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If you have sold or otherwise transferred all your shares in The Morgan Crucible Company plc, you should send this document, together with the accompanying proxy form(s), to the purchaser or transferee or to the stockbroker, bank or other agent through whom you made the sale or transfer for transmission to the purchaser or transferee.



The Morgan Crucible Company plc

Notice of
Annual General Meeting
2010

A letter from the Chairman of The Morgan Crucible Company plc is set out on pages 1 to 3 of this document.

The Notice for the Annual General Meeting is set out on pages 4 to 10 of this document.

To be valid, forms of proxy for use at the Meeting should be completed in accordance with the instructions printed thereon and returned to the Company's Registrars as soon as possible, but in any event so as to be received no later than 12 noon on 21 April 2010.

The Morgan Crucible Company plc

(Registered in England No. 286773)

Registered Office:
Quadrant
55-57 High Street
Windsor
Berkshire
SL4 1LP

22 March 2010

To holders of Ordinary shares and for information only to holders of 5.5% Cumulative First Preference shares and 5.0% Cumulative Second Preference shares.

Dear Shareholder

THE ANNUAL GENERAL MEETING

Following the format of recent annual general meetings, our Chief Executive Officer, Mark Robertshaw, will be providing attendees with a presentation for 15 minutes or so on the business of the Group and its performance over the last 12 months. This will give shareholders the opportunity to ask questions relating to the business before moving into the formalities of the Annual General Meeting which must be considered in accordance with the various obligations under which companies such as ours are required to operate. We shall be starting the Meeting at 12 noon on Friday 23 April 2010 at St Anne's Manor, London Road, Wokingham RG40 1ST to transact the ordinary and special business of the Meeting.

Notice of the Annual General Meeting can be found on pages 4 to 10 of this document. The ordinary business to be proposed includes the declaration of a final dividend, the re-appointment of the auditors of the Company and the re-election of certain directors who are retiring by rotation. The special business to be proposed is also set out in the Notice of Annual General Meeting and includes amendments to the Company's Articles of Association, a resolution to enable the Company to convene a general meeting on 14 days' notice, the renewal of the Directors' authority to allot shares, the disapplication of pre-emption rights in certain circumstances and the approval of an optional scrip dividend scheme. The resolutions dealing with both the ordinary and special business are set out in the Notice of the Annual General Meeting.

Only shareholders holding Ordinary shares or their proxies or duly authorised representatives may vote at the Annual General Meeting.

A form of proxy in respect of your shareholding is enclosed with this letter. You are requested to complete all forms of proxy and return them to the Company's Registrars, **Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 12 noon on 21 April 2010**. Completion and return of a form of proxy will not preclude a shareholder from attending and voting at the Meeting.

These notes are intended to explain the Directors' recommendation for the payment of a final dividend in respect of 2009, the re-election of certain Directors and the special business to be transacted at the Annual General Meeting.

Ordinary business

Ordinary resolution 3

Final dividend

The Directors are recommending the payment of a final dividend of 4.5 pence per share on the Ordinary shares in respect of the year ended 3 January 2010 which, if approved by shareholders, will be payable on 9 July 2010 to shareholders on the register at the close of business on 21 May 2010. The final dividend is to be paid in respect of each Ordinary share other than those shares in respect of which a valid election has been made to receive new Ordinary shares, pursuant to the proposed scrip dividend scheme ("**Scrip Dividend Scheme**"), instead of the final dividend. Please also refer to the notes for resolution 9 in relation to the proposed Scrip Dividend Scheme.

Ordinary resolutions 4 and 5

Re-election of Directors

Resolutions 4 and 5 are resolutions for the re-election as Directors of Kevin Dangerfield and myself who are both retiring by rotation in accordance with Article 129 of the Company's Articles of Association. The Board has confirmed that the directors seeking re-election continue to be effective, demonstrating significant commitment to their roles. The Board believes that the considerable and wide ranging experience of these Directors will be invaluable to the Company, and recommends their re-election.

