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If you have sold or transferred all of your stock in the Company, please send this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

**Elementis plc**

(registered in England & Wales no 3299608)

10 Albemarle Street  
London  
W1S 4BL

18 March 2008

Dear Shareholder

**Annual General Meeting on 24 April 2008**

I am writing to give you notice of the Company's Annual General Meeting ("AGM") that is to be held at The City Presentation Centre, 4 Chiswell Street, London EC1Y 4UP on Thursday 24 April 2008 at 11.00am.

The following items are also included in this document:

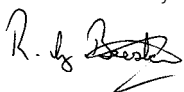
- the "Highlights" and "Chairman's statement" sections extracted from the 2007 Annual Report and Accounts;
- an explanation of certain resolutions at the AGM;
- a summary of the principal terms of two new employee share incentive schemes which shareholders are asked to approve at the AGM – a long-term incentive plan for senior Group management and a UK savings-related share option scheme for all UK employees;
- a summary of the proposed changes to the Company's Articles of Association which shareholders are also asked to approve at the AGM; and
- a Proxy Form.

Shareholders who have elected to receive printed copies of documents that we provide for shareholders will also find enclosed a printed copy of the 2007 Annual Report and Accounts. A copy of that document can be accessed through the Company's website at: [www.elementis.com/investors](http://www.elementis.com/investors).

Website communication has helped the Company not only to reduce printing and mailing costs but also to reduce the impact of those activities on the environment. If you wish to review all or specific sections of the 2007 Annual Report and Accounts, you will find the interactive version on our website particularly useful and easy to use. Alternatively, if you wish a printed copy to be sent to you in full, then please request this from our share registrar whose contact details appear on page 18 of this document.

As an alternative to submitting a proxy form by post, you may wish to vote electronically by visiting our registrar's website at [www.sharevote.co.uk](http://www.sharevote.co.uk). Once you have selected Elementis from the list, you will be asked to enter a reference number, card ID and an account number. These are printed in this order on the top right-hand corner of your enclosed proxy form. To be valid, all electronic voting instructions must be received by 11.00am on 22 April 2008.

Yours sincerely



**Robert Beeston**  
Chairman

# Highlights

From continuing operations

- Operating profit before exceptional items up 21 per cent.
  - Improved operating profit in all three business segments.
- Revenue up 4 per cent on a constant currency basis.
- Diluted earnings per share before exceptional items up 31 per cent.
- Sale of Pigments completed at a price of £71 million.
- Net borrowings reduced by £84.4 million to £16.2 million.
- Full year dividend up by 12.5 per cent to 2.7 pence.

## Financial summary

	2007	2006
Sales*	<b>£299.8m</b>	£302.0m
Operating profit*	<b>£38.1m</b>	£31.5m
Profit before tax*	<b>£33.8m</b>	£24.8m
Profit after tax*	<b>£32.0m</b>	£24.8m
Diluted earnings per share*	<b>7.2p</b>	5.5p
Profit for the year	<b>£48.1m</b>	£31.7m
Diluted earnings per share	<b>10.8p</b>	7.0p
Dividend to shareholders		
– final proposed	<b>1.4p</b>	1.2p
– full year	<b>2.7p</b>	2.4p

\*from continuing businesses and before exceptional items

# Chairman's statement

Robert Beeston

I am pleased to report that the Group has continued to make solid progress in 2007, with improvements in both earnings and cash flow. In addition the Group made a significant strategic step forward on 31 August by completing the sale of its Pigments business. This has further strengthened the Group's balance sheet and provides a firm base for future profitable growth.

## Results

Operating profit from continuing operations, and before exceptional items, improved by 21 per cent to £38.1 million and all three businesses again contributed to the improvement. Good demand in all of our major end markets was a key driver in 2007, with the exception of the North American architectural coatings and construction sectors which were impacted by the slowdown in US housing. Specialty Products experienced good demand in industrial coatings and oilfield, and made solid progress in sales to Europe and Asia, while Chromium benefited from a one time energy rebate of £1.4 million and changes in Chinese tax regulations prompted improved demand for chrome oxide and chromic acid. Surfactants made steady progress through further product optimisation and operating efficiencies. The Group's operating margin improved to 12.7 per cent (2006: 10.4 per cent) led by Specialty Products where operating margins are now over 20 per cent (2006: 17.3 per cent).

Revenue from continuing operations was £299.8 million in 2007, an increase of 4 per cent on a constant currency basis.

Net debt came down by £84.4 million to £16.2 million in 2007 and the Group has also agreed a ten year funding plan with the UK Pension Trustees which will eliminate the current funding deficit over the funding period and provide greater certainty to the Group in its future cash flow planning. The Group's combined deficits for retirement benefit obligations at the end of 2007 under IAS 19 was £21.5 million versus £37.3 million a year earlier.

Diluted earnings per share from continuing operations, before exceptional items, improved by 31 per cent to 7.2 pence as a result of the higher operating profit. The Group recorded exceptional items of £12.5 million (2006: £1.7 million) related to the gain on sale of the Pigments business and the recent restructuring exercise. Diluted earnings per share from continuing and discontinued operations, after exceptional items, was 10.8 pence versus 7.0 pence in 2006.

## Dividend

The Board is recommending a final dividend of 1.4 pence taking the total return to shareholders for the year to 2.7 pence, an increase of 12.5 per cent. Subject to approval at the Annual General Meeting, the dividend will be paid on 30 May 2008 to members on the register at the close of business on 2 May 2008. The Board intends to continue to review the dividend policy as earnings performance permits.

## The Board

The Board is responsible for overseeing the Company's strategy in addition to monitoring performance. Through its own actions and those of the Board committees, the Board continues to meet its commitment to high standards of corporate governance. The Board seeks to implement these standards in such a manner that they provide real benefit for shareholders, employees and customers. Matthew Peacock stepped down from the Board on 31 January 2008 and Ken Minton has indicated his intention to leave the Board in April 2008. Matthew and Ken have been on the Board since 2005 and have made significant contributions to the Group's strategy and success, and for that I would like to thank them on behalf of myself and the other directors. The remaining Board members represent a good balance of industry, geography and functional experience, and so I feel it necessary to add only one new director in 2008 as replacement for the two who are leaving. We are actively engaged in a process to identify a suitable individual and expect to make an announcement during the first half of 2008.

