

ELEMENTIS

A global specialty chemicals company

Notice of Meeting 2010

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Elementis plc

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

19 March 2010

Dear Shareholder

Notice of Annual General Meeting to be held on 22 April 2010

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 22 April 2010 at 11.00 a.m.

The following items are also included in this document:

- the "Highlights" and "Chairman's statement" sections extracted from the 2009 Annual Report and Accounts;
- an explanation of certain resolutions at the AGM;
- a summary of the proposed changes to the 2008 Long Term Incentive Plan 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 2009 Annual Report and Accounts. A copy of that document can be accessed through the Company's website at www.elementis.com/investors/shareholdercomm.html

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 2009 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 the Company Secretary at the above address.

As an alternative to submitting a proxy form by post, you may wish to vote electronically by visiting our registrar's website at www.sharevote.co.uk. Once you have selected Elementis from the list, you will be asked to enter a **Voting ID**, **Task ID** and **Shareholder Reference Number**. These are printed in this order in the enclosed personalised proxy form. To be valid, all electronic voting instructions must be received by 11.00 a.m. on 20 April 2010. Please read the notes to the Notice of Meeting as this sets out other rights of shareholders and further requirements which you should check, to ensure your proxy vote will be valid.

Yours sincerely



Robert Beeston
Chairman

Operating profit and margins improved sequentially in the second half of 2009

Specialty Products

- Acquired new product line in personal care in December 2009
- Strong performance in Asia Pacific

Chromium restructuring on schedule

Cost savings achieved at an annualised rate of £16 million

Year end debt position consistent with previous year

Full year dividend maintained at same level as last year – 2.9p

Financial summary

	2009	2008
Sales	£363.7m	£400.5m
Operating profit*	£23.4m	£52.0m
Profit before tax*	£18.3m	£48.5m
Diluted earnings per share*	2.8p	9.1p
Net debt	£66.0m	£63.9m
(Loss)/profit for the year	£(37.0)m	£19.8m
Diluted (loss)/earnings per share	(8.3)p	4.5p
Dividend to shareholders:		
– final proposed	1.4p	1.4p
– full year	2.9p	2.9p

* Before exceptional items

Chairman's statement

The economic downturn that the world experienced in 2009 has severely tested the resilience and financial strength of most companies and businesses around the globe. I am therefore happy to report that, despite the resultant downturn in results that we have experienced in 2009, our businesses have nevertheless each reported a positive operating result for the year, before exceptional items, and the Group's balance sheet remains robust, with the year end net debt to EBITDA ratio at a level of 1.8 times. This was achieved through the inherent quality of our main businesses, each of which maintained its market leading position in its sector, and by management taking immediate action on costs in the early part of the year to mitigate the effects of the sharp downturn. In addition, while the severity of the downturn caused management to put greater focus on some shorter term issues during the year, such as current costs and cash flow, we were nevertheless still able to take some strategic actions that will help us achieve our longer term goals. Specialty Products completed an acquisition, in December 2009, of a US based business called Fancor. Although modest in size, this acquisition increases our presence and product offering in the faster growing personal care market. In Chromium, we took the decision to close our UK facility which will improve earnings stability and therefore the quality of the business going forward.

Results

Operating profit for the year, before exceptional items, was £23.4 million compared to £52.0 million in the previous year. Earnings per share on the same basis was 2.8 pence compared to 9.1 pence in 2008. Revenue in 2009 was £363.7 million which, on a constant currency basis and after adjusting for 2008 acquisitions, is 28 per cent lower than the previous year, mainly due to the effects of the economic downturn which were more prominent in the first half of the year as a result of severe customer destocking. Consequently, sales volumes in the second half of the year were 27 per cent higher than in the first half and operating profit, before exceptional items, in the second half was £17.8 million compared to £5.6 million in the first half.

