Remuneration Policy Table

Purpose and link to strategy	Operation (and changes if appropriate) of the element	Potential value of element and performance measures
Base salary		
Base salary is the basic pay for doing the job. Its purpose is to provide a fair and competitive level of base pay to attract and retain individuals of the calibre required to lead the business.	Base salaries will normally be reviewed annually, and any changes normally take effect from 1st April each year. In determining salaries and salary increases, the Remuneration Committee will take account of the performance of the individual director against a broad set of parameters including financial, environmental, social and governance issues. The Remuneration Committee will also take into account the director's knowledge, contribution to the role, length of time in post, and any additional responsibilities since the last salary review, as well as the level of salary increases awarded to the wider Johnsc Matthey workforce. Salaries across the group are benchmarked against a comparator group of similarly sized companies, predominantly within the FTSE, with a comparable international presence and geographic spread and operating in relevant industry sectors. New appointments or promotions will be paid at a level reflecting the executive director's level of experience in the particular role and experience at board level. New or promoted executive directors may receive higher pay increases than typical for the group over a period of time following their appointment as their pay trends toward an appropriate level for their role.	**Maximum opportunity** No salary increase will be awarded which results in a base salary which exceeds the competitive market range considered appropriate by the committee for the role. Details of the current salaries for the executive directors are included in the Annual Report on Remuneration
Benefits		
Benefits are provided to support the director in his or her performance in the role. They help to remove certain day-to-day concerns from executive directors, to allow them to focus on managing and directing the business. In general, benefits will be restricted to the typical level in the relevant market for an executive director.	Benefits include, but are not limited to, medical, life and income protection insurance, medical assessments, company sick pay, and a company car (or equivalent). Other appropriate benefits may also be provided from time to time at the discretion of the Remuneration Committee. Directors' and officers' liability insurance is maintained for all directors. Directors who are required to move for a business reason may, where appropriate, also be provided with benefits such as relocation benefits (e.g. the provision of accommodation, transport or medical insurance away from their country of residence) and schooling for dependants. The company may pay the tax on these benefits. Directors may be assisted with tax advice and tax compliance services. The company will reimburse all reasonable expenses (including any associated tax charges) which the executive director is authorised to incur while carrying out executive duties.	Benefits are not generally expected to be a significant part of the remuneration package in financial terms. Car benefits will not exceed a total of £25,000 per annum. The cost of medical insurance for an individual executive director and dependants will not exceed £25,000 per annum. Company sick pay is 52 weeks' full pay.
Pension		
Provides for post-retirement remuneration, ensures that the total package is competitive and aids retention.	All executive directors will be eligible to participate in a company pension plan and/or paid a cash supplement in lieu of membership in a pension plan.	The maximum company contribution is 15% of base salary for executive directors. This is aligned to the typical cost of providing pension benefits to other employees in the UK. To the extent there is a reduction in this typical cost the company's contribution for executive directors will reduce.

Purpose and link to strategy	Operation (and changes if appropriate) of the element	Potential value of element and performance measures
Annual Incentive Plan		
The AIP provides a strong incentive aligned to strategy in the short term. It allows the board to drive and reward both financial and non-financial metrics, including leadership behaviours, in order to deliver sustainable growth in shareholder value. The AIP bonus plays a key part in the motivation and retention of executive directors, one of the key requirements for long-term growth. Bonus deferral as well as malus and clawback provisions ensure that longer- term considerations are properly taken into account in the pursuit of annual targets.	The Remuneration Committee sets the AIP performance measures and targets for each new award cycle. At the end of the year, the committee determines the extent to which these have been achieved. The committee retains the discretion to reduce any bonus award if, in its opinion, the underlying financial performance of the company has not been satisfactory in the circumstances. **Deferral** Of any bonus paid, up to 50% is paid in cash and the remaining balance is deferred into shares for a three-year period as an award under the deferred bonus plan. As defined in the relevant plan rules, no further performance conditions apply to awards under the Deferred Bonus Plan. Dividends that accrue on the deferred shares during the vesting period will be paid in either cash and/or shares at the time of vesting. **Malus and Clawback** The cash and deferred elements of the bonus are subject to malus and clawback provisions such that they can be forfeited or recouped in part or in full in the event of a misstatement of results, error in the calculation, misconduct by the individual or serious reputational damage. **Adjustments** The Remuneration Committee retains discretion to change the performance targets if there is a significant and/or material event which causes the committee	**Maximum opportunity and vesting thresholds** • Chief Executive Officer – 180% of base salary. • Other executive directors – 150% of base salary. Where financial measures are set the threshold performance level will result in a bonus of up to 25% of the target bonus opportunity. On-target performance will result in 50% payment of the maximum opportunity. Where non-financial targets are set, it may not be practicable to set targets on a sliding scale. **Performance measures** Bonuses are based on the achievement of demanding financial and, where appropriate, non-financial targets. The committee may use