## Health, safety and environment

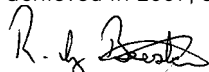
The Board is actively engaged in monitoring this important aspect of our business, and I am happy to report that our performance in this area remains in the upper quartile of industry standards. We remain committed to achieving the very best results and reporting in an open and transparent manner.

## People

Our people have been instrumental in implementing a significant amount of positive change in the Group over the recent period, affecting both them and their families, and so I would again like to offer my sincere thanks to all of them for their contributions to the Group's excellent performance.

## Outlook

The Group has achieved a great deal over the last 24 months and now has a robust platform of good quality earnings and a strong balance sheet on which to move forward. We made a strong start to the year, building on the solid growth achieved in 2007, and expect to maintain progress in 2008 in line with our expectations.



**Robert Beeston**  
Chairman  
26 February 2008

# Annual General Meeting

## Explanatory notes to the Notice of Meeting

### Elementis plc (the “Company”)

The Notice of Meeting appears on pages 15 to 17. The following information provides additional background information to several of the resolutions proposed.

### Resolutions 4 and 5: Re-election of directors

The Board recommends that the following directors, who retire under the Articles of Association and offer themselves for re-election at this meeting, be re-elected:

#### Brian Taylorson

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

#### Kevin Matthews

Kevin was appointed as a non-executive director in 2005 and was reappointed for a second three-year term in February 2008. He is chief executive officer of Oxonica plc, a UK-based nanotechnology company, a role he has held since 2001. He joined Oxonica from Rhodia Consumer Specialties Limited and previously held roles with Albright & Wilson UK Limited and ICI Chemicals and Polymers. He holds a D.Phil in organic chemistry.

Both directors have undergone a formal performance evaluation and the performance of each continues to be effective and to demonstrate commitment to their role including commitment of time for Board and committee meetings and their other duties.

### Resolution 8 – Elementis plc 2008 Long-Term Incentive Plan (“Plan”)

The proposal for a new Plan comes following a review by the Remuneration Committee (“the Committee”) of the remuneration packages your Company offers to directors and senior employees, as well as consultation with many of our major shareholders. The Committee believes that in order to deliver a differentiated value performance to shareholders, it is desirable to have a significant proportion of executive remuneration linked to measurable improvements in shareholder value and payable by the award of shares. This more closely aligns the interests of shareholders and management and encourages the type of strategic thinking that leads to step changes in value creation.

The new Plan rewards executives by sharing with them the growth in the value of the Company (over a threshold level of 31 per cent, being the cost of equity as arrived at following advice from the Company’s brokers) over a three year performance period. Participants will be entitled to a set percentage of the Plan pool. This pool is calculated by taking 2.15 per cent of the growth in value of the Company over the threshold level over the performance period. The growth in value is measured by looking at the aggregate of share price increase and declared dividends.

The Plan allows awards to be made over the next ten year period, but it is intended that one award will be made in 2008 to incentivise executive directors and key employees over the next three year period. If the Plan is used in 2011 to make further awards, prior shareholder approval will be sought for the level of these awards and the performance criteria to be used. Participants of the Plan will not also receive options or other awards under any other Group discretionary share plan.

These notes should be read in conjunction with the summary of the principal terms of the Plan rules, a copy of which is set out below in this document on pages 7 to 10.

### Resolution 9 – Elementis plc 2008 UK Savings-Related Share Option Scheme

As the existing UK Savings-Related Share Option Scheme, which is a HM Revenue & Customs all employee approved share scheme, expires this year, your Board is proposing that a new “UK Scheme” be adopted at the AGM. The rules of the new UK Scheme are modelled closely on those of the existing scheme and will give employees an opportunity to become shareholders. The new UK Scheme will be subject to the usual HM Revenue & Customs provisions such as the maximum monthly savings limit being £250 per month and the option exercise price must be 80 per cent of the market price on the invitation date. The number of shares that can be issued under this new UK Scheme will be restricted by the dilution limits set by the Association of British Insurers (“ABI”), which is that shares granted under option for all discretionary share plans and all share plans should not exceed 5 per cent and 10 per cent respectively of the Company’s issued share capital in any ten year period. This new UK Scheme will expire ten years after its adoption. A summary of the principal terms of the new UK Scheme’s rules is set out below in this document on pages 11 to 12.

**Resolution 10 – Authorising the directors to establish savings-based share option schemes for non UK employees**

The purpose of Resolution 10 is to enable the directors to establish such number of supplements or appendices to the new UK Scheme as they consider appropriate to take advantage of, or comply with, local laws and regulations, or in order to take account of any local tax, exchange control or securities law applicable in any territory or jurisdiction either generally or in relation to any potential participant or class of potential participants, for the benefit of employees of the Company (or any of its subsidiaries) who are resident or working outside the UK and for whom participation in the new UK Scheme is otherwise undesirable or impractical. The existing Savings-Related Share Option Scheme for US based employees, which also expires later this year, was adopted as an appendix to the existing UK Scheme by the Board under authority granted to it by a resolution of the shareholders passed in 1999. Under this Resolution 10, your Board is seeking to renew the authority previously conferred on it in order to adopt new schemes for non UK employees, which will be similar to the new UK scheme insofar as it is practicable.

A new scheme for US based employees will have the following key features, modelled on the existing US scheme, which will also form the basis of any new scheme for any other non UK employees: (a) eligibility - all employees of the US subsidiaries of the Company (whether now existing or hereafter established) who work 20 hours or more per week and have 45 days' service as at the date of invitation to participate; (b) maximum monthly savings per participant: limited to US\$500 per month; (c) option exercise price: set at 85 per cent of the market price on the start date of the option period; (d) savings contracts: participants must enter into savings contracts for typically no less than 24 months; (e) option period: 27 months; (f) exercise period: typically 3 months after the savings period ends; (g) share limits: subject to the usual ABI dilution limits for all Group share plans, described above, and a maximum individual scheme limit of 10 million shares; (h) leavers' rights: right to exercise within 60 days of cessation as a result of death, retirement, redundancy or change of control; (i) scheme life: 10 years from adoption by the directors; and (j) variation of the share capital of the Company: whether by way of a capitalisation issue (other than a capitalisation issue in substitution for or as an alternative to a cash dividend), a rights issue or any sub-division, consolidation, reduction or other variation of the Company's share capital, the option exercise price (if any), the number of shares that are the subject of an award and/or the scheme limit of 10 million shares may be adjusted (but will always be subject to the overall ABI limits) in such manner as the Board determines to be fair and reasonable.

