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## Morgan Advanced Materials plc

### NOTICE OF ANNUAL GENERAL MEETING 2020

A letter from the Chairman of Morgan Advanced Materials plc is set out on pages 1 and 2 of this document.

Notice of the Annual General Meeting of Morgan Advanced Materials plc to be held at Quadrant, 55-57 High Street, Windsor, Berkshire SL4 1LP on Thursday 7 May 2020 at 10.30am is set out on pages 3 and 4 of this document.

Please complete and submit a proxy appointment in accordance with the Notes to the Notice of the Annual General Meeting set out on pages 7 and 8. To be valid, the proxy appointment must be received at the address for delivery specified in the Notes by 10.30am on Tuesday 5 May 2020.

# Morgan Advanced Materials plc

(Registered in England and Wales No. 286773)

Registered Office:  
Quadrant  
55-57 High Street  
Windsor  
Berkshire SL4 1LP

9 April 2020

To holders of Ordinary shares of 25p each ('Ordinary shares') and for information only to holders of 5.5% Cumulative First Preference shares of £1 each ('First Preference shares') and 5.0% Cumulative Second Preference shares of £1 each ('Second Preference shares').

Dear Shareholder

## THE 2020 ANNUAL GENERAL MEETING (AGM)

I am writing to you with details of our 2020 AGM which we will be holding at our registered office at Quadrant, 55-57 High Street, Windsor, Berkshire SL4 1LP at 10.30am on Thursday 7 May 2020.

Notice of the AGM can be found on pages 3 and 4 of this document and contains the resolutions dealing with the business of the meeting. The Explanatory Notes for all business of the AGM are given on pages 5 and 6 of this document.

The Board is monitoring the situation regarding the Coronavirus pandemic and our priority at this time is the health, safety and wellbeing of all of our stakeholders. The Board currently considers that it is in the Company's best interests to proceed with this year's AGM, but in light of the Government's compulsory measures on social distancing which have now passed into law (**Stay at Home Measures**), this year's meeting will take a different form. It will be scaled-back and will focus on the formal AGM business only.

If the Stay at Home Measures continue to be in force on the date of our AGM, the Board proposes that a single Director will attend the meeting in person. In doing so, they will observe all relevant social distancing guidelines. The Board considers their attendance in person is essential for work purposes to ensure that a valid meeting is held.

As the Stay at Home Measures prohibit public gatherings of more than two people, shareholders will not be permitted to attend the AGM in person if such measures continue to be in force on the date of the meeting. Shareholders and guests who travel to the meeting will not be admitted. **It is, therefore, important that you do not attend the meeting in person while the Stay at Home Measures are in place.**

The Board recognises the importance of the AGM to shareholders and is keen to ensure that you are able to exercise your right to participate in the meeting and vote notwithstanding the Stay at Home Measures. If you wish to participate in the AGM and the Stay at Home Measures are in force, you should appoint the Chairman of the meeting as your proxy and give your instructions on how you wish the Chairman to vote on the resolutions. Registered shareholders may submit their questions to the Directors in advance of the meeting by sending an email to [info@morganplc.com](mailto:info@morganplc.com) or telephoning the Company Secretary on +44 (0)1753 837000.

If the Stay at Home Measures are not in force at the date of the AGM and there are no other restrictions on attendance in place, you may be able to attend the meeting in person, subject to any public health guidance issued at the time. You may also be able to appoint one or more proxies of your choice to attend and exercise your rights at the meeting in the usual way. If you choose to appoint a proxy other than the Chairman of the meeting, but the Stay at Home Measures or other restrictions on attendance in person continue in force, your appointment will be deemed to be an appointment of the Chairman of the meeting. A person other than the Chairman of the meeting will not be permitted to attend if the Stay at Home Measures are in force.

Information on how to appoint your proxy can be found in the Notes to the Notice of Annual General Meeting set out on pages 7 and 8. To be valid, your proxy appointment must be received at the address for delivery specified in the Notes by 10.30am on Tuesday 5 May 2020.

