



**LUXFER HOLDINGS PLC  
DIRECTORS' REMUNERATION POLICY**

## INTRODUCTION

As required by Sections 439 and 440 of the Companies Act 2006, a company incorporated in the United Kingdom whose shares are publicly listed, whether in or outside of the UK, must submit its Directors' Remuneration Policy to a binding shareholders' vote at least once every three (3) years. The current Directors' Remuneration Policy was last approved at the 2018 Annual General Meeting held on May 22, 2018, where 86.84% of the votes cast were cast in favor of approving the Directors' Remuneration Policy.

The Board of Directors of Luxfer Holdings PLC (the "Board" and the "Company" respectively) approved at its meeting on March 3, 2021, on the recommendation of the Remuneration Committee (the "Committee"), to submit this Directors' Remuneration Policy for fiscal years 2021, 2022 and 2023 ("Directors' Remuneration Policy" or "Policy") to a binding shareholders' vote at the 2021 Annual General Meeting of Shareholders ("Annual General Meeting" or "AGM"). As such, the Board hereby presents this proposed Directors' Remuneration Policy for shareholder approval.

Following approval at the 2021 Annual General Meeting, the Directors' Remuneration Policy will take effect immediately following the conclusion of the Annual General Meeting, without requiring further shareholder approval, and will be valid for a period of three (3) years or until a subsequent version is approved by an ordinary resolution of the shareholders.

## ARTICLE 1 OBJECTIVES AND PRINCIPLES

This Policy (i) sets forth the criteria and objectives applicable to the remuneration of the Company's Non-Executive Directors and Executive Director and (ii) guides the activities of the Remuneration Committee and the Board with respect to Director remuneration. The Committee may exercise operational and administrative discretion in several areas, as described in further detail in this Policy, including under relevant standalone deeds of grant or plan rules. In addition to this Policy, the Committee is governed by the Remuneration Committee Charter, which sets forth the responsibilities of the Committee and the rules governing its composition and conduct. The Remuneration Committee Charter is available on the Company's website at <https://www.luxfer.com/investors/governance/>.

The Remuneration Committee considers the Policy annually to ensure that it remains aligned with business needs and is appropriately positioned relative to the market. However, in the absence of exceptional or unexpected circumstances which may necessitate change to the Policy, there is currently no intention to revise the Policy more frequently than every three (3) years.

With respect to Non-Executive Directors, this Policy is intended to remunerate Directors appropriately in accordance with their qualifications, responsibility assumed, and dedication to the Company. The Committee seeks to ensure that such remuneration is in line with market standards and sufficient to attract and retain Directors of the desired profile, but not so high as to compromise the independence of the Non-Executive Directors.

The Company's Chief Executive Officer is currently the only Executive Director. With respect to the Executive Director, this Policy aims to attract, retain, and incentivize the Executive Director and reward the Executive Director for achievement of the Company's long-term financial and strategic objectives.

In accordance with the foregoing objectives, this Directors' Remuneration Policy is based on the following principles:

<b>Alignment with Shareholders' Interests and Long-Term Value Creation</b>	<ul style="list-style-type: none"><li>▪ To ensure alignment between the achievement of strategic objectives and the creation of long-term shareholder value</li><li>▪ To associate a significant part of the Executive Directors' remuneration with the achievement of financial, strategic, value-creation and sustainability objectives</li></ul>
<b>Talent Attraction, Retention and Motivation</b>	<ul style="list-style-type: none"><li>▪ To offer competitive and fair remuneration to attract and retain high-quality talent</li><li>▪ To consider the evolution of national and international standards, best practices, recommendations and trends in Director remuneration to ensure that remuneration packages remain competitive</li></ul>

