

THIS DOCUMENT IS IMPORTANT AND NEEDS YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take with regard to this document or its enclosures, you are recommended to seek your own personal financial advice from your stockbroker, solicitor, accountant or other professional independent adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom. If you have sold or otherwise transferred all your shares in Morgan Advanced Materials plc, you should send this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom you made the sale or transfer for transmission to the purchaser or transferee.



Morgan Advanced Materials plc

NOTICE OF ANNUAL GENERAL MEETING 2022

A letter from the Chairman of Morgan Advanced Materials plc is set out on page 1 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 5 May 2022 at 10.30am is set out on pages 2 and 3 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 8 and 9. To be valid, the proxy appointment must be received at the address for delivery specified in the Notes by 10.30am on Tuesday 3 May 2022.

Morgan Advanced Materials plc

(Registered in England and Wales No. 286773)

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

30 March 2022

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 2022 ANNUAL GENERAL MEETING (AGM)

I am pleased to inform you of the arrangements for the 2022 AGM of Morgan Advanced Materials plc which will be held at the Company's registered office at York House, Sheet Street, Windsor, Berkshire SL4 1DD at 10.30am on Thursday 5 May 2022. Notice of the AGM can be found on pages 2 and 3 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 4 to 7 of this document.

AGM Format

Following the removal of all remaining coronavirus restrictions earlier this year, we look forward to welcoming you in person to the AGM at York House. However, as we all adapt to living with COVID-19, the Board recognises the need to remain vigilant. We will, therefore, continue to take steps to protect those wishing to attend the AGM in person, and to prevent the spread of the virus. Please make use of the hand sanitisers on entry to the meeting, minimal refreshments will be made available and there will be limited mingling of Directors after the meeting with shareholders. Shareholders are reminded that neither they nor their proxies should attend the AGM if they have COVID-19, or are experiencing any of its main symptoms.

The Board will continue to monitor the course of the pandemic and the latest government guidance over the coming weeks to ensure that we are able to adapt our arrangements efficiently to respond to any change in circumstances should it be necessary to do so. We would, therefore, ask shareholders to monitor the Company's website www.morganadvancedmaterials.com and regulatory news for any AGM updates.

Appointing a proxy

If you are unable to attend the AGM, you can still be represented at the meeting by appointing a proxy to act on your behalf and by giving instructions on how you wish your proxy to vote on the proposed resolutions.

Irrespective of whether or not you propose to attend the meeting, we would encourage you to appoint the Chair of the meeting as your proxy. This will ensure that your vote will be counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend on the day for any reason. If you appoint the Chair of the meeting 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 set out in the Notice. Appointing a proxy will not prevent you from attending and voting in person if you wish to do so. All proposed resolutions will be put to a vote on a poll once again this year. This is in line with practice adopted by many UK public companies.

Instructions on how to appoint a proxy can be found in the Notes to the Notice of the AGM as set out on pages 8 and 9. To be valid, your proxy appointment must be received at the address for delivery specified in the Notes by 10.30am on Tuesday 3 May 2022.

Asking questions

The Board recognises the importance of the AGM to shareholders and is keen to ensure you are able to exercise your rights to engage and participate in the meeting. Shareholders or their appointed proxies who attend the AGM on the day will be able to ask questions on the business of the meeting in the usual way. All shareholders (irrespective of whether or not they propose to attend) are also invited to ask their questions on the business of the AGM in advance of the meeting. You can ask your questions in advance by sending an email to Company.Secretariat@morganplc.com, by telephoning +44 (0) 1753 837000, or by writing to the Company Secretary at our registered office address. The Company Secretary will respond to those questions and publish answers on the Company's website. To ensure the answers are published before the proxy appointment deadline, questions must be received before 5.00pm UK time on Monday 25 April 2022.

