

## Notice of Annual General Meeting 2012

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document, or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

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

#### Elementis plc

(registered in England & Wales no 3299608)  
10 Albemarle Street  
London W1S 4HH

23 March 2012

Dear Shareholder

#### Notice of Annual General Meeting to be held on 26 April 2012

I am writing to give you notice of the Company's Annual General Meeting ("AGM") that is to be held at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS on Thursday 26 April 2012 at 11.00 a.m.

The following items are also included in this document:

- the "Highlights" and "Chairman's statement" sections extracted from the 2011 Annual Report and Accounts;
- an explanation of certain resolutions at the AGM;
- a summary of the principal terms of a new share option scheme, which shareholders are asked to approve at the AGM. This new scheme will replace the 2003 Executive Share Option Schemes. While the executive directors of the Company will technically be eligible to participate in this new scheme, there is no current intention to grant options under it to them. Instead, it is currently intended that the new scheme will be used to provide share-based incentives to less senior employees; and
- a Proxy Form.

Shareholders who have elected to receive printed copies of documents that we provide for shareholders will also find enclosed a printed copy of the 2011 Annual Report and Accounts. A copy of that document can be accessed through the Company's website at: [www.elementisplc.com/investors/agm-information/](http://www.elementisplc.com/investors/agm-information/)

Website communication has helped the Company not only to reduce printing and mailing costs but also to reduce the impact of those activities on the environment. If you wish to review all or specific sections of the 2011 Annual Report and Accounts, you will find the interactive version on our website particularly useful and easy to use. Alternatively, if you wish for a printed copy to be sent to you in full, then please request this from the Company Secretary at the above address.

As an alternative to submitting a proxy form by post, you may wish to vote electronically by visiting our registrar's website at [www.sharevote.co.uk/](http://www.sharevote.co.uk/) Once you have selected Elementis from the list, you will be asked to enter a **Voting ID**, **Task ID** and **Shareholder Reference Number**. These are printed in this order on the enclosed personalised proxy form. To be valid, all electronic voting instructions must be received by 11.00 a.m. on 24 April 2012. Please read the notes to the Notice of Meeting as these set out other rights of shareholders and further requirements which you should check, to ensure your proxy vote will be valid.

Yours sincerely



**Robert Beeston**  
Chairman

## Highlights

### Significant improvement in Group sales and operating profit

- Sales up nine per cent; Operating profit\* up 34 per cent

Operating margin\* improved to 18.0 per cent (2010: 14.7 per cent)

### Another record performance in Specialty Products

- Sales up ten per cent; Operating profit\* up 25 per cent
- Investing in capacity to support further growth

### Robust performance in Chromium

- Strong earnings and cash flow

### Excellent cash generation

- Net cash position at end of 2011

Full year dividend increased by 42 per cent

## Financial summary

	2011	2010	Change
Sales	<b>\$760.5m</b>	\$697.4m	+9%
Operating profit*	<b>\$137.1m</b>	\$102.3m	+34%
Profit before tax*	<b>\$134.5m</b>	\$96.0m	+40%
Diluted earnings per share*	<b>20.8c</b>	15.2c	+37%
Net cash/(debt)	<b>\$26.2m</b>	\$(79.3)m	
Profit for the year	<b>\$124.1m</b>	\$74.1m	
Basic earnings per share	<b>27.8c</b>	16.7c	
Dividend to shareholders:			
– final proposed	<b>4.66c</b>	2.60c	+79%
– full year	<b>7.00c</b>	4.94c	+42%

\* Before exceptional items.

## Chairman's statement

In 2011, the global economic environment continued to be challenging for businesses in general, with low growth in North America and disruption in Europe caused by the financial strains in the Euro currency area. In such an environment, the quality and resilience of a company is very much put to the test and only those companies with a valuable product offering to their customers, a clear strategy and the inherent skills to drive performance are likely to be able to make progress. I am therefore pleased to report that Elementis has continued to meet that test in 2011, by delivering improvements in sales, operating profit and margins, leading to strong cash flow generation and growth in earnings per share. At the core of our success is our global presence, the superior product and technical service provided to our customers by Specialty Products, combined with a more resilient business model in Chromium. Actions taken over the past three years to improve the quality of our businesses are clearly evident in our results, with our operating margins continuing to improve and now reaching levels well above those experienced before the economic downturn in 2009. Cash flow has also been impressive over that period, such that the Group now enjoys a strong balance sheet with a net cash position.

