



**LUXFER**  
**ANTI-CORRUPTION POLICY**

Version 2.0  
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## ANTI-CORRUPTION POLICY

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## **1.0 POLICY STATEMENT**

Luxfer Holdings PLC (the “Company” or “Luxfer”) is committed to conducting its business in an honest and ethical manner. In doing so, Luxfer requires compliance with all applicable laws, including those prohibiting corruption and bribery. Amongst other laws, Luxfer is specifically subject to the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act. Moreover, Luxfer is subject to the laws of the countries in which it does business. While the application of these laws may be complex, their central purpose remains the same in that they aim to regulate business behavior so as to prevent bribery and corruption and to punish corporate entities and individuals who fail to comply with these laws.

This Policy addresses three over-arching topics:

- Prohibition against the offering, promising, providing, requesting, or accepting a bribe to or from any person in exchange for favorable treatment;
- Luxfer’s due diligence processes as they relate to third parties, so as to avoid liability for any such parties’ corrupt conduct; and
- Luxfer’s anti-corruption controls.

The purpose of this Policy is to (a) provide guidance on how to recognize and deal with corruption and bribery issues; (b) define the responsibilities of Luxfer and its Board, Employees, and Third Party Representatives in complying with this Policy; and (c) encourage such persons to report any suspicion of corruption or bribery through appropriate channels.

## **2.0 SCOPE**

This Policy applies to (i) Luxfer’s Board of Directors (“Board”); (ii) all officers, directors, employees (permanent, temporary, or contract) of Luxfer and all of its subsidiaries and affiliated companies, wherever located and regardless of citizenship (collectively, “Employees”); and (iii) all agents, distributors, advisors, consultants, joint venture partners, and all other third parties working for or on behalf of Luxfer, wherever located and regardless of citizenship (collectively, “Third Party Representatives”). Luxfer recognizes that its Board, Employees, and Third Party Representatives are located in many countries and that Luxfer’s operations are subject to the laws, customs, and cultures of various countries. As such, this Policy sets out the minimum standards, and Luxfer encourages those who have questions regarding the law of specific countries to seek the advice of the Company’s Legal Department.

Potential ‘red flag’ risk scenarios have been identified in **Appendix A** to assist the Board, Employees, and Third Party Representatives identify where they may encounter issues. Risks that are common to all Luxfer businesses are set out in **Appendix B**. Each Luxfer business is expected to undertake its own risk assessments on this basis as often as is reasonably necessary. As such, each Luxfer business is responsible for adhering to those procedures and putting in place any further procedures necessary to address additional risk that it has identified within its business. The Board, all Employees, and Third Party Representatives must read and comply with this Policy.

## **3.0 PROHIBITION AGAINST BRIBERY**

Bribery occurs when someone authorizes, offers, solicits, gives, receives, or accepts a Thing of Value<sup>1</sup> in exchange for favorable treatment. Most countries enforce laws prohibiting bribery and corruption. Many of these laws apply even when the wrongful conduct is committed outside of the country’s own

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<sup>1</sup> For purposes of this Policy, “Thing of Value” refers to anything a recipient may value, such as financial or other advantage, including cash, gifts, gift cards, items with Luxfer’s logo, electronic equipment, clothing, meals, entertainment (for example, concert, theater, sport or other similar event invitations), travel, accommodation, transportation, loans, use of property or equipment, charitable donations, political contributions, medical treatment, and job or internship offers.

borders and/or by citizens of other countries. Violations of these laws are often treated as criminal acts and can result in convictions of both corporations and individuals, including large fines and prison sentences.

Under no circumstance shall any Board member, Employee or Third Party Representative offer, solicit, promise, provide (or authorize, permit, or conspire to provide), receive, or accept a Thing of Value to or from any person:

- to improperly obtain or retain business or an advantage in the conduct of business;
- to improperly induce the recipient to perform some function;
- while knowing or believing that the recipient is not legally or contractually permitted to accept such Thing of Value (because of employment obligations or otherwise); or
- while intending, knowing, or suspecting that the recipient will themselves offer, solicit, promise, provide, receive, or accept a Thing of Value to any other person for any of the aforementioned purposes or in any of the aforementioned circumstances.