Biographies of all Directors are set out on page 65 of the 2009 Annual Report and Accounts.

Special business

Ordinary resolution 8

Authority to allot shares

The Directors currently have an authority to allot equity securities which is due to lapse at the forthcoming Annual General Meeting. The Board is seeking to renew that authority over a maximum of 90,068,752 Ordinary shares having an aggregate nominal amount of £22,517,188, representing one third of the issued Ordinary share capital of the Company as at 15 March 2010 and also to give the Directors authority to allot a maximum of 180,137,504 Ordinary shares having an aggregate nominal amount of £45,034,376, representing two thirds of the issued Ordinary share capital of the Company as at 15 March 2010 by way of a rights issue. If shares already reserved for issue are omitted from the calculation, then the authority would represent approximately 26.61% and 59.95% respectively of the Company's issued Ordinary share capital as at that date. For the avoidance of doubt, the maximum number of Ordinary shares which could be allotted pursuant to this resolution is 180,137,504 Ordinary shares. The authority will lapse on 23 July 2011 or at the next annual general meeting, whichever shall first occur. The Directors may issue new Ordinary shares on the exercise of options and the issue of shares pursuant to the Company's various employee share schemes and, as necessary, as consideration for the acquisition of companies or businesses or for the purpose of a rights issue. The authority sought under resolution 8 is standard for most UK companies. The Directors have no present intention to issue any shares under the authority being sought except in connection with the Company's employee share schemes. The Company holds no treasury shares.

If the Board takes advantage of the additional authority to issue shares representing more than one third of the Company's total Ordinary share capital in issue for a rights issue where the monetary proceeds exceed one third of the Company's pre-issue market capitalisation, all members of the Board wishing to remain in office will stand for re-election at the next annual general meeting following the decision to make the relevant share issue.

Ordinary resolution 9

Scrip Dividend Scheme

The Directors are proposing that the Company introduce an optional Scrip Dividend Scheme to commence with the proposed 2009/10 final dividend payable in July 2010. The Scrip Dividend Scheme is subject to shareholder approval. This approval will initially apply to dividends declared or paid prior to the conclusion of the Company's annual general meeting in 2015, but may be renewed. Such a Scheme will give shareholders the right to elect to receive new Ordinary shares in the capital of the Company (credited as fully paid) instead of future cash dividends. Shareholders who elect to take new shares in the Company under the Scheme will increase their holdings without incurring stamp duty or dealing costs, in contrast to the acquisition of further shares through the Company's dividend re-investment plan ("**DRIP**") which has been offered in recent years. It is envisaged that the Company will cancel the DRIP following the implementation of the Scrip Dividend Scheme.

The number of Ordinary shares that shareholders will be entitled to receive under the Scheme will be determined by their holdings and the reference share price. The reference share price will be calculated based on the average closing middle market quotations for the Company's shares as derived from the London Stock Exchange Daily Official List for the five dealing days commencing on the ex-dividend date for each dividend.

Details of how the Scrip Dividend Scheme will operate in respect of the proposed 2009/10 final dividend and future dividends and the Terms and Conditions of the Scheme will be set out in a circular to be sent to shareholders following the Annual General Meeting.

Special resolution 10

Changes to the Company's Articles of Association

It is proposed in resolution 10 to adopt new articles of association ("**the New Articles**") in order to update the Company's current articles of association ("**the Current Articles**") primarily to take account of changes in English company law brought about by the Companies Act 2006 ("**Act**") during the last year.

This review of the Current Articles is the latest stage of an ongoing process that ensures that the Company's Articles of Association reflect provisions of the Act that are now in force. The principal changes introduced in the New Articles are summarised in Appendix 1. Other changes, which are of a minor, technical or clarifying nature have not been noted in the Appendix. A marked copy of the New Articles showing the proposed changes from the Current Articles is available for inspection as set out in Note 17 on page 8 of this document.