<b>Compensation for Professional Accountability</b>	<ul style="list-style-type: none"> <li>▪ To appropriately compensate each Director's professional responsibility, dedication, experience and accountability</li> <li>▪ To establish a level of transparency in line with corporate governance best practices, with the aim of building trust between the Company and shareholders</li> </ul>
<b>External Competitiveness and Internal Equity</b>	<ul style="list-style-type: none"> <li>▪ To offer remuneration packages that are competitive with that of comparable companies on an international scale, in terms of both structure and overall size</li> <li>▪ To establish remuneration levels that are appropriate in terms of the Directors' qualifications, responsibilities and experience</li> <li>▪ To ensure that remuneration is fair and non-discriminatory</li> </ul>
<b>Balance Between the Remuneration Elements</b>	<ul style="list-style-type: none"> <li>▪ To establish a balanced remuneration package for the Executive Director, in which a significant part of the total remuneration is variable</li> <li>▪ To deliver an overall remuneration package for the Executive Director that provides an appropriate balance between short-term and long-term reward</li> </ul>

For the duration of this Policy, the Company will honor any commitments made in respect of Executive Director and Non-Executive Director remuneration and benefits before the date on which either (i) the Directors' Remuneration Policy becomes effective or (ii) an individual becomes a Director, even where such commitments are not consistent with the Remuneration Policy prevailing at the time any such commitment is fulfilled. This includes, without limitation, all existing share awards that remain outstanding and any commitments entered into (such as grants of share awards) consistent with a previously approved Remuneration Policy that was applicable at the relevant time.

## ARTICLE 2 PROPOSED POLICY CHANGES

While this Policy contains no additional components that were not included in the Remuneration Policy approved at the 2018 Annual General Meeting, certain changes were made to allow for consideration of the latest benchmarking studies when setting Director remuneration. The following is a summary of the key changes from the 2018 Remuneration Policy:

- The maximum amount of long-term equity incentive awards available to the Executive Director for achievement of certain financial targets under the Company's Long-Term Umbrella Incentive Plan ("LTIP") is increased from 220% to 300% of the Executive Director's base salary.
- The long-term equity awards available to Non-Executive Directors are increased from 55% to 100% of the Non-Executive Directors' annual retainer fee.
- Clawback policies relating to certain incentive compensation have been added as a standalone provision of this Policy.

## ARTICLE 3 EXECUTIVE DIRECTOR REMUNERATION

FIXED REMUNERATION	
<b>Base Salary</b>	
<b>Purpose and Link to Strategy</b>	<ul style="list-style-type: none"> <li>▪ Attract, retain, incentivize, and reward talented individuals who can deliver on the Company's strategic and financial objectives</li> <li>▪ Recognize market value of the role and an individual's skills, experience and performance to ensure the Company can attract and retain high-caliber talent</li> <li>▪ Offer competitive remuneration</li> </ul>
<b>Operation</b>	<p>Salaries are reviewed annually and normally fixed for 12 months from January 1<sup>st</sup> to December 31<sup>st</sup> of each year. Salaries are paid in 12 equal monthly installments. Setting and reviews of salaries consider a variety of factors, including:</p> <ul style="list-style-type: none"> <li>▪ Remuneration packages for Executives of the same position at comparable companies;</li> <li>▪ Market data and pay practices in the US and UK;</li> <li>▪ Rises in the cost of living and market rates;</li> <li>▪ Individual experience, performance, and skills;</li> <li>▪ Scale of the Company's operations;</li> <li>▪ Company performance and affordability;</li> </ul>

