

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 2018 Annual General Meeting ("**AGM**") of Ilika plc (the "**Company**") will be held at the offices of Eversheds Sutherland LLP at One Wood Street, London EC2V 7WS at 2:00pm on Thursday, 4 October 2018 for the purpose of transacting the following business:

Ordinary Business

1. To receive and adopt the audited accounts of the Company for the financial year ended 30 April 2018, together with the Directors' and Auditor's Reports in respect of such accounts.
2. To elect Jeremy Millard as a director of the Company.
3. To re-elect Professor Keith Jackson as a director of the Company who retires by rotation in accordance with Article 111 of the Company's articles of association.
4. To re-elect Mike Inglis as a director of the Company who retires by rotation in accordance with Article 111 of the Company's articles of association.
5. To re-elect Clare Spottiswoode as a director of the Company who retires by rotation in accordance with Article 111 of the Company's articles of association.
6. To re-appoint BDO LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, and to authorise the directors to determine their remuneration.
7. To adopt and establish the Ilika plc Long Term Incentive Plan 2018 (the "LTIP"), a summary of which is set out in the Appendix to this notice, and to authorise the directors of the Company to do all acts, matters and things which they may consider necessary or desirable in order to carry the LTIP into effect, including the making of non-material or consequential amendments thereto.

Special Business

8. To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

"THAT the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £335,729 representing a number of ordinary shares of 1 pence each equivalent to approximately one third of the issued share capital of the Company at the date of this notice.

The authorities referred to in this Resolution 8 shall be in substitution for all other existing authorities dealing with the subject matter of this Resolution and shall expire on the earlier of 31 December 2019 and the conclusion of the next annual general meeting of the Company. The Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors are hereby authorised to allot such securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority shall replace all existing authorities conferred on the directors in respect of the allotment or relevant securities to the extent that the same have not been previously utilised."

9. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

"THAT, subject to and conditional upon the passing of Resolution 8, and in accordance with Article 17 of the articles of association of the Company, the directors be and are hereby empowered pursuant to section 570 of the Act, in substitution for all previous powers granted thereunder, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the general authority conferred by Resolution 5 as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to allotments of equity securities:

- (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and
- (ii) (otherwise than pursuant to sub-paragraph (i) of this Resolution 9) up to an aggregate nominal amount of £100,719 representing approximately 10 per cent. of the issued share capital of the Company,

and such authority shall expire on the earlier of 31 December 2019 and the conclusion of the next annual general meeting of the Company. The Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors are hereby authorised to allot such securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority shall replace all existing authorities conferred on the directors in respect of the allotment or relevant securities to the extent that the same have not been previously utilised."

Registered Office
Kenneth Dibben House
Southampton
SO16 7NS

By order of the Board
Steve Boydell
Company Secretary

10 September 2018

NOTES:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6pm on the 2 October 2018 or, if the AGM is adjourned, at 6pm on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the AGM.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the AGM to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY; and
- received by Computershare Registrars no later than 2 pm on 2 October 2018.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Corporate representatives

7. A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment as above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Computershare Investor Services PLC no later than the time of the Annual General Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

9. As at 7 September 2018, being the last practicable day before printing this document, the Company's issued share capital comprised 100,718,600 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 7 September 2018 was 100,718,600.

Transactions by Directors

10. A statement or summary of transactions made by the directors (and their family interests) in the share capital of the Company and copies of their service contracts are available for inspection at the Company's registered office during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the AGM and will also be available for inspection at the place of the AGM for at least 15 minutes prior to and during the meeting.

11. CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures laid down in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed 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.

12. In order for a proxy appointment or instruction made by means of CREST 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 (available via www.euroclear.com/CREST). The message, regardless of whether it relates to the appointment of a proxy or to 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 Number 3RA50) by no later than 2 pm on 2 October 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message 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.

13. 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.

14. 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, 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. Please see sections of the CREST Manual concerning practical limitations of the CREST system and timings.

15. Entitlement to attend and vote at the meeting, and the number of votes which may be cast by shareholders at the meeting, will be determined by reference to the Company's register of members at 6pm on 2 October 2018 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded in determining the rights of any person to attend and vote at the meeting. This is in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 and Article 58 of the Company's Articles of Association.

The explanatory notes below summarise the purpose of each resolution to be passed:

Resolutions 1 to 7 comprise the ordinary business of the AGM.

