

NOMINATION COMMITTEE REPORT

Role of the Nomination Committee

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

Composition of the Nomination Committee

The Nomination Committee comprises all the independent non-executive directors together with the group Chairman. The quorum necessary for the transaction of business is two, each of whom must be an independent non-executive director. Biographical details of the independent directors and the group Chairman are set out on pages 38 and 39. Their remuneration is set out on page 51.

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

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

The Company Secretary is secretary to the Nomination Committee.

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

Main Activities of the Nomination Committee

The Nomination Committee met twice during the financial year ended 31st March 2010; on 2nd February and 30th March 2010.

The Nomination Committee met on 2nd February 2010 to discuss board succession and consider proposed recommendations to the board for extensions to the terms of appointment of Mr M J Roney, Mrs D C Thompson and Mr R J W Walvis. After full review, the Nomination Committee recommended second three year terms for Mr Roney and Mrs Thompson and an extension of the term for Mr Walvis of one year (taking his term of appointment to nine years). After review, the board accepted these recommendations at its meeting on 30th March 2010.

Also at its meeting on 2nd February 2010, the Nomination Committee noted that the Chairman, Sir John Banham, would serve as Chairman until the Annual General Meeting in July 2011 in accordance with the terms of his appointment and that he would not be seeking a further term beyond that date. Consideration therefore needed to be given to the appointment of a successor and it was agreed that a draft specification for the role should be prepared. This was subsequently prepared and, at its meeting on 30th March 2010, the Nomination Committee considered the draft specification and also considered initial proposals from a number of executive search consultants to assist in the recruitment process. The draft specification was approved and it was agreed that the selection process, including the selection of executive search consultants, should be led by the Senior Independent Director and the Chief Executive, assisted by the Director of Human Resources. At both meetings, the Senior Independent Director chaired the discussions relating to the Chairman's successor.

Also at its meetings on 2nd February and 30th March 2010, the Nomination Committee discussed the prospective retirement in September 2011 of Mr A M Thomson, the Senior Independent Director and Chairman of the Audit Committee, and Mr R J W Walvis, Chairman of the Management Development and Remuneration Committee. It was agreed that the process for succession should be instigated later in the year.

On behalf of the Nomination Committee:



Sir John Banham
Chairman of the Nomination Committee