The Group recorded a number of exceptional items in the year, including the closure of the UK Chromium plant and some one-time hedging costs, all of which were announced at the time of the Group's 2009 interim results statement. In the second half of the year we received notification of fines from the EU Commission relating to their investigation into heat stabilisers and, while we are appealing this decision in the strongest terms, we have taken the prudent approach of providing for the full potential cost of the fines. An exceptional pension credit has also been recorded in respect of adjustments to past service credits relating to bridging pension offsets. The total of all exceptional items recorded in 2009 is therefore £49.5 million (2008: £20.5 million). After taking account of these items the Group recorded a loss of 8.3 pence per share compared to a profit of 4.5 pence in 2008.

EU Commission fines

As announced in November 2009 the Group received a communication from the EU Commission regarding the imposition of fines on Elementis and others. The communication stated that the Commission was imposing a fine of Euro 14.3 million on Elementis and a further fine of Euro 18.3 million jointly and severally on Elementis, Akcros Chemicals Ltd and companies owned by Akzo Nobel. The Euro 14.3 million fine was paid in February 2010 and the Company's share of the latter fine has yet to be determined. The Company has filed with the General Court of the EU an action to annul the decision of the Commission to impose the fines and will continue to vigorously assert its position that the Commission is precluded from imposing any fine on Elementis or its affiliates. Elementis' policy is to conduct its business in full compliance with all applicable competition laws.

Dividend

The Board is recommending a final dividend of 1.4 pence per share, taking the total return to shareholders for the year to 2.9 pence, the same amount as last year. The Board concluded that maintaining the dividend was appropriate in spite of the downturn as it remains confident in the Group's strategy and expects to make progress as the economy recovers. Subject to approval at the Annual General Meeting, the dividend will be paid on 28 May 2010 to shareholders on the register on 30 April 2010. The Board intends to continue to review the dividend policy as earnings performance and debt levels permit.

Future reporting

The Board has decided to present the Group's financial statements in US dollars under IFRS with effect from the beginning of 2010. The majority of the Group's sales and earnings originate in US dollars or US dollar linked currencies and the change will more closely align external reporting with the profile of the Group, as well as with current internal management reporting. In the future, dividends will be determined in US dollars and paid in sterling at the closing exchange rate on the date the dividend is announced. More information will be provided to shareholders, including restated 2009 figures in US dollars, in a press release at the time of the next Annual General Meeting on 22 April 2010. The first set of Group financial statements to be presented in US dollars will be the interim results statement for 2010.

Health, safety and environment

I am happy to report that our activities in this important area of our business have continued to be of a high standard during 2009 with no significant incidents reported by any of our businesses.

People

In a difficult year of trading, such as we have experienced in 2009, the pressures and responsibilities on our people are greatly increased, and it is through their efforts that the Group has ended 2009 in a position to be able to benefit from the eventual economic recovery. On behalf of the Board I would like to thank them for their tremendous contributions.

Outlook

As we begin 2010, trading has started on a more positive note and it appears that our customers are restocking, which is having a positive impact on our sales volumes. Our businesses have been strengthened by the strategic actions taken in 2009 and the Group remains well financed, therefore we expect to make progress going forward. However, we will remain cautious until underlying demand patterns become clearer and signs of a sustained global recovery become more evident.



Robert Beeston
Chairman
23 February 2010

Annual General Meeting (“AGM”)

Explanatory notes to the Notice of Meeting

The Notice of Meeting appears on pages 8 to 9. 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:

Robert Beeston, age 68, Chairman

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

David Dutro, age 54, Group Chief Executive

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

Both Robert Beeston and David Dutro have undergone a formal performance evaluation and the performance of each continues to be effective and to demonstrate appropriate leadership and commitment to their role. In his performance evaluation as Chairman, Robert Beeston was considered by all the other directors to be fully effective.

Resolution 8 – 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 2011. The authority will be in respect of shares with an aggregate nominal value of £7,467,967, equal to one third of the Company's current issued share capital as at 23 February 2010, the latest practicable date prior to the printing of this document.