The Board recognises that this is an evolving situation, and as such it is impossible to determine what further impact the pandemic may have on our AGM and we therefore ask that you check our website ([www.morganadvancedmaterials.com](http://www.morganadvancedmaterials.com)) regularly for the latest information regarding the AGM arrangements.

**Dividend**

As announced in the COVID-19 Update released to the market on 31 March 2020, (available on our website [www.morganadvancedmaterials.com](http://www.morganadvancedmaterials.com)), the Board has decided to withdraw the proposed 2019 final dividend which was due to be approved at the AGM. The Board has also decided to suspend the dividend payable on the cumulative preference shares.

**Appointment of a new Auditor**

Following a tender process conducted in 2019, details of which are set out in the 2019 Annual Report, the Board approved the Audit Committee's recommendation to appoint Deloitte LLP as Auditor. Further details on Resolution 10, the appointment of the Auditor, are provided in the Notes on page 5 and KPMG LLP's 'Statement of Circumstances' is appended to this Notice of AGM.

**Recommendation**

Your Directors consider that all the resolutions to be put to the meeting will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole, and accordingly, unanimously recommend you to vote in favour of them as they intend to do so in respect of their own beneficial shareholdings (other than in respect of resolutions in which they hold an interest).

Thank you for your continued support.

Yours faithfully

**DOUGLAS CASTER** CBE FIET  
CHAIRMAN

# Morgan Advanced Materials plc

(Registered in England and Wales No. 286773)

(‘the Company’)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the eighty-sixth Annual General Meeting of the Company will be held at Morgan Advanced Materials plc, Quadrant, 55-57 High Street, Windsor, Berkshire SL4 1LP on Thursday 7 May 2020 at 10.30am to transact the business set out below. Resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 17 will be proposed as special resolutions.

### Ordinary resolutions:

1. To receive the audited accounts and the Auditor’s and Directors’ Reports for the year ended 31 December 2019.
2. To approve the Directors’ Remuneration Report (other than the part containing the Directors’ Remuneration Policy) for the year ended 31 December 2019.
3. To re-elect Jane Aikman as a Director.
4. To re-elect Helen Bunch as a Director.
5. To re-elect Douglas Caster as a Director.
6. To re-elect Laurence Mulliez as a Director.
7. To re-elect Pete Raby as a Director.
8. To re-elect Peter Turner as a Director.
9. To elect Clement Woon as a Director.
10. To appoint Deloitte LLP as Auditor of the Company.
11. To authorise the Audit Committee of the Board of Directors to determine the Auditor’s remuneration.
12. That, from the date of this resolution until the earlier of the close of business on 30 June 2021 and the conclusion of the Company’s next Annual General Meeting, the Company and all companies which are its subsidiaries at any time during such period are authorised:
  - a) to make donations to political parties and/or independent election candidates;
  - b) to make donations to political organisations other than political parties; and
  - c) to incur political expenditure,up to an aggregate total amount of £100,000, with the amount authorised for each of paragraphs a) to c) above being limited to the same total.

Any such amounts may comprise sums paid or incurred in one or more currencies. Any sum paid or incurred in a currency other than sterling shall be converted into sterling at such rate as the Board may decide is appropriate.

Terms used in this resolution have, where applicable, the meanings that they have in Part 14 of the Companies Act 2006 on ‘Control of political donations and expenditure’ as at the date of the Notice of this meeting.
13. That the Directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares in the Company:
  - a) up to an aggregate nominal amount of £23,780,832 (such amount to be reduced by the aggregate nominal amount of any equity securities that may be allotted pursuant to paragraph b) below in excess of £23,780,832); and
  - b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006), up to an aggregate nominal amount of £47,561,664 (such amount to be reduced by the aggregate nominal amount of shares allotted or rights granted pursuant to paragraph a) above) in connection with a rights issue (as defined in the Listing Rules published by the Financial Conduct Authority):
    - i) to holders of Ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of Ordinary shares held by them; and
    - ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that (unless previously revoked, varied or renewed) this authority shall expire at the close of business on 30 June 2021 or, if earlier, at the conclusion of the Company’s next Annual General Meeting, save that the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights under any such offer or agreement as if the authority had not expired. All authorities vested in the Directors on the date of the Notice of this meeting to allot shares or to grant rights that remain unexercised at the commencement of this meeting are revoked.

