



# Johnson Matthey Plc Corporate Governance Framework

Version 9.0

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## Contents

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<b>1</b>	<b>Corporate Governance Statement</b>	<b>3</b>
<b>2</b>	<b>Introduction: Corporate Governance Framework</b>	<b>3</b>
<b>3</b>	<b>The Role of our Board and Committees</b>	<b>4</b>
<b>4</b>	<b>The Role of our Board Members</b>	<b>5</b>
<b>5</b>	<b>Matters Reserved for the Board</b>	<b>7</b>
<b>6</b>	<b>Statement of Division of Responsibilities between the Chair and the Chief Executive Officer</b>	<b>11</b>
<b>7</b>	<b>Audit Committee Terms of Reference</b>	<b>14</b>
<b>8</b>	<b>Remuneration Committee Terms of Reference</b>	<b>20</b>
<b>9</b>	<b>Nomination Committee Terms of Reference</b>	<b>24</b>
<b>10</b>	<b>Societal Value Committee Terms of Reference</b>	<b>28</b>
<b>11</b>	<b>Disclosure Committee Terms of Reference</b>	<b>31</b>
<b>12</b>	<b>Ethics Panel Terms of Reference</b>	<b>33</b>
<b>13</b>	<b>Group Leadership Team Terms of Reference</b>	<b>35</b>
<b>14</b>	<b>Consequences of Breach</b>	<b>38</b>
<b>15</b>	<b>Document Owner</b>	<b>38</b>
<b>16</b>	<b>Document Control</b>	<b>38</b>
<b>17</b>	<b>Revision History</b>	<b>38</b>
<b>18</b>	<b>Appendix: Board and Committee Structure</b>	<b>39</b>



## **1. Corporate Governance Statement**

Corporate governance is the framework within which we manage our business. It provides a structure for decisions to be made in order to direct, oversee and control operations.

## **2. Introduction: Corporate Governance Framework**

This document explains how Johnson Matthey Plc (the Company or JM) is organised to enable the effective discharge of its corporate governance responsibilities, including those set out in the 2018 UK Corporate Governance Code (the Code).

Johnson Matthey Plc is registered in England and Wales and is listed on the London Stock Exchange.

The principal decision-making body is the board. It has responsibility for setting the strategic direction of the Johnson Matthey Group (the Group) and for ensuring that risk is managed effectively. The board is accountable to shareholders for the Group's financial and operational performance. It is supported by four committees: the Nomination Committee, Audit Committee, Remuneration Committee and Societal Value Committee, and has delegated responsibility for specific matters to the Disclosure Committee and Ethics Panel.

Responsibility for implementing operational decisions and the day-to-day management of the business is delegated to the Chief Executive Officer who is supported by the Group Leadership Team.

Details of the decisions which can only be taken by the board and the role and duties of the committees are set out in this framework.



### **3. The Role of our Board and Committees**

#### **The board**

Our board's role is to provide leadership of the Company and direction for management. It is collectively responsible and accountable to our shareholders for the long-term sustainable success of the Group, for generating value for shareholders, contributing to wider society and for ensuring the Group is appropriately managed and operates responsibly, with effective controls, as it pursues its objectives.

The board reviews the performance of leadership and the operating and financial performance of the Group as a whole. In particular, the board is responsible for establishing the Company's purpose and values, setting strategy, determining risk appetite, ensuring appropriate risk management and internal controls are in place, ensuring good governance to support effective decision making. The board also assesses and monitors the Group's culture, ensuring alignment to the Company's purpose, values and strategy. The board also ensures that plans are in place for orderly succession for appointments to the board and to senior management, to maintain an appropriate balance of skills and experience within the Company and on the board.

In order to carry out its work, the board, which usually meets formally six times a year, agrees an annual agenda plan to ensure all necessary matters are covered and to allow sufficient time for debate and challenge. In particular, the board makes sufficient time to discuss strategy so that the non-executive directors have a good opportunity to challenge and help develop strategy proposals. The board also takes time to review and challenge past decisions where necessary.

At board meetings, the board receives and considers papers and presentations from management on relevant topics, including one or more business or strategy presentations from the sector Chief Executive Officers and senior managers. Effective review and decision making are supported by providing the board with high quality, accurate, clear and timely information, including input from experts and independent advisers where necessary. The board seeks to work in the best interest of Johnson Matthey Plc and its stakeholders.

For further details on the principal activities of the board, please refer to the Company's Annual Report and Accounts, available in the Investor's section at [matthey.com](http://matthey.com).

#### **Board committees**

Our board has four main committees: the Audit Committee, Nomination Committee, Remuneration Committee and Societal Value Committee to which it delegates certain tasks. Each independent non-executive director is a member of each board committee. No one other than the board committee members are entitled to be present at committee meetings. Others may attend, but only by invitation. Executive directors are not members of the board committees.

Each committee has the authority to seek any information that it requires from any officer or employee of the Company or its subsidiaries. Each committee is also authorised by the board to take independent advice (including legal or other professional advice), at the Company's expense, as it considers necessary. Each committee may request information from, or commission investigations by, external advisers. The committees formally report to the board on their proceedings after each meeting.

In addition to the above committees, the board has also delegated specific responsibilities to the Disclosure Committee and Ethics Panel.

#### **Executive committees**

Responsibility for implementing operational decisions and for the day-to-day management of the business is delegated by the board to the Chief Executive Officer, who is supported by the Group Leadership Team.

Please also refer to page 39 for an organigram of the board and committee structure.



## **4. The Role of our Board Members**

### **Chair**

The Chair is responsible for ensuring an effective board. A culture of mutual respect, openness, debate and constructive challenge is vital to this. The Chair encourages open communication and constructive working relations between the executive and non-executive directors. He also seeks to ensure that the executive directors are responsive to constructive challenge on their proposals by the non-executive directors.

The Chair has an important role in fostering constructive relations with our shareholders, communicating the views of shareholders to the board so that all directors develop an understanding of their views. In addition, he also ensures the board listens to the views of the workforce, customers and other stakeholders, especially in the context of principal decisions.

With the assistance of the General Counsel and Company Secretary, the Chair sets the board's agenda, ensuring adequate time is available to discuss all agenda items. To facilitate constructive board discussion, the Chair ensures there is a timely flow of high quality, accurate, clear information.

There is a clear division between the Chair's responsibilities for running the board and the Chief Executive Officer's role for the running of the business. This division of responsibilities is established in a written statement which can be found on page 10.

### **Chief Executive Officer**

Our Chief Executive Officer has day to day management responsibility for running the Group's operations, for implementing the Group's strategy, as approved by the board, for applying Group policies and for promoting the Company's culture and standards, including those on governance. He has broad authority from the board to run the Company and he is accountable for, and reports to the board on, how it is performing. Our Chief Executive Officer also has a key role in the process for the setting and review of strategy. In addition, he ensures that the views of the executive directors' and wider workforce are shared with the board in a balanced way.

### **Senior Independent Director**

The Senior Independent Director's role is to provide a sounding board for the Chair, to act, if necessary, as a focal point and intermediary for the other non-executive directors and to ensure that any key issues not addressed by the Chair or the executive management are taken up. The Senior Independent Director and the Chair maintain a regular dialogue regarding current issues. The board recognises that, should any significant issues arise which threaten the stability of JM or its board, the Senior Independent Director may be required to work with the Chair or others or to intervene to resolve them.