Resolution 9 – Approve amendments to the operation and terms of the Elementis plc 2008 Long Term Incentive Plan (“LTIP”)

The Remuneration Committee (“Committee”) carried out an extensive review of the Group's incentive schemes during the year which involved consulting with the Company's major shareholders and key representative bodies such as the ABI and RiskMetrics. The outcome of that process is that the Committee is proposing changes to the manner in which the LTIP is operated, together with a number of consequential changes to the LTIP rules adopted in 2008. Details of the key operational changes being proposed are set out below. In addition, a summary of the principal features of the LTIP as proposed to be amended is set out on pages 5 to 7 of this shareholder circular. If the proposed changes are approved by shareholders, it is intended that awards be granted in 2010 to the Chief Executive, Finance Director and both business managing directors.

The proposal is that the grant of nil cost options to each of these four individuals would comprise two parts. The first part is based on a number of options equal in value to one times base salary (using the mid-market closing price on the dealing day immediately preceding the date of grant) and the second part is a further grant of options equal in value to a maximum of 50 per cent of the Chief Executive's base salary as at the date of grant. Under this formula, the maximum number of options that can be granted to any single individual would be restricted to a value equivalent to 100 per cent of the individual's annual base salary plus 50 per cent of the Chief Executive's annual base salary at the date of grant. The second component of the above grant of LTIP options implements the Committee's decision to transfer part of the annual cash bonus opportunity into the long term incentive programme, which reduces the annual cash bonus opportunity from over 150 per cent of base salary to 100 per cent, and obviates the need to introduce bonus deferral or claw-back mechanisms advocated by investor bodies, such as the ABI and NAPF. Additionally, the Committee considers that setting the second part of the LTIP grant at the proposed level, rather than relative to each individual's base salary, would achieve the twin objectives of ensuring that the interests of the four individuals concerned are closely aligned and that the Committee's policy of having a significant proportion of total remuneration linked to performance is maintained.

The awards proposed to be granted under the amended LTIP in 2010 will be subject to a 50:50 earnings per share (“EPS”) and total shareholder return (“TSR”) performance condition. The EPS condition will be based on the Group's Three Year Plan targets at threshold, plan and upper level, with 0 per cent vesting at threshold, 100 per cent at the upper level and straight line vesting in between. Due to commercial sensitivity, these targets are not disclosed but the Committee considers that they are appropriately challenging, having also taken into consideration in determining these targets the following factors: analysts' consensus forecasts; the Group's annualised EPS growth rate between 2005 and 2008; and the likelihood that trading volumes are anticipated to recover as global economic conditions improve.

The TSR condition will be measured against the FTSE All Share Index (excluding investment trusts) as it was considered that this broad equity index, which is more transparent and less exposed to cyclical returns, would provide a better measure of relative performance than the comparator group used in the past. Using this index should ensure greater alignment with shareholders who, when investing, generally make decisions to invest in the Company by reference to the broader UK listed market, rather than to a specific list of international chemical companies. In addition, TSR is a metric that broadly reflects a company's relative price earnings ratio, which in turn reflects the premium or risk that an investor perceives attaching to the shares held, and so is a performance metric that takes risk into account. The Committee considers that the TSR condition will encourage management to focus on a broad range of factors that influence shareholder value.

In terms of the vesting scale, at median performance against the FTSE All Share Index 3.85 per cent of that part of an award which is subject to the TSR condition would vest, with 100 per cent vesting for upper quartile performance (straight line in between). The Committee considers that this vesting scale provides management with an appropriate incentive to out-perform the FTSE All Share Index.

The Committee decided that no change would be made to the terms and conditions relating to the LTIP awards made in 2008 and, accordingly, the performance condition will be tested in April 2011 and, if it is not met, the awards will lapse. It is the Committee's intention that, subject to shareholder approval at the AGM, awards will be granted under the amended LTIP rules each year on a materially similar basis to that proposed for 2010. The four senior executives who will participate in the amended LTIP will not also participate in the 2003 Executive Share Option Scheme, which is still used for the Group's other senior managers below executive director and business managing director level.