**Special resolutions:**

14. That, subject to the passing of resolution 13 in the Notice of this meeting, the Directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities, as defined in section 560(1) of that Act, for cash pursuant to the authority conferred on them by resolution 13 in the Notice of this meeting or by way of a sale of treasury shares as if section 561 of the Act did not apply to any such allotment, provided that this power is limited to:

- a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Financial Conduct Authority's Listing Rules) or any other pre-emptive offer that is open for acceptance for a period determined by the Directors to the holders of Ordinary shares on the register on any fixed record date in proportion to their holdings of Ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
  - b) the allotment of equity securities (other than pursuant to paragraph a) above) with an aggregate nominal amount of £3,567,124,
- and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 13 in the Notice of this meeting, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the power had not expired.

15. That, subject to the passing of resolution 13 in the Notice of this meeting and in addition to the power contained in resolution 14 set out in this Notice of meeting, the Directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities, as defined in section 560(1) of that Act, for cash pursuant to the authority conferred on them by resolution 13 in the Notice of this meeting or by way of a sale of treasury shares as if section 561 of the Act did not apply to any such allotment, provided that this power is:

- a) limited to the allotment of equity securities up to an aggregate nominal amount of £3,567,124; and
- b) used only for the purposes of financing (or refinancing, if the power is to be exercised within six months after the date of the original transaction) a transaction which the Directors 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 the Notice of this meeting,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 13 in the Notice of this meeting, save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the power had not expired.

16. That the Company is generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases, as defined in section 693(4) of the Companies Act 2006, of the Company's Ordinary shares on such terms and in such manner as the Directors may from time to time determine, provided that:

- a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 28,536,998;
- b) the minimum price (exclusive of expenses) that may be paid for each Ordinary share is its nominal value;
- c) the maximum price (exclusive of expenses) which may be paid for each Ordinary share shall be an amount equal to the higher of (i) 105% of the average of the closing price of the Company's Ordinary shares as derived from the London Stock Exchange Daily Official List on the five business days immediately preceding the date on which such share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary share in the Company on the trading venue where the market purchases by the Company are carried out;
- d) such authority will expire at the close of business on 30 June 2021 or, if earlier, at the conclusion of the Company's next Annual General Meeting; and
- e) before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry and the Company may purchase shares pursuant to any such contract as if the authority had not expired.

17. That a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

Registered office:  
Quadrant  
55-57 High Street  
Windsor  
Berkshire SL4 1LP

By Order of the Board  
Stephanie Mackie  
Company Secretary  
9 April 2020

## EXPLANATORY NOTES TO THE BUSINESS OF THE ANNUAL GENERAL MEETING

### Resolution 1 – Receipt of the 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 directors' reports, the independent auditor's report and the audited accounts of the company in respect of each financial year. In line with best practice, the Company proposes a resolution on its audited accounts and reports for the financial year ended 31 December 2019 ('the 2019 Annual Report and Accounts').

### Resolution 2 – Approval of the Directors' Remuneration Report

In accordance with the Companies Act 2006, shareholders are invited to approve the Directors' Remuneration Report, which is set out on pages 65 to 82 of the 2019 Annual Report and Accounts. For the purposes of this resolution, the Directors' Remuneration Report does not include the Directors' Remuneration Policy set out on pages 67 to 74. The vote on the Remuneration Report is advisory only and the Directors' entitlement to remuneration is not conditional on it being passed.