Recommendation

Your Directors consider that all the resolutions to be put to the meeting will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole, and accordingly, unanimously recommend 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-eighth Annual General Meeting of the Company will be held at Morgan Advanced Materials plc, York House, Sheet Street, Windsor, Berkshire SL4 1DD on Thursday 5 May 2022 at 10.30am to transact the business set out below. Resolutions 1 to 16 will be proposed as ordinary resolutions and resolutions 17 to 20 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 2021.
2. To approve the Directors' Remuneration Policy (as contained in the Directors' Remuneration Report for the year ended 31 December 2021).
3. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 31 December 2021.
4. To declare a final dividend of 5.9 pence per Ordinary share.
5. To re-elect Jane Aikman as a Director.
6. To re-elect Helen Bunch as a Director.
7. To re-elect Douglas Caster as a Director.
8. To re-elect Laurence Mulliez as a Director.
9. To re-elect Pete Raby as a Director.
10. To re-elect Peter Turner as a Director.
11. To re-elect Clement Woon as a Director.
12. To re-appoint Deloitte LLP as Auditor of the Company.
13. To authorise the Audit Committee of the Board of Directors to determine the Auditor's remuneration.
14. That, from the date of this resolution until the earlier of the close of business on 30 June 2023 and the conclusion of the Company's Annual General Meeting to be held in 2023, 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'.
15. 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 2023 or, if earlier, at the conclusion of the Company's Annual General Meeting to be held in 2023, 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.

16. a) that the Morgan Advanced Materials Share Plan 2022 (the **Share Plan 2022**), summarised in the Appendix to the Notice of this meeting and the rules of which are produced to this meeting and for the purposes of identification initialled by the Chair of the meeting, is approved and the Board is authorised to do all such acts and things necessary or desirable to establish the Share Plan 2022; and
- b) that the Board is authorised to adopt further plans based on the Share Plan 2022 but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any cash or shares made available under such further plans are treated as counting against any limits on individual or overall participation in the Share Plan 2022.

Special resolutions:

17. That, subject to the passing of resolution 15 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 15 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 15 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.

18. That, subject to the passing of resolution 15 in the Notice of this meeting and in addition to the power contained in resolution 17 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 15 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 15 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.

19. 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 2023 or, if earlier, at the conclusion of the Company's Annual General Meeting to be held in 2023; 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.

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

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

By Order of the Board
Stephanie Mackie
Company Secretary
30 March 2022

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 2021 (the **2021 Annual Report and Accounts**).

Resolution 2 – Approval of the Directors' Remuneration Policy

The Companies Act 2006 requires the Company to obtain shareholder approval of its Directors' Remuneration Policy at least every three years unless there is a change in the approved policy within the three-year period. The Directors' Remuneration Policy was last approved by shareholders at the 2019 Annual General Meeting. The Company is therefore seeking shareholder approval of a new policy at this year's Annual General Meeting. The proposed Directors' Remuneration Policy can be found on pages 86 to 93 of the 2021 Annual Report and Accounts. It sets out the Company's future policy on Directors' remuneration. If this resolution is approved, the Directors' Remuneration Policy will be effective from the conclusion of the Annual General Meeting. Resolution 2 is a binding shareholder vote and therefore, once the Directors' Remuneration Policy is approved, the Company will not be able to make a remuneration payment to a current or future Director, or a payment for loss of office to a current or past Director, unless that payment is consistent with the policy or an amendment to the policy authorising the Company to make such a payment has been approved by a resolution of the shareholders. If resolution 2 is not passed, the Remuneration Policy approved at the 2019 Annual General Meeting will continue in effect.

Resolution 3 – 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 82 to 105 of the 2021 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 86 to 93, the approval of which is the subject of a separate shareholder resolution (resolution 2). The vote on the Remuneration Report is advisory only and the Directors' entitlement to remuneration is not conditional on it being passed.

Resolution 4 – Final dividend

The Directors are recommending the payment of a final dividend of 5.9 pence per share on the Ordinary shares in respect of the year ended 31 December 2021 which, if approved, will be payable on 20 May 2022 to shareholders on the register at the close of business on 29 April 2022. The Company is not offering a scrip alternative to the cash dividend.