These notes should be read in conjunction with the summary of proposed operational changes and the proposed amendments to the LTIP rules, set out below in this document on pages 5 to 7. Grants to be made under the amended LTIP rules will not take the total number of share options/awards outstanding over the ABI's Guidelines on anti-dilution limits in respect of the allotment of shares for discretionary and all employee share schemes.

Resolution 10 – Approve amendments to the Elementis plc US Share Save Plan 2008 (“US Plan”)

A number of changes are being proposed to this share plan, which fall under two categories. The first category concerns minor changes to the drafting to reflect updates in US tax legislation, definitions in the plan and references to a retirement age of 62. The second category of changes is more substantive and concerns a change of policy.

There are two substantive changes proposed: to increase the amount that individual participants may save each year from \$500 per month, at present, to \$2,000 per month, and to double the total number of shares that may be allocated to options under the US Plan from 10 million currently to 20 million over the life of the scheme. The plan expires in June 2018. These changes are considered necessary in order for the Company to be able to provide a competitive share incentive programme to its US based employees. The changes being proposed are standard features of a typical US savings-based share option plan. The US Plan was adopted in 2008 by the Board under the authority granted to it by a resolution passed by shareholders at the 2008 AGM and is modelled closely on the 2008 UK SAYE Scheme.

The Board considers that, based on the relative size of the Group's UK and US workforce (under 100 in the UK versus over 700 in the US), restricting the monthly savings of US employees to an amount equivalent to the UK permitted amount is no longer appropriate, particularly since US tax law allows the Group's US employees to save towards options having a maximum value of \$25,000 in any 12 month period across all US tax qualifying option schemes. The Board considers that this increase in the savings limit is not excessive given that the US Plan is operative for a ten year period. Additionally, the Company will continue to follow and adhere to ABI Guidelines on anti-dilution limits on all employee and discretionary share schemes by managing its options programmes in conjunction with its Employee Share Ownership Trust, which holds some 4.7 million shares in trust at present.

The changes being proposed will be made by shareholders approving and adopting an amended set of rules for the US Plan incorporating the changes described.

For completeness, the following principal features of the US Share Save Plan (as proposed to be amended) are included here for information:

- (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\$2,000 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: no more than 10 per cent of the issued capital in the preceding ten year period for all Group share plans and a maximum individual scheme limit of 20 million shares;
- (h) leavers' rights: right to exercise within 60 days of cessation as a result of death, retirement, disability, 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 20 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.

The rules also contain a provision so that no changes may be made to the maximum number of shares that may be issued under this plan or to the class of corporations whose employees may be granted options can be made without prior shareholder approval. The rules also cannot be amended to the advantage of option holders without prior shareholder approval except amendments which the Board considers necessary or desirable to benefit its administration, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for option holders or for any member of the Elementis Group.

Resolution 11 – Renewal of authority to hold general meetings at 14 clear days' notice

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

Annual General Meeting (“AGM”)

Explanatory notes to the Notice of Meeting continued

Resolution 12 – 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 8, 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 2011 whichever is earlier. The disapplication will permit the directors to allot shares for cash pursuant to Resolution 8, or to sell treasury shares, without first offering them to all existing shareholders pursuant to their statutory pre-emption rights under the Companies Act 2006. Any such allotments or sales must be pursuant to a rights issue or an open offer or otherwise be limited to shares with an aggregate nominal value not exceeding that of 5 per cent of all the ordinary shares in issue as at 23 February 2010 (being shares to an aggregate nominal value of £1,120,307), the latest practicable date prior to the printing of this document.

The Company confirms that it will not, under the authority to be granted in Resolutions 8 and 12, allot shares up to more than 7.5 per cent of the Company's issued capital in the preceding three year period.