The Companies Act 2006 requires the Directors' Remuneration Policy to be put to shareholders for approval annually unless the approved policy remains unchanged, in which case it need only be put to shareholders for approval at least every three years. The Company is not proposing any changes to the Directors' Remuneration Policy approved at the Annual General Meeting in 2019.

### Resolutions 3 to 9 – Election and re-election of Directors

In accordance with the Company's Articles of Association and the provisions of the UK Corporate Governance Code, Clement Woon, whose appointment as a Director took effect immediately after the last Annual General Meeting, will retire from office at the 2020 Annual General Meeting and will seek election by shareholders for the first time. The Board has decided that all other Directors will retire from office at the 2020 Annual General Meeting and each of them will seek re-election by shareholders.

Following the Board performance evaluation during 2019, it is the opinion of the Board that each Director continues to be effective, demonstrating continued significant commitment to their roles. The Board believes that the considerable and wide-ranging experience of the Directors seeking election or re-election is invaluable and their contribution continues to be an important part of the Company's long-term sustainable success. The skills, contribution and experience of the Directors are set out on pages 48 and 49 of the 2019 Annual Report and Accounts.

### Resolutions 10 and 11 – Auditor appointment and remuneration

At each meeting at which the Annual Report and Accounts are laid, the Company is required to appoint an auditor to serve until the next such meeting.

As detailed in the 2019 Annual Report and Accounts, and in line with audit regulation, the Audit Committee conducted an audit tender process to replace KPMG LLP as external Auditor, to take effect from the 2020 financial year. The Board, on the recommendation of the Audit Committee, agreed that Deloitte LLP should replace KPMG LLP, and so Resolution 10 proposes the appointment of Deloitte LLP as Auditor. More information on the tender process can be found in the Audit Committee Report of the 2019 Annual Report and Accounts.

KPMG LLP will cease to hold office as the Company's Auditor with effect from the conclusion of the 2020 Annual General Meeting. In accordance with the requirements of the Companies Act 2006, KPMG LLP has provided the Company with a 'Statement of Circumstances' confirming that they are ceasing to hold office as a result of the decision to appoint Deloitte LLP. A copy of the 'Statement of Circumstances' is set out on page 9. Special notice of this resolution has been given to the Company in accordance with sections 312 and 515 of the Companies Act 2006.

Resolution 11 is a resolution giving the Audit Committee the discretion to determine the Auditor's remuneration.

### Resolution 12 – Political donations and expenditure

This resolution renews a similar authority given at last year's Annual General Meeting, which is due to lapse at the 2020 Annual General Meeting. It seeks approval from shareholders to enable the Company, and all companies which are, or which become, subsidiaries of the Company, to make political donations and incur political expenditure which it would otherwise be prohibited from making or incurring by the Companies Act 2006. The Company's policy is not to make donations to political parties nor to incur political expenditure and there is no intention to change that policy. However, the Companies Act 2006 defines political expenditure, political donations and political organisations very widely, such that normal business activities, which might not be thought to be political expenditure or a political donation to a political organisation in the usual sense, may be included. For example, sponsorship of industry forums, funding of seminars and other functions to which politicians are invited, matching employees' donations to certain charities, expenditure on organisations concerned with matters of public policy, law reform and representation of the business community and communicating with the Government and political parties at local, regional and national level, may fall under the terms of the Companies Act 2006.

Accordingly, the Company, in common with many other companies, seeks an authority to make political donations as well as to incur political expenditure, to cover these kinds of activities on a precautionary basis, in order to avoid possible inadvertent contravention of the Companies Act 2006. The authority does not purport to authorise any particular donation or expenditure but is expressed in general terms, as required by the Companies Act 2006. Furthermore, as permitted under that Act, the authority has been extended to cover any political donations made and political expenditure incurred by any subsidiaries of the Company. Therefore, as a precautionary measure, you will be asked to give the Company and each of its subsidiaries authority to make political donations to political parties or independent election candidates, to make political donations to political organisations (other than political parties) and to incur political expenditure. This authority is limited to a maximum aggregate amount of £100,000.