Additionally, it is a violation of this Policy, and many countries' anti-corruption laws, to fail to prevent a bribe. Particularly, under no circumstance shall any Board member, Employee, or Third Party intentionally disregard, or be willfully blind to, the offering, making, or accepting of a bribe. Further, it is a violation of this Policy for a Board member, Employee, or Third Party to utilize another party to commit, indirectly, any act that this Policy forbids such persons from committing directly. Please note that local customs and practices outside of the U.K. and U.S. must be disregarded by Luxfer's Board members, Employees, and Third Party Representatives unless they comply with this Policy.

If any Board member, Employee or Third Party Representative feels compelled to make or accept a bribe otherwise prohibited by this Policy (i.e. in order to escape an imminent threat to their health or safety), the Board member, Employee, or Third Party Representative must report such payment and provide all relevant details regarding the incident to Luxfer's Legal Department as practicable. In the event any such payment is made or received, Luxfer shall accurately record all such payments in its books and records. Please note that when this Policy requires approval, approvals must be sought and acquired before any Thing of Value is offered, given, or received.

The following sections address specific issues relating to corruption and bribery, as well as Luxfer's policy in regards to such issues.

**(A) Government Officials.** Luxfer prohibits any Board member, Employee, or Third Party Representative from offering, promising, or giving a bribe (directly or through a third party) to a Government Official<sup>2</sup>, or to another person at the request of the Government Official, with the intention of influencing the Government Official to obtain or retain business or an advantage in the conduct of business. Influencing a Government Official includes not only influencing him or her in the performance of their functions but also omitting to exercise such function. It is not prohibited to pay fees in respect to legitimate services performed by minor Government Officials for purposes such as

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<sup>2</sup> For purposes of this Policy, "Government Official" means any official or employee of federal, state, provincial, county, or municipal governments or any department or agency thereof; any officer or employee of a company or business owned in whole or in part by a government ("State-Owned Enterprise"); any officer or employee of a public international organization (e.g. the World Bank, United Nations or the European Union); any foreign political party or official thereof; or any candidate for political office. Government Officials include officials at every level of government, regardless of rank or position. Many governments operate in commercial areas through State-Owned Enterprises, particularly in industries relating to energy, extraction, mining, defense, aerospace, banking, telecommunications and healthcare. Even if a government is only a minority owner of an entity, that entity may be a State-Owned Enterprise if the government has substantial control over its operations. Importantly, the ownership and control structure of an entity is not always apparent, and U.S., U.K., and other regulatory authorities may consider an entity to be a State-Owned Enterprise (and its employees to be Government Officials) for purposes of enforcing anti-corruption laws, even if local law does not view that entity as state-owned.

customs clearance for legitimate goods, provided that it is reasonably believed that the charges are legitimate and not being retained solely by the Government Official. However, this Policy prohibits “facilitating” or “grease” payments (e.g. payments made to speed up a transaction or process) for routine action by Government Officials.

**(B) Gifts, Entertainment, and Other Hospitality.** All gifts, entertainment, and other hospitality (including meals and travel) offered by, on behalf of, or to Luxfer or any person must be appropriate and reasonable under the circumstances, should not be extravagant or lavish, and should be given transparently and be permissible under applicable law. In all respects, expenditure should be related to the promotion, explanation, or demonstration of Luxfer’s or the other party’s products or services, and the benefits of such hospitality should help broaden the interface between Luxfer and its business contacts. Further, any such gift, entertainment, or other hospitality should not be interpreted as imposing an obligation or requiring reciprocation. Hospitality is covered by Luxfer’s expense policies; however, general guidelines are set forth below.

**(i) Gifts.** This Policy does not prohibit the giving or receiving of gifts if all of the following requirements are met:

- the gift is not made (a) with the intention of influencing a third party to obtain or retain a specific piece of business, to reward the provision or retention of business, or to obtain a business advantage; or (b) in explicit or implicit exchange for favors or benefits;
- it complies with local laws and the relevant parties’ applicable policies;
- if giving gifts, it is given in Luxfer’s name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances (e.g. in the UK and US, it is customary for small gifts to be given during the holiday season);
- it is of an appropriate type and modest value and given at an appropriate time; and
- it is given openly, not secretly.

