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Morgan Advanced Materials plc

NOTICE OF ANNUAL GENERAL MEETING 2021

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 York House, Sheet Street, Windsor, Berkshire SL4 1DD on Thursday 6 May 2021 at 10.30 am 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 9 and 10. To be valid, the proxy appointment must be received at the address for delivery specified in the Notes by 10.30am on Tuesday 4 May 2021.

Morgan Advanced Materials plc

(Registered in England and Wales No. 286773)

Registered Office:
York House
Sheet Street
Windsor
Berkshire SL4 1DD

31 March 2021

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 2021 ANNUAL GENERAL MEETING (AGM)

I wish to inform you of the arrangements for the 2021 AGM of Morgan Advanced Materials plc which we will be holding at the Company's new registered office at York House, Sheet Street, Windsor, Berkshire SL4 1DD at 10.30am on Thursday 6 May 2021. 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 set out on pages 5 to 8 of this document.

AGM format in light of the coronavirus pandemic

The Board has been closely monitoring the coronavirus (COVID-19) pandemic and our priority continues to be the health, safety and wellbeing of all of our stakeholders. The Board's preference has always been to welcome shareholders in person to the Company's AGMs. However, in February, the Government published its (COVID-19 Response – Spring 2021) which imposes restrictions for gatherings across England. While this also provides a roadmap to a more normal way of life, it is clear that many restrictions currently in force (including those relating to travel and indoor mixing) are intended to remain in place on the day of our AGM. Accordingly, the Board's current intention is to hold the AGM at the Company's offices with a limited number of Company representatives attending in person to ensure that a valid meeting is held. Unfortunately, other shareholders will not be permitted to attend the AGM in person while restrictions precluding physical attendance remain in force. Shareholders and guests who travel to the meeting will not be admitted. **It is important therefore that you do not attempt to attend the AGM in person while such restrictions remain in place.**

Engagement and voting at the AGM

The Board recognises the importance of the AGM to shareholders and is keen to ensure that you are able to engage with the business of the meeting. Although shareholders will not be able to attend the AGM in person while restrictions remain in force, you can still be formally represented at the meeting by appointing the Chair of the AGM as your proxy and giving your instructions on how you wish the Chair to vote on the proposed resolutions. We strongly encourage you to do this. To ensure that your vote counts, you should only appoint the Chair of the AGM to act as your proxy. No other person appointed as your proxy will be able to attend the meeting while restrictions are in place and your vote will not be counted.

Details of how to appoint a proxy are set out in the Notes to the Notice on page 9. To be valid, your proxy appointment form or instruction must be received at the address specified in the Notes to the Notice by no later than 10.30am on Tuesday 4 May 2021. If you appoint the Chair of the AGM as your proxy, the Chair will vote in accordance with your instructions. If the Chair is given discretion as to how to vote, he or she will vote in favour of each of the resolutions to be proposed at the AGM. All proposed resolutions will be put to a vote on a poll.

We encourage shareholders to submit any questions on the business of the meeting in advance by sending them by email to company.secretariat@morganplc.com, by telephoning +44 (0) 1753 837000, or by post to our registered office address. The Company will respond to those questions and publish answers on the Company website. To ensure the answers are published before the proxy appointment deadline questions must be received by the close of business on Monday 26 April 2021.

Possible modifications to AGM arrangements

The Board recognises that the COVID-19 pandemic, and the Government's response to it, continues to evolve. The Board will continue to monitor developments and the latest Government restrictions and guidance and will assess whether any modifications to the arrangements for the meeting are necessary or desirable, including if it becomes possible to welcome shareholders to the AGM in person. We, therefore, ask shareholders to monitor the Company's website at www.morganadvancedmaterials.com and regulatory news for any further updates.

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 they unanimously recommend that you 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-seventh Annual General Meeting of the Company will be held at Morgan Advanced Materials plc, York House, Sheet Street, Windsor, Berkshire SL4 1DD on Thursday 6 May 2021 at 10.30am to transact the business set out below. Resolutions 1 to 14 will be proposed as ordinary resolutions and resolutions 15 to 19 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 2020.
2. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 31 December 2020.
3. To declare a final dividend of 3.5 pence per Ordinary share.
4. To re-elect Jane Aikman as a Director.
5. To re-elect Helen Bunch as a Director.
6. To re-elect Douglas Caster as a Director.
7. To re-elect Laurence Mulliez as a Director.
8. To re-elect Pete Raby as a Director.
9. To re-elect Peter Turner as a Director.
10. To re-elect Clement Woon as a Director.
11. To re-appoint Deloitte LLP as Auditor of the Company.
12. To authorise the Audit Committee of the Board of Directors to determine the Auditor's remuneration.
13. That, from the date of this resolution until the earlier of the close of business on 30 June 2022 and the conclusion of the Company's Annual General Meeting to be held in 2022, 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.
14. 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 2022 or, if earlier, at the conclusion of the Company's Annual General Meeting to be held in 2022, 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:

15. That, subject to the passing of resolution 14 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 14 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 14 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, subject to the passing of resolution 14 in the Notice of this meeting and in addition to the power contained in resolution 15 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 14 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 14 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.
17. 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 2022 or, if earlier, at the conclusion of the Company's Annual General Meeting to be held in 2022; 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.
18. That a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.
19. That the regulations contained in the document produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification are adopted as the Company's new Articles of Association in substitution for, and to the exclusion of, the Company's existing Articles of Association.

Registered office:
York House
Sheet Street
Windsor
Berkshire SL4 1DD

By Order of the Board
Stephanie Mackie
Company Secretary
31 March 2021

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 2020 (the 2020 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 76 to 86 of the 2020 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 69 to 76. 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 that the Directors' Remuneration Policy must be put to shareholders for approval whenever a new policy, or an amendment to an existing approved policy, is proposed. The Directors' Remuneration Policy must in any event 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.

Resolution 3 – Final dividend

The Directors are recommending the payment of a final dividend of 3.5 pence per share on the Ordinary shares in respect of the year ended 31 December 2020 which, if approved, will be payable on 21 May 2021 to shareholders on the register at the close of business on 30 April 2021. The Company is not offering a scrip alternative to the cash dividend.

Resolutions 4 to 10 – Re-election of Directors

In accordance with the provisions of the UK Corporate Governance Code and as permitted by the Articles of Association, the Board has decided that all of the Company's Directors as at the date of this Notice of meeting will retire from office at the AGM and each of them will seek re-election by shareholders.

All of the non-executive Directors are considered to be independent, with the exception of the Chairman, who was considered to be independent on appointment. The biographies below summarise each Director's skills and experience and set out the specific reasons why each Director is, and continues to be, important to the Company's long-term sustainable success.

Jane Aikman, Independent non-executive Director & Audit Committee Chair

Skills and contribution: Jane brings to the Board significant financial experience and knowledge of growing manufacturing and technology businesses gained in a variety of senior executive positions. Jane brings a valuable perspective from her current executive role in the technology marketing and advertising sector.

Career and experience: Jane has been Group Director and Group Chief Operating Officer of Inside Ideas Group Limited since July 2020. Up until May 2019, Jane was Chief Financial Officer of Arqiva Group Limited, a communications infrastructure company. Prior to this, she was the Chief Financial Officer of KCOM Group plc, a listed communications services and IT solutions provider. She was Chief Financial Officer and Chief Operating Officer of Phoenix IT Group plc until its acquisition by Daisy Group in 2015. Jane has also held Chief Financial Officer positions at Infinis plc, Wilson Bowden plc and Pressac plc and a senior finance position at Asia Pulp and Paper in south-east Asia. Jane was a non-executive Director of Halma plc from 2007 and chaired its audit committee from 2009 until her departure in July 2016. Jane holds a civil engineering degree and qualified as a Chartered Accountant with Ernst & Young.

Additional appointments: Group Director and Group Chief Operating Officer of Inside Ideas Group Limited.

Helen Bunch, Independent non-executive Director & Remuneration Committee Chair

Skills and contribution: Helen has significant experience of driving business performance and building businesses in new markets. Helen also brings to the Board a valuable perspective from her current executive role leading a business in the construction sector.

Career and experience: At the start of her career, Helen spent 17 years working in global businesses serving a wide variety of industries from automotive to household products, including 11 years with ICI and the remainder with a successor company, Lucite International Ltd. In 2006, Helen joined Wates Group, the privately-owned construction and property services company, as Group Strategy Director and became Managing Director of Wates Retail Limited in January 2011. From 2015 to July 2020 Helen was Managing Director of Wates Smartspace Limited, the enlarged property services business following a merger with another Wates company and the acquisition of a facilities management business. In July 2020, Helen became Executive Managing Director of Wates Residential.

Additional appointments: Executive Managing Director of Wates Residential.

Douglas Caster, Non-executive Chairman & Nomination Committee Chair

Skills and contribution: Douglas is an experienced Chairman with leadership and governance experience and a strong track record of managing and driving growth within electronics businesses.

