

JOHNSON MATTHEY PLC

MEETING DATE	Wed, 16 Dec 2015 11:00 am	TYPE	EGM	ISSUE DATE	Mon, 30 Nov 2015
MEETING LOCATION	Offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG				
CURRENT INDICES	FTSE 100, FTSE EuroFirst				
SECTOR	Specialty Chemicals				

COMPANY OVERVIEW

Johnson Matthey Plc is a global specialty chemicals company Johnson Matthey organised into five global divisions: Emission Control Technologies, Process Technologies, Precious Metal Products, Fine Chemicals and New Businesses. Johnson Matthey Plc was founded in 1817 and is based in London, the United Kingdom.

MEETING SPECIFIC INFORMATION

Quorum requirements and voting majority

Resolutions under extraordinary business have special voting majority requirements. Resolution 1 requires three quarters of the votes validly cast in order to be approved.

	PROPOSALS	ADVICE
1	<p>Approve the Special Dividend and Share consolidation</p> <p>On 19th November 2015, the Board announced its intention to recommend the return of approximately £305 million to shareholders via a special dividend of 150 pence per existing ordinary share. This is in addition to the Interim Dividend of 19.5 pence per Existing Ordinary Share which is planned to be paid to shareholders on 2nd February 2016. Furthermore, a share consolidation is planned to maintain the comparability of the share price before and after the special dividend. The Share Consolidation will replace every 18 Existing Ordinary Shares with 17 New Ordinary Shares.</p> <p>Rationale: The Group disposed of its Gold and Silver Refining and Research Chemicals businesses in March 2015 and September 2015 respectively. After a detailed review, the Board has concluded that there are ample resources to fund forecast research and development and capital expenditure. It is proposed to return this capital to shareholders by way of a special dividend. The total amount of the Special Dividend is equivalent to approximately 5.4% of the market capitalisation of the Company (after adjustment for the Interim Dividend). The effect of the Share Consolidation will be to reduce the number of Ordinary Shares in issue by approximately the same percentage. It is anticipated, therefore, that the market price of each Ordinary Share will be at a broadly similar level following the Special Dividend and the Share Consolidation. Fractional entitlements arising from the Share Consolidation will be aggregated and sold in the market on behalf of the relevant shareholders.</p> <p>The circular contains full details of the transaction and the rationale for the return of cash is clear. As all shareholders are treated equitably, a vote in favour is recommended.</p>	For
2*	<p>Authorise Share Repurchase</p> <p>Approval is sought for the renewal of the Company's authority to purchase its own shares. This authority was given at the 2015 AGM but can no longer be used if the Special Dividend and Share Consolidation are approved. The maximum aggregate number of New Ordinary Shares which may be purchased would be 19,353,343, which represents approximately 10% of the Company's issued share capital following the Share Consolidation (excluding treasury shares).</p> <p>The limit of 10% is within guidelines. Furthermore, given the inter conditionality of the proposals, wherein each proposal can only be passed if all are supported and given the support for the other resolutions, support is recommended. Resolution 1 on the special dividend and share consolidation, has been adjudged as being in the interest of shareholders.</p>	For

* = **Special resolution**

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Authorise Share Repurchase

It is the Company's present intention that any shares purchased under the authority sought would be held by the Company as treasury shares. Any such shares held in treasury for the purpose of the Company's employee share schemes would count towards the limits in such schemes. It is stated that the directors have no present intention of exercising the authority to purchase the Company's own shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The directors would only exercise the authority sought by Resolution 2 in circumstances where they believed that to do so would result in an increase in earnings per share and be in the interests of shareholders generally.

BOARD AND COMMITTEE COMPOSITION (post-Meeting)

DIRECTORS NAME	GENDER	PIRC	COMPANY	BOARD	AC	RC	NC	TENURE
Tim Stevenson	M	Yes	Yes	Ch	-	Y	Y*	4
Robert MacLeod	M	No	No	CEO	-	-	-	6
Den Jones	M	No	No	Exec	-	-	-	1
Larry Pentz	M	No	No	Exec	-	-	-	12
John Walker	M	No	No	Exec	-	-	-	2
Alan Ferguson	M	Yes	Yes	SID	Y*	Y	Y	4
Colin Matthews	M	Yes	Yes	NED	Y	Y	Y	3
Dorothy Thompson	F	Yes	Yes	NED	Y	Y*	Y	8
Odile Desforges	F	Yes	Yes	NED	Y	Y	Y	2
Chris Mottershead	M	Yes	Yes	NED	Y	Y	Y	<1
Number of Meetings				-	-	-	-	
Number of NED only Meetings				-				

BOARD OF DIRECTORS (post-Meeting)

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, C = Corporate Responsibility or Ethics Committee, * = Committee Chairman.

