOINT CORPORATE BROKERS

J.P. Morgan Cazenove  
Numis

## PUBLIC RELATIONS

Tulchan Communications

## FINANCIAL CALENDAR

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4 March 2020	Preliminary announcement of final results for the year ended 31 December 2019
29 April 2020	Annual General Meeting
29 April 2020	Trading update
28 July 2020*	Interim results announcement for the half year ending 30 June 2020
3 September 2020*	Ex-dividend date for interim dividend for 2020 payable on ordinary shares
4 September 2020*	Record date for interim dividend for 2020 payable on ordinary shares
25 September 2020*	Payment of interim dividend for 2020 on ordinary shares

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\* Provisional date

# CORPORATE INFORMATION

## **ELEMENTIS PLC**

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

Tel: +44 (0) 20 7067 2999

Email: [company.secretariat@elementis.com](mailto:company.secretariat@elementis.com)

Website: [www.elementis.com](http://www.elementis.com)