The Senior Independent Director is available to shareholders should they have concerns which have not been resolved from contact through the normal channels of the Chair, Chief Executive Officer or other executive directors, or if the normal channels may be inappropriate. The Senior Independent Director is available to attend meetings with major shareholders to listen to their views in order to help develop a balanced understanding of their issues and concerns.

The Senior Independent Director is responsible for leading the annual appraisal of the Chair's performance and plays an important role by ensuring there is an orderly process for succession to the role of Chair of the board.

### **Non-Executive Directors**

The role of our non-executive directors is to scrutinise management's performance in meeting agreed goals and objectives and to monitor how that performance is reported. They must also be satisfied with the integrity of the Group's financial information on the effectiveness of financial controls and risk management systems.

As members of the board, the non-executive directors bring independent judgment and a range of experience to the board and therefore have a key role in constructively challenging the executive directors and management. This is vital to the independence and objectivity of the board's deliberations and decision making and is particularly important in helping develop proposals on strategy. The Chief Executive Officer, executive directors and management welcome, and are responsive to, constructive challenge by the non-executive directors on their



proposals. The non-executive directors' role is to support the decisions that have been taken and to support the leadership team in their delivery. Our non-executive directors also play an important part in supporting the Chair and the executive directors in embracing and representing the Company's culture, values and standards within the board and throughout JM.

Our non-executive directors are responsible for determining appropriate levels of remuneration for the executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning.

### **Executive Directors**

Our executive directors are responsible for the whole of the Group's operations and activities, risks and controls. They also promote the Company's culture and standards across the Group.

### **General Counsel and Company Secretary**

The General Counsel and Company Secretary reports to our Chair on board governance matters and together they keep the efficacy of the Company's and the board's governance processes under review. He is responsible for advising and keeping the board up to date on all legislative, regulatory and governance matters and developments. The General Counsel and Company Secretary's responsibilities also include ensuring good information flows within the board and its committees and between senior management and non-executive directors. Facilitating board inductions and assisting with professional development as required. His advice, services and support are available to each director.



## **5. Matters Reserved for the Board of Johnson Matthey Plc**

### **1. Strategy and management**

- 1.1 Setting the Group's purpose, values and behaviours.
- 1.2 Approval of the Group's long-term objectives and strategy.
- 1.3 Approval of the Group's sustainability strategy, including net zero commitments, science-based greenhouse gas targets and sustainable business goals.
- 1.3 Approval of the annual Group operating and capital expenditure budgets and any material changes to them.
- 1.4 Extension of the Group's activities into significantly new business or geographic areas.
- 1.5 Any decision to cease to operate all or any material part of the Group's business.

### **2. Structure and capital**

- 2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans), share buy-backs (including the use of treasury shares) and major debt financing.
- 2.2 Major changes to the Group's management and control structure.
- 2.3 Any changes to the Company's listing or its status as a public limited company.

### **3. Financial reporting and controls**

- 3.1 Approval of the interim results announcement, preliminary results announcement and the annual report and accounts, including reporting against the Financial Stability Board's Task Force on Climate-related Financial Disclosure requirements, following recommendation from the relevant board committees.
- 3.2 Approval of the dividend policy.
- 3.3 Declaration of the interim dividend and recommendation of the final dividend for shareholder approval.
- 3.4 Approval of any significant changes in accounting policies or practices following recommendation by the Audit Committee.
- 3.5 Approval of treasury policies following recommendation by the Audit Committee.
- 3.6 Approval of the Group's tax strategy.
- 3.7 Ensuring maintenance of a sound system of internal control and risk management following recommendation by the Audit Committee and Societal Value Committee, where appropriate, including:
  - approval of the Group's principal risks (including sustainability risk areas and those related to climate change) and risk appetite;
  - reviewing the effectiveness of the Group's risk and control processes; and
  - approval of procedures for the detection of fraud and anti-bribery.
- 3.8 Approval of the Company's Modern Slavery Statement, following recommendation by the Societal Value Committee.
- 3.9 Major changes to the Company's funding of the Group's pension schemes.



#### **4. Capital Expenditure**

- 4.1 Approval of major capital projects above £20 million<sup>1</sup>.
- 4.2 Approval of acquisitions or disposals of shares or fixed assets, or joint ventures, all with a £10 million enterprise value or above<sup>2</sup>.
- 4.3 Approval of significant strategic partnerships or outsourcings that are outside of the ordinary course of business, with a value of £10 million or above.
- 4.4 Approval of major rationalisation programmes or strategic change programmes with a cost of £10 million or above.

#### **5. Communication**

- 5.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 5.2 Approval of all circulars, prospectuses and listing particulars (other than routine documents).

#### **6. Culture**

- 6.1 Assessing and monitoring culture to ensure that behaviours, policies and practices (including those related to the workforce) are aligned with the Group's purpose, values and strategy.

#### **7. Board membership and other appointments**

- 7.1 On the recommendation of the Nomination Committee:
  - 7.1.1 Changes to the structure, size and composition of the board and its committees, following recommendation by the Nomination Committee.
  - 7.1.2 Approval of the Board's Diversity Policy.
  - 7.1.3 Approval of the appointment or removal of directors.
  - 7.1.4 Selection of the Chair of the board, Chief Executive Officer and Senior Independent Director.
  - 7.1.5 Appointment or removal of the General Counsel and Company Secretary
  - 7.1.6 Approval of the continuation in office of directors as appropriate and the recommendation to shareholders of their election or re-election.
  - 7.1.7 The suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.

Chief Executive Officer

- 7.2 Approval of directors' external appointments.
- 7.3 Recommendation to shareholders of appointment, reappointment or removal of the external auditor, following recommendation by the Audit Committee.

#### **8. Remuneration**

- 8.1 Determining the remuneration of executive directors following recommendation by the Remuneration Committee.

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<sup>1</sup> provided that matters below that threshold should be brought to the board irrespective of amount if felt by the Group Leadership Team to have a material or unusual aspect or be part of a programme of investment amounting to that level in aggregate.

<sup>2</sup> provided that matters below that threshold should be brought to the board irrespective of amount if felt by the Group Leadership Team or the General Counsel and Company Secretary to have a material or unusual aspect or where it is necessary for the board to consider potential reputational concerns.





8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

8.3 The introduction of new employee share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## **9. Corporate Governance**

9.1 Reviewing the Group's overall corporate governance arrangements.

9.2 The division of responsibilities between the Chair and the Chief Executive Officer, which is to be set out in writing.

9.3 Approval of the terms of reference of each board committee and any material changes to them.

9.4 Oversight of activities of the board committees through reports from each committee chair on their activities.

9.5 Undertaking a formal and rigorous review annually of the performance of the board, its committees and individual directors.

9.6 Determining the independence of non-executive directors in light of their character, judgement and relationships.

9.7 Considering the balance of interests between shareholders, employees, suppliers, customers and the community.

9.8 Receiving reports on the views of the Company's shareholders.

9.9 Authorising conflicts of interest where permitted by the Company's Articles of Association.

9.10 Approval of the level of Directors' & Officers' liability insurance.

9.11 Appointment of the Company's Registrar.

9.12 Approval of the Delegated Authorities Framework, including the Chief Executive Officer's authority limits (which must be in writing).

## **10. Contracts and litigation**

10.1 Approval of contracts for the purchase of goods and services (excluding metal) with a value of £500m or more in aggregate over the life of the contract.