Group revenues in 2011 were \$760.5 million compared to \$697.4 million in 2010, which is a growth rate of nine per cent, or seven per cent on a constant currency basis. Operating profit, before exceptional items, increased by 34 per cent to \$137.1 million, or 30 per cent on a constant currency basis. Both Specialty Products and Chromium reported improved operating margins in the year. Diluted earnings per share, before exceptional items, improved by 37 per cent to 20.8 cents in 2011, compared to 15.2 cents in the previous year.

As previously reported, the Group recovered €23.4 million (approximately \$34.5 million) from the European Commission during the year and this, together with a provision of \$7.0 million relating to our pension plans in the Netherlands, have been recorded as exceptional items in the year because of their size and non-recurring nature. After taking account of these items, basic earnings per share for 2011 was 27.8 cents compared to 16.7 cents in 2010, which included a one-time tax credit.

### Balance sheet

As a result of another year of strong cash flow performance, enhanced by the recovery of the funds from the European Commission, the Group is in the very favourable position of having a net cash position at the end of 2011. The IAS 19 deficit under the Group's pension schemes increased by \$27.4 million to \$94.8 million in the year, due to a fall in bond yields, and current pension regulations require that these plans are funded to a higher level for the time being. Overall, however, the Group is in a very strong financial position and well placed to continue to invest in its future growth. Given the Group's robust balance sheet position and the strongly cash generative nature of our business, the Board will monitor and review the capital structure to ensure it remains appropriate for the Group's needs and delivers optimal returns for investors.

### Dividend

The Board is recommending a final dividend of 4.66 cents per share which will be paid on 1 June 2012 in pounds sterling at an exchange rate of £1 = \$1.5723 (equivalent to a sterling amount of 2.9638 pence per share), to shareholders on the register on 4 May 2012. This brings the total dividend to shareholders for the year to 7.00 cents (2010: 4.94 cents) representing an increase of 42 per cent over the previous year. Going forward the Board intends to progress the dividend as the Group's dollar earnings and cash flow permit.

### Health, safety and environment

Our activities in this important area of our business have continued to be of a high standard and I am able to report that there were no significant incidents in the year. To ensure that our performance remains exemplary, we also closely monitor minor incidents and use the key learnings from each of these to constantly upgrade our processes. In 2011, there was some increase in minor incidents and we have taken immediate steps to ensure that any underlying causes are quickly corrected.

### Corporate governance

The UK corporate governance code asks company chairmen to report on how the Board has applied various provisions concerning the role and effectiveness of the Board. I have set out the Board's position in these matters in the Corporate governance report.

### People

The excellent results reported by the Group this year are only possible through the efforts, dedication and skill of our people around the world. On behalf of the Board I would like to thank them for their tremendous contribution to our ongoing success.

### Outlook

The Board is confident that the Group has a clearly defined strategy and solid business model and balance sheet that can continue to generate value for our shareholders. Trading in 2012 has started on a solid footing and, although economic uncertainties in Europe are still in evidence, we are confident that we can make further progress in the coming year.



**Robert Beeston**  
Chairman

28 February 2012

## Annual General Meeting (“AGM”)

### Explanatory notes to the Notice of Meeting

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

#### Resolutions 4 to 10: Re-election of directors

In accordance with the provisions of the UK Corporate Governance Code concerning the annual re-election of all directors of FTSE 350 companies, all the directors will be retiring at the AGM and offer themselves for re-election by shareholders.

During the course of 2011, four of the non-executive directors had their appointment terms renewed. For three it was re-appointment for a third three year term. The Board and the Nomination Committee have discussed the Board's succession plans and all four non-executives have indicated their willingness to be re-appointed. Following these discussions and its annual performance evaluation, the Board is satisfied that all of our directors, both executives and non-executives, contribute effectively and demonstrate appropriate commitment to their role and, therefore, shareholders are asked to support their re-election at the AGM.