Special resolution 11

Enabling the Company to convene a general meeting on 14 days' notice

This resolution renews an authority given at last year's general meeting and is required to reflect the implementation of the Shareholder Rights Directive ("**Directive**"). The Directive increases the notice period for general meetings of the Company to 21 days. The Company currently has power under its Articles of Association to call general meetings (other than an annual general meeting) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so following the implementation of the Directive, shareholders must first approve the calling of meetings on 14 days' notice. Resolution 11 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice. The Company only intends to use this authority to the extent the Directors believe its use is merited by the business of the meeting.

Special resolution 12

Disapplication of pre-emption rights

This resolution renews a similar authority given at last year's general meeting and, if approved, would enable the Board to allot Ordinary shares for cash other than to existing shareholders in proportion to their existing holdings. The authority would be limited to a rights issue or similar issue or otherwise to 13,510,312 new Ordinary shares having an aggregate nominal amount of £3,377,578, representing 5% of the Company's issued Ordinary share capital as at 15 March 2010. The authority sought under resolution 12 is standard for most UK companies. In accordance with the recommendations of the Association of British Insurers' Pre-Emption Group, the Directors confirm their intention that no more than 7.5% of the Company's issued Ordinary share capital will be issued for cash on a non pre-emptive basis during any three year period without appropriate consultation. The Directors have no present intention to allot any shares under the authority being sought except in connection with the Company's employee share schemes. The authority will lapse on 23 July 2011 or at the next annual general meeting, whichever shall first occur.

Special Resolution 13

Political donations and political expenditure

The Company's policy is not to make donations to political parties and there is no intention to change that policy. However the Act defines political expenditure, political donations and political organisations very widely such that normal business activities which might not be thought to be political expenditure or a political donation to a political organisation in the usual sense may be included. For example, sponsorship of industry forums, funding of seminars and other functions to which politicians are invited, matching employees' donations to certain charities, expenditure on organisations concerned with matters of public policy, law reform and representation of the business community and communicating with the Government and political parties at local, national and European level may fall under the terms of the Act.

Accordingly, the Company, in common with many other companies, proposes to seek authority to incur a level of political donations to political parties, independent election candidates and political organisations as well as political expenditure, to cover these kinds of activities on a precautionary basis, in order to avoid possible inadvertent contravention of the Act. The authority does not purport to authorise any particular donation or expenditure but is expressed in general terms, as required by the Act. Furthermore, as permitted under the Act, the authority has been extended to cover any political donations made or political expenditure incurred, by any subsidiaries of the Company. Therefore, as a precautionary measure, you will be asked to give the Company and each of its subsidiaries authority to make political donations to political parties or independent election candidates, to make political donations to political organisations (other than political parties) and to incur political expenditure. These authorities are limited to a maximum aggregate amount of £100,000.

If given, this authority will expire at the conclusion of the Company's next annual general meeting or on 23 July 2011 (whichever is earlier). It is the Directors' intention to renew this authority each year.

Action to be taken

A form of proxy in respect of your holding for the Meeting is enclosed with this letter. You are requested (whether or not you intend to be present at the Meeting) to complete the form of proxy enclosed with this letter in accordance with the instructions thereon and return it to the Company's Registrars, **Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 12 noon on 21 April 2010**. Completion and return of a proxy card will not preclude a shareholder from attending and voting at the Meeting.

Recommendation

Your Directors consider the above proposals to be in the best interests of the Company and its shareholders as a whole and accordingly recommend you to vote in favour of the resolutions to be proposed at the Annual General Meeting as they intend to do so in respect of their own beneficial shareholdings.