<ul style="list-style-type: none"> <li>▪ Total remuneration level; and</li> <li>▪ Increases throughout the rest of the Company.</li> </ul>
<p><b>Maximum Opportunity</b></p> <p>There is no prescribed maximum to base salaries to avoid setting expectations. Salaries are typically set at or about the median salaries of the external comparator group, as determined by the Committee in consultation with its independent remuneration consultant. The Committee retains discretion to adjust salaries, at or about the median salaries of the external comparator group, to maximize the Company's top-quartile performance. When the Committee is satisfied that salaries are at or about the median of the external comparator group, annual increases are typically limited to the general level of increases granted to the Company's wider workforce, but may be higher in certain circumstances, such as a change in the role or an increase in responsibilities, in which case the Committee would increase salaries at its discretion.</p>
<p><b>Performance Metric</b></p> <p>None.</p>
<p><b>Provisions for Recovery or Withholding of Payment</b></p> <p>None.</p>
<p><b>Benefits in Kind</b></p>
<p><b>Purpose and Link to Strategy</b></p> <ul style="list-style-type: none"> <li>▪ Aid in the recruitment and retention of high-caliber talent</li> <li>▪ Provide employment benefits which ensure the overall remuneration package is market competitive when taking these elements into account</li> </ul>
<p><b>Operation</b></p> <p>Benefits generally include (i) a car allowance or mileage reimbursement; (ii) medical, dental and vision insurance; and (iii) life and disability assurance benefits. These benefits are provided directly by the Company or through the Company's plans or pension schemes. Additional benefits may be provided where required by law or to align with market practice, so long as such benefits are not significant in value. The Company may introduce new benefits that become prevalent in the jurisdiction in which it operates or in which the Executive Director is located. Where an Executive Director is relocated, benefits such as relocation expenses, travel expenses, accommodation, tax equalization, professional advice, and post-retirement medical expenses may be provided.</p>
<p><b>Maximum Opportunity</b></p> <p>Benefits are set at a level which the Committee considers to be appropriate against comparable roles in companies of similar size in the relevant market. No maximum value is set, but the Committee regularly monitors the overall cost of these benefits to ensure they are affordable, competitive, and in line with market practice.</p>
<p><b>Performance Metric</b></p> <p>None.</p>
<p><b>Provisions for Recovery or Withholding of Payment</b></p> <p>None.</p>
<p><b>Pension or 401(k) Contribution</b></p>
<p><b>Purpose and Link to Strategy</b></p> <ul style="list-style-type: none"> <li>▪ Provide competitive post-retirement benefits or cash allowance equivalent</li> <li>▪ Encourage and enable individuals to build savings for their retirement</li> </ul>
<p><b>Operation</b></p> <p>Executive Directors are eligible to participate in the Company's defined contribution schemes or retirement savings plans. The Company previously maintained defined benefit pension schemes; however, those schemes were frozen in 2016, consistent with contemporary benefit practices. The Company makes contributions to pension plans or retirement savings plans (i) in accordance with the terms of such plans; (ii) in accordance with regulatory requirements; and (iii) to match prevailing local market practices. In certain circumstances, such as when an individual Director's pension planning is restricted by one or more tax allowance, an equivalent allocation or payment may be made to an unregistered alternative savings vehicle or as a salary supplement in lieu of pension contributions. Arrangements are reviewed annually to ensure consistency with market practice and to take into account the effect of regulatory changes on an individual Director's benefits.</p>
<p><b>Maximum Opportunity</b></p> <p>The UK defined contribution scheme provides a maximum Company contribution of 25% of base salary with respect to the current Executive Director. With limited exceptions, the Company's 401(k) savings plan currently provides matching Company contributions up to six percent (6%) of base salary, subject to US statutory limits.</p>
<p><b>Performance Metric</b></p> <p>None.</p>
<p><b>Provisions for Recovery or Withholding of Payment</b></p> <p>None.</p>
<p><b>VARIABLE REMUNERATION</b></p>
<p><b>Annual Cash Bonus Incentive</b></p>
<p><b>Purpose and Link to Strategy</b></p> <ul style="list-style-type: none"> <li>▪ Promote and reward the achievement of key financial targets and strategic objectives in the applicable financial year</li> <li>▪ Retain, motivate and incentivize high-caliber talent</li> </ul>
<p><b>Operation</b></p> <p>The annual cash bonus is awarded with respect to the achievement of certain performance targets over the previous financial year. Performance targets are set at the beginning of the financial year and typically based on the achievement of various financial targets (typically EBITA and net cash conversion) measured against the budgeted levels approved by the Committee for the bonus year. Bonuses are awarded for achieving financial targets on a sliding scale between "Threshold", "Target" and "Max." If deemed appropriate, the Committee retains flexibility to (i) grant additional cash bonus incentives for attaining "Target" or "Max", as well as a single objective and (ii) use non-financial and personal objectives in addition to financial targets.</p>