Career and experience: Douglas began his career as an electronics design engineer with the Racal Electronics Group in 1975, before moving to Schlumberger in 1986 and then to Dowty as Engineering Director of Sonar & Communication Systems in 1988. In 1992, he became Managing Director of that business and, after participating in the management buy-out that formed Ultra Electronics, joined the Board in October 1993. In April 2000, he became Managing Director of Ultra's Information & Power Systems division. In April 2004 he was appointed Chief Operating Officer and became Chief Executive in April 2005. He was appointed Deputy Chairman in April 2010 and was Chairman of Ultra from April 2011 until 28 January 2019. Douglas was non-executive Chairman of Metalysis Limited from January 2015 until June 2019. Douglas was Morgan Advanced Materials plc's Senior Independent Director from January 2015 until December 2017. He was appointed to the role of Chairman in January 2019.

Laurence Mulliez, Senior Independent Director

Skills and contribution: Laurence has significant experience in growing, simplifying and unifying complex international and industrial manufacturing businesses, and brings valuable knowledge of the energy (including renewables), steel and infrastructure industries, and insight into some of Morgan's key markets.

Career and experience: Laurence joined Banque Nationale de Paris in 1988 followed by M&M Mars Inc. in 1992 and then Amoco Chemical Inc. in 1993, which was acquired by BP p.l.c. in 1998. She spent a further 11 years at BP in a variety of roles including Chief Executive of Castrol Industrial Lubricants and Services. Laurence was Chief Executive of independent power producer Eoxis UK Limited from 2010 to 2013. Laurence is currently Chair of Voltalia S.A. and Globeleq Ltd, and a member of the supervisory boards of SBM Offshore N.V. and Siemens Energy AG.

Additional appointments: Chairman of Voltalia S.A., Chairman of Globeleq Ltd, member of the supervisory board of SBM Offshore N.V. and member of the supervisory board of Siemens Energy AG.

Pete Raby, Chief Executive Officer

Skills and contribution: Pete has a strong technical background and extensive experience in planning and executing business strategy across global technology and manufacturing operations.

Career and experience: Pete joined Morgan Advanced Materials in August 2015 as Chief Executive Officer. Before joining Morgan Advanced Materials, Pete was President of the Communications and Connectivity sector of Cobham plc. Pete demonstrated strong leadership across a range of senior strategy, technology and operational positions at Cobham over a nine-year period. Prior to Cobham, Pete was a partner at McKinsey & Company in London, specialising in strategy and operations in the aerospace, defence and power and gas sectors. He has a PhD in satellite navigation and an M.Eng. from the Department of Electronic and Electrical Engineering at the University of Leeds.

Peter Turner, Chief Financial Officer

Skills and contribution: Peter has significant financial experience combined with a strong track record of driving improved business performance in multiple large-scale and complex organisations.

Career and experience: Peter joined Morgan Advanced Materials in April 2016 as Chief Financial Officer. Before this, Peter was Finance Director at Smiths Group plc from 2010 to 2015. During this time, he was responsible for driving restructuring programmes across the Group to enhance operating margins, with a strong focus on improving operating cash flow. Prior to Smiths, Peter was Finance Director from 2007 to 2009 at Venture Production plc, before it was acquired by Centrica plc in 2009. From 1995 to 2006, Peter held several senior positions at The BOC Group plc, including Finance Director of the Industrial and Special Products division. Peter started his career as an auditor at Price Waterhouse. He holds a degree in chemistry from Oxford University.

Clement Woon, Independent non-executive Director

Skills and contribution: Clement has broad managerial experience in globally operating technology and consumer-related industries. He has a strong track record of renewing traditional industries and revitalising growth through strategic interventions, and in-depth experience and knowledge of markets within the Asia Pacific region.

Career and experience: From August 2016 to March 2020, Clement was Group CEO of Saurer Intelligent Technology Co. Ltd, a €1 billion textile machinery and components business listed on the Shanghai Stock Exchange. Clement continues to serve on the board of Saurer in the capacity of non-executive director. Prior to this, from April 2014 to July 2016, Clement was Advisor and Co-CEO of Jinsheng Industry Co Ltd, an industrial company in China with diverse interests including biotech, automotive and textiles. Previously Clement held various senior positions at companies based in Switzerland and Singapore including Division CEO of Leica Geosystems AG, President & CEO of SATS Ltd, and CEO Textile Division of OC Oerlikon AG. Clement has an MBA in Technology Management from Nanyang Technological University, Singapore, an MSc in Industrial Engineering and a BEng in Electrical Engineering from the National University of Singapore.