	to believe the original targets are no longer appropriate (e.g. to reflect material acquisitions or disposals). The Remuneration Committee also retains discretion to amend the level of annual bonuses determined by the performance condition to seek to ensure that the incentive structure for executive directors does not raise environmental, social and governance risks by inadvertently motivating irresponsible behaviour. For example, reducing or eliminating bonuses where the company has suffered reputational damage or where other aspects of performance, including leadership behaviour, have been unacceptable. The Remuneration Committee retains the ability to increase bonus awards from the formulaic outcome where there is identifiable and exceptional performance by the executive director. Bonus payments in such circumstances would remain within the maximum bonus opportunity and shareholders would be fully informed of the justification.	different performances and/or weightings for each performance cycle as appropriate to take into account the strategic needs of the business. However, a substantial proportion (i.e. at least 60%) will be based on key financial measures, for example, underlying PBT. Targets are set applying a robust bottom-up process to achieve full accountability. The financial performance targets are retrospectively published in the immediately following Annual Report on Remuneration. Details of last year's bonus awards are on pages 106 and120. The performance period for annual bonus purposes matches the financial year (currently 1st April to 31st March).
Performance Share Plan		
The Performance Share Plan (PSP) is designed to ensure that executives take decisions in the interest of the longer-term success of the group. Having measures that look at profitable growth and performance relative to a comparator group over the longer term ensures that the interests of executives are aligned with shareholder interest for long-term value.	Shares may be awarded each year and are subject to performance conditions tested over a minimum three- year performance period. Subject to the performance conditions being met the shares will vest after which the directors will be required to hold any vested shares until the fifth anniversary of the award. The performance targets are set by the Remuneration Committee based on internal and external growth forecasts to ensure they remain appropriate and aligned with shareholder expectations. The awards are granted in accordance with the rules of the plan approved by shareholders. The maximum award level is 250% of base salary. Awards may be granted in the form of conditional shares, nil or nominal cost options or cash (where the awards cannot be settled in shares). Dividends that accrue during the post-vesting holding period will be managed in accordance with our dividend re-investment process. **Malus and clawback** PSP awards are subject to malus and clawback provisions that can apply in the case of a misstatement of results, error in the calculation, misconduct by the individual, serious reputational damage, failures of risk management or corporate failure.	**Award levels and vesting thresholds** The maximum award level is 250% of salary. The current award levels are: • Chief Executive Officer – 250% of base salary • Other Executive Directors – 175% of salary. Threshold performance will result in vesting of up to a maximum of 25% for each performance measure. The actual threshold vesting will depend on the performance metric and the performance range set for the specific award. Vesting at maximum is 100% of the relevant part of the award, increasing on a graduated scale.

Purpose and link to strategy	Operation (and changes if appropriate) of the element	Potential value of element and performance measures
Performance Share Plan (continued)		
	Adjustment The Remuneration Committee has the power to adjust the annual award level, for example in the event of a material fall in share price, as well as the power to adjust the vesting level of an award based on the underlying performance of the company. The committee may adjust the performance measure to reflect material changes (e.g. significant acquisitions or disposals, share consolidation, share buy-backs or special dividends). Any such change would be fully explained to shareholders.	**Performance measures** PSP awards vest over a minimum three-year performance period and will be subject to financial and/or shareholder return targets. In addition, strategic and/or sustainability targets may be included in future awards. In all cases, the majority of the award will remain linked to financial and/or shareholder return targets. It is expected that during the policy period the following three metrics will form the majority of awards: a) The compound annual growth rate (CAGR) of underlying EPS; b) The Total Shareholder Return (TSR) relative to a comparator group (e.g. the FTSE 31-100 excluding financial services companies); c) Strategic and/or sustainability targets. Vesting is also subject to a broad committee discretion that will enable the committee to adjust the extent to which an award vests by exercising appropriate discretion to the formulaic outcomes in order to reflect the wider financial performance and / or circumstances of the group. The prospective weightings, targets and measures for the year commencing 1st April 2023 are shown on page 122. The Remuneration Committee retains the discretion to amend the weightings, targets and the performance measures detailed on page 122 for future awards as appropriate to reflect the business strategy.
All employee share plan		
Encourages share ownership	Executive directors are entitled to participate in the company's all-employee plan under which regular monthly share purchases are made and matched with the award of company shares, subject to retention conditions. Executive directors would also be entitled to participate in any other all-employee arrangements that may be established by the company on the same terms as all other employees.	Executive directors are entitled to participate up to the same limits in force from time to time for all employees.

