



Johnson Matthey

Nomination Committee

Terms of Reference

(Effective 1 September 2014)

1. Membership

- 1.1 The Nomination Committee (the “Committee”) shall be appointed by the Board and shall comprise at least three directors. A majority of the members of the Committee shall be independent Non-Executive Directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group Human Resources Director, the Group Talent Director and external advisers may be invited to attend for all or any part of any meeting as and when appropriate and necessary.
- 1.3 The Committee Chairman shall be appointed by the Board and shall either be the Chairman of the Board or an independent Non-Executive Director. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship of the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members of the Committee present shall elect one of themselves to chair the meeting provided that member is an independent Non-Executive Director.

2. Secretary

- 2.1 The Company Secretary or his or her nominee shall act as the secretary of the Committee (the “Secretary”).

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members including the Committee Chairman.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year and otherwise as required.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary at the request of the Committee Chairman.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Draft minutes shall also be circulated to all other members of the Board unless in the opinion of the Committee Chairman or the Secretary it would be inappropriate to do so.

7. Annual General Meeting

- 7.1 The Committee Chairman shall attend the Company's Annual General Meeting to answer any shareholder questions on the Committee's activities.

8. Responsibilities

The responsibilities of the Committee are as follows:

- 8.1 regularly review the structure, size and composition of the Board (including the balance of skills, knowledge, experience and diversity and balance of Executive and Non-Executive Directors) and make recommendations to the Board with regard to any changes that are deemed necessary;
- 8.2 keep under review the leadership needs of the Group, both Executive and Non-Executive, with a view to ensuring the continued ability of the Group to compete effectively in the market place;
- 8.3 undertake the following in relation to Board and Chief Executive's Committee ("**CEC**") succession planning:
 - 8.3.1 satisfy itself with regard to the adequacy and efficacy of succession planning processes and procedures for Directors (both Executive and Non-Executive) and Senior Executives (being members of the CEC);
 - 8.3.2 consider and approve the succession plans for Directors (both Executive and Non-Executive) and in particular the key roles of Chairman of the Board and Chief Executive;
 - 8.3.3 consider the succession plans for Senior Executives; and
 - 8.3.4 satisfy itself with regard to the adequacy and efficacy of the Group's processes for identifying and developing the future senior management pipeline,

in each case taking into account the challenges and opportunities facing the Group, its long-term strategic goals and the skills and expertise needed on the Board and the CEC in the future;
- 8.4 identify and recommend to the Board for approval, candidates to fill Board vacancies (both Executive and Non-Executive) as and when they arise;

- 8.5 before making any recommendation for appointment to the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for the particular appointment;
- 8.6 in identifying suitable candidates for appointment to the Board the Committee shall:
 - 8.6.1 as appropriate, use open advertising or the services of external advisers to facilitate the search;
 - 8.6.2 consider candidates from a range of backgrounds;
 - 8.6.3 consider candidates on merit and against objective criteria and with due regard to the benefits of diversity on the Board, including gender;
- 8.7 for the appointment of a Chairman of the Board and a Non-Executive Director, the Committee shall consider the time commitment expected, the proposed appointee's other significant commitments and business interests and his or her time availability to devote to the position;
- 8.8 ensure that on appointment to the Board, the Chairman and Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- 8.9 review the results of the Board performance evaluation process that relate to the composition of the Board;
- 8.10 review annually the time required from Non-Executive Directors. Performance evaluation shall include assessment of whether the Non-Executive Directors are spending enough time to fulfil their duties;
- 8.11 identify and recommend to the Board for approval suitable candidates for the role of Senior Independent Director;
- 8.12 identify and recommend to the Board for approval membership and chairmanship of the Audit and Remuneration Committees, and any other Board committees as appropriate, in consultation with the chairmen of those committees;
- 8.13 consider and recommend to the Board for approval:
 - 8.13.1 the re-appointment of any Non-Executive Director at the conclusion of their specified term of office; and
 - 8.13.2 the re-election by shareholders of any Director under the annual re-election provisions of the UK Corporate Governance Code (the "**Code**") or the retirement by rotation provisions in the Company's articles of association;

in each case having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
- 8.14 consider and make recommendations to the Board on any matter relating to the continuation in office of any Director at any time including the suspension or termination of service of an

Executive Director as an employee of the Company subject to the provisions of the law and their service contract;

- 8.15 consider the appointment of any Director to executive or other office outside of the Group; and
- 8.16 work and liaise as necessary with all other Board committees.

9. Reporting Responsibilities

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any matter within its duties and responsibilities where action or improvement is needed.
- 9.3 The Committee shall produce a report to be included in the Company's annual report about its activities in accordance with the Code and applicable law.

10. Other Matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its responsibilities, including access to the company secretariat for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 give due consideration to applicable laws and regulations, the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
- 10.4 arrange for annual reviews of its own performance and of its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11. Authority

The Committee is authorised:

- 11.1 to seek information it requires from any officer or employee of the Company or Group in order to perform its duties;
- 11.2 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- 11.3 to delegate any of its powers to a sub-committee comprising at least any two Committee members.

Approved by the Board on 4 June 2014