<p><b>Maximum Opportunity</b> The annual cash bonus incentive is capped at 200% of the Chief Executive Officer's – the only Executive Director's – base salary.</p>
<p><b>Performance Metric</b> The weight of each measurement for achieving financial and non-financial targets are adjusted annually and are driven by the Company's strategy, financial goals, and requirement to maintain and improve operating efficiencies.</p>
<p><b>Provisions for Recovery or Withholding of Payment</b> If the Executive Director qualifies as a "good leaver" during the year to which the bonus relates, it is payable retrospectively pro-rata for the time in service. If, during the preparation of the current year's accounts, a material misstatement of the previous year's accounts is discovered, a clawback of the annual cash bonus with respect to the misstated element of the previous year's accounts may apply. Additional details can be found in Article 11 of this Policy.</p>
<p><b>Long-Term Equity Incentive</b></p>
<p><b>Purpose and Link to Strategy</b></p> <ul style="list-style-type: none"> <li>▪ Align employee rewards with returns to shareholders through personal financial investment</li> <li>▪ Reward the achievement of financial targets and key strategic objectives</li> <li>▪ Attract and retain high-quality employees in an environment where remuneration levels are based on a global market</li> </ul>
<p><b>Operation</b> Long-term equity incentive awards to the Executive Director are made in accordance with the Company's Long-Term Umbrella Incentive Plan ("LTIP"). The size of the awards granted is based on a targeted percentage of salary, which is divided by the share price to determine the number of shares subject to the award. The Committee considers the type, level, and vesting criteria of awards on an annual basis to ensure alignment to shareholders' interests and Company strategy. The LTIP provides the Committee discretion to grant time-based, market value, or performance-based awards in the form of Options, Stock Appreciation Rights (SARs), Restricted Stock, Restricted Stock Units (RSUs), and other stock-based awards or a combination of such awards. The award type or combination of award types is based upon what the Committee considers to be the market norm in the UK and US and the particular circumstances under which the award is made. Awards are made and satisfied through use of existing treasury shares or the issue of new shares. Participants are required to pay, at a minimum, the nominal cost of the regular share.</p> <p>The Committee has the discretion (as deemed appropriate to a "good leaver" in a particular circumstance, such as retirement of long serving employees or due to sickness or disability) to: (i) accelerate vesting and exercise dates; (ii) waive conditions to vesting, exercise, or transferability; and (iii) extend exercise periods after termination of employment.</p> <p>RSUs may be settled in cash, shares, or a combination of both, at the discretion of the Committee, in accordance with the Company's best interests. Awards may accrue dividends, either under the rules of the Plan or at the discretion of the Committee, payable in cash or shares. Dividend equivalents in respect of vested shares may be paid, in cash or shares, at the time of vesting (or exercise, in the case of options) and are not taken into account when determining individual limits.</p>
<p><b>Maximum Opportunity</b> The maximum award in any calendar year under the LTIP may not exceed 300% of the Executive Director's base salary. The maximum amount of dividend paid with respect to any award will be the dividends paid on the regular share over which the awards are granted between the grant date and vest date.</p>
<p><b>Performance Metric</b> The Committee has discretion to use a range of performance metrics for performance-based awards, as deemed appropriate to support the long-term strategy of the Company at the time of grant. For recent performance awards, the Committee has used profit, cash flow, Earnings Per Share (EPS) and Total Shareholder Return (TSR) performance metrics in various combinations.</p>
<p><b>Provisions for Recovery or Withholding of Payment</b> If, during the preparation of the current year's accounts, a material misstatement of the previous year's accounts is discovered, a clawback of the long-term equity incentive award with respect to the misstated element of the previous year's accounts may apply. Additional details can be found in Article 11 of this Policy.</p>
<p><b>All Employee Share Purchase Plans</b></p>
<p><b>Purpose and Link to Strategy</b></p> <ul style="list-style-type: none"> <li>▪ Encourage share ownership by all employees</li> <li>▪ Increase employee alignment with shareholders</li> </ul>
<p><b>Operation</b> The Executive Director is eligible to participate in the Company's UK Share Incentive Plan ("SIP") or US Employee Stock Purchase Plan ("ESPP") under the same conditions as all other employees. The UK SIP is an HMRC approved plan, subject to prescribed limits, to provide all eligible employees (including Executive Directors) with a tax-efficient way of purchasing ordinary shares out of monthly savings over a six month accumulation period. The Company currently provides 1 free matching share for every 2 shares purchased. Dividends on both purchased and matching shares are used to purchase additional shares. The US ESPP also allows all eligible employees (including Executive Directors) with a cost-efficient way of purchasing ordinary shares at a discounted rate out of regular payroll contributions made by the participant over a six month offering period. Additional share incentive schemes may be offered, where practical, on a cost-efficient basis.</p>
<p><b>Maximum Opportunity</b> Participants in the UK SIP can invest up to £150 per month (£1,800 p.a.) or 10% of salary, if lower, in any tax year to purchase ordinary shares using the participant's contributions at the end of each accumulation period. Such purchases are made at the lower of (i) the price at the start of the accumulation period or (ii) the price immediately before purchase. The maximum number of shares purchased by the participant through contributions is matched 1:1 by the Company, but the Company's current practice is to match 1:2.</p> <p>Participants in the US ESPP can purchase a maximum of 1,500 shares per each 6-month offering period and invest up to \$25,000 annually.</p>