TIM STEVENSON					CHAIRMAN
AGE	67	TENURE	4 Years	COMMITTEES	R,N*
OTHER POSITION	Oxfordshire [Lord Lieutenant]; ex-Burmah Castrol plc [CE]; ex-The Morgan Crucible Company plc [Ch]; ex-Travis Perkins plc [Ch]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	Independent upon appointment.				
ROBERT MACLEOD					CHIEF EXECUTIVE
AGE	51	TENURE	6 Years	COMMITTEES	None
VOTING RIGHTS	n/d	OPTIONS	0	LTIP	105,492
OTHER POSITION	Aggreko plc [NED]; ex-Enterprise Oil plc; ex-WS Atkins plc [Group FD]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
SEVERANCE	12 month rolling				
COMMENT	Appointed Chief Executive Director on 5 June 2014. Previously Finance Director.				
DEN JONES					EXECUTIVE DIRECTOR
AGE	49	TENURE	1 Year	COMMITTEES	None
VOTING RIGHTS	n/d	OPTIONS	0	LTIP	25,882
OTHER POSITION	ex-BG Group [CFO, Exec]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
SEVERANCE	12 month rolling				
COMMENT	Group Finance Director.				

LARRY PENTZ			EXECUTIVE DIRECTOR		
AGE	59	TENURE	12 Years	COMMITTEES	None
VOTING RIGHTS	n/d	OPTIONS	0	LTIP	80,503
OTHER POSITION	Victrex Plc [Ch]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
SEVERANCE COMMENT	12 months rolling Executive Director.				
JOHN WALKER			EXECUTIVE DIRECTOR		
AGE	n/d	TENURE	2 Years	COMMITTEES	None
VOTING RIGHTS	n/d	OPTIONS	0	LTIP	52,704
OTHER POSITION	None disclosed.				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
SEVERANCE COMMENT	12 month rolling Executive Director.				
ALAN FERGUSON			SENIOR INDEPENDENT DIRECTOR		
AGE	56	TENURE	4 Years	COMMITTEES	A*,R,N
OTHER POSITION	Croda International Plc [NED]; Marshall Motor Holdings plc [NED]; The Weir Group PLC [NED]; ex-London Mining Plc [NED]; ex-Lonmin Plc [CFO]; ex-The BOC Group [FD]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	Independent by company, independent by PIRC.				
COLIN MATTHEWS			NON-EXECUTIVE DIRECTOR		
AGE	58	TENURE	3 Years	COMMITTEES	A,R,N
OTHER POSITION	Highways England [Ch]; ex-BA Engeneering [MD]; ex-Hays Group plc [CE]; ex-Heathrow Airport Holding Limited [CE]; ex-Lattice Group plc [Exec]; ex-Mondi plc [NED]; ex-Severn Trent plc [CE]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	Independent by Company, independent by PIRC.				
DOROTHY THOMPSON			NON-EXECUTIVE DIRECTOR		
AGE	53	TENURE	8 Years	COMMITTEES	A,R*,N
OTHER POSITION	Bank of England [Court]; Drax Group plc [CE]; ex-InterGen [Head of the European Business]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	Independent by company, independent by PIRC.				
ODILE DESFORGES			NON-EXECUTIVE DIRECTOR		
AGE	63	TENURE	2 Years	COMMITTEES	A,R,N
OTHER POSITION	Dassault Systemes [NED]; Safran SA [NED]; Sequana [NED]; ex-AB Volvo; ex-Renault SA; ex-Renault-Nissan Purchasing Organization (RNPO) [CE]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	Independent by Company, independent by PIRC.				

CHRIS MOTTERSHEAD		NON-EXECUTIVE DIRECTOR			
AGE	n/d	TENURE	<1 Years	COMMITTEES	A,R,N
OTHER POSITION	Francis Crick Institute [NED]; Imanova Limited [NED]; Research and Innovation, at King's College London [VPrincipal]; The Carbon Trust [NED]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY			Y

BOARD COMPOSITION

BOARD COMPOSITION FOLLOWING THE EGM

	CURRENT YEAR		FTSE 100 MEAN	
	Number	% of Board	Number	% of Board
Executive Director	4	40.0	2.9	26.7
Independent NED's	5	50.0	5.9	55.0
Connected NED's	0	0.0	0.9	8.5
Other	1	10.0	1.0	9.4

BOARD COMMITTEES FOLLOWING THE EGM

	CURRENT YEAR			FTSE 100 MEAN	
	Number of Members	% Independent by PIRC	% Independent by Company	Number of Members	% Independent by PIRC
Whole Board	10	50.0	60.0	10.7	54.7
Audit	5	100.0	100.0	3.9	92.5
Remuneration	6	83.33	100.0	4.2	89.0
Nomination	6	83.33	100.0	5.0	81.5

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