Yours faithfully



Tim Stevenson
Chairman

The Morgan Crucible Company plc

(Registered in England No. 286773)

('The Company')

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SEVENTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT ST ANNE'S MANOR, LONDON ROAD, WOKINGHAM RG40 1ST ON 23 APRIL 2010 AT 12 NOON FOR THE FOLLOWING PURPOSES:

Ordinary business

1. To receive the Reports of the Directors and the auditors and the Accounts for the year ended 3 January 2010.
2. To approve the Remuneration Committee report, as set out in the Report and Accounts for the year ended 3 January 2010.
3. To declare a Final Dividend at the rate of 4.5 pence per share on the Ordinary share capital of the Company for the year ended 3 January 2010 payable on 9 July 2010 to shareholders on the register at the close of business on 21 May 2010.
4. To re-elect Kevin Dangerfield as a Director.
5. To re-elect Tim Stevenson as a Director.
6. To re-appoint KPMG Audit Plc as auditors of the Company until the conclusion of the next general meeting at which accounts are laid before the members.
7. To authorise the Directors to agree the remuneration of the auditors of the Company.

Special business

To consider and, if thought fit, pass the following resolutions, of which resolutions 8 and 9 will be proposed as ordinary resolutions and resolutions 10 to 13 will be proposed as special resolutions:

Ordinary resolutions

8. That, pursuant to section 551 of the Companies Act 2006 ("Act"), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities:
 - (a) otherwise than pursuant to paragraph (b) of this resolution, up to an aggregate nominal amount of £22,517,188 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (b) of this resolution in excess of £22,517,188); and
 - (b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £45,034,376 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (a) of this resolution) in connection with a rights issue (as defined in the listing rules published by the Financial Services Authority):
 - (i) to holders of Ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of Ordinary shares held by them; and
 - (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange,

provided that (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 23 July 2011 (whichever is the earlier), save that, in each case, the Company may make offers and enter into agreements before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, **"Relevant Securities"** means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in substitution for all existing authorities under section 80 of the Companies Act 1985 ("1985 Act") (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

9. To authorise the Directors, in accordance with the Articles of Association, to offer the holders of Ordinary shares of the Company, to the extent and in the manner determined by the Directors, the right to elect to receive new Ordinary shares (credited as fully paid) instead of cash, in respect of all or part of any dividend which can be declared or paid in the period prior to the conclusion of the annual general meeting to be held in 2015.

Special resolutions

10. That, with effect from conclusion of the Meeting, the print of the Articles of Association produced to the Meeting marked 'A' and initialled by the Chairman for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.
11. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.
12. That, subject to the passing of resolution 8 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 8 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited:
 - (a) in the case of an allotment pursuant to the authority granted by paragraph (a) of resolution 8, to the allotment of equity securities (otherwise than pursuant to paragraph (b) of this resolution) up to an aggregate nominal amount of £3,377,578; and
 - (b) to the allotment of equity securities in connection with an offer of equity securities (but, in the case of an allotment pursuant to the authority granted by paragraph (b) of resolution 8, such power shall be limited to the allotment of equity securities in connection with a rights issue (as defined in the listing rules published by the Financial Services Authority):
 - (i) to holders of Ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 23 July 2011 (whichever is the earlier), save that the Company may make offers and enter into agreements before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in substitution for all existing powers under section 95 of the 1985 Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

13. That the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect be authorised for the purposes of Part 14 of the Act during the period from the date of the passing of this resolution to the earlier of the conclusion of the Company's next annual general meeting and 23 July 2011:

(a) to make political donations to political parties, and/or independent election candidates;

(b) to make political donations to political organisations other than political parties; and

(c) to incur political expenditure,

up to an aggregate amount of £100,000, and the amount authorised under each of paragraphs (a) to (c) shall also be limited to such amount.

Words and expressions defined for the purposes of the Act shall have the same meanings in this resolution.