**Recommendation on voting on Resolutions 8 to 10**

Your directors believe these proposals to be in the best interests of the shareholders as a whole and recommend shareholders to vote in favour of Resolutions 8 to 10. In view of their potential interest in these Resolutions the executive directors will abstain from voting. The non-executive directors intend to vote in favour of these Resolutions in respect of their personal shareholdings which, in aggregate, amount to 86,172 shares.

**Resolution 11 – Amendment to the Articles of Association**

This special resolution will approve the making of amendments to the Company's Articles of Association ("Articles") that take into account changes to the law that are already in force, or are scheduled to come into force later this year, as a result of the Companies Act 2006.

It is proposed to make these changes by adopting new Articles in place of the existing Articles. This is a simpler and shorter procedure than amending the text of the existing Articles, which would require the full text of all amendments to be set out in the AGM Notice. However, the full text of the amendments will be available for inspection as explained below.

The main changes are summarised below in this document on pages 13 to 14.

**Resolution 12 – General authority to allot shares**

This resolution will extend the general authority of the directors to allot shares until the Company's next AGM or, if earlier, 30 June 2009. The authority will be in respect of shares with an aggregate nominal value of £7,441,411, equal to one third of the Company's current issued share capital as at 7 March 2008, the latest practicable date prior to the printing of this document.

**Resolution 13 – Authority to allot shares for cash free from pre-emption rights**

This special resolution will renew the disapplication of statutory pre-emption rights in relation to the Company's allotment for cash of its own shares pursuant to Resolution 12, or in relation to the Company's sale of its own shares held in treasury, and shall expire at the conclusion of the next AGM of the Company or on 30 June 2009 whichever is earlier. The disapplication will permit the directors to allot shares for cash pursuant to Resolution 12, or to sell treasury shares, without first offering them to all existing shareholders pursuant to their statutory pre-emption rights under the Companies Act 1985. Any such allotments or sales must be pursuant to a rights issue or an open offer or otherwise be limited to shares with an aggregate nominal value not exceeding that of 5 per cent of all the ordinary shares in issue as at 7 March 2008 (being shares to an aggregate nominal value of £1,116,212), the latest practicable date prior to the printing of this document.

# Annual General Meeting

## Explanatory notes to the Notice of Meeting continued

### **Resolution 14 – Authority for the Company to purchase its own shares**

This special resolution will renew the Company's authority to make market purchases of its ordinary shares on the London Stock Exchange until the Company's next AGM or, if earlier, until 30 June 2009. The directors have no plans at present to exercise such authority and, in any event, would only do so where they believe such purchases would result in an increase in earnings per share and would be in the best interests of shareholders generally. The authority will allow the Company to purchase up to 44,648,465 ordinary shares, representing 10 per cent of the Company's issued share capital as at 7 March 2008, the latest practicable date prior to the printing of this document. The maximum price at which any such purchase may be made is equal to 105 per cent of the average of the middle market quotations for a share as taken from the London Stock Exchange's Daily Official List for the five business days preceding the date of purchase.

The Company will be able to hold shares purchased under this authority in treasury with a view to selling them later on, rather than cancelling them. This ability will provide the Company with additional flexibility in the management of its capital base. For so long as any such shares are held in treasury no dividends will be paid on them and no voting rights will attach to them. Any shares purchased by the Company under this authority that are not held in treasury will be cancelled. Currently the directors have no plans for holding any such shares in treasury instead of cancelling them, or for cancelling any of them instead of holding them in treasury.

The number of unissued shares that were subject to subscription options as at 7 March 2008 was 12,985,000, equivalent to 2.91 per cent of the Company's issued shares at that date. If the proposed share purchase authority were to be exercised in full, those 12,985,000 shares would represent 3.23 per cent of the issued shares as reduced by the share purchases. As at 7 March 2008, the latest practicable date prior to the printing of this document, the Company was authorised to make market purchases of up to 44,188,549 ordinary shares pursuant to an ordinary resolution passed at the 2007 AGM on substantially the same terms as those set out in Resolution 14.

### **Documents available for inspection**

The following documents will be available for inspection from the date of this Notice during normal business hours on any weekday (Saturdays excepted) until 24 April 2008 at the Company's registered office.

1. the proposed rules of the Elementis plc 2008 Long-Term Incentive Plan;
2. the proposed rules of the Elementis plc 2008 UK Savings-Related Share Option Scheme;
3. the proposed new Articles of Association;
4. the proposed new Articles of Association marked to show the changes to the existing Articles of Association; and
5. copies of the Directors' service contracts and letters of appointment.

These documents will also be available for inspection at The City Presentation Centre, 4 Chiswell Street, London EC1Y 4UP for not less than 15 minutes prior to and during the Annual General Meeting.

# Summary of the principal features of the Elementis plc 2008 Long-Term Incentive Plan

## 1. Introduction and eligible employees

The Elementis plc 2008 Long-Term Incentive Plan ("the Plan") will offer selected full time executive directors and senior employees of the Elementis plc group of companies ("the Group") the opportunity to acquire ordinary shares in Elementis plc ("the Company"). The intention for the first awards under the Plan is to include the Chief Executive, Finance Director and the Managing Directors of Elementis Specialties and Elementis Chromium.

## 2. General

The Plan allows the award of both "nil cost" share options and contingent share awards (together referred to as "awards"). It is intended that awards made in 2008 will be made as nil cost share options.

## 3. Participation limits

Participants are entitled to a percentage of the pool available for distribution as calculated in accordance with the explanation in "Performance criteria and calculation of pool" below. The maximum entitlement of any one individual will be 25 per cent of the pool available for distribution. Participants' awards will not be equal and a percentage of the pool will be retained to allow a new joiner to receive an award during the first performance period.

## 4. Plan limits

The Plan contains limits on the number of new shares that may be issued as a result of the Plan. These limits apply to both awards made under the Plan and to awards made under all other employee share schemes operated by the Group.

### All Plan limit

The number of new ordinary shares which have been or may be issued pursuant to awards and/or be the subject of awards or other rights granted under any Group share scheme must not exceed 10 per cent of the Company's issued ordinary share capital in any ten year period.

### Senior employee limit

The number of new ordinary shares which have been or may be issued pursuant to awards and/or rights granted under any Group discretionary share scheme must not exceed 5 per cent of the Company's issued ordinary share capital in any ten year period.

Awards which have lapsed are disregarded.