If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or at the close of business on 30 June 2021 (whichever is earlier). It is the Directors' intention to renew this authority each year.

### **Resolution 13 – Authority to allot shares**

The Directors currently have an authority to allot shares in the Company and to grant rights to subscribe for or convert any securities into shares in the Company. This authority is due to lapse at the 2020 Annual General Meeting. The Board is seeking to renew that authority over Ordinary shares having an aggregate nominal amount of £23,780,832, representing approximately one third of the issued Ordinary share capital of the Company and also to give the Directors authority to allot Ordinary shares having an aggregate nominal amount of £47,561,664, representing approximately two thirds of the issued Ordinary share capital of the Company by way of a rights issue only. For the avoidance of doubt, the authority sought pursuant to this resolution will give the Directors the ability to allot shares (or grant rights to shares) up to a maximum aggregate nominal amount of £47,561,664. The authority will lapse at the close of business on 30 June 2021 or at the next Annual General Meeting, whichever shall first occur. The authority sought under this resolution is standard for most UK listed companies and is consistent with The Investment Association's 'Share Capital Management Guidelines'. The Directors have no present intention to allot any shares under the authority being sought. Each reference in this explanatory note to the Company's issued Ordinary share capital is to the issued Ordinary share capital of the Company as at 16 March 2020 (being the latest practicable date prior to the publication of this document). The Company did not hold any shares in treasury as at that date.

### **Resolutions 14 and 15 – Disapplication of statutory pre-emption rights**

These are special resolutions which, if passed by shareholders, will enable the Board to allot Ordinary shares, or to sell any shares out of treasury, for cash, without first offering those shares to existing shareholders in proportion to their existing holdings.

The proposed resolutions essentially replicate the powers which were granted at last year's Annual General Meeting (and which will expire at the 2020 Annual General Meeting). Such powers reflect the Statement of Principles published by the Pre-Emption Group in March 2015, which provide that a company may seek power to allot on a non-pre-emptive basis for cash shares in any one year representing:

- (i) no more than 5% of the company's issued ordinary share capital; and
- (ii) no more than an additional 5% of the company's issued ordinary share capital provided that such additional power is only used in connection with an acquisition or specified capital investment.

Resolution 14 is proposed as a special resolution. If this resolution is passed by shareholders, it will permit the Board to allot Ordinary shares for cash on a non-pre-emptive basis both in connection with a rights issue or similar pre-emptive issue and, otherwise than in connection with any such issue, up to a maximum nominal amount of £3,567,124. This amount represents approximately 5% of the Company's issued Ordinary share capital as at 16 March 2020 (being the latest practicable date prior to publication of this document). This resolution will permit the Board to allot any such shares for cash in any circumstances (whether or not in connection with an acquisition or specified capital investment).

Resolution 15 is proposed as a separate special resolution. If this resolution is passed by shareholders, it will afford the Board an additional power to allot Ordinary shares for cash on a non-pre-emptive basis up to a further maximum nominal amount of £3,567,124. This amount also represents approximately 5% of the Company's issued Ordinary share capital as at 16 March 2020. The Board will use the power conferred by resolution 15 only in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

The Board confirms its intention to follow the provisions of the 2015 Statement of Principles regarding cumulative usage of authorities within a rolling three year period. Those Principles provide that a company should not issue shares for cash representing more than 7.5% of the company's issued share capital in any rolling three year period, other than to existing shareholders, without prior consultation with shareholders. This limit excludes any ordinary shares issued pursuant to a general disapplication of pre-emption rights in connection with an acquisition or specified capital investment.