10.2 Approval of contracts for the sale of goods and services (excluding metal) with a value of £1 billion or more in aggregate over the life of the contract.

10.3 Approval of material contracts with unlimited liability, as determined by the General Counsel.

10.4 Approval of any contract which is strategically material by reason of term, size or duration or that is outside the ordinary course of business.

10.5 Approval of the initiation of proceedings, defence or settlement of litigation with a potential value of over £25m or otherwise material to the interests of the Group.

10.6 Notification of new litigation against the Company or any of its subsidiaries, and any significant prosecutions or regulatory inquiries.

## **11. Other**

11.1 The making of political donations or political expenditure.

11.2 Oversight of matters which would have a significant impact on the Group's reputation.



- 11.3 Any matter exceeding the authority delegated to the Chief Executive Officer via the Delegated Authorities Framework.
- 11.4 Major changes to the rules of the Group’s pension scheme, or changes of trustees or when this is subject to the approval of the Group changes in the fund management arrangements.
- 11.5 This schedule of matters reserved for the board.

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*Reviewed and approved by the Board on 23<sup>rd</sup> May 2023.*

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## 6. Statement of Division of Responsibilities between the Chair and the Chief Executive Officer of Johnson Matthey Plc

CHAIR	CHIEF EXECUTIVE OFFICER
<b>1. Role</b>	
The Chair's role is to lead the board and to create the conditions for overall board and individual director effectiveness.	The Chief Executive Officer's role is to run the Group's business while being accountable and reporting to the board.
<b>2. Reporting lines</b>	
2.1 The Chair reports to the board.	2.1 The Chief Executive Officer reports to the Chair and to the board directly.
2.2 Other than the Chief Executive Officer and the General Counsel and Company Secretary, no executive reports to the Chair, other than through the board.	2.2 The Chief Executive Officer is responsible for all leadership team matters affecting the Group. All members of the Group Leadership Team report directly to the Chief Executive Officer.
<b>3. Key responsibilities</b>	
3.1 The Chair's principal responsibility is the effective running of the board. The Chair is not responsible for executive matters regarding the Group's business.	3.1 The Chief Executive Officer's principal responsibility is running the Group's business.
3.2 The Chair is responsible for promoting a culture of openness and debate, ensuring that the board as a whole plays a full and constructive part in the development and determination of the Group's strategy and major policies.	3.2 The Chief Executive Officer is responsible for proposing and developing the Group's strategy and overall commercial objectives, in close consultation with the Chair and the board.
3.3 The Chair is the guardian of the board's decision-making processes.	3.3 The Chief Executive Officer is responsible, with the leadership team, for implementing the decisions of the board and its committees and reporting to the board on progress.

4. Other responsibilities	
<p>4.1 Running the board and setting its agenda.</p>	<p>4.1 Providing input to the board’s agenda on their own behalf and on behalf of other members of the leadership team.</p>
<p>4.2 Ensuring that board agendas take full account of the important issues facing the Group, providing adequate time for discussion of the concerns of all board members. There should be an emphasis on strategic, rather than routine, issues.</p>	<p>4.2 Ensuring maintenance of a dialogue with the Chair on the important and strategic issues facing the Group and proposing board agendas to the Chair which reflect these.</p>
<p>4.3 Ensuring that the board receives accurate, timely and clear information on:</p> <ul style="list-style-type: none"> <li>• the Group’s performance; and</li> <li>• the issues, challenges and opportunities facing the Group and matters reserved for their decision.</li> </ul>	<p>4.3 Ensuring that the executive team gives appropriate priority to providing reports to the board which contain accurate, timely and clear information.</p>
<p>4.4 Ensuring, with the advice of the General Counsel and Company Secretary where appropriate, compliance with the board’s approved procedures, including the schedule of Matters Reserved for the Board and each Committee’s Terms of Reference.</p>	<p>4.4 Ensuring, in consultation with the Chair and the General Counsel and Company Secretary as appropriate, that the executive team comply with the board’s approved procedures, including the schedule of Matters Reserved for the Board for its decision and each Committee’s Terms of Reference.</p>
<p>4.5 Arranging informal meetings of the directors, including meetings of the non-executive directors at which the executive directors are not present, as required to ensure that sufficient time and consideration is given to complex, contentious or sensitive issues.</p>	<p>4.5 Ensuring that the Chair is alerted to forthcoming complex, contentious or sensitive issues affecting the Group of which the Chair might not otherwise be aware.</p>
<p>4.6 Proposing to the board, in consultation with the Chief Executive Officer, General Counsel and Company Secretary and Committee Chairs as appropriate:</p> <ul style="list-style-type: none"> <li>• a schedule of Matters Reserved for the Board; and</li> <li>• Terms of Reference for each board Committee and other board policies and procedures.</li> </ul>	<p>4.6 Providing input to the Chair and General Counsel and Company Secretary on appropriate changes to the schedule of Matters Reserved for the Board and Committee Terms of Reference.</p>

<p>4.7 Chairing the Nomination Committee, and, in that role, initiating change and succession planning in board appointments to retain and build an effective and complementary board, and to facilitate the appointment of effective and suitable members of board committees.</p>	<p>4.7 Providing information and advice on succession planning, to the Chair, the Nomination Committee, and other members of the board, particularly in respect of executive directors.</p>
<p>4.8 Proposing, in conjunction with the Nomination Committee, the membership of board committees and their Chairs.</p>	<p>4.8 If so appointed by the board, serving on the Nomination Committee.</p>
<p>4.9 Seek regular engagement with major shareholders, ensuring that there is an effective system for communication by the Group with its shareholders and for ensuring that the board as a whole has a clear understanding of the views of shareholders.</p>	<p>4.9 Ensuring effective communication with shareholders and ensuring that their views are communicated to the board.</p>
<p>4.10 Taking the lead in providing a properly constructed induction programme for new directors, facilitated by the General Counsel and Company Secretary.</p>	<p>4.10 Commenting on induction programmes for new directors and ensuring that appropriate management time is made available for the process.</p>
<p>4.11 Taking the lead in identifying and seeking to meet the development needs both of individual directors and of the board as a whole, assisted by the General Counsel and Company Secretary.</p>	<p>4.11 Ensuring that the development needs of the executive directors and other members of the Group Leadership Team are identified and met.</p>
<p>4.12 Ensuring that the performance of the board as a whole, its committees, and individual directors is formally and rigorously evaluated at least once a year and that the evaluation of the board is externally facilitated at least every three years.</p>	<p>4.12 Ensuring that performance reviews are carried out at least once a year for each of the executive directors. Providing input to the wider board evaluation process.</p>
<p>4.13 Promoting the highest standards of integrity, probity and corporate governance throughout the Group and particularly at board level.</p>	<p>4.13 Promoting and conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance.</p>
<p><b>Any amendments to this statement shall be a Matter Reserved for the Board.</b></p>	

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*Reviewed and approved by the Board on 23<sup>rd</sup> May 2023.*

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## **7. Audit Committee of Johnson Matthey Plc Terms of Reference**

### **1. Membership**

- 1.1 The Audit Committee (the Committee) of Johnson Matthey Plc (the Company) shall be appointed by the board, on the recommendation of the Nomination Committee in consultation with the Committee Chair.
- 1.2 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. The Committee shall have competence relevant to the sectors in which the Company operates. The Committee shall also have at least one member with recent and relevant financial experience and with competence in accounting or auditing, ideally with a professional qualification from one of the professional accountancy bodies. The Chair of the board shall not be a member of the Committee.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the board, the Chief Executive Officer, the Chief Financial Officer, the Group Assurance and Risk Director, the external auditor and representatives from finance and other functions may be invited to attend for all or part of any meeting as and when appropriate.
- 1.4 The Committee Chair shall be appointed by the board. In the absence of the Committee Chair and/or an appointed deputy, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

### **2. Secretary**

- 2.1 The General Counsel and Company Secretary or his or her nominee shall act as secretary of the Committee (the Secretary).

### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two members. Formal decisions are made by a simple majority. In the case of equality of votes, the Committee Chair shall have a second or casting vote.

### **4. Frequency of Meetings**

- 4.1 The Committee shall meet at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required.
- 4.2 Outside of the formal meeting programme, the Committee Chair shall maintain a dialogue with key individuals involved in the Company's governance, including the Chair of the board, the Chief Executive Officer, the Chief Financial Officer, the external audit lead partner and the Group Assurance and Risk Director.

### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary at the request of any of its members or at the request of the external audit lead partner or Group Assurance and Risk Director, if they consider it necessary.
- 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 any 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. Minutes shall also be circulated to all other members of the board unless in the opinion of the Committee Chair or Secretary it would be inappropriate to do so.

## **7. Engagement with shareholders**

- 7.1 The Committee Chair shall attend the Company's Annual General Meeting to answer shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibilities.

## **8. Responsibilities**

### **8.1 Financial Reporting**

The Committee shall:

- 8.1.1 monitor the integrity of the reported financial information, including the financial statements of the Company and Group, included in its annual and half-yearly reports, and any other formal announcement relating to its financial performance, reviewing and reporting to the board on significant financial reporting issues and judgments which they contain, having regard to matters communicated to it by the external auditor; and

- 8.1.2 review and challenge where necessary:

- (i) the assumptions used in going concern and ongoing viability assessments;
- (ii) the consistency of, and any changes to, significant accounting policies both on a year-on-year basis and across the Company and Group;
- (iii) the methods used to account for significant or unusual transactions where different approaches are possible;
- (iv) whether the Company and Group have followed appropriate accounting policies and that any estimates and judgments that are made are appropriate, taking into account the views of the external auditor;
- (v) the level of assurance that is obtained over the front half of the annual report and accounts, the assumptions associated with climate change and the impact on the Company's and Group's financial reports;
- (vi) the clarity and completeness of disclosure in the Company's and Group's financial reports and the context in which statements are made; and
- (vii) all related material information presented with the financial statements, such as the strategic report and the corporate governance statement (insofar as it relates to the audit and risk management).

- 8.1.3 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the board.

### **8.2 Narrative Reporting**

The Committee shall review and assess:

- 8.2.1 the process by which management gives assurance that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. The Committee shall confirm to the board as to whether such process is satisfactory and provide advice if requested.

- 8.2.3 the effectiveness, independence and objectivity of assurance obtained over climate related information and disclosures.

### 8.3 *Internal Control and Risk Management Systems*

The Committee shall:

- 8.3.1 keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems including in respect of risks associated with metal holdings and credit; and
- 8.3.2 review and approve the statements to be included in the annual report and accounts concerning internal controls and risk management.

### 8.4 *Internal Audit*

The Committee shall:

- 8.4.1 monitor and review the effectiveness of the Company's Group Assurance and Risk function;
- 8.4.2 approve the appointment and removal of the Group Assurance and Risk Director;
- 8.4.3 annually review and approve the charter of the Group Assurance and Risk function, ensuring it is appropriate for the current needs of the Company and Group, and ensure the function has the necessary resources and access to information to enable it to fulfil its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;
- 8.4.4 ensure the Group Assurance and Risk Director has direct access to the board Chair and to the Committee Chair, and is accountable to the Committee;
- 8.4.5 review and approve the annual internal audit plan;
- 8.4.6 review reports addressed to the Committee from the Group Assurance and Risk Director;
- 8.4.7 review and monitor management's responsiveness to the findings and recommendations of the Group Assurance and Risk Director;
- 8.4.8 meet the Group Assurance and Risk Director at least once a year, without management present, to discuss their remit and any issues arising from the internal audits carried out; and
- 8.4.9 consider whether an independent, third-party review of processes is appropriate.

### 8.5 *External Audit*

The Committee shall:

- 8.5.1 consider and make recommendations to the board, to be put to shareholders for approval at the Company's annual general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- 8.5.2 taking into account the UK Corporate Governance Code 2018 (the Code) and relevant legal and regulatory framework, consider the appropriate frequency and timing for putting the audit services contract out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the planning and selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process;



8.5.3 if an auditor resigns, investigate the issues leading to this and decide whether any action is required;

8.5.4 oversee the relationship with the external auditor including (but not limited to):

- (i) approving their terms of engagement, including any engagement letter issued at the start of each audit;
- (ii) approving their fee for audit services, ensuring that such fee is appropriate to enable an effective and high-quality audit to be conducted;
- (iii) reviewing and approving the annual external audit plan, including agreeing the audit scope, approach, and levels of materiality as well as reviewing the seniority, expertise and experience of the audit team;
- (iv) reviewing the findings of the audit with the external auditor. This shall include but not be limited to the following:
  - a discussion of any major issues which arose during the audit;
  - any key accounting and audit judgments;
  - levels of errors identified during the audit; and
  - any control weaknesses identified.
- (v) review any audit representation letter(s) as requested by the external auditor before they are signed on behalf of the board;
- (vi) assessing annually the expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures and taking into account findings and conclusions by the Financial Reporting Council;
- (vii) assessing annually their independence and objectivity, taking into account relevant UK professional and regulatory requirements and the relationship with the external auditor as a whole, including the appropriateness of the provision of any non-audit services;
- (viii) developing and implementing a policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any ethical guidance on this matter; and keeping this policy and any fees paid to the external auditor in respect of the supply of non-audit services under review;
- (ix) monitoring the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner;
- (x) monitoring compliance with the Company's policy on the employment of former employees of the Company's auditor;
- (xi) seeking to ensure co-ordination with the activities of the Group Assurance and Risk function; and
- (xii) meeting regularly with the external auditor, including at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit.

## 8.6 *Sustainability*

8.6.1 Review and assess the sustainability goals and targets recommended by the Societal Value Committee to ensure they are measurable and assurable.

## **9. Reporting Responsibilities**

- 9.1 The Committee Chair shall formally report to the board on the proceedings after each meeting on all matters discussed, including how it has discharged its responsibilities. This report shall include amongst other things:
- 9.1.1 the significant issues that it considered in relation to the financial statements and how these were addressed;
  - 9.1.2 the outcome of the external audit, how it contributed to the integrity of financial reporting and the Committee's role in that process;
  - 9.1.3 its assessment of the independence and effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor;
  - 9.1.4 an explanation of how external auditor independence and objectivity are safeguarded if the external auditor provides non-audit services; and
  - 9.1.5 any other issues on which the board has requested the Committee's opinion.
- 9.2 The Committee shall make whatever recommendations to the board as it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall produce a report to be included in the Company's annual report and accounts 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 Secretarial team for advice and 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 Disclosure Guidance and Transparency Rules and any other applicable rules as appropriate;
- 10.4 work and liaise as necessary with all other board committees; and
- 10.5 arrange an annual review 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 to:

- 11.1 seek any information it requires from any officer or employee of the Company or Group in order to perform its duties;
- 11.2 obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;



- 11.3 publish in the Company's annual report and accounts details of any issues that cannot be resolved between the Committee and the board; and
- 11.4 delegate any of its powers to a sub-committee comprising at least any two Committee members one of who must be the Committee Chair.

