

Morgan Advanced Materials plc

Board Inclusion & Diversity Policy

The Board recognises the value of having a diverse range of skills, experience and thinking on which to draw. For good governance and decision making it is vital to have a mix of people from different backgrounds who can offer diverse perspectives, industry and market experience and who can challenge effectively from an independent standpoint.

Having achieved 43% female representation on the Board and having one Director of colour, we intend to at least maintain this level of diversity on the Board so that we reflect Morgan's workforce and society more generally.

The Nomination Committee annually reviews the composition of the Board and considers the balance of competencies to ensure alignment with the Company's purpose and strategic priorities and the environment in which it operates. The Nomination Committee reviews the characteristics, perspectives, independence and diversity of Board members; how the Board works together; and other factors relevant to its effectiveness.

Objectives

Following recommendations from the Nomination Committee, the Board has agreed objectives for achieving gender, ethnic and cultural diversity on the Board. In addition, the Board places high emphasis on ensuring the development of diversity both in senior management roles and the workforce in general within the Company.

To promote diversity and inclusion the Board will:

- Consider all aspects of diversity when reviewing the composition and effectiveness of the Board. This includes gender and ethnicity but also goes much wider to encompass a broad range of characteristics, including different backgrounds and experiences and cognitive and personal attributes, which will align with the Group's purpose and values and help achieve the Group's strategy.
- Only engage with executive search firms who are accredited under the Enhanced Code of Conduct for Executive Search Firms when seeking to make new appointments or have a proven track record in sourcing diverse candidates.
- Ensure that candidate lists include individuals from a broad and diverse range of backgrounds and that all candidates with the requisite skills and capability are considered, including those with less traditional track records than the corporate mainstream.
- Agree new Board appointments based on merit against the objective criteria set, taking account of the unique benefits each candidate can bring.
- Recommend that the Board reviews senior executive succession planning annually and monitors the development of a diverse pipeline of future senior leaders, reflecting the composition of Morgan's workforce.
- Set the tone and provide visible support for the Group's diversity and inclusion objectives, including the fostering of an inclusive culture which allows individuals to bring their whole selves to work, promoting inclusive leadership and reducing unconscious bias.
- Support a zero tolerance approach to any unfair discrimination on the basis of sex, ethnicity or other protected characteristics.

Monitoring and Reporting

The Nomination Committee will report annually, in the corporate governance section of the Company's Annual Report, on the process in relation to Board appointments. The report will include a summary of this Policy, the objectives set for implementing the Policy, progress made towards achieving those objectives, the Nomination Committee's approach to succession planning, its actions to develop a diverse pipeline of candidates, how diversity supports the Company in meeting its strategic objectives, and the gender balance of senior managers and their direct reports.

The Nomination Committee will review the Policy, including its effectiveness, annually and recommend any revisions to the Board for approval.

Approved by the Board
February 2021