The following biographical information on each director is provided to shareholders for information:

#### Robert Beeston, Chairman<sup>N</sup>

Robert Beeston was appointed non-executive Chairman of Elementis and Chairman of the Nomination Committee in September 2006. He was non-executive chairman of Cookson Group plc from April 2003 to May 2010 and a non-executive director of DS Smith plc between December 2000 and December 2010, where he was the senior independent director and chairman of the remuneration committee from 2003 to 2009. From 1992 until 2002 he was chief executive officer of FKI plc. He spent 18 years with Dowty Group before joining John Brown Plastics Machinery (UK) Ltd as managing director. In 1985, he was appointed managing director of BTR Valve Group, a position he held for six years before joining FKI plc.

#### David Dutro, Group Chief Executive

David Dutro was appointed Group Chief Executive in January 2007. He joined Elementis in November 1998 as President of Elementis Pigments then became President and Chief Operating Officer of Elementis Worldwide in October 2005. He was vice president and general manager of Universal Foods' Dairy and Food Ingredient businesses (now Sensient Technologies Corp), and also spent time with ICI in their colours, polymer additives and surfactants businesses. David Dutro was born and educated in the US and holds a Bachelor of Science degree in marketing.

#### Brian Taylorson, Finance Director

Brian Taylorson was appointed Finance Director in April 2002. Before joining Elementis he was head of European chemicals M&A group at KPMG Corporate Finance. He joined KPMG in 2000 from the Dow Chemical Company where he held a number of positions in finance over a period of 17 years. He holds an MA from Cambridge University, is a member of the Institute of Chartered Accountants in England and Wales and a member of the Association of Corporate Treasurers. He is a non-executive director of Fiberweb plc.

#### Ian Brindle, Senior Independent Director<sup>A, N</sup>

Ian Brindle was appointed a non-executive director and Chairman of the Audit Committee in June 2005. He retired as Chairman of the Audit Committee in April 2008 and was appointed Senior Independent Director. He was senior partner of Price Waterhouse from 1991 to 1998 and UK chairman of PricewaterhouseCoopers until 2001. He was also a member of the Accounting Standards Board between 1992 and 2001 and the deputy chairman of the Financial Reporting Review Panel between 2001 and 2008. He is senior independent director and chairman of the audit committee of Spirent Communications plc, senior independent director also of 4imprint Group plc, a non-executive director of F&C Asset Management plc and non-executive chairman of Sherborne Investors (Guernsey) A Limited.

#### Andrew Christie, Non-executive Director<sup>A, N, R</sup>

Andrew Christie was appointed a non-executive director in August 2008 and has over 25 years of investment banking and international corporate finance experience. He is a partner of Smith Square Partners LLP, a corporate finance advisory firm, and before that was, until March 2008, a UK managing director in the European Investment Banking Group at Credit Suisse. In his prior role at Credit Suisse, he was head of Investment Banking, Asia Pacific, based in Hong Kong and, before that, held the same position with Barclays de Zoete Wedd. He was previously chairman and non-executive director of Ark Therapeutics Group plc and holds an MBA and a Bachelor of Science degree in engineering.

#### Chris Girling, Non-executive Director<sup>A, N, R</sup>

Chris Girling was appointed a non-executive director in April 2005 and Chairman of the Audit Committee in April 2008. He was group finance director of Carillion plc, a construction and support service group, from 1999 to 2007, and previous to that he was finance director of Vosper Thornycroft plc for ten years. He holds an MBA and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is a non-executive director and the chairman of the audit committee of Keller Group plc, chairman of the board of trustees of the Slaughter and May pension scheme and a non-executive director of ARCO Limited.

#### Kevin Matthews, Non-executive Director<sup>A, N, R</sup>

Kevin Matthews was appointed a non-executive director in February 2005 and Chairman of the Remuneration Committee in April 2008. He is chief executive officer of Isogenica Limited, a private biotechnology business based in the UK and established in 2000. Prior to that, he was CEO of Oxonica plc, a UK-based nanotechnology company, a role he held from April 2001 to September 2009, and previous to that he held roles in Rhodia Consumer Specialties Limited, Albright & Wilson UK Limited and ICI Chemicals and Polymers. He is a non-executive director of Collectricon AB, a Swedish private biotechnology business, and holds a D.Phil in chemistry.