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*Reviewed by the Committee on 23<sup>rd</sup> March 2023 and approved by the Board on 23<sup>rd</sup> May 2023.*

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## **8. Remuneration Committee of Johnson Matthey Plc Terms of Reference**

### **1. Membership**

- 1.1 The Remuneration Committee (the Committee) of Johnson Matthey Plc (the Company) shall be appointed by the board, on the recommendation of the Nomination Committee, in consultation with the Committee Chair, and shall comprise at least three members, all of whom shall be independent non-executive directors. The Chair of the board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chair.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief HR Officer, the Group Reward & Benefits Director and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3 The Committee Chair shall be appointed by the board and shall be an independent non-executive director who has served on a remuneration committee for at least twelve months prior to their appointment as Committee Chair. In the absence of the Committee Chair 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. The Chair of the board shall not be the Committee Chair.

### **2. Secretary**

- 2.1 The Chief HR Officer 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. Formal decisions are made by a simple majority. In the case of equality of votes, the Committee Chair shall have a second or casting vote.

### **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 called by the Secretary at the request of the Committee Chair or the Chair of the board.
- 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 any 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 names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Minutes shall also be circulated to all other members of the board, unless in the opinion of the Committee Chair or Secretary it would be inappropriate to do so.

### **7. Engagement with shareholders**

- 7.1 The Committee Chair shall attend the Company's Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair will seek engagement with shareholders on significant matters related to the Committee's areas of responsibilities, including, should the circumstance arise, where there is a significant vote against a remuneration resolution at a shareholder meeting.

## 8. Responsibilities

- 8.1 Determine the policy for directors' remuneration and setting remuneration for the Company's Chair and executive directors and senior management, including the General Counsel and Company Secretary, in accordance with the Principles and Provisions of the 2018 UK Corporate Governance Code (Code).
- 8.2 Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.
- 8.3 Design remuneration policies and practices to support strategy, including alignment with the Group's sustainability strategy, and promote long-term sustainable success, with executive remuneration aligned to company purpose and values, clearly linked to the successful delivery of the company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances.
- 8.4 When determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- 8.5 No director or senior manager shall be involved in any decisions as to their own remuneration outcome. The board itself or, where required by the Company's Articles of Association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Company's Articles of Association.
- 8.6 In determining remuneration policy, take into account all other factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders.
- 8.7 Review the ongoing appropriateness and relevance of the Remuneration Policy.
- 8.8 Within the terms of the agreed policy and in consultation with the chair and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of each executive director, the company chair and leadership team including bonuses, incentive payments and share options or other share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of company and individual performance, and wider circumstances.
- 8.9 Determine and agree the general terms and conditions of service contracts for all board members, Group Leadership Team and the Company Secretary.
- 8.10 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations, the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, at the expense of the Company but within any budgetary restraints imposed by the board. The Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
- 8.11 Recommend the design of all share incentive plans and long-term incentive plans, including significant changes to existing plans (except in the circumstances permitted by the Listing Rules) for approval by the board and, where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the levels of awards to executive directors, Group Leadership Team (GLT) members and the General Counsel and Company Secretary and the performance targets to be used.
- 8.12 Ensure that the contractual terms on the termination of directors, GLT members and the General Counsel and Company Secretary, and any payments made on termination are fair and that failure is not rewarded and that the duty to mitigate loss is fully recognised.



- 8.13 Review workforce remuneration and significant related policies, including the alignment of incentives and rewards with culture.
- 8.14 Ensure that the views of the workforce are given consideration.
- 8.15 Ensure, where relevant, that any payments made are permitted under the latest shareholder approved Directors' Remuneration Policy and, if not, that either a revised Directors' Remuneration Policy or the proposed payment is submitted for shareholder approval.
- 8.16 Work and liaise as necessary with all other board committees.

## **9. Reporting Responsibilities**

- 9.1 The Committee Chair shall formally report to the board on its proceedings after each meeting on all matters discussed including how it has discharged its responsibilities.
- 9.2 The Committee shall make whatever recommendations to the board it deems appropriate on any matter within its responsibilities where action or improvement is needed.
- 9.3 The Committee shall provide a description of its work in the annual report and accounts in line with the requirements of the Code.
- 9.4 The Committee shall ensure that provisions regarding disclosure of information as set out in the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled, and that a report on the directors' remuneration policy and practices is included in the Company's annual report and put to shareholders for approval at the AGM as necessary.
- 9.5 If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report and accounts alongside a statement about any other connection it has with the Company or individual directors.

## **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 Secretarial team for advice and 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 on-going basis for all members;
- 10.3 give due consideration to applicable laws, regulations and any published guidelines or recommendations regarding the remuneration of listed companies and formation and operation of share schemes including, but not limited to, the Code, the requirements of the UK Listing Authority's Disclosure Guidance and Transparency Rules as well as guidelines published by the Investor Association and Pensions & Lifetime Savings Association and any other applicable rules, as appropriate; and
- 10.4 arrange an annual review 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 to:

- 11.1 seek any information it requires from any officer or employee of the Company or Group in order to perform its duties;
- 11.2 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference, including the advice of independent remuneration consultants; and



- 11.3 delegate any of its powers to a sub-committee comprising at least any two Committee members, one of who must be the Committee Chair.

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*Reviewed by the Committee on 23<sup>rd</sup> May 2023 and approved by the Board on 23<sup>rd</sup> May 2023.*

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## **9. Nomination Committee of Johnson Matthey Plc Terms of Reference**

### **1. Membership**

- 1.1 The Nomination Committee (the Committee) of Johnson Matthey Plc (the Company) shall be appointed by the board and shall comprise at least three members, all of whom 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 Officer, the Chief HR Officer, the Group Talent Director and external advisers may be invited to attend for all or any part of any meeting as and when appropriate.
- 1.3 The Committee Chair shall be appointed by the board and shall either be the Chair of the board or an independent non-executive director. The Chair of the board shall not chair the Committee when it is dealing with the matter of his/her succession. In the absence of the Committee Chair and/or an appointed deputy, the remaining members of the Committee present shall elect one of themselves to chair the meeting.

### **2. Secretary**

- 2.1 The General Counsel and 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. Formal decisions are made by a simple majority. In the case of equality of votes, the Committee Chair shall have a second or casting vote.

### **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 called by the Secretary at the request of the Committee Chair or any of its members.
- 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. Minutes shall also be circulated to all other members of the board unless in the opinion of the Committee Chair or the Secretary it would be inappropriate to do so.