Additional appointments: Non-executive Director of Saurer AG and Chairman of PFI Foods Industries Pte. Ltd.

Resolutions 11 and 12 – Auditor re-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. The Audit Committee has recommended to the Board, and the Board now proposes to shareholders, the re-appointment of Deloitte LLP as the Company's Auditor. The Audit Committee has confirmed to the Board that its recommendation is free from third party influence and that no restrictive contractual provisions have been imposed on the Company limiting the choice of auditor. Resolution 12 is a resolution giving the Audit Committee the discretion to determine the Auditor's remuneration.

Resolution 13 – Political donations and expenditure

This resolution renews a similar authority given at last year's Annual General Meeting and which is due to lapse at the 2021 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 Annual General Meeting to be held in 2022 or at the close of business on 30 June 2022 (whichever is earlier). It is the Directors' intention to renew this authority each year.

Resolution 14 – 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 2021 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 2022 or at the Annual General Meeting to be held in 2022, 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 15 March 2021 (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 15 and 16 – 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 2021 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 15 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 15 March 2021 (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 16 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 15 March 2021. The Board will use the power conferred by resolution 16 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 17 – 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 15 March 2021). 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 15 March 2021, there were options and awards outstanding to subscribe for 5,780,289 Ordinary shares under the Company's shareholder approved employee share schemes. If the outstanding options and awards were fully exercised they would represent approximately 2.0% 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 15 March 2021 would represent 2.3% of the reduced issued Ordinary share capital of the Company.

This authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2022 or at the close of business on 30 June 2022, whichever is earlier.

Resolution 18 – Enabling the Company to call a general meeting on at least 14 days' notice

This special 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 Annual General Meeting to be held in 2022, 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.

Resolution 19 – Adoption of new Articles of Association

It is proposed in Resolution 19, which is a special resolution, that the Company adopts new Articles of Association.

The Board has concluded that a number of changes should be made this year to the Company's constitution (the current articles) and that the most efficient way to make the changes is to adopt a fresh document as the new articles (the new articles).

The principal difference between the current articles and the new articles relates to the operation of general meetings. The new articles provide that the Company may hold 'hybrid' general meetings (including Annual General Meetings) in such a way that enables members to attend and participate in the business of the meeting by attending a physical location or by attending electronically. The new articles do not permit the Company to hold general meetings wholly by electronic means, so a physical meeting will still be required. This change will make it easier for members (including those unable to attend a physical meeting in person) to attend and participate in future general meetings and will facilitate better engagement, and is considered desirable to provide the Board with greater flexibility to align with advances in general meeting technology and developing best practice, particularly in light of the coronavirus pandemic. The new articles also contain a number of consequential changes to enable 'hybrid' meetings, including:

Voting – The new articles provide that voting on resolutions at a 'hybrid' general meeting shall, unless the Chairman of the meeting directs otherwise, be decided on a poll.

Adjournment – The new articles enable the Chairman of the meeting, without the consent of the meeting, to adjourn a meeting if it appears that the facilities at the meeting place (including any electronic facilities) have become inadequate for the purpose of enabling members to participate in the meeting's business. This covers any failure in technology.

Rearranged meetings – The current articles permit the Board to rearrange the time, date and/or place of general meetings that have been convened. The new articles provide that meetings can be rearranged to permit attendance electronically or to modify any such arrangements. The Company must announce any such changes and, if practicable, publish them in two newspapers widely circulated in the United Kingdom prior to the time at which the meeting was convened to be held.

Document inspection – The new articles enable the Board to make arrangements for any documents which are required to be put on display or to be made available for inspection at a general meeting to be accessible electronically to all persons entitled to inspect them.

Security and order – The new articles enable any of the Board, the Chairman of the meeting and the secretary to make arrangements or impose restrictions to ensure the identification of those participating in a meeting electronically and the security of the electronic communications.

Validity of meeting – The new articles extend the provisions of the current articles to provide that the inability of any person to attend any meeting place and/or participate in the meeting electronically shall not invalidate the proceedings at that meeting.

More than one physical location – The current articles permit the Company to hold general meetings at more than one physical location. The new articles have made a number of consequential amendments to enhance such provisions.