Registered office:
Quadrant
55-57 High Street
Windsor
Berkshire
SL4 1LP

By Order of the Board
Paul Boulton
Secretary
22 March 2009

The Morgan Crucible Company plc

('The Company')

Notes

1. A member of the Company entitled to attend, speak and vote at the Meeting is also entitled to appoint in writing a proxy or proxies to attend, speak and vote in their stead provided that if more than one proxy is appointed, each proxy is appointed to exercise rights attaching to different shares. A proxy need not be a member of the Company.
2. Members (and any proxies or representatives they appoint) agree, by attending the Meeting, that they are expressly requesting and that they are willing to receive any communications (including any communications relating to the Company's securities) made at the Meeting.
3. A pre-paid form of proxy is enclosed with this document. The form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notorially certified copy thereof, should be sent to the Company's registrars Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or returning the proxy form in an envelope to FREEPOST RSBH-UXXS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU (no stamp required) so as to arrive not later than 12 noon on 21 April 2010 or, if the Meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned Meeting.
4. (a) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 23 April 2010 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
(b) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
(c) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
(d) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. Members who have returned forms of proxy or who register the appointment electronically in accordance with Note 4 are not thereby precluded from attending the Meeting and voting in person if they so wish.
6. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the Meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.
7. The Company specifies that only those holders of Ordinary shares registered in the register of members of the Company at 6.00 pm on 21 April 2010 (or, in the event that the Meeting is adjourned, in the register of members at 6.00 pm on the day which is two working days before the day of the adjourned Meeting) shall be entitled to attend and vote at the Meeting in respect of the number of Ordinary shares registered in their names at that time. Changes to entries on the register of members after 6.00 pm on 21 April 2010 (or, in the event that the Meeting is adjourned, in the relevant register of members after 6.00 pm on the day which is two working days before the day of the adjourned Meeting) shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
8. Membership of any Company share scheme or share option scheme does not give any entitlement to attend or vote at the Annual General Meeting.
9. This Notice is sent for information only to holders of any class of preference shares of the Company, such holders not being entitled to attend or vote at the Meeting.
10. Total voting rights: As at 15 March 2010 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 270,206,256 Ordinary shares carrying one vote each, 125,327 5.5% Cumulative First Preference shares which carry no voting rights and 311,954 5.0% Cumulative Second Preference shares which carry no voting rights. Therefore, the total voting rights in the Company as at 15 March 2010 are 270,206,256.
11. Data protection statement: Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.
12. Nominated Persons: Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person') may have a right, under an agreement between him and the shareholder by whom he was nominated, to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
13. A shareholder or shareholders having a right to vote at the meeting and holding at least five per cent of the total voting rights of the Company (see note 10), or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting in accordance with section 527 of the Act.

14. Any request by a shareholder or shareholders to require the Company to publish audit concerns as set out in note 13:
- (a) may be made either:
 - (i) in hard copy, by sending it to Quadrant, 55-57 High Street, Windsor SL4 1LP; or
 - (ii) in electronic form, by sending it to paul.boulton@morganplc.com (please state "The Morgan Crucible Company plc": AGM" in the subject line of the email);
 - (b) must state the full name(s) and address(es) of the shareholder(s); and
 - (c) (where the request is made in hard copy form) must be signed by the shareholder(s).
15. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the Act. The Company must answer any such question unless:
- (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
16. The information required by section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at www.morgancrucible.com.
17. The following documents will be available for inspection on the day of the Annual General Meeting at the venue for that Meeting from 11.30 am until the Meeting is concluded and during normal business hours on any weekday (excluding public holidays) at the Company's registered office:
- (a) copies of the service contracts of the Directors (including the terms and conditions of appointment of the non-executive Directors);
 - (b) a clean copy of the New Articles; and
 - (c) a marked copy of the Current Articles showing the changes proposed to be made to them pursuant to resolution 10.

APPENDIX 1

Explanatory notes of the principal changes to the Company's Articles of Association.

The material differences between the Current Articles and the New Articles are summarised below. Changes of a minor, conforming or purely technical nature have not been mentioned specifically.