**(ii) Entertainment.** Attitudes to entertainment differ in different countries, markets, and sectors. Thought should be given to how third parties will view the entertainment proposed. General guidelines on entertainment are as follows:

- Entertainment should be offered only to direct business contacts (i.e. not to their spouse, partner, or children unless such direct business contact is also present).
- Entertainment and reimbursement must be in accordance with tax regulations and all applicable laws and regulations.
- Pure entertainment (e.g. sports events or theatre) must never be offered or accepted adjacent to the award of a major contract.
- In the event business discussions are continuing through lunch or dinner, it is permissible to offer to pay for the total bill, but care should be taken to limit the expenditure to a reasonable amount.
- It is essential to check with all other parties whether they have any constraints on accepting entertainment.

**(C) Charitable Donations.** Luxfer is committed to supporting the communities in which it does business, and permits reasonable donations to charities. However, charitable donations may

violate applicable anti-corruption laws if they are made to improperly influence any individual. Accordingly, Board members and Employees may donate on behalf of Luxfer only to bona fide charities for proper charitable purposes if in accordance with the Authority Manual or after obtaining approval from Luxfer's Legal Department. The Legal Department will require confirmation that the proposed recipient of the donation is indeed a bona fide charity.

**(D) Political Contributions.** Political contributions made on behalf of Luxfer are strictly prohibited. Board members and Employees shall not make political contributions on behalf of Luxfer to improperly influence any political candidate, political party, campaign committee, or Government Official. While political contributions made in personal capacities and which are not made for the above prohibited purposes are permitted, no Board member or Employee may seek or receive reimbursement from Luxfer, directly or indirectly, for any political contribution made in their personal capacity.

**(E) Sponsorships.** In certain situations, Luxfer may sponsor events or activities hosted, organized, coordinated, and/or supported by third parties. For the purposes of this Policy, sponsorships include any contribution in money or in kind by Luxfer towards any such event or activity in return for an opportunity to advertise the Luxfer brand by, for example, displaying the Luxfer logo or otherwise publicizing Luxfer during the event or activity (e.g. by mentioning Luxfer's support during the opening or closing addresses of a conference). The Legal Department's approval is required for any such sponsorship activities.

#### **4.0 DUE DILIGENCE PROCEDURES FOR THIRD PARTY REPRESENTATIVES.**

Because Luxfer may be held liable for a Third Party Representative's corrupt conduct, among other things, no person or entity may be authorized to represent or act on behalf of Luxfer until that person or entity is reviewed and approved by Luxfer's Legal Department and retained by agreement with Luxfer.

**(A) Pre-Engagement Due Diligence.** Whenever Luxfer intends to engage or retain an agent, distributor, consultant, lobbyist, or other third party that will act for or on behalf of Luxfer, the Legal Department shall conduct due diligence on the prospective Third Party Representative to determine, amongst other things, their reputation, beneficial ownership, professional capability, credibility, and history of compliance with applicable anti-corruption laws. Business contacts, local chambers of commerce, business associations, and internet searches are often useful tools in conducting such due diligence. All business references and financial statements produced during this due diligence must be verified. The Legal Department will specify the information to be obtained during such due diligence, will review the due diligence results, and, if appropriate, approve engagement of the Third Party Representative. Unless otherwise authorized by the Legal Department in writing, no Third Party Representative may make any sales, receive any commission or other payments, or provide any services to or on behalf of Luxfer, including the marketing or promotion of Luxfer or its products, until the Legal Department has issued an email confirming its approval to trade.

**(B) Contracts.** The prior approval of the Legal Department (in addition to any other approvals required by other Luxfer policies) is required for all:

- contracts with Third Party Representatives (including joint venture and partnership contracts);
- supply and procurement contracts;
- shareholder contracts; and
- contracts for the acquisition of entities or for the whole or substantially the whole of an entity's business assets.

All such contracts shall contain anti-corruption provisions that are at least as restrictive as this Policy, unless otherwise approved in writing by the Legal Department. In most circumstances, best practice requires any compensation terms to be explicitly spelled out in any such contract. No trade may be conducted and no payment may be disbursed by Luxfer under any such contract until such approvals have been obtained.

**(C) *Post-Engagement Monitoring.*** After Luxfer retains a Third Party Representative, relevant Employees (in particular the Employee responsible for managing the relationship) must continue monitoring the Third Party Representative's on-going activities for, amongst other things, any anti-corruption red flags or concerns. Additionally, the Third Party Representative's contract should be periodically reviewed. Any concerns should be reported in accordance with this Policy.