### **7. Engagement with shareholders**

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

### **8. Responsibilities**

- 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 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 marketplace in both the short and long-term.
- 8.3 Undertake the following in relation to board and Group Leadership Team (the GLT) 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 GLT);
  - 8.3.2 consider and approve the succession plans for directors (both executive and non-executive) and in particular the key roles of Chair of the board and Chief Executive Officer, ensuring that the Chair does not remain in post beyond nine years from the date of first appointment, unless for a limited time and to facilitate effective succession planning;
  - 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 considering the challenges and opportunities facing the Group, its long-term strategic goals and the skills and expertise needed on the board and the GLT 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 appointment and the time commitment expected.
- 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; and
  - 8.6.3 consider candidates on merit and against objective criteria, having due regard to the benefits of diversity on the board.
- 8.7 For the appointment of the Chair 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 Chair 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 outcomes and actions arising from the board performance evaluation process that relate to the composition of the board and succession planning.
- 8.10 Review annually the time required from non-executive directors. The performance evaluation shall include assessment of whether the non-executive directors are spending enough time to fulfil their duties.
- 8.11 Periodically assess the knowledge, skills and experience of individual members of the board and the board collectively.
- 8.12 Review and recommend the Board's Diversity Policy to the board for approval.
- 8.13 Identify and recommend to the board for approval suitable candidates for the role of Senior Independent Director.
- 8.14 Identify and recommend to the board for approval membership of the Audit, Remuneration and Societal Value Committees, and any other board committees as appropriate, in consultation with the chair of those committees.



8.15 Consider and recommend to the board for approval:

8.15.1 the re-appointment of any non-executive director at the conclusion of their specified term of office; and

8.15.2 the re-election by shareholders of any director under the annual re-election provisions of the UK Corporate Governance Code 2018 (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).

8.16 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.

8.17 Consider the appointment of any director to executive or other office outside of the Group and ensure the number of external directorships remains in accordance with the Code.

8.18 Review the training and development needs of the board as a whole.

## **9. Reporting Responsibilities**

9.1 The Committee Chair shall formally report to the board on its proceedings after each meeting on all matters discussed including how it has discharged its 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 and accounts 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 Secretarial team 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 Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;

10.4 work and liaise as necessary with all other board committees; and

10.5 arrange for an annual review 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 to:

11.1 seek any information it requires from any officer or employee of the Company or Group in order to perform its duties;

11.2 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and



- 11.3 delegate any of its powers to a sub-committee comprising at least any two Committee members, one of who must be a Committee Chair.

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*Reviewed by the Committee on 22<sup>nd</sup> May 2023 and approved by the Board on 23<sup>rd</sup> 2023.*

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## **10. Societal Value Committee of Johnson Matthey Plc Terms of Reference**

### **1. Membership**

- 1.1 The Societal Value Committee (the Committee) of Johnson Matthey Plc (the Company) shall be appointed by the board and shall comprise all members of the board.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisers may be invited to attend for all or any part of any meeting as and when appropriate.
- 1.3 The Committee Chair shall be appointed by the board. In the absence of the Committee Chair 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 General Counsel and 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. Formal decisions are made by a simple majority. In the case of equality of votes, the Committee Chair shall have a second or casting vote.

### **4. Frequency of Meetings**

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

### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary at the request of any of its members.
- 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. Minutes shall also be circulated to all other members of the board unless in the opinion of the Committee Chair or the Secretary it would be inappropriate to do so.

### **7. Engagement with shareholders**

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

### **8. Responsibilities**

#### *Sustainability*

- 8.1 To assist the Board in overseeing the execution of the Group's sustainability strategy, including net zero commitments, science-based greenhouse gas targets and sustainable business goals (Sustainability Targets) by reviewing, challenging and developing (with the Group Leadership Team) proposals on the Group's sustainability strategy, including the strategic direction of the proposals and targets, and recommend them to the board for approval.



- 8.2 Review and assess the risks related to sustainability, including the transitional and physical risks of climate change, and recommend to the board how these risks could be mitigated.
- 8.3 To agree and monitor the metrics used to track progress of the Sustainability Targets and other climate-related risks and opportunities in accordance with the Financial Stability Board's Task Force on Climate-related Financial Disclosure requirements.
- 8.4 To keep up to date with societal value topics including JM's stakeholders' expectations on such matters.

#### *Diversity and Inclusion*

- 8.5 Challenge and monitor progress against JM's diversity targets and drive JM to be a truly inclusive organisation with a diverse workforce at all levels.
- 8.6 Review and approve the Group's policy on diversity and inclusion.

#### *Ethics and Compliance*

- 8.7 To oversee the ethical conduct of the Group, including:
  - 8.7.1 reviewing significant concerns raised pursuant to the Speak Up process, including the outcome of investigations and proposed remediation action(s);
  - 8.7.2 reviewing procedures for handling allegations to ensure they allow proportionate and independent investigation, and appropriate, effective follow-up action;
  - 8.7.3 reviewing ethics policies and codes of conduct; and
  - 8.7.4 reviewing the adequacy and effectiveness of the Company's risk management systems in respect of bribery and corruption and money laundering and fraud.
- 8.8 To promote sustainable and responsible business practices, including the provision of quality products, to approve JM's Supplier Code of Conduct and review and recommend to the Board for approval the Modern Slavery Statement.

#### *Reporting*

- 8.9 Assess, review and recommend to the Board for approval the sustainability section of the annual report and accounts or any additional sustainability report, and other public documents related to reporting on societal value matters.

### **9. Reporting Responsibilities**

- 9.1 The Committee Chair shall report formally to the board on its proceedings after each meeting on all matters discussed including how it has discharged its 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.

### **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 Secretarial team 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 Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- 10.4 work and liaise as necessary with all other board committees; and
- 10.5 arrange for an annual review 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 to:

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

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*Reviewed by the Committee on 22<sup>nd</sup> May 2023 and approved by the Board on 23<sup>rd</sup> May 2023.*

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## **11. Disclosure Committee of Johnson Matthey Plc Terms of Reference**

### **1. Membership**

1.1 The Disclosure Committee (the Committee) of Johnson Matthey Plc (the Company) has been established by the board and comprises the following members:

General Counsel and Company Secretary (Chair)  
Chief Executive Officer  
Chief Financial Officer  
Investor Relations Director  
Group Corporate Affairs Director

1.2 In the absence of the Chair, the remaining members present shall elect one of themselves to chair the meeting.

1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals, including external advisers, may be invited to attend for all or any part of any meeting as and when appropriate.

### **2. Secretary**

2.1 A member of the Company Secretarial team will act as Secretary to the Committee (the Secretary).

### **3. Quorum**

3.1 The quorum necessary for the transaction of business shall be two members.

### **4. Frequency of Meetings**

4.1 The Committee shall meet as and when deemed necessary, with no fewer than three meetings a year.

### **5. Notice of Meetings**

5.1 There shall be no notice requirement for the convening of Committee meetings. A quorum of members of the Committee may reach a decision in any reasonable manner without notice to the other members and without convening a meeting of the Committee.

### **6. Minutes of Meetings**

6.1 The Secretary shall record the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

6.2 Draft records of Committee meetings shall be circulated to all members of the Committee. Records shall also be circulated to all other members of the board unless in the opinion of the Committee Chair or Secretary it would be inappropriate to do so.