Resolution 13 – 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 2011. 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 44,812,286 ordinary shares, representing 10 per cent of the Company's issued share capital as at 23 February 2010, 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 23 February 2010 was 13,846,005. This equals, in number, 3.09 per cent of the Company's issued shares at that date. If the proposed share purchase authority were to be exercised in full, those 13,846,005 shares would represent 3.44 per cent of the issued shares as reduced by the share purchases. As at 23 February 2010, the latest practicable date prior to the printing of this document, the Company was authorised to make market purchases of up to 44,796,078 ordinary shares pursuant to an ordinary resolution passed at the 2009 AGM on substantially the same terms as those set out in Resolution 13.

Recommendation on voting

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

Documents available for inspection

The following documents will be available for inspection from the date of this Notice during normal business hours on any weekday (Saturdays excepted) until 22 April 2010 at the Company's registered office.

1. the amended 2008 Long Term Incentive Plan;
2. a copy of the proposed amended 2008 Long Term Incentive Plan marked to show the proposed changes to the existing 2008 Long Term Incentive Plan;
3. the amended 2008 US Share Save Plan;
4. a copy of the proposed amended 2008 US Share Save Plan marked to show the proposed changes to the existing 2008 US Share Save Plan; and
5. copies of the Directors' service contracts, contracts of indemnity 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 changes proposed to the rules of the 2008 Long Term Incentive Plan (“LTIP”)

The key operational change that is being proposed is that awards granted in 2010 and thereafter be made subject to EPS and TSR-related performance conditions as described more fully on page 2 of this document and as summarised below.

The key changes that are being proposed to the rules of the 2008 LTIP are:

- the introduction of an individual limit under which an eligible employee may not receive awards in any financial year over shares having a market value in excess of the aggregate figure produced by adding together 100 per cent of the individual’s annual base salary and 50 per cent of the annual base salary of the Chief Executive of the Company (annual base salary to be as at the date of grant); and

- certain amendments to the leaver provisions to accommodate the proposed new performance conditions and to reflect market practice.

No other substantive changes are considered necessary to the rules of the LTIP and so the existing provisions on exercise/vesting rights, the impact of any variation in share capital and the impact of a change of control of the Company will continue to apply.

Summary of the principal features of the rules of the LTIP as proposed to be amended

1. Introduction and eligible employees

The amended LTIP 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 awards to be made under the LTIP in 2010 is to include the Chief Executive, Finance Director and the Managing Directors of Elementis Specialty Products and Surfactants, and Elementis Chromium.

2. General

The LTIP 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 2010 will be made as nil cost share options.

3. Participation limits

An employee may not receive awards in any financial year over shares having a market value in excess of the aggregate figure produced by adding together 100 per cent of the individual’s annual base salary and 50 per cent of the annual base salary of the Chief Executive of the Company (annual base salary to be as at the date of grant).

4. Plan limits

The LTIP contains limits on the number of new shares that may be issued as a result of the LTIP. These limits apply to both awards made under the LTIP 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 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 changes to the rules are made, 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 LTIP.

Participants receiving an award of shares under the LTIP will not also receive new awards under any other Group discretionary share plan. It is intended that the four participants (stated above) to receive awards under the LTIP in 2010 will continue to receive awards on an annual basis.

Summary of the principal features of the rules of the LTIP as proposed to be amended

continued

6. Performance criteria

The awards proposed to be made in 2010 will be subject to a 50:50 earnings per share ("EPS") and total shareholder return ("TSR") performance condition, over a three year performance period commencing on 1 January 2010. The EPS condition will be based on the Group's Three Year Plan targets at threshold, plan and upper level, with 0 per cent vesting at threshold, 100 per cent at the upper level and straight line vesting in between. The TSR condition will be measured against the FTSE All Share Index (excluding investment trusts). In terms of the vesting scale, at median performance against the FTSE All Share Index 3.85 per cent of awards subject to the TSR condition would vest, with 100 per cent vesting for upper quartile performance (straight line vesting in between).

