

1. Purpose

The purpose of the Committee is to assist the Chief Executive Officer in the performance of his duties, including:

- the development and implementation of strategy and associated operational plans;
- the development of policies;
- the monitoring of operating and financial performance;
- the assessment and control of risk;
- the prioritisation and allocation of resources;
- monitoring competitive forces in each area of operation.

2. Membership, Chair and Secretary

The Committee shall be made up of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), the GBU Presidents for Thermal Ceramics, Electrical Carbon, Seals & Bearings and Technical Ceramics, the Group Human Resources Director, the Chief Technology Officer and the Group General Counsel. Others may be invited by the CEO to attend all or part of any meeting

The CEO shall act as Chair of the Committee. The Company Secretary or their nominee shall act as the Secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be four members which must include the CEO, the CFO and a GBU President. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Frequency of Meetings

The Committee shall meet at least six times a year.

5. Notice of Meetings

Meetings of the Committee, shall be summoned by the Secretary of the Committee at the request of the CEO.

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 Committee, and any other person required to attend, no later than two working days before the date of the meeting.

6. Conduct of Meetings

Except as outlined above, meetings of the Committee shall be conducted in accordance with the provisions of the Company's Articles of Association governing the proceedings of Directors.

7. Minutes of Meetings

The Secretary (or in his/her absence, the Assistant Secretary) shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

8. Duties

Developing and recommending the objectives and strategy for the Group in the development of its business, having regard to the interests of its shareholders, customers, employees and other stakeholders;

Driving the successful implementation of strategy;

Developing and implementing Group policies based on the approved Group strategy, including:

- Anti-Trust Compliance Policy
- Export Controls Policy
- Code of Ethics
- Share Dealing Code
- Financial and Treasury Policies
- Health and Safety Policy
- Disclosure Policy (including procedures for the release of Inside Information)
- Group Tax policy
- IT Policy
- Group Legal Policy
- Group Human Rights Policy
- Limitations of Authority Policy

Ensuring compliance with relevant legislation and regulations;

Corporate Responsibility implementation, including Environmental and Health and Safety Policy;

Monitoring Group performance against budget targets, objectives and key performance indicators set by the Board;

Ensuring the provision of adequate management development and succession planning;

Ensuring the control, co-ordination and monitoring within the Group of risk and internal controls;

Safeguarding the integrity of management information, financial reporting systems and Intellectual Property Rights;

Identifying business synergies within the Group and facilitating inter-GBU co-operation and collaboration;

Identifying and executing new business opportunities outside the current core activities, including M & A and geographic diversification;

Optimising the allocation and adequacy of the Group's resources;

Ensuring the active liaison, co-ordination and co-operation between business GBUs.

9. Reporting Responsibilities

The CEO shall report formally to the Board, at each Board meeting, on the proceedings of the Committee since the previous Board meeting.

10. Other Matters

The Committee shall arrange for periodic reviews of its own performance and, at least annually, review 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.

Reviewed and approved by the Executive Committee on 9 February 2018