Resolutions 5 to 11 – 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. This includes Peter Turner notwithstanding his impending retirement. This is because Peter will continue to serve on the Board after the AGM. As announced in May 2021, Peter will step down as Chief Financial Officer on 30 May 2022 and will retire from the Board in June 2022 following a handover to his successor, Richard Armitage. Richard's appointment as Chief Financial Officer and Board director will take effect on 30 May 2022. Accordingly, he will retire from the Board and seek election by the shareholders for the first time at the Annual General Meeting to be held in 2023.

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 Financial 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 Financial 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.

Additional appointments: None.

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: Chair of Voltalia S.A. and Globeleq Ltd, and a member of the supervisory boards of SBM Offshore N.V. and 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.

Additional appointments: Non-executive Director, Hill & Smith Holdings PLC.

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.

Additional appointments: None.

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 continued to serve on the board of Saurer as non-executive director until August 2021. 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: Chairman of PFI Foods Industries Pte. Ltd.

Resolutions 12 and 13 – 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 13 is a resolution giving the Audit Committee the discretion to determine the Auditor's remuneration.

Resolution 14 – 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 2022 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 2023 or at the close of business on 30 June 2023 (whichever is earlier). It is the Directors' intention to renew this authority each year.

Resolution 15 – 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 2022 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 2023 or at the Annual General Meeting to be held in 2023, 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 2022 (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.

Resolution 16 – Approval of the Morgan Advanced Materials Share Plan 2022

The Company's current long-term incentive plan (the **Current LTIP**) was approved by its shareholders first in 2004 and again in 2013. In accordance with guidelines issued by major shareholders, no awards may be granted under the Current LTIP after 9 May 2023.

In these circumstances, and given the Company is submitting a new Directors' Remuneration Policy to shareholders under resolution 2, the Company is submitting to shareholders for approval the Morgan Advanced Materials Share Plan 2022 (the **Share Plan 2022**) to replace the Current LTIP. The Share Plan 2022 adopts the same substantive structure as the Current LTIP but has been updated to reflect current 'best practice' in the UK-listed company market, such as in respect of the application of malus and clawback to awards and the incorporation of post-vesting holding periods. Full details of the Share Plan 2022 are included in the Appendix to the Notice of this meeting, after the Notes section.

A copy of the draft rules of the Share Plan 2022 will be available to view on the National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> from 30 March 2022. The draft rules of the Share Plan 2022 will also be on display at the place of the AGM from 15 minutes prior to its commencement until its conclusion.

Resolutions 17 and 18 – 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 2022 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 17 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 2022 (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 18 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 2022. The Board will use the power conferred by resolution 18 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 19 – 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 2022). 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 2022, there were options and awards outstanding to subscribe for 6,659,427 Ordinary shares under the Company's shareholder approved employee share schemes. If the outstanding options and awards were fully exercised they would represent approximately 2.3% of the issued Ordinary share capital of the Company. If the buy-back authority (both existing and sought) was exercised in full, and those shares were cancelled (but the Company's issued Ordinary share capital otherwise remained unaltered), then the number of options and awards to subscribe for shares outstanding as at 15 March 2022 would represent 2.6% 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 2023 or at the close of business on 30 June 2023, whichever is earlier.

Resolution 20 – 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 2023, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole.