The Committee currently intends that materially similar performance criteria will be imposed on awards made in 2011 and thereafter. If, however, it is proposed that performance criteria that are not materially similar to the targets described above be imposed, the Company will first consult with its then major shareholders and major shareholder representative bodies.

7. Source of shares

It is anticipated that the shares used to satisfy awards under the LTIP shall be market purchased shares or treasury shares although the LTIP 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 on the third anniversary of the award date. 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) Where the participant ceases to be employed by the Group before the third anniversary of the award date as a result of injury, disability, ill health or retirement through ill health, normal retirement, redundancy within the meaning of the Employment Rights Act 1996 or 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 as if such cessation had not occurred, subject to achievement of the performance targets and a pro rata reduction in the number of shares he would otherwise have received to reflect the period of time elapsed from the date of award to the date of cessation as a percentage of the three year vesting period.

The Committee may, however, allow unvested awards to vest on the date of any such cessation, subject to the performance targets being met at that time and a pro rata reduction as described above.

If the participant dies, his award will vest on the date of death (or, if the Committee so decides, the third anniversary of the award date) subject to the performance targets being met at the relevant time and a pro rata reduction as described above.

It is, however, open to the Committee in all cases to waive the pro rating requirement if it considers it to be appropriate to do so.

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

- (c) If a participant ceases to be employed by the Group for any other reason the award will lapse.
- (d) Additionally, in the event of a takeover, reconstruction, amalgamation or winding up of the Company the number of unvested options/awards that can be exercised/will vest will be reduced on a time pro rata basis unless the Committee, having taken into consideration all relevant and appropriate factors, determines otherwise, for example, in the case of a sale of the Company 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 LTIP

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

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

15. Dividends

No dividends will be paid or payable on any shares subject to an award until any nil cost option is exercised or any contingent share award vests (as applicable).

16. Taxation

Any taxes that are due on any shares received by a participant will be deducted so that all transfers of shares will be made on a net of tax basis.

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

Where the Committee has applied its discretion under rules summarised at paragraph 9 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.

The above summary of the principal features of the rules of the LTIP as proposed to be amended does not form part of the rules of the LTIP as proposed to be amended and should not be taken as affecting the interpretation of its detailed terms and conditions. The Board reserves the right, up until the forthcoming AGM, to make such amendments and additions to the rules of the LTIP as it considers necessary or appropriate, provided that any such amendment or addition does not conflict in any material respect with the above summary.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth ANNUAL GENERAL MEETING of the Company will be held at The City Presentation Centre, 4 Chiswell Street, London EC1Y 4UP on Thursday 22 April 2010 at 11.00 a.m. for the following purposes:

Ordinary business

1. To receive and adopt the Directors' report and audited financial statements for the year ended 31 December 2009 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 2009.
4. To re-elect Robert Beeston as a Director of the Company.
5. To re-elect David Dutro as a Director of the Company.
6. To re-appoint KPMG Audit Plc as auditors.
7. To authorise the Directors to determine the remuneration of the auditors.

