

Nomination Committee Report

This report provides details of the role of the Nomination Committee and the work it has undertaken during the year.

Role of the Nomination Committee

The Nomination Committee is a sub-committee of the board whose purpose is to advise the board on the appointment and, if necessary, dismissal of executive and non-executive directors. The full terms of reference of the Nomination Committee are provided on the company's website at www.matthey.com.

Composition of the Nomination Committee

The Nomination Committee comprises all the independent non-executive directors together with the group Chairman. The quorum necessary for the transaction of business is two, each of whom must be an independent non-executive director. Biographical details of the independent directors and the Chairman are set out on pages 34 and 35. Their remuneration is set out on page 45.

The group Chairman acts as the Chairman of the Committee, although the Chairman may not chair the Committee when it is dealing with the matter of succession to the Chairmanship of the company. A non-executive director may not chair the Committee when it is dealing with a matter relating to that non-executive director.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Director of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.

The Director of Human Resources, Mr I F Stephenson, acts as secretary to the Committee.

The Committee has the authority to seek any information that it requires from any officer or employee of the company or its subsidiaries. In connection with its duties, the Committee is authorised by the board to take such independent advice (including legal or other professional advice, at the company's expense) as it considers necessary, including requests for information from or commissioning investigations by external advisers.

Main Activities of the Nomination Committee

There were no board appointments in the year under review. The last appointments to the board were of Dr P N Hawker and Mr L C Pentz on 1st August 2003.

The group Chairman, Mr H M P Miles will be retiring from the board in the coming year once a successor has been found. The Nomination Committee has been conducting a process to identify a successor with the assistance of external search consultants. Open advertising is not being used. The Nomination Committee met once during the financial year ended 31st March 2005 in connection with the process for the selection of a successor to Mr Miles. The Committee has appointed a sub-committee comprising Mr M B Dearden and Mr A M Thomson to progress the selection process.

On behalf of the Committee:



Michael Miles OBE

Chairman of the Nomination Committee