## 5. Making of awards

Awards can only be granted in the period of 42 days following the date on which the Plan is adopted by the Company in General Meeting, or following the announcement of the Company's interim or final results, or in other circumstances which the Remuneration Committee ("the Committee") then considers to be exceptional.

An award will be personal to the participant and not transferable (other than on death when it can be exercised by the participant's personal representatives).

No award can be granted more than ten years after adoption of the Plan.

Explanation: The intention is that after the initial awards are made in 2008 for a three year period, further awards under the Plan will only be made after seeking the approval of shareholders and after the initial, and thereafter each, three year performance period has ended.

Participants receiving an award of shares under this Plan will not also receive new awards under any other Group discretionary share plan.

## 6. Performance criterion and calculation of pool

(a) The performance criterion is that the increase in the value of the Company (calculated by aggregating the increase in the market capitalisation with dividends paid or declared during the period) over a three year period commencing on the date of grant (a "Performance Period") must exceed 31 per cent, which represents the Committee's best assessment of the cost of equity over the period ("the Threshold Level"). The cost of equity has been arrived at by the Committee following advice from the Company's brokers (which latterly was 9.3 per cent per annum). The share price, for the purposes of the performance test, both at the start and end of the performance period will be the average over the preceding 30 days.

If the cost of equity changes away from 9.3 per cent between the date of the Notice of Meeting and the date the awards are granted, the cost of equity as at the date of grant will be the one selected.

# Summary of the principal features of the Elementis plc 2008 Long-Term Incentive Plan continued

- (b) If the performance criterion is achieved for a performance period, the executive directors and senior managers will be entitled to share up to 2.15 per cent of the increase in the value of the Company over the Threshold Level.

**Example 1:** If the share price increased from 70 pence to 133 pence (a 90 per cent increase), then with an assumed dividend yield of 3 per cent\* per annum (£40 million), total growth in value of the Company over the three year period would be £322 million (447 million shares x 63 pence + £40 million). The cost of equity would be £97 million (31 per cent growth on 70 pence share price, or 21.7 pence x 447 million shares). The performance criterion would therefore be satisfied and the pool available for sharing with participants would be 2.15 per cent of £225 million (£322 million – £97 million) or £4.84 million, equivalent to just over 3.64 million shares (at 133 pence per share) in total.

\*Level of dividend shown is purely for illustrative purposes only. This basic model also does not take into consideration any new issue of shares to meet existing options under grant.

If the share price changes from 70 pence between the date this Notice of Meeting is printed and the date the awards are granted, the 2.15 per cent factor applied above will be modified to ensure that the size of the pool remains the same as in the example above i.e. c.£4.84 million.

**Example 2:** If the share price at the date of grant is 60 pence, then continuing with the example above where the share price is 133 pence at the end of the three year performance period, the growth in share price would be 122 per cent which, when applying a 2.15 per cent factor, would create a pool for sharing of £6.0 million. In this scenario, the percentage factor applied would be decreased to 1.70 per cent which would create a pool of £4.8 million.

**Example 3:** If the share price increases from 90 pence to 150 pence (a 67 per cent increase) during a performance period, applying a 2.15 per cent factor would create a pool for sharing of £4.0 million. In this scenario, the percentage factor applied would be increased to 2.60 per cent which would create a pool of £4.8 million.

**Explanation:** The percentage factor to be applied will be fixed at the date the awards are granted and will only be modified from 2.15 per cent if it is necessary in order to achieve substantially the same size of target pool whatever the share price is at the date of grant of awards. The targeting of a £4.8 million pool at the grant date depends on both the percentage factor applied to the net increase in value created and the share price at the end of a performance period. The Committee considers that 50 per cent growth over three years from a 100 pence starting share price is appropriately challenging and that 90 per cent growth from a starting price of 70 pence is equally appropriately challenging. This view is based on the fact that the Company's share price average for 2007 was 90.3 pence and, therefore, the percentage factor to be applied should be based on an appropriate share price range at the end of a performance period ("closing share price range"). Based on a share price range at the start of a performance period of between 70 pence and 90 pence, the closing share price range targeted is between 133 pence and 150 pence. Should the starting share price range alter materially, then the Committee will apply a percentage factor to target a pool of £4.8 million at the date of grant based on share price growth that it considers to be appropriately challenging.

- (c) Each participant's entitlement to a proportion of the pool shall be set at the outset of the three year performance period.

**Example 4:** A 25 per cent maximum individual participant entitlement where the pool is valued at £4.84 million, as in Example 1 above, with a pool of 3.64 million shares, means that the maximum an individual participant's share would be is £1.21 million or 910,000 shares over the three year performance period. The value of the award as a percentage of salary in this example would be equivalent to a multiple of just under four times average salary for the executive directors over the three year period (based on 2008 average basic salaries), which works out to be just over 1.3 times average salary per annum.

- (d) The Committee will have discretion to reduce the percentage of the pool available for distribution at the end of the performance period, if they feel that the increase in value of the Company over the Threshold Level is attributable to factors that do not reflect the underlying value of the Company, taking into consideration various performance metrics such as, for example, sales, profit levels and earnings per share measures over the period.

**Explanation:** This discretion will only be used to ensure that the share price at the end of the performance period is not artificially inflated as a result of external factors which the Committee considers to be exceptional, for example, rumours of a takeover.

This discretion extends to increasing the cost of equity percentage used to calculate the Threshold Level at the end of the performance period to reflect any change in the annual cost of equity as a result of any significant change in the Company's equity structure during the period.

- (e) The Committee may, after taking advice from its advisers, choose to extend a performance period by one or more years if in its view the share price of an ordinary share at the end of the relevant three year performance period does not reflect the Company's underlying value. In doing so, the Committee will take into consideration the underlying financial performance of the Company in each year in the performance period and any external factor, which it considers to be exceptional, that has made a significant impact on the Company's share price, such as a general economic recession.

Explanation: If at the end or towards the end of a performance period the share price has fallen as a result of recessionary fears in the stock market on which the Company is listed, the Committee will only look to extend the performance period by one or more years if the underlying financial performance over the performance period has been strong. If the financial performance has been weak or is modest, then the Committee will not look to extend the performance period.

In extending the performance period, the 2.15 per cent (or as modified) share of any increase above the Threshold Level to be shared with the participants and each participant's share of the pool would remain unaltered, but the Threshold Level will increase to reflect the cost of equity for every additional year by which the performance period is extended.