#### Key to membership of committees:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee

## Special business

### Resolution 13 – Elementis plc Executive Share Option Scheme 2012

The proposal is to introduce a new scheme, the 2012 Scheme, to replace the Company's existing approved and unapproved executive share option schemes, the life of which expires in April 2013 (the "2003 Schemes"). The grant of options in 2012 will be made under the 2003 Schemes. Adopting the 2012 Scheme now will allow the Board to grant options in 2013 in alignment with awards to executive directors and other senior executives under the 2008 Long Term Incentive Plan (as amended in 2010). While the executive directors of the Company will technically be eligible to participate in the 2012 Scheme, there is no current intention to grant options under it to them. Instead, it is currently intended that the 2012 Scheme will be used to provide share-based incentives to less senior employees. If, in future, the Company is minded to grant options under the 2012 Scheme to the executive directors, it will first consult with major shareholders and their representative bodies.

The terms of the 2012 Scheme are similar to those of the 2003 Schemes, adjusted for changes in the law and market practice.

These notes should be read in conjunction with the summary of the principal terms of the 2012 Scheme, a copy of which is set out below in this document on pages 6 and 7.

### Resolution 14 – General authority to allot shares

This resolution will extend the general authority of the directors to allot shares until the Company's next AGM or, if earlier, 30 June 2013. The authority will be in respect of shares with an aggregate nominal value of £7,498,410 equal to one third of the Company's current issued share capital as at 28 February 2012, the latest practicable date prior to the printing of this document.

### Resolution 15 – Renewal of authority to hold general meetings at 14 clear days' notice

This special resolution, if renewed, will allow the Company to call general meetings other than the annual general meeting, at 14 clear days' notice for the purposes of The Companies (Shareholders' Rights) Regulations 2009, provided that electronic voting facilities have been put in place, as would be the case with Elementis. The reduction in notice period to 14 days would be of significant advantage to the Company should it require to seek shareholder approval on any matter. However, the shorter notice period of between 15 and 20 days would not be routine but used only for general meetings if the Board considers that the flexibility is merited by the business of the meeting and the circumstances surrounding the business, or to keep a period of uncertainty about the future of the Company to a minimum. Examples of when it might be appropriate to call a general meeting at 14 days' notice include when emergency capital raising proposals or other price sensitive transactions are being put to shareholders for approval.

### Resolution 16 – Authority to allot shares for cash free from pre-emption rights

This special resolution will renew the disapplication of statutory pre-emption rights in relation to the Company's allotment for cash of its own shares pursuant to Resolution 14, or in relation to the Company's sale of its own shares held in treasury, and shall expire at the conclusion of the next AGM of the Company or on 30 June 2013 whichever is earlier. The disapplication will permit the directors to allot shares for cash pursuant to Resolution 14, or to sell treasury shares, without first offering them to all existing shareholders pursuant to their statutory pre-emption rights under the Companies Act 2006. Any such allotments or sales must be pursuant to a rights issue or an open offer or otherwise be limited to shares with an aggregate nominal value not exceeding that of five per cent of all the ordinary shares in issue as at 28 February 2012 (being shares to an aggregate nominal value of £1,124,874), the latest practicable date prior to the printing of this document.

The Company confirms that it will not, under the authority to be granted in Resolutions 14 and 16, allot shares up to more than 7.5 per cent of the Company's issued capital in the preceding three year period.

### Resolution 17 – Authority for the Company to purchase its own shares

This special resolution will renew the Company's authority to make market purchases of its ordinary shares on the London Stock Exchange until the Company's next AGM or, if earlier, until 30 June 2013. 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 44,994,962 ordinary shares, representing ten per cent of the Company's issued share capital as at 28 February 2012, the latest practicable date prior to the printing of this document. The maximum price at which any such purchase may be made is equal to 105 per cent of the average of the middle market quotations for a share as taken from the London Stock Exchange's Daily Official List for the five business days preceding the date of purchase.