Resolution 1: Report and Accounts

For each financial year, the directors are required to lay the Directors' Report, the audited accounts and the Auditor's Report before the Company at a general meeting. The shareholders are requested to receive and adopt the Report and Accounts for the year ended 30 April 2018.

Resolutions 2, 3, 4 and 5: Appointment of directors

Article 111 of the Company's articles of association requires that any director not elected or re-elected at the previous two AGMs should retire from office and that at subsequent AGMs one third of directors (excluding directors retiring in accordance with Article 117) shall retire. Accordingly, three directors will retire and, being eligible, will offer themselves for re-appointment. Resolutions 2,3,4 and 5 propose their re-appointment.

Resolution 6: Appointment of auditor

At each general meeting at which the accounts are laid before shareholders, the Company is required to appoint an auditor to serve until the next such meeting.

Resolution 6 proposes the re-appointment of BDO LLP as the Company's auditor and that the directors be authorised to fix the auditor's remuneration.

Resolution 7: Adoption of a Long-Term Incentive Plan

Resolution 7 will be proposed as an ordinary resolution. The Remuneration Committee is seeking shareholders' approval for the adoption of the Ilika plc Long Term Incentive Plan 2018 (the "LTIP") to incentivise, retain and reward the executive directors for successfully taking the Company through the next stage of its growth. It is intended that annual awards of nominal cost share options will be made to directors (and potentially other senior executives in the future) at the discretion of the Remuneration

Committee. The awards will vest after three years to the extent that challenging share price targets have been met. The maximum number of shares that may be issued on the exercise of awards granted under the LTIP together with the number of shares that may be issued under all other employee share plans operated by the Company (including shares to be issued under the bonus scheme) will not exceed 10% of the Company's issued share capital over a rolling ten-year period.

The Appendix to this notice of meeting contains a summary of the rules of the LTIP.

Resolutions 8 and 9 are the special business of the AGM.

Resolution 8 will be proposed as an ordinary resolution for the renewal of the Directors' general authority to issue shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £335,729, representing approximately one third of the current issued share capital of the Company.

The Act also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are dis-applied under section 570 of the Act. The authority given to the Directors at the last AGM to allot shares for cash pursuant to section 570 of the Act expires on the date of this year's AGM.

Resolution 9 will be proposed as a special resolution for the renewal of the Directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 561(1) of the Act, and authorises other allotments of up to a maximum aggregate nominal amount of £100,719 of shares, representing approximately 10 per cent of the current issued ordinary share capital of the Company. This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury.

The authorities granted under resolutions 8 and 9 will expire at the conclusion of the next annual general meeting of the Company.

Appendix

A summary of the principal features of the proposed Ilika plc Long Term Incentive Plan ("LTIP")

Operation

The Remuneration Committee of the Board of directors of the Company (the "**Committee**") will supervise the operation of the LTIP.

Eligibility

Any employee (including an Executive Director but excluding any Non-executive Director) of the Company and any of its subsidiaries will be eligible to participate in the LTIP at the discretion of the Committee.

Grant of awards

The Committee may grant an award in one of two forms:

- (i) nil or nominal cost options, where a participant can decide when to exercise his/her award over ordinary shares in the Company ("**Shares**") during a specified period of time after vesting; or
- (ii) a conditional award, where a participant will receive free Shares on the vesting of his/her award.

The Committee may normally grant awards within six weeks following: (i) the Company's announcement of its results for any period; (ii) the Company's annual general meeting; or (iii) the lifting of restrictions on dealing in Shares that prevented grant of awards under (i) or (ii). The Committee may also grant awards when there are exceptional circumstances which the Committee considers justifies the granting of awards.

No payment will be required for the grant of an award. Awards are not transferable (other than to the participant's personal representatives in the event of death). Any benefits obtained under the LTIP are not pensionable.

Individual limit

Awards will be limited to 100% of salary p.a.. Actual awards are expected to be set at 100% of salary or less. If in any financial year no grant may be made to an individual because of legal or regulatory constraints that year's award capacity may be rolled forward in order to increase the individual limit for the following financial year.

Overall LTIP limits

The LTIP may operate over new issue Shares, treasury Shares or Shares purchased in the market.

The Company may not issue (or have the possibility to issue) more than 10% of the issued ordinary share capital of the Company under the LTIP and any other employees' share plan adopted by the Company during a period of 10 years (excluding any awards made prior to IPO).