In other jurisdictions where the Company operates, the plan(s) may have a maximum opportunity commensurate with the UK plan or applicable legislation, if deemed appropriate by the Committee.

**Performance Metric**  
None.

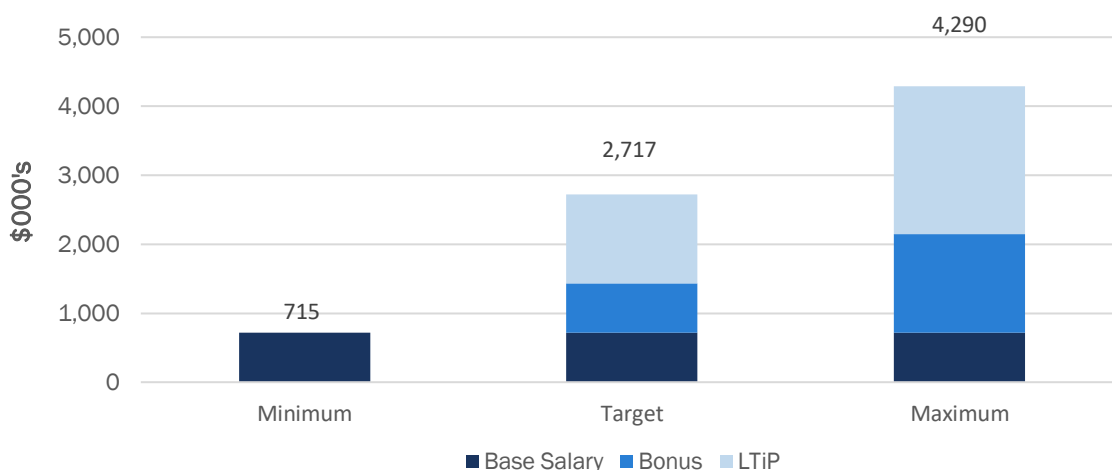
**Provisions for Recovery or Withholding of Payment**

Under the UK SIP, matching shares are forfeited if not held for 3 years, except if the participant leaves employment through redundancy, retirement, disability or TUPE transfer.

### Illustration of Remuneration Policy in Practice; Pay for Performance

The below graph seeks to demonstrate how pay varies with performance and is reflective of this Policy being presented for approval at the 2021 Annual General Meeting. The graph below sets out the level of remuneration that would be received by the Executive Director in accordance with this Policy in the first year to which the Policy applies in each of three scenarios: if the Director receives the minimum remuneration receivable; if the Director performs in line with the Company’s expectations in respect of performance measures; and if the Director receives the maximum remuneration receivable (not allowing for any share price appreciation).