A clean copy and a marked-up copy of the new articles will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at the Company's registered office and AGM venue at York House, Sheet Street, Windsor, SL4 1DD and at the offices of Addleshaw Goddard LLP at Milton Gate, 60 Chiswell Street, London EC1Y 4AG from the date of this document until the close of the Annual General Meeting. The documents will also be available for inspection online on the Company's website at www.morganadvancedmaterials.com during the same period.

NOTES

1. 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 4 May 2021 (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 that time 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 2 below, and to any applicable legislation temporarily limiting such right.
2. In light of the ongoing need to reduce the public health risks posed by the transmission of the coronavirus (COVID-19), the continuing Government restrictions and guidance on social contact, and the advice that only absolutely necessary participants should physically attend meetings, members will not be permitted to attend the AGM in person. This will continue to be the case so long as restrictions and guidance precluding attendance in person are in force. Every eligible member does, however, have the right to appoint another person (or two or more persons in respect of different shares held by him or her) as his or her proxy to exercise all or any of his or her rights in relation to the AGM. The appointment of a proxy in relation to the AGM will, however, be subject to the special arrangements in these Notes or any alternative arrangements that the Board considers necessary to ensure the validity of the meeting.
3. Members who wish to vote at the AGM should appoint the Chair of the AGM as their proxy in order to do so. Appointing the Chair of the AGM as proxy will ensure that the member's vote is counted. While restrictions are in force precluding physical attendance, no other person(s) appointed as proxy will be permitted to attend the AGM in person unless the Board decides otherwise and the member's vote will not count. If a member appoints the Chair of the AGM as his or her proxy, the Chair will vote in accordance with the appointing member's instructions. If the Chair is given discretion as to how to vote, he or she will vote in favour of each of the resolutions to be proposed at the AGM.
4. Members can appoint a proxy by completing and returning a hard copy proxy form. 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 so as to arrive not later than 10.30am on Tuesday 4 May 2021 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. Members who wish to use an envelope should send their completed proxy form to: FREEPOST RTHJ-CLLL-KBKU, Equiniti, Aspect House, Spencer Road, Lancing, BN99 8LU so as to arrive by the same time. Alternatively, a member may appoint a proxy online by going to 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 time indicated above. 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.
5.
 - 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). 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 RAI9) by the latest time for receipt of proxy appointments specified in Note 4 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.
6. Members who have returned proxy forms in accordance with Note 4 or who register the appointment electronically in accordance with Note 5 are not precluded from attending the meeting and voting in person if they so wish and provided that attendance in person is permitted under applicable public health restrictions and guidance.
7. This Notice is sent for information only to holders of First Preference shares and Second Preference shares.

8. As at 15 March 2021 (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 15 March 2021 were 285,369,988.
9. Members' personal data includes all data provided by members, or on their behalf, that relates to individuals as members, including name and contact details, votes cast and Shareholder Reference Numbers (attributed to individual members by the Company). The Company determines the purposes for which and the manner in which individual member's 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 personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the rights exercised by members.
10. 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 member 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 member as to the exercise of voting rights. It should be noted, however, that, unless the Board decides otherwise, a person other than the Chair of the AGM who is appointed as a proxy will not be permitted to attend the AGM in person for so long as restrictions are in place precluding physical attendance. The statement of the rights of members in relation to the appointment of proxies in Note 2 above does not apply to Nominated Persons. The rights described in that note can only be exercised by members of the Company.
11. A member that is a corporation may authorise one or more persons to act as its representative(s) at the AGM in accordance with section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his or her appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. Please note that, unless the Board decides otherwise, a person other than the Chair of the AGM who is appointed as a representative will not be permitted to attend the meeting in person for so long as restrictions are in place precluding physical attendance.
12. A member or members having a right to vote at the meeting and representing at least 5% of the total voting rights of the Company (see Note 8), or at least 100 members 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 members 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 members 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. Subject to any applicable legislation temporarily limiting such right, each member has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered. Members who wish to ask questions relating to the business of the AGM can do so by sending them in advance of the meeting to company.secretariat@morganplc.com, by telephoning +44 (0) 1753 837000 or by post to our registered office address. To ensure that a response is received before the proxy appointment deadline, members should submit their questions before 5pm UK time on Monday, 26 April 2021.
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 members, is available at www.morganadvancedmaterials.com. A member 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.
15. 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 members by ensuring that every vote is recognised. On a poll, each member has one vote for every share held.



Morgan Advanced Materials plc

York House, Sheet Street

Windsor, Berkshire SL4 1DD

Registered in England and Wales No. 286773

Tel: +44 (0)1753 837000

www.morganadvancedmaterials.com