NOTES

1. 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 3 May 2022 (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.
2. A member of the Company entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote on their behalf provided that if more than one proxy is appointed, each proxy is appointed to exercise rights attaching to different shares. A proxy need not be a member of the Company.
3. Members can appoint a proxy by completing and returning a proxy form. 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 3 May 2022 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 can return their completed proxy form either by using the pre-paid proxy form provided or in an envelope addressed 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 in Note 4 below. Members who are institutional investors may also be able to appoint a proxy electronically in the Proxymity platform, as explained in Note 5 below.
4.
 - a) CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
 - b) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti Limited as the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
 - c) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 - d) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's registrar. For further information regarding Proxymity, please go to www.proxymity.io. To be valid, a proxy appointment made via the Proxymity platform in accordance with the online instructions must be received by Equiniti by the latest time for receipt of proxy appointments specified in Note 3 above. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
6. Members who have returned proxy forms in accordance with Note 3 or who register the appointment electronically in accordance with Notes 3 to 5 are not precluded from attending the meeting and voting in person if they so wish.
7. Members (and any proxies or representatives they appoint) agree that by attending the meeting in person they are expressly requesting and are willing to receive communications (including any communications relating to the Company's Securities) made at the meeting.
8. This Notice is sent for information only to holders of First Preference shares and Second Preference shares.
9. As at 15 March 2022 (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 2022 were 285,369,988.

10. 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.
 11. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may have a right, under an agreement between him and the 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. 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.
 12. 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.
 13. 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 9), 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.
 14. Each member attending the meeting 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 also do so by sending them in advance of the meeting to Company.Secretariat@morganplc.com by telephoning +44 (0) 1753 837000 or by writing to the Company Secretary at our registered office address. To ensure that a response is received before the proxy appointment deadline, members should submit their questions before 5.00pm UK time on Monday 25 April 2022.
 15. 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.
 16. 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.
-

Appendix:

Summary of the principal terms of the Morgan Advanced Materials Share Plan 2022 (the Share Plan 2022)

Introduction

The Share Plan 2022 is a discretionary share plan, under which the Company may grant awards (**Awards**) over the Company's Ordinary shares (**Shares**) to incentivise and retain eligible employees. The Share Plan 2022 will be administered by the Remuneration Committee (the **Committee**) or by any sub-committee or person duly authorised by it.

Eligibility

Any employee of the Company's group (the **Group**), including the Company's executive directors (**Executive Directors**), may be selected to participate in the Share Plan 2022 at the Committee's discretion.

Individual limit

Awards will not normally be granted to a participant under the Share Plan 2022 over Shares with a market value (as determined by the Committee at the time an Award is granted) in excess of 250 per cent. of salary in respect of any financial year of the Company, in line with the limits in the Current LTIP. Awards may however be granted in excess of this limit to an eligible employee in connection with their recruitment by way of compensating them for any awards forfeited as a result of leaving their former employer (a **Recruitment Award**).

Performance conditions

The vesting of Awards may (and, in the case of an Award to an Executive Director other than a Recruitment Award will, to the extent required by the shareholder-approved directors' remuneration policy (the **Remuneration Policy**)) be subject to the satisfaction of performance conditions. The Committee will determine the period over which any performance conditions are assessed.

Any performance condition may be amended in accordance with its terms or if anything happens which causes the Committee to consider it appropriate to amend the performance conditions, provided that the Committee considers that any amended performance condition would not be materially less or more challenging to satisfy.

Vesting and release of Awards

Awards which are subject to performance conditions will normally have those conditions assessed as soon as reasonably practicable after the end of the relevant performance period. The Committee will determine the extent to which Awards will vest, taking into account the extent that any relevant performance conditions have been satisfied, the underlying performance of the Company and the participant and such other factors the Committee considers, in its opinion, relevant. To the extent that they vest, Awards will then normally vest on the vesting date set by the Committee at grant.

The Committee may also determine at grant that an Award is subject to an additional holding period following vesting, during which Shares subject to the Award will not be delivered to participants and at the end of which the Award will be 'released'.

Timing of Awards

Awards can only be granted (i) during the 42 days beginning on: (a) the date the Company's shareholders approve the Share Plan 2022; (b) the first business day after the announcement of the Company's results for any period; (c) the day on which the Remuneration Policy (or any amendment to it) is approved by the Company's shareholders or (d) to the extent that share dealing restrictions prevent the grant of Awards in any of those three periods, the first business day on which such dealing restrictions are lifted or (ii) on any other day on which the Committee determines that exceptional circumstances exist which justify the grant of an Award.