### **7. Responsibilities**

The Committee has been established to:

- assist and inform the decisions of the Board concerning the identification of inside information (as defined by the UK Market Abuse Regulation);
- to make recommendations or determinations as to how and when the Company should disclose that information, in accordance with all applicable legal and regulatory requirements; and
- ensure that adequate procedures, systems and controls are maintained to help the Company fulfil its obligations regarding the timely and accurate identification and disclosure of all information to meet the legal and regulatory obligations and requirements arising under the Financial Conduct Authority's ("FCA") Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

The responsibilities of the Committee are as follows:

- 7.1 ensure full compliance with the requirement to make timely and accurate disclosure of all material information that is required to be so disclosed to meet the legal and regulatory obligations and requirements arising from the Financial Conduct Authority Listing Rules, Disclosure Guidance and Transparency Rules and UK Market Abuse Regulation;
- 7.2 draw up and maintain procedures, systems and controls for the identification, treatment and disclosure of inside information, and for complying with other disclosure obligations falling on the Company under the FCA Listing Rules, Disclosure Guidance and Transparency Rules and UK Market Abuse Regulation (the Disclosure Procedures);
- 7.3 consider the requirement for announcements in the case of rumours relating to the Company;
- 7.4 consider whether the conditions for delaying disclosure of inside information are satisfied and, where appropriate, implement and monitor the delay procedure;
- 7.5 identify and consider disclosure issues in connection with the preparation of periodic reports and participate in the review of such disclosures;
- 7.6 identify inside information for the purposes of maintaining the insider lists;
- 7.7 implement the Disclosure Procedures including, where appropriate, arranging for the dissemination of guidelines and training;
- 7.8 keep the adequacy of the Disclosure Procedures under review;
- 7.9 monitor compliance with the Disclosure Procedures;
- 7.10 determine whether information that is submitted to it requires disclosure and determine any other issue relating to the application of the Disclosure Procedures that is required to be submitted to it for determination; and
- 7.11 ensure that all material news releases, regulatory announcements, shareholder circulars, prospectuses and other documents issued by the Company under any legal or regulatory requirement are scrutinised in order to ensure that they comply with applicable requirements and are true, accurate and complete.

## **8. Reporting Responsibilities**

- 8.1 The Committee Chair shall formally report to the board on its proceedings at the next board meeting.
- 8.2 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. Authority**

- 9.1 In fulfilling its duties, the Committee is authorised by the board to:
  - 9.1.1 seek any information it requires from any employee in order to perform its duties;
  - 9.1.2 delegate the implementation of its decisions to any relevant officers or employees of the Company or its advisers, as it considers necessary;
  - 9.1.3 obtain external professional advice at the expense of the Company and to secure the attendance of third parties with relevant experience and expertise at Committee meetings if it considers this necessary; and
  - 9.1.4 consult with corporate brokers and legal advisers when appropriate to assess whether information may constitute inside information and, if so, the nature and scope of any disclosure obligation.

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*Reviewed and approved by the Board on 23<sup>rd</sup> May 2023.*

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## **12. Ethics Panel of Johnson Matthey Plc Terms of Reference**

### **1. Membership**

- 1.1 The Ethics Panel (the Panel) of Johnson Matthey Plc (the Company) has been established by the board and comprises the General Counsel and Company Secretary, Chief HR Officer, Chief Technology Officer, Group Assurance and Risk Director and Group Head of Ethics and Compliance.
- 1.2 Only members of the Panel have the right to attend Panel meetings. However, other individuals may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3 The General Counsel and Company Secretary shall act as Chair of the Panel. In the absence of the Chair, the remaining members present shall elect one of themselves to chair the meeting.

### **2. Secretary**

- 2.1 A member of the Company Secretarial team shall act as secretary of the Panel (the Secretary).

### **3. Quorum**

- 3.1 A quorum of the Panel shall be two members.

### **4. Frequency of Meetings**

- 4.1 The Panel shall meet at least four times a year and otherwise as required.

### **5. Notice of Meetings**

- 5.1 Meetings of the Panel shall be called by the Secretary at the request of any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers shall be forwarded to each member of the Panel no less than three clear working days before the date of the meeting.

### **6. Minutes of Meetings**

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

### **7. Responsibilities**

- 7.1 The responsibilities of the Panel, which will be carried out in relation to the Company and all its group companies, include:
  - 7.1.1 oversee concerns raised pursuant to the Speak Up process via various means, which are entered into the Speak Up case management system;
  - 7.1.2 oversee investigations in relation to concerns raised pursuant to the Speak Up process;
  - 7.1.3 advise in relation to closing investigations and review investigator/Group Ethics & Compliance recommendations provided to the relevant business/function (implemented as the business/function deems appropriate);
  - 7.1.4 collect, analyse and report to the board, the Societal Value Committee and the Group Leadership Team (GLT) notable Speak Up matters, key insights and general patterns/trends of significance

and effectiveness and adequacy of procedures, where internal policies, confidentiality and the law permit; and

- 7.1.5 review the adequacy and effectiveness of the procedures for handling and resolving all Speak Up concerns raised, to ensure:
- (i) concerns are treated confidentially, and can be made anonymously (if requested);
  - (ii) the proportionality and independence of investigations; and
  - (iii) resolution of Speak Up matters and recommendations provided to the relevant business/function are appropriate and reflect the cultural and ethical values of the Group and align with the overall purpose and strategy of the Group.

## **8. Reporting Responsibilities**

- 8.1 The Chair will report to the board regarding notable Speak Up matters, key insights, and general patterns/trends of significance at least annually.
- 8.2 The Panel will issue a report annually to the Audit Committee on the effectiveness and adequacy of the procedures for handling all Speak Up concerns.
- 8.3 The Panel will issue a report quarterly to the GLT regarding key insights and general patterns/trends of significance during the period, and the Chair will verbally notify the GLT in the interim period of notable Speak Up matters.

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*Reviewed and approved by the Board on 23<sup>rd</sup> May 2023.*

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## **13. Group Leadership Team of Johnson Matthey Plc Terms of Reference**

### **1. Membership**

- 1.1 The Group Leadership Team (GLT) is established under the authority of the Chief Executive Officer of Johnson Matthey Plc (the Company). The GLT is responsible for assisting the Chief Executive Officer in the performance of his/her duties in respect of the Johnson Matthey Group (the Group) within the limits of his/her authority.

The GLT comprises the following members:

Chief Executive Officer  
Chief Financial Officer  
Each Sector Chief Executive Officer  
Chief Technology Officer  
Chief Strategy and Transformation Officer  
Chief HR Officer  
President, China  
Chief Sustainability Officer  
General Counsel and Company Secretary

- 1.2 Only members of the GLT have the right to attend meetings. However, other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 1.3 The Chief Executive Officer will chair meetings. In the absence of the Chief Executive Officer, the chair will be delegated to the Chief Financial Officer.

### **2. Secretary**

- 2.1 A member of the Company Secretarial team will act as Secretary to the Committee (the Secretary).

### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be three members, one of whom must either be the Chief Executive Officer or the Chief Financial Officer.

### **4. Frequency of Meetings**

- 4.1 The GLT shall meet at least six times a year and otherwise as required.

### **5. Notice of Meetings**

- 5.1 Meetings of the GLT shall be called by the Secretary at the request of any of its members. 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 GLT member and any other person required to attend at least four 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 GLT meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of the GLT meetings shall be circulated to all members. Minutes shall also be circulated to the board unless in the opinion of the Committee Chair or Secretary it would be inappropriate to do so.