**(D) *Mergers and Acquisitions.*** In the event Luxfer pursues a merger with, or the acquisition of, any business entity, the due diligence process associated with the proposed merger or acquisition shall include a due diligence inquiry regarding the target's compliance with applicable anti-corruption laws. The Legal Department shall specify what information must be obtained during such due diligence, and shall review and approve in writing the results of such due diligence.

**(E) *Joint Ventures.*** In the event Luxfer wishes to establish a joint venture, it shall conduct due diligence on the prospective joint venture partner or partners to determine, amongst other things, their reputation, beneficial ownership, professional capability, credibility, and history of compliance with applicable anti-corruption laws. The Legal Department will specify the information to be obtained during such due diligence and shall review and approve in writing the results of such due diligence.

## **5.0 ANTI-CORRUPTION CONTROLS**

Luxfer maintains adequate controls to prevent corruption and ensure compliance with this Policy. In addition to the above due diligence requirements, Luxfer has implemented the below-listed controls.

**(A) *Training and Communication.*** Luxfer provides regular anti-corruption education and training to its Board members, Employees, and, when necessary, Third Party Representatives. Luxfer may require Board members, Employees, and key personnel from Third Party Representatives to participate in on-line courses or other trainings regarding anti-corruption laws and regulations, Luxfer's Code of Ethics and Business Conduct, and this Policy. This Policy must be communicated to all Third Party Representatives at the outset of a business relationship and as appropriate thereafter. Additionally, at the outset of any such business relationship, a copy of said party's policy on corruption and bribery should be obtained as part of the due diligence process.

**(B) *Annual Certifications.*** Luxfer may require annual Anti-Corruption Policy certifications from all Board members, relevant Employees, and Third Party Representatives, as determined by the Legal Department. Specifically, Luxfer seeks annual certification from management and accounting personnel and other individuals who have access to Luxfer funds or who have responsibility for recording transactions that impact Luxfer's books and records, as well as Employees who interface with Government Officials. By the annual certification, individuals confirm that they have read and understood this Policy, they are not aware of any violation or potential violation of the Policy, and that they will promptly report any non-compliance.

**(C) *Audits.*** Luxfer requires routine audits of its business transactions, financial records, and operations to ensure compliance with this Policy. As part of such audits, regular risk assessments

should be conducted to ensure that procedures are effective and being duly adhered to. The results from any such audit shall be communicated to the Audit Committee of the Board.

**(D) *Accounts and Records.*** All Luxfer businesses and Third Party Representatives must retain financial records and have appropriate internal controls in place to record the business reasons for any payments made to third parties. No accounts may be kept "off-book" to facilitate or conceal improper payments. "Slush funds" are strictly prohibited. Financial systems and records should be designed to prevent such "off-book" transactions, such as kickbacks and bribes. No Employee or Third Party Representative should establish, anywhere in the world, an undisclosed or unrecorded bank account on behalf of Luxfer for any purpose. In regards to hospitality, all Employees and Third Party Representatives must declare and keep a written record of all entertainment, gifts, or hospitality offered, provided, or accepted. These records will be subject to review by Luxfer.

**(E) *Reporting.*** Luxfer encourages the reporting of any suspected violations of this Policy. Board members, Employees, or Third Party Representatives who know of, or suspect, a potential violation of this Policy or applicable anti-corruption laws should report their concerns either directly to the most-senior member of the Legal Department or in accordance with Luxfer's Whistleblowing Policies. Luxfer is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion about a potential breach of this Policy. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavorable treatment connected with raising a concern. If an Employee believes that they have suffered any such treatment, they should inform their HR manager or the Legal Department.

**(F) *Violations.*** Luxfer will not tolerate any violation of this Policy or any applicable anti-corruption law. Failure of a Board member or Employee to comply with this Policy may constitute gross misconduct and be grounds for termination or other disciplinary action in accordance with the disciplinary process for the relevant Luxfer facility. Failure of a Third Party Representative to comply with this Policy may be grounds for termination of the relationship. This Policy does not form part of any contract in relation to an Employee's employment, Third Party Representative's engagement, or Board member's appointment. As such, it may be amended at any time.

## **6.0 ADMINISTRATION**

The Board of Directors has overall responsibility for this Policy, and such responsibility shall be overseen by the Nominating and Governance Committee. The Legal Department will review this Policy annually and make any changes required to ensure it covers all applicable legal, regulatory, and ethical obligations. The Executive Leadership Team and Senior Management Team are essential in the day-to-day implementation of this Policy and shall assist in monitoring its use and effectiveness.