**Application of the Remuneration Policy  
for 2021 CEO Compensation<sup>(1)</sup>**



- (1) The above graph excludes remuneration in the form of taxable benefits and pension contributions.
- (2) The base salary for the Executive Director is set by the Committee for the year ending 31 December 2021 in US Dollars.
- (3) Bonus targets are set by the Committee in early 2021. An annual cash bonus is earned only when the Company’s performance exceeds a “Threshold” level. The “Target” level is generally set to be half of the maximum bonus potential. Maximum bonus is earned for meeting the “Max” target, which is considerably above the Board-approved Target and represents exceptional performance.
- (4) Equity incentive awards under the LTIP may be made through a combination of performance and time-based awards. Each year, the Committee sets a “Threshold” level, a “Target” level, and a “Max” level. Performance below “Threshold” means that no performance element of the LTIP is awarded in the following year. Currently, meeting the “Target” level results in a grant of awards at a value of 180% of the base salary for the CEO. Each subsequent year’s “Target” level typically represents a material improvement on the prior-year “Threshold.” Achieving the “Max” level means that the Company has considerably outperformed the Board’s expectations, resulting in the maximum grant of awards at a value up to 300% of the CEO’s base salary.

## ARTICLE 4 NON-EXECUTIVE DIRECTOR REMUNERATION

FIXED REMUNERATION
<b>Annual Retainer Fee</b>
<p><b>Purpose and Link to Strategy</b></p> <ul style="list-style-type: none"> <li>▪ Support the recruitment and retention of Non-Executive Directors</li> <li>▪ Attract Non-Executive Directors who have a broad range of experience and skills to provide independent judgment on issues affecting the Company</li> <li>▪ Offer competitive remuneration to Non-Executive Directors in line with market practice</li> </ul>
<p><b>Operation</b></p> <p>Each Non-Executive Director receives an annual retainer fee for their services, with an additional amount payable for acting as the Board Chair. The Non-Executive Directors do not receive supplemental fees for acting as the chair of any of the Board committees or their respective committee responsibilities. The Committee reserves the discretion to implement such supplemental fees if deemed appropriate and in line with market practice.</p> <p>Annual retainer fees are reviewed annually. In setting and reviewing the annual retainer, the Committee considers a variety of factors, including (i) inflation, (ii) market rates, (iii) affordability, (iv) total remuneration levels, (v) pay and practices in both the US and UK, and (vi) increases in remuneration throughout the rest of the Company.</p> <p>Non-Executive Directors may choose to forego annual or periodic increases to their annual retainer in lieu of an equivalent value of share awards. The annual retainers are denominated in USD.</p>
<p><b>Maximum Opportunity</b></p> <p>There is no prescribed maximum with respect to the Non-Executive Directors' annual retainers to avoid setting expectations. Retainers are regularly reviewed and increased in line with market practice.</p>
<p><b>Performance Metric</b></p> <p>None.</p>
<p><b>Provisions for Recovery or Withholding of Payment</b></p> <p>None.</p>
<b>Long-Term Equity Awards</b>
<p><b>Purpose and Link to Strategy</b></p> <ul style="list-style-type: none"> <li>▪ Strengthen the alignment between the interests of shareholders and Non-Executive Directors through share ownership</li> </ul>
<p><b>Operation</b></p> <p>Non-Executive Directors receive a non-discretionary grant of share awards in the form of Options, Restricted Stock, or RSUs. Awards are made once annually, immediately after the Annual General Meeting. The awards vest the day prior to the following year's Annual General Meeting. The size of the awards granted is based on a targeted percentage of the annual retainer fee, which is divided by the share price to determine the number of shares subject to the award.</p> <p>New Non-Executive Directors cannot participate in the annual equity awards until they have served six months on the Board of Directors; however, the awards they would have earned from the date of their appointment are added to the next annual award, provided they are re-elected at the AGM.</p>
<p><b>Maximum Opportunity</b></p> <p>The maximum award in any calendar year may not exceed 100% of the Non-Executive Director's annual retainer fee, valued as of the grant date.</p>
<p><b>Performance Metric</b></p> <p>None.</p>
<p><b>Provisions for Recovery or Withholding of Payment</b></p> <p>None.</p>

## ARTICLE 5 ALIGNMENT OF EXECUTIVE DIRECTOR REMUNERATION WITH EMPLOYEE REMUNERATION

The Committee considers the remuneration strategy applicable to other Luxfer employees when setting the Executive Directors' remuneration. In this respect, the remuneration policy applicable to the Executive Director is aligned with that of other Luxfer employees and shares the following principles:

- The Committee's approach to annual salary reviews is consistent with the approach used across the Company, with consideration given to the scope of the role, level of responsibility, experience, performance, and market data for similar roles in other companies.