Form of Awards

The Committee may grant Awards as conditional awards of Shares or nil or nominal-cost options over Shares. No payment is required for the grant of an Award. Awards structured as nil or nominal-cost options will normally be exercisable from the point of vesting (or, where an Award is subject to a holding period, the point of release) until the tenth anniversary of the grant date.

Dividend equivalents

Unless the Committee determines otherwise, participants will receive an amount (in cash, unless the Committee decides it will be paid in Shares) equal to the value of any dividends which would have been paid on Shares subject to an Award which vests by reference to record dates during the period beginning on the grant date and ending on the date on which the Award vests or, if there is a holding period applicable to an Award, is released. This amount may assume the reinvestment of dividends and exclude or include special dividends.

Sourcing of shares and overall limits

Awards may be satisfied using new issue Shares, treasury Shares or Shares purchased in the market. The number of Shares to satisfy awards granted in any ten-year period which may be issued under the Share Plan 2022 and any other employee share plan adopted by the Company may not exceed 10 per cent of the issued Ordinary share capital of the Company from time to time. In addition, the number of Shares which may be issued to satisfy awards granted in any ten-year period under the Share Plan 2022 and any other discretionary employee share plan adopted by the Company may not exceed 5 per cent of the issued Ordinary share capital of the Company from time to time.

Shares transferred out of treasury will count towards these limits for so long as this is required under institutional shareholder guidelines. However, awards which are relinquished or lapse will be disregarded for the purposes of these limits.

Malus and clawback

In certain circumstances, the Committee may at any time prior to the fifth anniversary of the date of grant of an Award (or, if an investigation into the conduct or actions of any participant or any member of the Group has started, such later date as the Committee may determine in order to allow the investigation to be completed): (a) reduce an Award (to zero if appropriate); (b) impose additional conditions on an Award or (c) require that the participant either returns some or all of the Shares acquired under an Award or makes a cash payment to the Company in respect of the Shares delivered. The Committee may invoke these malus and clawback provisions where it considers there are exceptional circumstances such as:

- (i) a material misstatement in the published results of the Group or a member of the Group;
- (ii) an error in determining the number of Shares subject to an Award or in assessing any performance conditions (as applicable);
- (iii) the determination of the number of Shares subject to an Award or the assessment of any performance conditions being based on inaccurate or misleading information;
- (iv) misconduct on the part of the relevant participant;
- (v) the Committee determines a participant has caused a material loss for the Group as a result of (i) reckless, negligent or wilful actions or (ii) inappropriate values or behaviour;
- (vi) where the Committee determines that the participant is responsible for or had management oversight over a member of the Group receiving censure by a regulatory body or suffering a significant detrimental impact on its reputation; or
- (vii) the Company or a material proportion of the Group becoming insolvent or otherwise suffering corporate failure.

Cessation of employment

An unvested Award will usually lapse upon a participant ceasing to be employed by or to hold office with the Group.

If, however, a participant ceases to be an employee or director of the Group in circumstances the Committee determines, in its discretion, justifies vesting (i.e. they leave as a 'good leaver'), their Award will normally continue to vest (and be released) on the date when it would have vested (and been released) if they had not ceased to be an employee or director of the Group.

The extent to which Awards normally vest in these circumstances will be determined by the Committee, taking into account the satisfaction of any performance conditions applicable to Awards measured over the original performance period, the underlying performance of the Company and such other factors the Committee considers, in its opinion, relevant.

The Committee retains discretion, however, to allow the Award to vest (and be released) following the individual's cessation of office or employment, taking into account any applicable performance conditions measured up to that point or, where the participant is a 'good leaver' as a result of their employing company or business being sold out of the Group, to require that the Award is exchanged for an equivalent award over shares in another company.

Unless the Committee decides otherwise, the extent to which an Award vests will also take into account the proportion of the performance period (or, in the case of an Award not subject to performance conditions, the vesting period) which has elapsed on the cessation of the participant's office or employment with the Group. The period over which a Recruitment Award will normally be time pro-rated will be determined at the time of grant and will normally replicate the approach to time pro-rating applied to the award in respect of which the Recruitment Award was granted.