The authority, where it is renewed, would be for the purchase of the fixed number of shares set-out in this Resolution 17, between the date the resolution is passed and until the Company's next AGM or, if earlier, until 30 June 2013. Were the Company within the period described to cancel the shares so purchased, or transfers or disposes of them in any other way or for whatever, or in connection with any other, purpose, the limits of the authority, in terms of the number of shares authorised to be purchased under Resolution 17, would not be adjusted in any way so as to increase the number of shares that may be purchased by the Company under this resolution.

The Company will be able to hold shares purchased under this authority in treasury with a view to selling them later on, rather than cancelling them. This ability will provide 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. Any shares purchased by the Company under this authority that are not held in treasury will be cancelled. Currently the directors have no plans for holding any such shares in treasury instead of cancelling them, or for cancelling any of them instead of holding them in treasury.

The number of unissued shares that were subject to subscription options as at 28 February 2012 was approximately 14,000,000. This equals, in number, 3.11 per cent of the Company's issued shares at that date. If the proposed share purchase authority were to be exercised in full, those 14,000,000 shares would represent 3.46 per cent of the issued shares as reduced by the share purchases. As at 28 February 2012, the latest practicable date prior to the printing of this document, the Company was authorised to make market purchases of up to 44,870,185 ordinary shares pursuant to an ordinary resolution passed at the 2011 AGM on substantially the same terms as those set out in Resolution 17.

### Recommendation on voting

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

### Documents available for inspection

The following documents will be available for inspection from the date of this Notice during normal business hours on any weekday (Saturdays excepted) until 26 April 2012 at the Company's registered office.

1. the proposed rules of the Elementis plc Executive Share Option Scheme 2012;
2. the Directors' service contracts, contracts of indemnity and letters of appointment.

These documents will also be available for inspection at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS for not less than 15 minutes prior to and during the Annual General Meeting.

## Summary of the principal terms of the Elementis plc Executive Share Option Scheme 2012

### Operation

The 2012 Scheme is proposed to be introduced to replace the Company's existing approved and unapproved executive share option schemes, the life of which expires in April 2013. The Remuneration Committee of the Board of Directors of the Company (the "Committee") will supervise the operation of the 2012 Scheme. The 2012 Scheme has the facility to grant UK tax-advantaged options.

### Eligibility

Any employee (including an executive director) of the Company and its subsidiaries (the "Group") will be eligible to participate in the 2012 Scheme at the discretion of the Committee. There is, however, no current intention to grant options under the 2012 Scheme to the Company's executive directors. If, in future, the Company is minded to grant options under the 2012 Scheme to the executive directors, it will first consult with major shareholders and their representative bodies.

### Grant of options

The Committee may grant options to acquire ordinary shares in the Company ("Shares") within six weeks following the Company's announcement of its results for any period. The Committee may also grant options at any other time if the Committee considers there are exceptional circumstances which justify the granting of options.

An option may not be granted more than ten years after shareholder approval of the 2012 Scheme.

No payment is required for the grant of an option. Options are not transferable, except on death. Options are not pensionable.

### Individual participation

An employee may not receive options in any financial year over Shares with a market value exceeding 150 per cent of his annual base salary. In exceptional circumstances, such as recruitment or retention, this limit is increased to 250 per cent of an employee's annual base salary.

### Option price

The price per Share payable upon exercise of an option will not be less than:

- (a) the middle market price of a Share on the London Stock Exchange on the dealing day immediately before the date of grant (or such other dealing day(s) as the Committee may decide, and with the agreement of HM Revenue & Customs where necessary); and
- (b) if the option relates only to new issue Shares, the nominal value of a Share.

### Performance conditions

The Committee may impose performance conditions on the exercise of options.

The Committee's current intention is to grant options under the 2012 Scheme subject to performance conditions similar to those that have most recently been imposed upon options granted under its existing share option schemes. This would mean that options under the 2012 Scheme would be subject to performance conditions requiring (a) the Company's earnings per share to be at or above a certain level in the final year of a three-year performance period, and (b) the Company's total shareholder return ("TSR") over a three-year performance period to be at least at the median when compared to the TSR of the other members of the FTSE All-Share Index (excluding investment trusts). The position will, however, be reviewed prior to grant to ensure that such conditions remain appropriate.

