

ELEMENTIS PLC - NOMINATION COMMITTEE TERMS OF REFERENCE

Membership

The Nomination Committee (the “Committee”) shall consist of all the non-executive members of the Board of Directors (the “Board”).

The Chairman of the Committee shall be the Chairman of the Board unless the Committee is dealing with the appointment of a successor to the chairmanship or reviewing the performance of the Chairman in which case the Senior Independent Director will act as the Chairman.

Meetings

Meetings will be held at least two times per annum and a quorum for each meeting shall be two members.

No one other than the Committee Chairman and members is entitled to be present at a meeting of the Committee, but others may attend at the invitation of the Committee. A standing invitation is in place for the CEO to attend all Committee meetings, although this may be amended or withdrawn at any time by the Committee Chairman.

The Company Secretary shall be the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

Authority

The Committee shall be authorised by the Board to lead the process for Board appointments and make recommendations to the Board.

The Committee shall be authorised by the Board to obtain outside legal, financial or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Relationship with the Board

The Board shall determine the role of the Committee and review its authority, terms of reference and scope of activity.

The Board shall review the effectiveness of the Committee on an annual basis.

Where there is a disagreement between the Committee and the Board, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreements cannot be resolved, the Committee shall have the right to report the issue to the shareholders as part of the report on its activities in the annual report.

Principal Responsibilities

The responsibilities of the Committee will be to:-

- Nominate for approval of the Board, candidates to fill Board vacancies as and when they arise, including recommending the re-appointment of non-executive directors when their three yearly appointment terms come up for renewal (subject to governance code requirements on independence).

- Prepare a job specification for a particular appointment, having carried out a comprehensive evaluation of the same, taking into account the balance of skills, knowledge and experience already on the Board, as well as governance code requirements on board diversity (including gender).
- Carry out an annual performance evaluation, and a three-yearly externally facilitated performance evaluation, in order to assess whether a non-executive director continues to contribute effectively and to demonstrate commitment to the role, such as spending enough time to fulfil their duties as a director as well as in connection with any other role (e.g. chairman of a Board committee).
- Look at candidates from a broad range of backgrounds.
- Look at the challenges and opportunities that will face the Company in the future and when succession planning, and to take into account the particular areas of skill and expertise that may be needed on the Board in the future, taking into consideration governance code requirements, such as on board diversity (including gender).
- Prepare a job specification with regard to the appointment of a Chairman, including an assessment of the time commitment expected. They should make sure that a Chairman's other significant commitments are disclosed to the Board before appointment and these should also be included in the next annual report.
- Review the size and composition of the Board, together with the skills, knowledge and experience and to make any recommendations for change that they think may be necessary, taking into consideration governance code requirements, such as on board diversity (including gender).
- Keep under constant review the leadership requirements of the Company, looking at both the executive and non-executive directors in order that the organisation can compete effectively in the marketplace.
- Ensure that on appointment to the Board the non-executive directors receive a formal letter of appointment setting out in clear terms what is expected of them in terms of time commitment, committee service and involvement outside Board meetings. The non-executives should undertake to the Company that they will have sufficient time to meet what is expected of them.
- Led by the Senior Independent Director, appraise at least annually the performance of the Chairman of the Board.
- Meet at least annually without the executive directors present to review the strategic direction of the Company and the performance of the executive directors.

Recommendations to the Board

The Committee should make the following recommendations to the Board:-

- Succession planning for executive and non-executive directors.
- Regarding the re-appointment of any non-executive director at the end of their specified term of office.
- Concerning the re-election by shareholders of any director under the retirement by rotation provisions in the company's articles of association.

- Regarding any matters relating to the continuation in office of any director at any time.
- In respect of the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive.

Reporting Procedures

The Secretary shall prepare the agenda and minutes of meetings of the Committee for circulation to all members of the Committee and the CEO. Any Director who is not a member of the Committee or who does not have a standing invitation to attend Committee meetings shall only be entitled to receive a copy of the agenda for any Committee meeting.

The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board. These may be made available by placing the information available on the Company's website.

The Committee members shall conduct an annual review of their work and, on a periodic basis, these terms of reference and make recommendations to the Board, as appropriate.

The annual report should also include a separate section describing the work of the Committee, including the process it has used in relation to Board appointments and an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chairman or a non-executive director. Where an external consultancy has been used, a statement should also be added to state whether or not the consultant has any other connection with the Company.

A statement should be made in the annual report regarding the membership of the Committee and the number of Committee meetings that have taken place over the year. The statement should also note how many meetings the Committee members have attended during the year.

The Chairman of the Committee should be available to answer questions at the AGM.