### **Resolution 16 – Purchase of own shares**

The proposed resolution seeks authority for the Company to purchase up to a maximum of 28,536,998 of its own Ordinary shares (that is 10% of the Company's issued Ordinary share capital, and therefore within institutional shareholder guidelines, as at 16 March 2020). The Directors are seeking this authority as they consider it prudent for the Company to have the flexibility in its financial management to make market purchases of its own Ordinary shares, despite having no present intention of using the authority sought in this resolution. The reasons why the Directors may, in the future, consider a buy-back of shares to be in the best interests of the Company and its shareholders include where the Directors (i) expect that such a buy-back would result in an increase in earnings per share, (ii) consider that the Company has excess cash, and/or (iii) determine that it is appropriate to increase the Company's gearing.

The resolution specifies the maximum and minimum prices at which Ordinary shares may be bought. Any shares purchased by the Company under this authority would either be cancelled or held as treasury shares, depending on which course of action is considered by the Directors to be in the best interests of shareholders at that time. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options and awards granted to employees pursuant to the Company's employee share schemes. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

As at 16 March 2020, there were options and awards outstanding to subscribe for 7,179,810 Ordinary shares under the Company's shareholder approved employee share schemes. If the outstanding options and awards were fully exercised they would represent approximately 2.5% of the issued Ordinary share capital of the Company. If the buy-back authority was exercised in full, and those shares were cancelled (but the Company's issued Ordinary share capital otherwise remained unaltered), pursuant to this resolution, then the number of options and awards to subscribe for shares outstanding as at 16 March 2020 would represent 2.8% of the reduced issued Ordinary share capital of the Company.

This authority will expire at the conclusion of the next Annual General Meeting of the Company or at the close of business on 30 June 2021, whichever is earlier.

### **Resolution 17 – Enabling the Company to call a general meeting on at least 14 days' notice**

This resolution renews an authority given at last year's Annual General Meeting and is required as a result of section 307A of the Companies Act 2006. The Company currently has power under its Articles of Association to call general meetings (other than an Annual General Meeting) on at least 14 clear days' notice and would like to preserve this ability. In order to be able to do so, shareholders must first approve the calling of meetings on at least 14 days' notice. This resolution seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole.

## NOTES

1. In light of the measures taken by the Government to reduce the public health risks posed by the spread of the coronavirus (**Stay at Home Measures**), shareholders will not be permitted to attend the AGM in person if such measures continue to apply on the date of the meeting. Every eligible shareholder does, however, have the right to appoint one or more proxies to exercise all or any of his or her rights on his or her behalf at the meeting, provided that if more than one proxy is appointed, each proxy is appointed to exercise rights attaching to different shares. The appointment of a proxy in relation to this year's AGM will be subject to the following special arrangements:
  - (i) if the Stay at Home Measures are in force at the date of the AGM, shareholders who wish to participate in the meeting should appoint the Chairman of the meeting as their proxy in order to do so. No other person(s) appointed as proxy will be permitted to attend the meeting in person. If a shareholder appoints some other person or persons as proxy, such shareholder shall, for so long as the Stay at Home Measures apply, be deemed to have appointed the Chairman of the meeting and not the other named person(s) as their proxy; and
  - (ii) if the Stay at Home Measures cease to apply before the date of the AGM and there are no other measures in place restricting attendance in person, shareholders who wish to participate in the meeting can appoint the Chairman of the meeting or some other person(s) as their proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.Accordingly, if shareholders wish to appoint a person other than the Chairman of the meeting as their proxy in relation to the meeting, they may do so. However, if the Stay at Home Measures or other restrictions apply at the date of the meeting, such appointment will be construed as an appointment of the Chairman of the meeting as set out in sub-paragraph (i) above.
2. All resolutions contained in this Notice of meeting will be put to vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised. On a poll, each shareholder has one vote for every share held.
3. A pre-paid proxy form is enclosed with this document. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, should be sent to the Company's registrar, Equiniti Limited. If you wish to use an envelope, please send it to: FREEPOST RTHJ-CLLL-KBKU, Equiniti, Aspect House, Spencer Road, Lancing, BN99 8LU so as to arrive not later than 10.30am on Tuesday 5 May 2020 or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting. Alternatively, a member may appoint a proxy online by going to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions provided. Members will need their Voting ID, Task ID and Shareholder Reference Number which can be found on the enclosed proxy form. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the same time. Members who hold their shares in uncertificated form may also use "the CREST electronic proxy appointment service" to appoint a proxy electronically, as explained below.
4.
  - a) CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
  - b) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti Limited as the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
  - c) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
  - d) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. Members who have returned proxy forms in accordance with Note 3 or who register the appointment electronically in accordance with Note 4 are not thereby precluded from attending the meeting and voting in person if they so wish and provided that it is lawful to do so.
6. A shareholder that is a corporation may authorise one or more persons (or if the Stay at Home Measures are in force, the Chairman of the meeting) to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.
7. The Company specifies that only those holders of Ordinary shares registered in the register of members of the Company at the close of business on Tuesday 5 May 2020 (or, in the event that the meeting is adjourned, in the register of members at the close of business on the day that is two days (excluding any part of a day that is not a working day) before the day of the adjourned meeting) shall be entitled to vote at the meeting in respect of the number of Ordinary shares registered in their names at that time. Changes to entries on the register of members after the close of business on Tuesday 5 May 2020 (or, in the event that the meeting is adjourned, after the close of business on the day that is two days (excluding any part of a day that is not a working day) before the day of the adjourned meeting) shall be disregarded in determining the rights of any person to vote at the meeting. Reference in this note to the right to attend the meeting shall as regards attendance at the meeting in person be read subject to Note 1 above.
8. This Notice is sent for information only to holders of First Preference shares and Second Preference shares.
9. As at 16 March 2020 (being the last practicable date prior to the publication of this document) the Company's issued share capital consisted of 285,369,988 Ordinary shares carrying one vote each, 125,327 First Preference shares which do not carry voting rights and 311,954 Second Preference shares which also do not carry voting rights. The total voting rights in the Company as at 16 March 2020 were 285,369,988.