While there is no current intention to grant options under the 2012 Scheme to the executive directors of the Company, if options were to be so granted they would be made subject to performance conditions and the Company would first consult with major shareholders and their representative bodies as to the nature of those performance conditions.

The Committee may vary any performance conditions applying to an option if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

### Exercise of options

Options will normally become capable of exercise three years after grant to the extent that any performance conditions have been satisfied and provided the participant remains employed in the Group. Options will lapse on the day before the tenth anniversary of the date of grant or after such shorter period as determined by the Committee at the time of grant.

Shares will be allotted or transferred to participants within 30 days of exercise. The Committee can decide to satisfy options which are not UK tax-advantaged by the payment of a cash amount or by transferring Shares equal in value to the gain made on the exercise of the option. It is not, however, the Company's current intention to use this facility.

### Leaving employment

As a general rule, an option will lapse upon a participant ceasing to hold employment or be a director within the Group. However, if a participant ceases to be an employee or director in the Group by reason of his death, injury, disability, ill-health, redundancy, his employing company or the business for which he works being sold out



of the Group or in other circumstances at the discretion of the Committee, then his option will become exercisable on the date on which it would have become exercisable if he had not ceased such employment or office. The extent to which options will become exercisable in these situations will depend upon: (i) the extent to which any performance conditions have been satisfied at that time; and (ii) the pro-rating of the option to reflect the period of time between grant and cessation relative to the three-year vesting period, although the Committee can decide not to pro-rate an option if it regards it as inappropriate to do so in the particular circumstances.

If a participant ceases to be an employee or director in the Group for one of the "good leaver" reasons specified above the Committee can decide that his option will become exercisable on the date of cessation subject to: (i) the performance conditions being satisfied at that time; and (ii) pro-rating by reference to the time of cessation as described above.

#### **Corporate events**

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation), all options will become exercisable early and remain exercisable for a limited period. The extent to which options will become exercisable in these situations will depend upon the extent to which any performance conditions have been satisfied by reference to the date of the relevant corporate event.

In the event of an internal corporate reorganisation, options will be replaced by equivalent new options over shares in a new holding company unless the Committee decides that options should become exercisable on the basis which would apply in the case of a takeover as described above.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that options may be exercised on or shortly prior to the date of the relevant corporate event.

#### **Variation of capital**

In the event of any variation in the Company's share capital, the Committee may make such adjustment as it considers appropriate to the number of Shares under option and the price payable on the exercise of an option. Options under the 2012 Scheme which are not UK tax-advantaged may also be adjusted in the event of a demerger, special dividend or other similar event which materially affects the market price of Shares.

#### **Rights attaching to Shares**

Any Shares allotted when an option is exercised will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

#### **Overall limits**

The 2012 Scheme may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than:

- (a) Ten per cent of the issued ordinary share capital of the Company under the 2012 Scheme and any other employee share scheme adopted by the Company; and
- (b) Five per cent of the issued ordinary share capital of the Company under the 2012 Scheme and any other executive share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investors decide that they need not count.

#### **Alterations to the 2012 Scheme**

The Committee may, at any time, amend the provisions of the 2012 Scheme in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the 2012 Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group. Prior shareholder approval will also not be required for any amendment to any performance condition applying to an option.

#### **Overseas schemes**

The shareholder resolution to approve the 2012 Scheme will allow the Company, without further shareholder approval, to establish further plans for overseas territories, any such plan to be similar to the 2012 Scheme, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the 2012 Scheme.

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifteenth ANNUAL GENERAL MEETING of the Company will be held at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS on Thursday 26 April 2012 at 11.00 a.m. for the following purposes:

### Ordinary business

1. To receive and adopt the Directors' report and audited financial statements for the year ended 31 December 2011 and the report of the auditors thereon.
2. To declare a final dividend on the ordinary shares.
3. To approve the Directors' Remuneration Report for the year ended 31 December 2011.
4. To re-elect Robert Beeston as a Director of the Company.
5. To re-elect David Dutro as a Director of the Company.
6. To re-elect Brian Taylorson as a Director of the Company.
7. To re-elect Ian Brindle as a Director of the Company.
8. To re-elect Andrew Christie as a Director of the Company.
9. To re-elect Chris Girling as a Director of the Company.
10. To re-elect Kevin Matthews as a Director of the Company.
11. To re-appoint KPMG Audit Plc as auditors.
12. To authorise the Directors to determine the remuneration of the auditors.