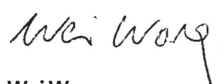
Special business

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

8. That the authority conferred by Article 4.2 of the Company's Articles of Association will be renewed and so that for this purpose the Section 551 amount in the Companies Act 2006 ("2006 Act") will be £7,467,967 and the prescribed period will be the period from the date this resolution is passed and the earlier of the date of the next Annual General Meeting or 30 June 2011.
9. To approve and adopt the amended Rules of the Elementis plc 2008 Long Term Incentive Plan ("Plan"), the main amendments to and principal features of which are summarised on pages 5 to 7 of the Explanatory Notes to this Notice of Meeting, in the form of the document produced to the meeting and signed by the Chairman for the purposes of identification (subject to such modifications as the directors may consider necessary or desirable to take account of the requirements of the UK Listing Authority and the London Stock Exchange, or for the purposes of implementing and giving effect to the Plan as proposed to be amended) and to approve the grant of awards under the Plan in 2010 and subsequent years subject to performance conditions relating to the Company's earnings per share and total shareholder return on the basis more fully described on pages 5 to 7 of this document.
10. To approve and adopt the amended Rules of the Elementis plc US Share Save Plan 2008 ("US Plan"), the principal features of which are summarised on page 3 of the Explanatory Notes to this Notice of Meeting, in the form of the document produced to the meeting and signed by the Chairman for the purposes of identification, subject to such modifications as the directors may consider necessary or desirable to take account of the requirements of the UK Listing Authority and the London Stock Exchange or for the purposes of implementing and giving effect to the US Plan, including to take account of any applicable local tax, exchange control or securities law.
11. That, for the purposes of The Companies (Shareholders' Rights) Regulations 2009, any general meeting of the Company other than the annual general meeting may be held at 14 clear days' notice even if the purpose of such a general meeting is for the purposes of passing a special resolution.

12. That:
 - (a) the power conferred by Article 4.4 of the Company's Articles of Association be renewed and so that for this purpose the Section 561 amount under the 2006 Act will be £1,120,307 and the prescribed period will be the period from the date this resolution is passed and the earlier of the date of the next Annual General Meeting or 30 June 2011;
 - (b) such power shall extend to the sale of treasury shares (within the meaning of Section 724 of the 2006 Act) for cash as if in respect of any such sale the words "pursuant to the authority conferred by Article 4.2" were omitted from the second line of Article 4.4; and
 - (c) for the purpose of such power the reference in Article 4.4 (a) to "all holders (at a date selected by the Board) of issued Ordinary Shares (as nearly as practicable) in proportion to the number of Ordinary Shares respectively held by them" shall be deemed to exclude the Company in respect of any treasury shares held by it.
13. That the authority conferred on the Company at the Twelfth Annual General Meeting to make market purchases (as defined in Section 690 of the 2006 Act) 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 44,812,286;
 - (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 Annual General Meeting of the Company or 30 June 2011, 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
19 March 2010

Registered office:
10 Albemarle Street
London W1S 4HH

Notice of Annual General Meeting

continued

Notes:

1. To be entitled to attend, speak and vote at the Annual General Meeting ("AGM") (and for the purpose of the determination by the Company of the votes they may cast), a member of the Company must be registered on the Register of Members as the holder of ordinary shares by 6.00 p.m. on 20 April 2010, or, in the case of an adjournment, by 6.00 p.m. on the day two days immediately preceding the day fixed for the adjourned meeting (the "Specified Time"). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the right of any person to attend and vote at the meeting.
2. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him/her, as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the meeting. A proxy need not be a member of the Company. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its rights as a member provided that they do not do so in relation to the same shares. Any or all joint holders of shares, registered on the Register of Members at the Specified Time, may attend the AGM, although only one holder may vote in person or by proxy. The vote or proxy appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of joint holders appear in the Company's Register of Members.
3. A proxy form, which covers all resolutions to be proposed at the AGM, is provided for use by holders of ordinary shares and should be read in conjunction with the Notice of Meeting and these notes. To be valid a proxy form must be received by post or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Lancing, West Sussex BN99 6GG by 11.00 a.m. on 20 April 2010 or, in the case of an adjournment, by the time 48 hours before the time appointed for the adjourned meeting. Completing and returning a proxy form, other such instrument (including the appointment of a proxy electronically) or any CREST Proxy instruction (as described in paragraph 6 below) will not prevent a member from attending in person and voting at the meeting should he/she so wish. Shareholders wishing to appoint a proxy and register their proxy votes electronically should visit the website, www.sharevote.co.uk. The on-screen instructions will give details on how to appoint a proxy and submit proxy voting instructions. Electronic proxy appointments and voting instructions must be received by no later than 48 hours before the time of the meeting (or adjourned meeting) in order to be valid. Shareholders may not use any other electronic address or telephone number, whether found on this circular and Notice of Meeting, or in the Annual Report or on any Proxy Form or the Company's website, for the purposes of submitting voting instructions or appointing proxies. The only electronic address accepted for this stated purpose is the one at the www.sharevote.co.uk website. If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or the date of signature) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
4. Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under Section 146 of the 2006 Act (a "nominated person") may have a right under an agreement between him/her and such member to be appointed, or to have someone else appointed, as a proxy for the meeting. If he/she has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 2 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
5. As at 23 February 2010 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 448,122,866 ordinary shares of 5p each, all carrying one vote each, and (ii) the total voting rights in the Company were 448,122,866.
6. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "CREST proxy appointment instruction") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("Euroclear"), and must contain all the relevant information required by the CREST Manual (www.euroclear.com/CREST). To be valid the message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by Equiniti Limited (ID RA19), as the Company's "issuer's agent", by 11.00 a.m. on 20 April 2010. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner.
7. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
8. In accordance with Section 311A of the 2006 Act, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website at www.elementis.com/investors/shareholdercomm.html.
9. Pursuant to Section 319A of the 2006 Act, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
10. In accordance with Section 527 of the 2006 Act, members satisfying the thresholds in that section can require the Company to publish a statement on its website setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an Auditor of the Company ceasing to hold office since the last AGM which the members propose to raise at this AGM. The Company cannot require the members requesting the publication to pay expenses and any statement required to be published on the website must also be sent to the Company's Auditor no later than the time it makes the statement available on its website. The business which may be dealt with at the AGM includes any statement published on a website pursuant to a request made by members under Section 527.