Treasury Shares will count as new issue Shares for the purposes of this limit but they will also cease to count towards this limit if institutional investor bodies decide that they need not count.

Vesting of awards

Awards will normally vest on the later of the expiry of the third anniversary of the date of grant of the award and the date that the Committee determines the extent to which

the applicable performance conditions (see below) have been satisfied, and provided the participant is still a director or employee in the Company's group.

An award in the form of an option will normally remain exercisable until the tenth anniversary of the date of grant.

The Committee may allow awards to be settled in cash (in whole or part) where the Committee considers it appropriate to do so.

Performance conditions

The initial awards will be based on stretching share price targets (as adjusted for any dividends in line with the standard approach to calculating Total Shareholder Return) as follows:

- Less than 50% growth – 0% vesting
- 50% growth in share price – 25 of an award vests
- 100% growth in share price – 75% of an award vests
- 200% growth in share price – 100% of an award vests
- Awards will vest pro-rata between share price targets

For future awards, the Committee may impose such performance conditions as it considers appropriate which must be satisfied before any award will vest.

A performance condition may be altered if circumstances or events are such that the Committee, acting fairly and reasonably, considers that it would be appropriate to do so. Any altered performance condition shall not be materially less difficult to satisfy than the original performance condition.

Payment on account of dividends

Unless the Committee decides otherwise prior to the date of grant, a participant will receive a payment (in Shares or cash), on or shortly following vesting of his conditional share award or exercise of his option, of an amount equivalent to the dividends that would have been paid on the Shares vested under the award between the time when the award was granted and the time when it vested (and assuming reinvestment in Shares on the relevant ex dividend dates).

Leaving employment

As a general rule, an award will lapse upon a participant leaving the employment of the Company's group. However, if before the vesting of an award a participant ceases to be a director or employee within the Company's group by reason of death, injury, ill-health or disability, statutory redundancy, retirement with the agreement of his or her employer, the sale of the participant's employing business by the group or other circumstances which the Committee determines in its discretion, then the award will be retained and may vest on the normal vesting date to the extent determined by the performance conditions measured over the full performance period, unless determined otherwise by the Committee.

The Committee may, at its discretion, allow awards to vest in such circumstances at the time of cessation of employment, in which case awards would normally be subject to the performance conditions as measured over the shorter period to the date of cessation of employment.

In either case, there will also be a pro-rata reduction in the size of the award for the time that has elapsed up to the date of cessation compared to the vesting period unless the Committee determines that it would be inappropriate to apply a pro-rata reduction in the particular circumstances.

Where an individual holding a vested award leaves the Company's employment, the individual will be able to exercise that vested award within 12 months of the date of cessation of employment, unless the reason for such cessation is the individual's misconduct in which case the award will lapse.

Corporate events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation), all awards may vest early to the extent that the performance conditions have, in the opinion of the Committee, been satisfied at that time. The awards will normally be pro-rated to reflect the shorter than normal period of time between the date of the award and the time of vesting. The Committee can decide not to pro-rate awards if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the Committee decides that awards should vest on the same basis as described above.

Awards may also vest on the same basis if a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of the Shares to a material extent.

Malus and clawback

The Committee retains a power to reduce the potential vesting of unvested awards (including to zero) (often referred to as 'malus') or to recoup the value of previously vested awards from an individual within 3 years of the date of vesting if it considers it appropriate to do so (often referred to as 'clawback').

The Committee may choose to exercise this power in circumstances of:

- misconduct of the participant (equivalent to summary dismissal);
- a material misstatement of financial results for any company in the group;
- material reputational damage to a company in the group; or
- an error is detected in respect of the award level or the assessment or calculation of a performance condition.

Participants' rights

Awards will not confer any shareholder rights on participants until the awards have vested and the participants have received their Shares.

Rights attaching to Shares

Any Shares allotted when an award vests (or for an award structured as an option, when it is exercised) will rank equally with all other Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital, or in the event of a demerger, payment of a special dividend or other similar event which materially affects the market price of the Shares, the Committee may make such adjustments as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

Alterations

The Committee may alter the LTIP or any terms of an award at any time in any respect. No alterations may be made to the material disadvantage of any participant or in respect of any rights already acquired by him (other than a change in any performance condition) without the consent of a majority of participants responding to any relevant request.