### Special business

To consider and, if thought fit, pass the following resolutions of which Resolutions 13 and 14 will be proposed as ordinary resolutions and Resolutions 15 to 17 will be proposed as special resolutions.

13. To approve the Rules of the Elementis plc Executive Share Option Scheme 2012 ("the 2012 Scheme"), the main features of which are summarised on pages 6 and 7 of the Explanatory Notes to this Notice of Meeting, in the form of the draft document produced to the meeting and signed by the Chairman for the purposes of identification, and the directors be authorised to:
  - (a) make such modifications to the 2012 Scheme as they may consider necessary or desirable to take account of the requirements of the UK Listing Authority, the London Stock Exchange, HM Revenue and Customs and best practice and for the purposes of implementing and giving effect to the 2012 Scheme and to adopt the 2012 Scheme as so modified and to do all such other acts and things as they may consider appropriate to implement the 2012 Scheme, and
  - (b) establish further schemes based on the 2012 Scheme but modified to take account of local tax, exchange control or securities law in overseas territories, provided that any shares made available under such further schemes are treated as counting against the limits on individual or overall participation in the 2012 Scheme.
14. That the authority conferred by Article 4.2 of the Company's Articles of Association will be renewed and so that for this purpose the Section 551 amount in the Companies Act 2006 ("2006 Act") will be £7,498,410 and the prescribed period will be the period from the date this resolution is passed and the earlier of the date of the next Annual General Meeting or 30 June 2013.
15. That, for the purposes of The Companies (Shareholders' Rights) Regulations 2009, any general meeting of the Company other than the Annual General Meeting may be held at 14 clear days' notice even if the purpose of such a general meeting is for the purposes of passing a special resolution.

16. That:

- (a) the power conferred by Article 4.4 of the Company's Articles of Association be renewed and so that for this purpose the Section 561 amount under the 2006 Act will be £1,124,874 and the prescribed period will be the period from the date this resolution is passed and the earlier of the date of the next Annual General Meeting or 30 June 2013;
- (b) such power shall extend to the sale of treasury shares (within the meaning of Section 724 of the 2006 Act) for cash as if in respect of any such sale the words "pursuant to the authority conferred by Article 4.2" were omitted from the second line of Article 4.4; and
- (c) for the purpose of such power the reference in article 4.4 (a) to "all holders (at a date selected by the Board) of issued ordinary shares (as nearly as practicable) in proportion to the number of ordinary shares respectively held by them" shall be deemed to exclude the Company in respect of any treasury shares held by it.

17. That the Company be generally and unconditionally authorised to make market purchases (as defined in Section 693 of the 2006 Act) of its ordinary shares of 5 pence each provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 44,994,962;
- (b) the minimum price which may be paid for such shares is 5 pence per share exclusive of expenses;
- (c) the maximum price, exclusive of expenses, which may be paid for each such share is an amount equal to 105 per cent of the average of the middle market price for such share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the Company agrees to purchase the shares concerned;
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 30 June 2013, if earlier; and
- (e) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract.