Shareholder services

Internet

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

Registrars

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

Equiniti Limited

Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0871 384 2379 or +44 (0) 121 415 7043

Facsimile: 0871 384 2100 or +44 (0) 121 415 7057

Website: www.shareview.co.uk

Calls to the 0871 prefixed numbers are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary.

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

Payment of Dividends

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

Registrars' text phone

For shareholders with hearing difficulties:

Callers inside the UK telephone: 0871 384 2255

Callers outside the UK telephone: +44 (0) 121 415 7028

Web-based enquiry service

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 registrars and also on share certificates.

Share dealing service

A low cost, execution-only share dealing service for the purchase and sale of Elementis plc shares is available from NatWest Stockbrokers. NatWest Stockbrokers is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange and PLUS. For details, please contact:

NatWest Stockbrokers

Premier Place

2 1/2 Devonshire Square

London EC2M 4BA

Telephone: 0808 208 4433

Previously issued redeemable B shares

In 2000 the Company started a programme of issuing redeemable B shares instead of making dividend payments. In February 2006 the Board decided to recommend the resumption of dividend payments and in November 2006 the Company redeemed all of the redeemable B shares in issue. The Board has no current plans to issue more redeemable B shares and information for the calculation of capital gains tax can be found on the Company's website.

Corporate information

Company Secretary

Wai Wong

Registered office

10 Albemarle Street
London W1S 4HH, UK

Registered number

3299608

Auditors

KPMG Audit Plc

Stockbroker

RBS Hoare Govett Limited

Financial calendar

23 February 2010	Preliminary announcement of final results for the year ended 31 December 2009
22 April 2010	Annual General Meeting and First Interim Management Statement
28 April 2010	Ex-dividend date for final dividend for 2009 payable on ordinary shares
30 April 2010	Record date for final dividend for 2009 payable on ordinary shares
28 May 2010	Payment of final dividend for 2009 on ordinary shares
2 August 2010*	Interim results announcement for the half year ended 30 June 2010
8 September 2010*	Ex-dividend date for interim dividend for 2010 payable on ordinary shares
10 September 2010*	Record date for interim dividend payable for 2010 on ordinary shares
8 October 2010*	Payment of interim dividend for 2010 on ordinary shares
29 October 2010*	Second Interim Management Statement
28 February 2011*	Preliminary announcement of final results for the year ending 31 December 2010

* Provisional dates

Elementis plc

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