Principal changes proposed pursuant to resolution 10, reflecting the provisions of the Companies Act 2006 ("Act") currently in force:

1. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Act are in the main removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of resolutions, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being removed as the concept of extraordinary resolutions has not been retained under the Act. Further, the remainder of the provision is reflected in full in the Act.

3. Convening general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being removed in the New Articles because the relevant matters are provided for in the Act. In particular, the Act provides that a general meeting (other than an annual general meeting) to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required. This position changed following the implementation of the EU Shareholder Rights Directive in August 2009 and the Company will be required to take certain actions in order to maintain this 14 day notice period, as referred to in resolution 11 and the accompanying explanatory notes to that resolution.

4. Votes of members

Under the Act proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Act so that the articles cannot provide that they should be received:

- more than 48 hours before the meeting or adjourned meeting;
- in the case of a poll taken more than 48 hours after it was demanded, more than 24 hours before the taking of the poll; or
- in the case of a poll taken less than 48 hours after it was demanded, no earlier than the time at which it was demanded.

The New Articles reflect these provisions and give the directors discretion, when calculating these time limits, to exclude weekends and bank holidays.

In addition, the Act provides that multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect this provision.

Under section 323(1) of the Act, a corporate shareholder can now appoint more than one corporate representative. The Company is aware of concerns that have been raised about the effect of section 323(4) of the Act, which provides that where multiple corporate representatives of the same corporate shareholder vote differently, the power to vote is treated as not having been exercised. As the New Articles generally avoid duplicating provisions of the Act, the New Articles do not incorporate or explicitly reflect the terms of section 323(4) of the Act. The Company intends to take account of best practice to allow, as far as possible, multiple corporate representatives to attend general meetings of the Company and ensure their votes are counted.

In addition, the chairman of a general meeting no longer has a casting vote.

5. Notice of board meetings

Under the Current Articles, when a director is abroad he can request that notice of directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

6. Records to be kept

The provision in the Current Articles requiring the board to keep accounting records has been removed as this requirement is contained in the Act.

7. General

Several statutory references have been amended in the New Articles to take account of the implementation of provisions in the Act and repeal of corresponding sections of the Companies Act 1985. Some definitions have also been changed and additional definitions added to bring them in line with relevant provisions of the Act. In addition, other miscellaneous non material changes have been made to reflect current law and practice.

8. Limited liability

The effect of the resolution approved at last year's annual general meeting to remove the Company's objects together with all other provisions of its memorandum also removed the statement regarding limited liability. As such, the New Articles contain an express statement regarding the limited liability of the shareholders.

9. Change of name

Previously, a company could only change its name by special resolution. Since 1 October 2009, a company is able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

10. Authorised share capital and unissued shares

The Act abolished the requirement for a company to have an authorised share capital. The resolution approved at last year's annual general meeting deleted all provisions of the Company's memorandum relating to the Company's authorised share capital which were deemed to form part of the Company's articles. The New Articles reflect this and all references to authorised share capital have been removed. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Act, save in respect of employee share schemes.

11. Redeemable shares

Previously if a company wanted to issue redeemable shares, it must have included in its articles the terms and manner of redemption. Since 1 October 2009, the Act enables directors to determine such matters provided they are authorised to do so by the Company's articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would require shareholder's authority to issue new shares in the usual way.

12. Authority to purchase own shares, consolidate and sub divide shares and reduce share capital

Under the law previously in force a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub divide its shares and to reduce its share capital or other undistributable reserves, as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Since 1 October 2009, a company only requires shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have been removed from in the New Articles.

13. Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

14. Use of seals

A company was previously required to have authority in its articles to have an official seal for use abroad. Since 1 October 2009 such authority is no longer required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document, it may also be signed by a director in the presence of a witness, in addition to the current provisions for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

15. Vacation of office by directors

The Current Articles specify the circumstances in which a director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department of Business, Innovation and Skills.



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