By Order of the Board



**Wai Wong**  
**Company Secretary**

23 March 2012

Registered office:  
10 Albemarle Street  
London W1S 4HH



## Notes

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 6.00 p.m. on 24 April 2012, or, in the case of an adjournment, by 6.00 p.m. on the day two days immediately preceding the day fixed for the adjourned meeting (the "Specified Time"). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the right of any person to attend and vote at the meeting.
2. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him/her, as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its rights as a member provided that they do not do so in relation to the same shares. Any or all joint holders of shares, registered on the Register of Members at the Specified Time, may attend the AGM, although only one holder may vote in person or by proxy. The vote or proxy appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of joint holders appear in the Company's Register of Members.
3. A proxy form, which covers all resolutions to be proposed at the AGM, is provided for use by holders of ordinary shares and should be read in conjunction with the Notice of Meeting and these notes. To be valid a proxy form must be received by post or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Lancing, West Sussex BN99 6DA by 11.00 a.m. on 24 April 2012 or, in the case of an adjournment, by the time 48 hours 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 6 below) will not prevent a member from attending in person and voting at the meeting should he/she so wish. Shareholders wishing to appoint a proxy and register their proxy votes electronically should visit the website, [www.sharevote.co.uk](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 48 hours before the time of the meeting (or adjourned meeting) in order to be valid. Shareholders may not use any other electronic address or telephone number, whether found on this circular and Notice of Meeting, or in the Annual Report or on any Proxy Form or the Company's website, for the purposes of submitting voting instructions or appointing proxies. The only electronic address accepted for this stated purpose is the one at the [www.sharevote.co.uk](http://www.sharevote.co.uk) website. If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or the date of signature) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
4. Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under Section 146 of the 2006 Act (a "nominated person") may have a right under an agreement between him/her and such member to be appointed, or to have someone else appointed, as a proxy for the meeting. If he/she has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 2 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
5. As at 28 February 2012 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 449,949,623 ordinary shares of 5p each, all carrying one vote each, and (ii) the total voting rights in the Company were 449,949,623.
6. 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/CREST](http://www.euroclear.com/CREST)). 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 11.00 a.m. on 24 April 2012. 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.
7. 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.

## Notice of Annual General Meeting

continued

8. In accordance with Section 311A of the 2006 Act, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website at [www.elementisplc.com/investors/agm-information](http://www.elementisplc.com/investors/agm-information)
9. Pursuant to Section 319A of the 2006 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 if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
10. In accordance with Section 527 of the 2006 Act, 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.

## Shareholder services

### Internet

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

### Registrars

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

#### Equiniti Limited

Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA  
Telephone: 0871 384 2379 or +44 (0) 121 415 7043  
Facsimile: 0871 384 2100 or +44 (0) 190 369 8403  
Website: [www.shareview.co.uk](http://www.shareview.co.uk)

Calls to this number cost 8 pence per minute from a BT landline, other providers' costs may vary. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday.

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

### Payment of dividends

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

### Registrars' text phone

For shareholders with hearing difficulties:  
Callers inside the UK telephone: 0871 384 2255  
Callers outside the UK telephone: +44 (0) 121 415 7028

### Web-based enquiry service

Equiniti provides a range of shareholders' services online. The portfolio service provides access to information on share balances, balance movements, indicative share prices and information on recent dividends and also enables address and dividend mandate details to be amended online. For further information and practical help on transferring shares or updating your details, please visit: [www.shareview.co.uk](http://www.shareview.co.uk)

Equiniti also provides a share dealing service that enables shares to be bought or sold by UK shareholders by telephone or over the internet. For telephone sales please call 0845 603 7037 between 8.30 a.m. and 4.30 p.m. and for internet sales please visit [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing)

## Corporate information

### Company Secretary

Wai Wong

### Registered office

10 Albemarle Street  
London W1S 4HH, UK

### Registered number

3299608

### Auditors

KPMG Audit Plc

### Joint Corporate Brokers

UBS Investment Bank  
N+1 Brewin

### Financial Calendar

28 February 2012	Preliminary announcement of final results for the year ended 31 December 2011
26 April 2012	Annual General Meeting and First Interim Management Statement
2 May 2012	Ex-dividend date for final dividend for 2011 payable on ordinary shares
4 May 2012	Record date for final dividend for 2011 payable on ordinary shares
1 June 2012	Payment of final dividend for 2011 on ordinary shares
31 July 2012	Interim results announcement for the half year ending 30 June 2012
5 September 2012*	Ex-dividend date for interim dividend for 2012 payable on ordinary shares
7 September 2012*	Record date for interim dividend for 2012 payable on ordinary shares
5 October 2012*	Payment of interim dividend for 2012 on ordinary shares
26 October 2012*	Second Interim Management Statement

\* Provisional date