- (f) Alternatively, instead of extending the performance period when it ends because there is a recession or other external shock to the Company's share price which the Committee considers to be exceptional, the Committee may, after consulting with its major shareholders, choose to allow all or a part of the awards to vest, subject to performance testing, based on the share price on a date that is (i) not more than 90 days preceding the end of the performance period and (ii) before the share price has been impacted by any recession or external exceptional shock, or that the Committee considers to be fair and reasonable.

## 7. Source of shares

It is anticipated that the shares used to satisfy awards under the Plan shall be market purchased shares or treasury shares although the Plan allows for the sourcing of shares through newly issued shares.

## 8. Award price

The award price shall be determined by the Committee, and it is anticipated to be nil except in the case of a share option where the Company has determined that the option exercise will be satisfied by the issue of shares directly to the Award holder where the amount payable per share shall not be less than its nominal value.

## 9. Variations of share capital

Upon any variation of the share capital of the Company, whether by way of a capitalisation issue (other than a capitalisation issue in substitution for or as an alternative to a cash dividend), a rights issue or any sub-division, consolidation, reduction or other variation of the Company's share capital, including any significant share purchase programme, the option exercise price (if any) and/or the number of shares that are the subject of an award may be adjusted in such manner as the Committee determines to be fair and reasonable.

## 10. Vesting of awards

- (a) An award may normally only vest at the end of the Performance Period. Once vested awards that are options will be exercisable on such basis as set out in the Award certificate subject always to the ten year limit.
- (b) Joiners will be entitled to participate in the Plan over the remainder of the Performance Period during which they join, with a suitably prorated award. However, Joiners' awards will only vest after a period of three years from date of joining the Plan.
- (c) Where the participant ceases to be employed by the Group, before the end of the Performance Period, as a result of death, injury, disability, ill health or retirement through ill health, normal retirement, redundancy within the meaning of the Employment Rights Act 1996 as a result of any Group member or any part of the Group's business in which a participant was employed ceasing to be a member or part of the Group, the participant will retain his unvested awards which will remain capable of vesting subject to achievement of the performance target and to the discretion of the Committee to allow vesting before the end of the performance period. If the Committee decides that early vesting would not be fair and reasonable, then the awards will vest at the end of the performance period.

The performance target for such a participant will however be tested at the date of cessation. The number of shares subject to his unvested awards will then be proportionately reduced by expressing the period of time elapsed from the date of award to the date of cessation as a percentage of the three year performance period. The cost of equity calculation will also be reduced on a prorated basis.

Where in certain circumstances the participant is transferred to work overseas, his unvested award may then vest at the discretion of the Committee.

- (d) If a participant ceases to be employed by the Group, before the end of the Performance Period, for any other reason prior to the third anniversary of the date of grant of an award, the award will lapse.

# Summary of the principal features of the Elementis plc 2008 Long-Term Incentive Plan continued

(e) Additionally, in the event of a takeover, reconstruction, amalgamation or winding up of the Company, before the end of the Performance Period, the number of options/awards that can be exercised/will vest will be reduced on a prorated basis unless the Committee, having taken into consideration all relevant and appropriate factors into account, determines otherwise, for example, in the case of a sale of the Company and or business that maximum value for shareholders has been achieved.

## 11. Directors' shareholding

Under the terms of their awards, executive directors will be expected to retain a portion of the shares that vest in order to build up a stake in the Company over a period of time which is equal to one year's basic salary, and to maintain this level of shareholding in the Company for as long as they remain in office. This provision does not apply to executive directors who already meet this level of shareholding.

## 12. Alterations to the Plan

The Committee may alter any of the provisions of the Plan in any respect except that no alteration or addition to the rules of the Plan relating to:

- (a) eligibility to participate in the Plan;
- (b) limits on the number of new shares which may be issued pursuant to the Plan;
- (c) the maximum entitlement of any one participant under the Plan;
- (d) the basis for determining a participant's entitlement to (and the terms of) shares or any other benefit under the Plan; or
- (e) the adjustment of awards under the Plan on a variation of share capital;

may be made to the advantage of participants without the prior approval of the Company in general meeting, except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any member of the Group.

## 13. Pensionability

Awards under the Plan will not form part of the participant's pensionable earnings.

## 14. Employee trust

The Company or any subsidiary may provide financial assistance, to the extent permitted by company law, to a person such as a trustee of an employee benefit trust to enable shares to be acquired by that person and held for the purpose of the Plan.

## 15. Dividends

No dividends will be paid or payable on any conditional share award prior to the date such shares vest.

## 16. Taxation

Any taxes that are due on any shares which vest, at the date of vesting, and on any dividend payment will be deducted so that the value of all payments or transfers of shares will be made on a net of tax basis as appropriate.

## 17. External advisers to confirm fair and reasonable use of discretion

Where the Committee has applied its discretion under rules summarised at paragraphs 6, 9 and 10 above, the external auditors or brokers of the Company for the time being may be called upon by the Committee to confirm that the relevant process has been carried out in a fair and reasonable manner.

# Summary of the principal features of the Elementis plc 2008 UK Savings-Related Share Option Scheme

## 1. Introduction

The Elementis plc 2008 UK Savings-Related Share Option Scheme ("UK SAYE Scheme") will provide for eligible employees to be granted options to acquire ordinary shares in the Company. The UK SAYE Scheme will be submitted for the approval of HM Revenue & Customs pursuant to Schedule 3 to the Income (Earnings and Pensions) Act 2003. The UK SAYE Scheme will replace the Elementis Savings-Related Share Option Scheme (1998) ("1998 Scheme"), which expires on 16 August 2008. No further invitations can be issued, and no further options can be granted under the 1998 Scheme, after that date. Any options previously granted under the 1998 Scheme and in existence on the expiry date will remain in existence and become exercisable in due course in accordance with the rules of that scheme.

## 2. Share rights

Ordinary shares allotted under the UK SAYE Scheme will rank *pari passu* in all respects with all other ordinary shares then in issue, but will not participate in any dividend or other rights attaching to shares by reference to a record date preceding the date of exercise of an option.

## 3. Eligibility

All UK employees of Elementis plc and any subsidiaries which have been nominated as "participating companies" ("Elementis Group") who have at least six months' continuous service prior to the invitation date will be eligible to participate in the UK SAYE Scheme.