Purpose and link to strategy	Operation (and changes if appropriate) of the element	Potential value of element and performance measures
Shareholding requirements		
To encourage executive directors to build a shareholding in the company and ensure the interests of management are aligned with those of shareholders	Executive directors are expected to build up a shareholding in the company over a reasonable period of time, and upon cessation of employment are expected to retain a shareholding for a period of up to two years. Shares that count towards achieving these guidelines while an executive director include: all shares beneficially owned by an executive director, or a person connected to the executive as recognised by the Remuneration Committee; deferred bonus shares and PSP awards which have vested and so are no longer subject to performance conditions but are within a holding period. Executive directors are expected to retain at least 50% of the net (after tax) vested shares that are released under the PSP and Deferred Bonus Plan until the required levels of shareholding are achieved. Executive directors are not required to make personal share purchases should awards not meet the performance conditions and so a newly appointed director may take longer to reach the expected level, depending on the company's performance against targets over the period. In addition, a director who ceases employment with the company is not required to purchase shares to satisfy the post-cessation shareholding requirement.	The minimum shareholding requirement while an executive director and for the two-year period after cessation of employment is as follows: • Chief Executive Officer – 250% of base salary. • Other executive directors – 200% of base salary. If the executive director has not been able to build up their shareholding prior to cessation they are not required to purchase shares upon cessation to satisfy the requirement. There is no requirement for non-executive directors to hold shares, but they are encouraged to acquire a holding over time.
Non-executive director fees		
To attract, retain and motivate non-executive directors with the required knowledge and experience.	Non-executive director fees are determined by the board and the non-executive directors exclude themselves from these discussions. The fees for the Chair are determined by the Remuneration Committee taking into account the views of the Chief Executive Officer. The Chair excludes himself from these discussions. Non-executive directors are paid a base fee each year with an additional fee for each committee Chair or additional role held. Non-executive director fees are reviewed every year. Any increase will take into account the market rate for the relevant positions within the comparator group of similarly sized companies with a comparable international presence and geographic spread and operating in relevant industry sectors and the experience of the individuals and the expected time commitment of the role. In exceptional circumstances, additional fees or non-executive benefits (e.g. assistance with tax filings or an allowance for intercontinental travel including any associated tax) may be payable to reflect a substantial increase in time commitment. The company will also reimburse the Chair and non-executive directors for all reasonable expenses (including any tax thereon) incurred while carrying out duties for the company.	Details of the current fee levels for the Chair and non-executive directors are set out in the Annual Report on Remuneration on page 119. The fee levels are set subject to the maximum limits set out in the company's Articles of Association.

The committee is responsible for determining, and agreeing with the board, the Directors' Remuneration Policy and has oversight of its implementation. The committee has clear terms of reference, works with management and independent advisers to develop proposals and recommendations, and exercises independent judgement when making decisions. This process is considered to manage any potential conflicts of interest.

The policy is performance focused and, given the long-term nature of JM's business, is weighted towards long-term performance and includes market standard shareholding expectations and recovery and withholding provisions.

The committee considered the principles listed in the 2018 UK Corporate Governance Code when reviewing the Directors' Remuneration Policy and took these into account in its design and implementation.

Clarity	Remuneration arrangements have defined parameters which can be transparently communicated to shareholders and other stakeholders.
Simplicity	Remuneration arrangements for executive directors consist of: • Salary, benefits, and a fixed pension contribution – set to reflect the typical rate provided to the UK workforce. • Annual Incentive Plan (AIP), a portion of which is deferred into shares. • Annual long-term Performance Share Plan (PSP) awards which provide focus on performance over the longer term. Unnecessary complexity is avoided by the committee in operating the arrangements.
Risk	The remuneration arrangements are designed to have a robust link between pay and performance, thereby mitigating the risk of excessive reward. In addition, behavioural risks are considered when setting targets for performance-related pay, and the arrangements have safeguards to ensure that pay remains appropriate, including committee discretion to adjust incentive outturns, deferral of incentive payments in shares, recovery provisions and share ownership requirements. To avoid conflicts of interest, committee members are required to disclose any conflicts or potential conflicts ahead of committee meetings. No executive director or other member of management is present when their own remuneration is under discussion.
Predictability	The committee set specific targets for different levels of performance which are communicated to the individuals and disclosed to shareholders.
Proportionality	The AIP and PSP have performance metrics that are aligned with the company's KPIs, and the payouts reflect achievement against the targets. The committee may reduce payouts under the AIP and PSP if they are not considered aligned with underlying performance. Safeguards are identified to ensure that poor performance is not rewarded.
Alignment to culture	The directors' remuneration arrangements are cascaded through the organisation ensuring that there are common goals. The committee reviews remuneration arrangements throughout the company and takes these into account when setting directors' remuneration.