If a participant dies, their Award will vest (and, in the case of an Award subject to a holding period, be released) on the date of their death on the basis set out for other 'good leavers' above. Alternatively, the Committee may decide that unvested Awards will vest (and, in the case of an Award subject to a holding period, be released) on the date they would have if the participant had not died on the basis set out for other 'good leavers' above.

If a participant ceases to be an officer or employee of the Group during a holding period in respect of an Award for any reason other than summary dismissal, their Award will normally be released at the end of the holding period, unless the Committee determines that it should be released on the cessation of their office or employment. If a participant dies during the holding period, their Award will be released on the date of death (unless the Committee decides they will be released at the end of the normal holding period). If a participant is summarily dismissed, any outstanding Awards they hold will normally lapse immediately. Awards structured as nil or nominal-cost options which do not lapse may normally be exercised to the extent vested for a period of 12 months after vesting (or, where Awards are subject to a holding period, release).

Where nil or nominal-cost options have already vested (and, where relevant, been released) on the date the participant ceases to hold office or employment with the Group, those options may normally be exercised for a period of 12 months from the date of cessation, unless the participant is summarily dismissed, in which case their options will normally lapse immediately. If a participant dies, a vested (and, where relevant, released) option may normally be exercised until the first anniversary of their death.

Corporate events

In the event of a takeover of the Company, Awards will normally vest (and be released) early. The proportion of any unvested Awards which vest will be determined by the Committee, taking into account the extent to which any performance conditions applicable to Awards have been satisfied, the underlying performance of the Company and the participant, such other factors the Committee considers, in its opinion, relevant, and, unless the Committee determines otherwise, the proportion of the performance period, or in the case of Awards not subject to performance conditions, the vesting period, which has elapsed. The period over which a Recruitment Award will normally be time pro-rated will be determined at the time of grant and will normally replicate the approach to time pro-rating applied to the award in respect of which the Recruitment Award was granted. Awards structured as nil or nominal-cost options may then normally be exercised for a period of one month, after which they will lapse. Alternatively, the Committee may require that Awards are exchanged for equivalent awards over shares in the acquiring company (subject to the acquiring company's consent).

If the Company is wound up or other corporate events occur such as a variation of the Company's share capital, a demerger, special dividend or other transaction which, in the Committee's opinion, would materially affect the value of Shares, the Committee may determine that Awards will vest (and be released) on the same basis as for a takeover.

Adjustments

If there is a variation of the Company's share capital or in the event of a demerger, special dividend or other transaction which, in the Committee's opinion, would materially affect the value of Shares, the Committee may make such adjustments to the number or class of Shares subject to Awards and/or the exercise price applicable to Awards as it considers appropriate.

Settlement

The Committee may, in its discretion, decide to satisfy an Award with a cash payment equal to the market value of the Shares (less any exercise price payable in the case of an option) that the participant would have received had the Award been satisfied with Shares.

Rights attaching to Shares

Shares delivered under the Share Plan 2022 will not confer any rights on the participant until that participant has received the underlying Shares. Any Shares issued will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their issue).

Amendments

The Committee may, at any time, amend the Share Plan 2022 rules in any respect. However, the prior approval of the Company's shareholders must be obtained in the case of any amendment which is made to the advantage of eligible employees and/or participants and relates to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, cash or Shares provided under the Share Plan 2022, the adjustments that may be made in the event of any variation of the Company's share capital and/or the rule requiring such prior approval. There are, however, exceptions to this requirement to obtain shareholder approval for any minor amendments to benefit the administration of the Share Plan 2022, to take account of the provisions of any legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the Group.

Non-transferability

Awards are not transferable except to the participant's personal representatives if the participant dies.

Benefits not pensionable

Benefits received under the Share Plan 2022 are not pensionable.

Termination

No awards may be granted under the Share Plan 2022 more than ten years after the date the Share Plan 2022, is approved by the Company's shareholders.



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