## 4. Savings contracts

Participants will be required to enter into a three or five year savings contract with a bank or a building society to make fixed monthly savings contributions. At the end of the specified savings period a tax free bonus will be payable by the savings carrier. Participants may use their savings and the bonus to acquire ordinary shares on the exercise of their options.

## 5. Individual limit on participation

The number of ordinary shares over which an option may be granted is limited to that number which may be purchased at the subscription price out of the anticipated proceeds of the savings account at maturity. Participants may save up to the maximum monthly amount allowed under the legislation (currently £250 a month) although the Board of Elementis plc ("Board") may (with the prior approval of HM Revenue & Customs) set a lower limit.

## 6. Offer periods

Invitations to apply for options may normally only be issued within 42 days of the announcement of the Company's results for any year, half-year or other period, or in the case of the first grants, within 42 days of the date on which the UK SAYE Scheme is formally approved by HM Revenue & Customs. No options may be granted more than ten years after the approval of the UK SAYE Scheme by shareholders.

## 7. Power to scale down

The Board may decide to impose a limit on the number of shares available for the grant of options under the UK SAYE Scheme on a particular occasion, and if it does so, this limit must be notified to all eligible employees in the invitation. If an invitation is over-subscribed and the applications for options exceed the number of shares available for the grant of options, the rules permit the Board to "scale down" applications to ensure that the limit is not exceeded.

## 8. Exercise price

The price at which participants may acquire shares is fixed by the Board when the option is granted, and may not be less than the greater of (i) 80 per cent of the market value of an ordinary share (being the average of the middle market quotations for the five dealing days immediately preceding the day on which invitations are issued under the UK SAYE Scheme); and (ii) the nominal value of such shares.

## 9. Scheme limit

The limit on the number of ordinary shares which may be issued pursuant to options granted under the UK SAYE Scheme is that, in any ten year period, not more than 10 per cent of Elementis plc's issued ordinary share capital for the time being may be allocated under all Elementis Group employee share schemes. For the purpose of this limit, any options which lapse in accordance with the rules of the UK SAYE Scheme cease to count.

## 10. Non-transferability

An option may only be exercised by the person to whom it is granted or, on his/her death, his/her personal representatives and is not transferable. Benefits receivable under the UK SAYE Scheme will not be pensionable.

# Summary of the principal features of the Elementis plc 2008 UK Savings-Related Share Option Scheme continued

## 11. Exercise rights

Options will normally only be exercisable for a period of six months commencing on the date the tax free bonus becomes payable under the savings contract. If an option is not exercised by the end of that period it will lapse. Options may, however, be exercised earlier than this in certain specified circumstances including death, reaching normal retirement age, or on leaving employment on account of injury, disability, redundancy, retirement, or in the event of the sale of the business or subsidiary for which the individual works. Options which have been held for at least three years may also be exercised in circumstances which the Board considers to be early retirement or voluntary redundancy. Options may also be exercised for a limited period after a takeover, reconstruction or amalgamation or a voluntary winding up of Elementis plc. In the event of a takeover or reconstruction, a participant may be permitted to exchange his/her option for an option over shares in the acquiring company. In all such cases of early exercise, an option may be exercised only to the extent of the participant's savings (plus any interest that is due under the relevant savings contract) at that time.

## 12. Adjustments

In the event of any rights or capitalisation issues, or of any reduction, subdivision, consolidation or other variation of share capital, the option price and/or the number of ordinary shares over which options have been granted may be adjusted with the prior approval of HM Revenue & Customs.

## 13. Amendments

The UK SAYE Scheme cannot be amended to the advantage of option-holders without the prior approval of shareholders in general meeting (except amendments which the Board considers necessary or desirable to benefit its administration, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option-holders or for any member of the Elementis Group). If it is intended that the UK SAYE Scheme is to remain approved by HM Revenue & Customs, no amendment to a "key feature" of the UK SAYE Scheme can take effect until approval of HM Revenue & Customs has been obtained.

# Summary of main changes to the Company's Articles of Association

This summary explains the principal changes from the existing Articles of Association to the proposed new Articles of Association. All of them reflect changes in the law resulting from the Companies Act 2006 and the repeal of provisions in the Companies Act 1985, save for the changes concerning the Company's Redeemable B Shares and share warrants to bearer.

1. **Age limit for directors** – restrictions on the appointment of a person aged 70 or over as a director will be removed. These restrictions mirror provisions in the Companies Act 1985 Act that were repealed last year.
2. **Auditors' indemnity** – the article requiring the Company to indemnify its auditors will be removed.
3. **Directors' conflicts of interest** – a new article will authorise the Board to approve a director coming into or remaining in a situation in which he/she has or could have an interest that conflicts with the Company's interests. This power of authorisation is permitted under Section 175 of the Companies Act 2006. If this power is not given to the Board, situations could arise in which a director would be unable to remain on the Board through no fault of his/her own as a result of changes to the law that are expected to take effect on 1 October this year.
4. **Directors' indemnification** – a new article will confirm that the Company may indemnify a director or purchase directors' and officers' liability insurance on his/her behalf or fund his/her costs in defending himself/herself in litigation or regulatory proceedings that might be brought against him/her in his/her capacity as a director, but in each case only to the extent permitted under the Companies Act 2006. Another new provision will permit any director concerned to be included in the quorum and to vote on any Board resolution to approve such an arrangement. The law in relation to these matters has changed significantly since the Company adopted its existing Articles. The relevant provisions in the existing Articles are not consistent with the Companies Act 2006 and are less favourable to the Company.
5. **Electronic communications with shareholders** – various amendments will be made to the provisions in the Articles concerning electronic communications so as to make them more consistent with the "company communication provisions" in the Companies Act 2006 that came into force last year.
6. **General meetings (except AGMs) held on 14 days' notice** – a new provision will allow the Company to hold a general meeting at which a special resolution is to be proposed on 14 days' notice, as permitted by the Companies Act 2006, rather than on 21 days' notice as required by the existing Articles.
7. **Joint shareholders** – a new provision will confirm that the giving of a document or other information by the Company to a joint shareholder with that shareholder's agreement, and vice versa, will be effective so far as all the joint shareholders are concerned notwithstanding that it was not necessarily agreed to by the other joint shareholder(s). This is to avoid any such action being ineffective and invalid as a result of a technical infringement of the Companies Act 2006.
8. **Polls** – a new provision will allow the chairman of a shareholder meeting, at his/her discretion, to put a resolution to a vote on a poll without first putting it to a vote on a show of hands. The provision will not prevent a resolution from first being put to a vote on a show of hands should the chairman consider it appropriate to do so. The provision is consistent with what has become usual practice among FTSE 100 companies over the last few years.
9. **Proxies** – new provisions will be added relating to proxies. One will confirm the right that proxies now have under the Companies Act 2006 to speak at shareholder meetings. Another will allow the Company to disregard weekends and bank holidays when determining the time by which proxy forms must be lodged prior to a shareholder meeting. This will enable the Company to fix a deadline for lodging a proxy that is up to 48 hours earlier (and sometimes more) than what is permitted under the existing Articles.
10. **Quorum at shareholder meetings** – a provision will be added requiring two different members to be present at a shareholder meeting in person or through a corporate representative or a proxy in order for the meeting to be quorate. This provision will avoid the possibility of a shareholder meeting being quorate if it is attended by a proxy and a corporate representative appointed by the same corporate member, and no one else. This has been a possibility since October 2007 as a result of a change to the law made by the Companies Act 2006.
11. **Redeemable B Shares** – all references to the Company's Redeemable B Shares will be removed. As all those shares have been redeemed, those references are now superfluous.
12. **Requisitions** – provisions in the existing Articles that confer power on shareholders to requisition shareholder meetings or to requisition the circulation of AGM resolutions will be removed. These powers are conferred on shareholders by the Companies Act 2006 and do not need to be replicated in the Articles.