10. Your personal data includes all data provided by you, or on your behalf, that relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrar) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.
11. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights ('a Nominated Person') may have a right, under an agreement between him and the shareholder by whom he was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. For so long as the Stay at Home Measures are in force, a person other than the Chair of the meeting who is appointed as a proxy will not be permitted to attend the meeting. The statement of the rights of shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by shareholders of the Company.
12. A shareholder or shareholders having a right to vote at the meeting and holding at least 5% of the total voting rights of the Company (see Note 9), or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to the audit of the Company's latest accounts (including the Auditor's report and the conduct of the audit or any circumstances connected with the Company's former auditors ceasing to hold office since the Company's previous annual general meeting). The Company cannot require the shareholders concerned to pay its expenses in complying with sections 527 and 528 of the Companies Act 2006. The Company must forward any such statement to its Auditor by the time it makes the statement available on the website. The business which may be dealt with at the meeting includes any such statement.
13. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the Companies Act 2006. The Company must answer any such question unless:
- to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. The information required by section 311A of the Companies Act 2006 to be published in advance of the meeting, which includes the matters set out in this Notice and information relating to the voting rights of shareholders, is available at [www.morganadvancedmaterials.com](http://www.morganadvancedmaterials.com). A shareholder may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than expressly stated in it.



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**Private & confidential**

The Board of Directors  
Morgan Advanced Materials plc  
Quadrant  
55-57 High Street  
Windsor  
SL4 1LP

30 March 2020

Dear Directors

**Statement to Morgan Advanced Materials (no. 00286773) on ceasing to hold office as auditors pursuant to section 519 of the Companies Act 2006**

The reason connected with our ceasing to hold office is the holding of a competitive tender for the audit, in which we were not invited to participate.

Yours faithfully

*KPMG LLP*

KPMG LLP  
Audit registration number: 9188307  
Audit registration address:  
15 Canada Square  
Canary Wharf, London, E14 5GL

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**Morgan Advanced Materials plc**

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