**APPENDIX A**  
**POTENTIAL RISK SCENARIOS: "RED FLAGS"**

Any Board member, Employee, or Third Party Representative who, in relation to any third party who has a current or prospective business relationship with Luxfer, becomes aware of something they know or suspect, or which they reasonably ought to know or suspect, is a Red Flag or which otherwise constitutes unethical or corrupt conduct, should promptly raise the same with the Legal Department or in accordance with Luxfer's Whistleblowing Policies. Particular attention should be given to the following non-exhaustive list of corruption Red Flags:

1. The third party has a history of improper payment practices.
2. The third party is based in, or re-selling into, a country where there is widespread corruption.
3. The transaction or the third party is involved in or with an industry that has a history of corruption.
4. The third party refuses to agree to comply with anti-corruption laws or Luxfer's compliance policies.
5. The third party, or any of its owners, directors, managers or employees, has a family or close personal relationship with a Government Official or a current or potential customer.
6. The third party relies heavily on political/government contacts to promote Luxfer's interests.
7. The third party has a poor business reputation.
8. The third party insists that its identity remains confidential or refuses to divulge the identity of its owners.
9. The third party or any of its owners, directors, managers or employees has violated any laws specifically relating to corruption, fraud, money laundering, antitrust/competition law, or financial/accounting rules.
10. The third party or any of its owners, directors, managers, or employees has a personal, close, or familial relationship with an Employee.
11. The third party does not have offices or staff.
12. The third party does not have significant relevant skills or experience.
13. The third party insists on unusual or suspicious contracting procedures.
14. The fee or commission requested by the third party is unusually high.
15. The payment mechanism to be utilized is secretive or unusual.
16. The third party submits inflated or inaccurate invoices.
17. The third party requests payment in cash or bearer instrument payments.
18. The third party requests payment in a jurisdiction outside its home country or country of incorporation that has no relationship with the transaction or the entities involved in the transaction.
19. The third party requests that payments be made to or from a different party.
20. The third party requests unusual bonuses, expenses, advance payments, special payments, rebates, or an excessive credit line.

## **APPENDIX B RISK ASSESSMENT**

Each business must regularly assess the risk of bribery and corruption that it faces wherever it conducts business.

### **POTENTIAL EXTERNAL RISK FACTORS**

- **Country risk:** *This risk is evidenced by perceived high levels of corruption, an absence of effectively implemented anti-bribery legislation, and a failure of the foreign government, media, local business community and civil society to effectively promote transparent procurement and investment policies.*
- **Sectoral risk:** *Some sectors are higher risk than others. Higher risk sectors include the extractive industries and the largescale infrastructure sector.*
- **Transaction risk:** *Certain types of transactions give rise to higher risks, for example, charitable or political contributions, licenses and permits, and transactions relating to public procurement.*
- **Business opportunity risk:** *Such risks might arise in high-value projects, projects involving many contractors or intermediaries, projects that are not apparently undertaken at market prices, or projects that do not have a clear legitimate objective.*
- **Business partnership risk:** *Certain relationships may involve higher risk, for example, the use of intermediaries in transactions with foreign public officials, consortia or joint venture partners, and relationships with politically exposed persons where the proposed business relationship involves, or is linked to, a prominent public official.*

### **POTENTIAL COMPANY-SPECIFIC RISK FACTORS**

- Deficiencies in employee training, skills, and knowledge (e.g. with a new employee);
- Bonus schemes that reward excessive risk taking;
- Lack of clarity in the organization's policies on, and procedures for, hospitality and promotional expenditure and political or charitable contributions;
- Lack of clear financial controls; and
- Lack of a clear anti-bribery message from top-level management.

<b>STANDARD GOVERNANCE</b>	
<b>STANDARD PRACTICE APPROVALS</b>	Luxfer Holdings PLC Board of Directors
<b>VERSION</b>	2.0
<b>EFFECTIVE DATE</b>	December 11, 2019
<b>LAST REVIEW DATE</b>	November 15, 2019
<b>NEXT REVIEW DATE</b>	August 15, 2020
<b>STANDARD CONTACT</b>	Megan E. Glise – Associate General Counsel