### **7. Responsibilities**

- 7.1 *Objectives and strategy*

- 7.1.1 Recommend objectives and strategy for the Group in the development of its business to the board, having regard to the interests of its shareholders, customers, employees and other stakeholders;



- 7.1.2 Develop and make proposals to the Societal Value Committee on the Group's sustainability strategy, including net zero commitments, science-based greenhouse gas targets and sustainable business goals (Sustainability Targets), and the strategic direction of the proposals and Sustainability Targets; and
- 7.1.3 The successful execution of Group, Sector and Functional strategy.
- 7.2 *Performance and operations*
  - 7.2.1 Present the Group's budget and three-year plan to the board and following their approval, the achievement of budgets and plans;
  - 7.2.2 Develop and review Sector budgets to ensure that they fall within the agreed Group targets;
  - 7.2.3 Monitor performance against targets, objectives and key performance indicators;
  - 7.2.4 Optimise the allocation and adequacy of the Group's resources; and
  - 7.2.5 Ensure the active liaison, coordination and cooperation between Sectors.
- 7.3 *Capital Expenditure*
  - 7.3.1 Approval of major capital expenditure projects with a value above £5m, including project budget and final project specification.
  - 7.3.2 Approval of acquisitions or disposals of shares<sup>3</sup> or assets, joint ventures, or significant strategic partnerships, and/or outsourcings that are outside of the ordinary course of business, all with a £1m enterprise value or above and recommend those with a £10m enterprise value or above to the board.
  - 7.3.3 Approval of major rationalisation and/or strategic change programmes with a value of over £5m.
  - 7.3.4 Approve any other capital expenditure request in accordance with delegated authorities.
- 7.4 *Culture, Ethics and Compliance*
  - 7.4.1 Give leadership on the culture and the values of the Company;
  - 7.4.2 Understand the engagement and enablement of the Company's employees through review of all-employee surveys (e.g. yourSay);
  - 7.4.3 Give leadership on ethics and compliance and monitor compliance performance;
  - 7.4.4 Lead on diversity and inclusion for the Group, including how this is communicated across the Group, monitor performance against the Group's diversity and inclusion policy and ensure that data relating to diversity and inclusion is reportable and verified; and
  - 7.4.5 Review the Group's Modern Slavery Statement and recommend it to the Societal Value Committee for review and recommendation to the Board for approval.
- 7.5 *Human Resources*
  - 7.5.1 Deal with key staff-related matters;
  - 7.5.2 Ensure the provision of adequate management development and succession; and
  - 7.5.3 Develop and implement remuneration structures within the Group below the level of responsibilities of the Remuneration Committee.

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<sup>3</sup> Excluding intra-group share transfers



## 7.6 *Business and Corporate Development*

7.6.1 Identify and execute new business opportunities outside the current core activities, including geographic diversification.

## 7.7 *Risk*

7.7.1 Ensure that the Group has an appropriate risk and internal controls framework that enables the Group to control, co-ordinate and monitor risk, and ensures alignment to the matters considered fundamental to the Group.

7.7.2 Ensure the escalation of risk and internal controls matters as and when appropriate.

## 7.8 *Legal*

7.8.1 Approval of contracts for the purchase of goods and services (excluding metal) with a value of £100m or more in aggregate over the life of the contract.

7.8.2 Approval of contracts for the sale of goods and services (excluding metal) with a value of £500m or more in aggregate over the life of the contract.

7.8.3 Consider and approve contracts with liability limits of £50m or more, as determined by the General Counsel and Company Secretary.

7.8.4 Approval of any other contract which is material strategically by reason of term, size or duration or is outside the ordinary course of business, following recommendation by the General Counsel and Company Secretary.

7.8.5 Approve the initiation of proceedings, defence or settlement of litigation with a potential value of £10m or more or otherwise material to the interests of the Group.

7.8.6 Note any new litigation, significant prosecutions and regulatory inquiries against the Company or its subsidiaries.

7.8.7 Monitor compliance with relevant legislation and regulations.

## **8. Reporting**

8.1 The Chief Executive Officer shall report to the Board on the proceedings of the GLT since the previous Board meeting.

8.2 The GLT shall report to the Societal Value Committee on the Group's progress against the Group's Sustainability Targets at least annually.

8.3 The GLT shall produce a strategic report to be included in the annual report and accounts, review the narrative and positioning of the sustainability report in the annual report and accounts and ensure the data contained in the front half disclosures of the annual report and accounts is true, accurate and complete.

## **9. Authority**

9.1 The GLT is authorised to establish any sub-committee comprising at least any one GLT member. The GLT should retain oversight of the proceedings of any sub-committee.

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*Reviewed by the GLT and approved by the Chief Executive Officer on 23<sup>rd</sup> May 2023.*

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## 14. Consequences of Breach

Failure to comply with this framework will be treated seriously and may result in disciplinary action up to and including dismissal.

## 15. Document Owner

This policy is owned by the Company Secretarial team.

## 16. Document Control

<b>Document Control</b>	1.0
<b>Version Number</b>	9.0
<b>Reference</b>	Governance
<b>Approval Body</b>	Johnson Matthey Plc Board of Directors
<b>Issue Date</b>	31 January 2018
<b>Expiry Date (if relevant)</b>	N/A
<b>Policy Author</b>	Victoria Barlow
<b>Classification</b>	Internal

## 17. Revision History

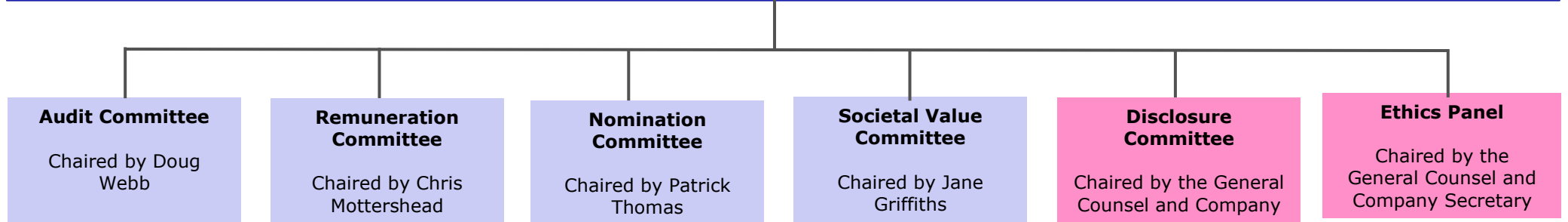
<b>Version Number</b>	<b>Date of Approval</b>	<b>Summary of Change</b>
1.0	31st January 2018	Approved by the Board on 31st January 2018
2.0	3rd April 2019	Approved by the Board on 3rd April 2019
3.0	31st March 2020	Approved by the Board on 31st March 2020
4.0	8th April 2021	Approved by the Board on 8th April 2021
5.0	26th May 2021	Addition of Societal Value Committee approved by the Board on 26th May 2021.
6.0	15th July 2021	Disbandment of EHS Leadership Committee approved by the GLT on 15th July 2021.
7.0	6th October 2021	Amendment to Matters Reserved for the Board and GLT Terms of Reference (approved by the Chief Executive Officer on 14th September 2021).
8.0	23rd May 2022	Minor amendments to the overall framework and defined responsibilities in relation to sustainability matters.
9.0	23rd May 2023	Removal of the Legal Risk Committee, Finance and Administration Committee and Metal Steering Committee. Minor amendments to the overall framework.



18. Appendix

**Johnson Matthey Plc**  
**Board and Committee Structure**

**Johnson Matthey Plc Board of Directors**  
Chaired by Patrick Thomas



**Group Leadership Team**  
Established under the authority of the Chief Executive  
Chaired by Liam Condon

**Non-Executive Committee**

**Executive Committee**