## Summary of main changes to the Company's Articles of Association continued

13. **Share warrants to bearer** – an article will be inserted allowing the Company to issue “share warrants to bearer” (bearer shares), and to provide for the future payment of dividends on them, as permitted by the Companies Act 2006.
14. **Shareholder resolutions and meetings** – various amendments will be made to make the provisions in the existing Articles concerning shareholder resolutions and meetings consistent with those in the Companies Act 2006 that came into force last October. One purpose of these changes is to minimise the risk of a conflict between the Articles and the Companies Act 2006 jeopardising the validity of any resolution passed at a shareholder meeting.
15. **Statutory references and definitions** – references to sections of the Companies Act 1985 will be replaced by references to the corresponding sections in the Companies Act 2006, where applicable. Various new terms will be defined in the “definitions” section of the Articles. Certain terms used in the Companies Act 1985 but not in the Companies Act 2006 will be removed from the Articles. For example (i) references to any “extraordinary general meeting” will become any “general meeting”, (ii) references to “electronic communications” will be replaced by “electronic means” and (iii) references to any “extraordinary resolution” will be replaced by any “special resolution” or will be removed altogether.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh ANNUAL GENERAL MEETING of the Company will be held at The City Presentation Centre, 4 Chiswell Street, London EC1Y 4UP on Thursday 24 April 2008 at 11.00am for the following purposes:

## Ordinary business

1. To receive and adopt the Director's report and audited financial statements for the year ended 31 December 2007 and the report of the auditors thereon.
2. To declare a final dividend on the ordinary shares.
3. To approve the Directors' remuneration report for the year ended 31 December 2007.
4. To re-elect Brian Taylorson as a director of the Company.
5. To re-elect Kevin Matthews as a director of the Company.
6. To re-appoint KPMG Audit Plc as auditors.
7. To authorise the directors to determine the remuneration of the auditors.

## Special business

To consider and, if thought fit, pass the following resolutions of which Resolutions 8 to 10 and 12 will be proposed as ordinary resolutions and Resolutions 11, 13 and 14 will be proposed as special resolutions.

8. To approve and adopt the Rules of the Elementis plc 2008 Long-Term Incentive Plan ("Plan"), the main features of which are summarised on pages 7 to 10 of the Explanatory Notes to this Notice of Meeting, in the form of the document produced to the meeting and signed by the Chairman of the Meeting for the purposes of identification, subject to such modifications as the directors may consider necessary or desirable for the purposes of implementing and giving effect to the Plan.
9. To approve and adopt the Rules of the Elementis plc 2008 UK Savings-Related Share Option Scheme ("UK SAYE Scheme"), the main features of which are summarised on pages 11 to 12 of the Explanatory Notes to this Notice of Meeting, in the form of the document produced to the meeting and signed by the Chairman of the Meeting for the purposes of identification, subject to such modifications as the directors may consider necessary or desirable for the purposes of implementing and giving effect to the UK SAYE Scheme, including to obtain HM Revenue & Customs' approval of it pursuant to the Income (Earnings and Pensions) Act 2003.
10. That the directors be and are hereby authorised to establish such number of supplements or appendices to The Elementis plc 2008 Savings-Related Share Option Scheme ("the UK Scheme") as they consider appropriate to take advantage of, or comply with, local laws and regulations, or in order to take account of any local tax, exchange control or securities law applicable in any territory or jurisdiction either generally or in relation to any potential participant or class of potential participants, for the benefit of employees of the Company (or any of its subsidiaries whether now existing or hereafter established) who are resident or working outside the UK and for whom participation in the UK Scheme is otherwise undesirable or impractical and from time to time to make or permit the making of such alterations to such supplements or appendices as they consider necessary or appropriate provided always that:
  - (a) having regard to the benefits which may be conferred on an employee participating in the UK Scheme, all such supplements and appendices shall confer benefits and contain limitations so as to ensure, so far as the directors consider practicable, substantial equality of treatment between UK and non UK employees; and
  - (b) the maximum individual scheme limit shall be 10 million shares and the overall limits on the number of ordinary shares in the Company which may be subscribed under all the Company's employee share schemes shall not be increased thereby and that ordinary shares which may be subscribed under such supplements or appendices shall count towards such limits.
11. That the regulations contained in the document produced to the meeting and signed by the Chairman of the Meeting for the purposes 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.
12. That the authority conferred by Article 4.2 of the Company's Articles of Association will be renewed and so that for this purpose the Section 80 amount will be £7,441,411 and the prescribed period will be the period from the date this Resolution is passed and the earlier of the date of the next AGM and 30 June 2009.

# Notice of Annual General Meeting

Continued

13. That:

- (a) the power conferred by Article 4.4 of the Company's Articles of Association be renewed and so that for this purpose the Section 89 amount will be £1,116,212 and the prescribed period will be the period from the date this resolution is passed and the earlier of the date of the next AGM and 30 June 2009;
- (b) such power shall extend to the sale of treasury shares (within the meaning of Section 162A of the Companies Act 1985) for cash as if in respect of any such sale the words "pursuant to the authority conferred by Article 4.2" were omitted from the second line of Article 4.4; and
- (c) for the purpose of such power the reference in article 4.4 (a) to "all holders (at a date selected by the Board) of issued Ordinary Shares (as nearly as practicable) in proportion to the number of Ordinary Shares respectively held by them" shall be deemed to exclude the Company in respect of any treasury shares held by it.

14. That the authority conferred on the Company at the Tenth Annual General Meeting to make market purchases (as defined in Section 163(3) of the Companies Act 1985) of ordinary shares of 5 pence each in the capital of the Company be hereby renewed provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 44,648,465;
- (b) the minimum price which may be paid for such shares is 5 pence per share exclusive of expenses;
- (c) the maximum price, exclusive of expenses, which may be paid for each such share is an amount equal to 105 per cent of the average of the market values for such share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is contracted to be purchased;
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next AGM of the Company or 30 June 2009, if earlier; and
- (e) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract.

By Order of the Board

**Wai Wong**  
Company Secretary  
18 March 2008

**Registered office:**  
10 Albemarle Street  
London  
W1S 4BL

**Notes:**

1. A member of the Company must be registered as the holder of ordinary shares by 6.00pm on 22 April 2008 (or, in the case of an adjournment, by 6.00pm on the day two days immediately preceding the day fixed for the adjourned meeting) in order to be entitled to attend and vote at the meeting as a member in respect of those shares.
2. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him/her, as his/her proxy to exercise all or any of his his/her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company.
3. A proxy form for use at the Annual General Meeting is provided to holders of ordinary shares and should be read in conjunction with this Notice of Meeting. To be valid a proxy form must be delivered to Equiniti Limited, Aspect House, Lancing, West Sussex BN99 6DW by 11.00am on 22 April 2008 or, in the case of an adjournment, by the time 48 hours before the time appointed for the adjourned meeting. Completing and returning a proxy form will not prevent a member from attending in person and voting at the meeting should he/she so wish.
4. Any person to whom this Notice is sent who is currently nominated by a member of the Company to enjoy information rights under Section 146 of the Companies Act 2006 (a "nominated person") may have a right under an agreement between him/her and such member to be appointed, or to have someone else appointed, as a proxy for the meeting. If he/she has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 2 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
5. As at 7 March 2008 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 446,484,651 ordinary shares of 5 pence each, all carrying one vote each, and (ii) the total voting rights in the Company were 446,484,651.
6. Arrangements will be put in place at the meeting in order to facilitate voting by representatives of members which are corporations ("corporate representatives" and "corporate shareholders") so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all its other corporate representatives at the meeting, those corporate representatives will be able to give voting directions to the chairman in respect of the poll and the chairman will be able to vote (or withhold a vote) on the poll as corporate representative in accordance with those directions, and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, all of them will be able to nominate one of their number as a "designated" corporate representative to vote on a poll for them all and the others will be able to give voting directions to it accordingly. Further information about this procedure is set out in the Institute of Chartered Secretaries and Administrators' January 2008 guidance note on "Proxies and Corporate Representatives at General Meetings" (accessible at [www.icsa.org.uk](http://www.icsa.org.uk)).
7. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "CREST proxy appointment instruction") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("Euroclear"), and must contain all the relevant information required by the CREST Manual. To be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by Equiniti Limited (ID 7RA01), as the Company's "issuer's agent", by 11.00am on 22 April 2008. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner.
8. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

# Information for shareholders

## Internet

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

## Registrar

The sale by Lloyds TSB Group plc of its share registration business to Advent International was completed on 30 September 2007 when the services provided by Lloyds TSB Registrars were transferred to Equiniti Limited who is now the Company's share registrar.

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

## Equiniti Limited

Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

Tel: 0871 384 2379 or +44 (0) 121 415 7043  
Fax: 0871 384 2100 or +44 (0) 121 415 7057  
Website: [www.shareview.co.uk](http://www.shareview.co.uk)

Shareholders should note that the charge for the new 0871 prefixed numbers, effective from 31 January 2008, is the same as the old 0870 prefixed numbers. Calls to these numbers are charged at 8 pence per minute from a BT landline. Other telephone providers' costs may vary.

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

## Payment of dividends

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

## Registrar's text phone

For shareholders with hearing difficulties:

Callers inside the UK telephone: 0871 384 2255  
Callers outside the UK telephone: +44 (0) 121 415 7028

## Web-based enquiry service

[www.shareview.co.uk](http://www.shareview.co.uk)

Shareholders using this service to obtain details of their shareholdings are required to enter their name, postcode and shareholder reference number which can be found on correspondence from the registrar and also on share certificates.

## Low-cost share dealing service

Shareholders who wish to buy or sell Elementis shares can do so through this service arranged by the Company's stockbrokers Hoare Govett Limited. The service is provided by Pershing Securities Limited and offers a low cost method of buying and selling Elementis shares. Full details of the service and dealing forms can be obtained from Pershing Securities Limited, who can be contacted on +44 (0) 20 7661 6555 for telephone share dealing, or on +44 (0) 20 7661 6616 for a postal-based share dealing service.

# Company information

**Company Secretary**

Wai Wong

**Registered office**

10 Albemarle Street

London

W1S 4BL

Tel: +44 (0) 20 7408 9300

Fax: +44 (0) 20 7493 2194

Email: [elementis.info@elementis-eu.com](mailto:elementis.info@elementis-eu.com)

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

**Registered number**

3299608

**Auditors**

KPMG Audit Plc

**Stockbroker**

Hoare Govett Limited

**Financial calendar 2008**

26 February 2008

Preliminary announcement of results for the year ended 31 December 2007

24 April 2008

Annual General Meeting and First Interim Management Statement

30 April 2008

Ex-dividend date for final dividend for 2007 payable on ordinary shares

2 May 2008

Record date for final dividend for 2007 payable on ordinary shares

30 May 2008

Payment of final dividend for 2007 on ordinary shares

29 July 2008\*

Interim results announcement for the half year ended 30 June 2008

10 September 2008\*

Ex-dividend date for interim dividend for 2008 payable on ordinary shares

12 September 2008\*

Record date for interim dividend payable for 2008 on ordinary shares

10 October 2008\*

Payment of interim dividend for 2008 on ordinary shares

28 October 2008\*

Second Interim Management Statement

24 February 2009\*

Preliminary announcement of results for the year ending 31 December 2008

\* Provisional dates

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