- Senior, middle, and lower management may participate in an annual bonus scheme with similar structures and metrics to those used for the Executive Director, although these bonuses are set a lower percentage of base salary. Other employees may participate in performance-based incentive plans which vary by organizational level and contain various metrics relevant to the particular business or function. In general, there is a greater emphasis on performance-related pay for management, and bonus opportunities for other employees may be lower or not available, depending on the jurisdiction.
- Equity incentive awards made under the LTIP is limited to the Executive Director and certain senior officers and managers in the Company. The nature of any award under the LTIP depends on the individual's location, role, and responsibilities, At the discretion of the Committee, market value share awards or time-based share awards may be awarded to employees in recognition of outstanding performance and to encourage share ownership and retention.
- The Executive Director is eligible to participate in the UK Share Incentive Plan and US Employee Stock Purchase Plan on the same basis as other employees.
- Participation in defined contribution schemes or retirement savings plans are generally provided to eligible employees on the same basis. Pension arrangements are offered where it is the norm in the jurisdiction in which the employee is located. Where local regulation permits and where it is market norm, higher contributions may be available for more senior management. The Company's primary pension schemes and retirements savings plans are described in the Company's financial statements.
- Benefits available to Luxfer employees generally include (i) medical, dental and vision insurance and (ii) life and disability assurance benefits. However, the benefits available are dependent on the employee's position and the market norms of the jurisdiction in which they are located.

While Executive Director and employee remuneration are aligned in many respects, differences are due to levels of responsibility, seniority, and market norms in the jurisdictions in which such persons are employed.

## ARTICLE 6 APPROACH TO RECRUITMENT REMUNERATION

Luxfer's policy is to pay a fair remuneration package for the role being undertaken and the experience of the individual to be appointed.

### Executive Director

When setting a remuneration package for a new Executive Director, including internal promotions, the Committee will apply similar principles to those set out in the most recent and approved Remuneration Policy. Luxfer expects remuneration packages for Executive Directors to include base salary, an annual cash bonus incentive, initial and ongoing equity incentive awards, pension or 401(k) contribution, and standard benefits. The table below sets out the maximum variable remuneration opportunity:

Element of Remuneration	Approach	Maximum Opportunity
<b>Base Salary</b>	Set at a level appropriate to the role and experience of the new Executive Director. This may include, if appropriate, an agreement to increase base salary over a defined period up to a pre-defined level on acquiring experience and having delivered satisfactory performance, in which case the salary may exceed inflation or other increases given to the general workforce in the country in which the new Executive Director is based.	In line with existing Remuneration Policy
<b>Benefits</b>	In line with existing Remuneration Policy	In line with existing Remuneration Policy
<b>Pension or 401(k) Contribution</b>	In line with existing Remuneration Policy	In line with existing Remuneration Policy



<b>Annual Cash Bonus Incentive</b>	In line with existing Remuneration Policy	In line with existing Remuneration Policy
<b>Long-Term Equity Incentives</b>	In line with existing Remuneration Policy	In line with existing Remuneration Policy

The Committee may also consider special provisions tailored to the recruitment situation, such as sign-on bonus, reasonable relocation support, and make-whole awards for remuneration forfeited from a prior employer (whether on account of cash bonuses, share awards, pension benefits or other forfeited items). In the event of an external appointment, the Committee may consider compensating a new Executive Director in cash or shares for remuneration forfeited on leaving their former employment if they consider it to be in the best interest of the Company and its shareholders. The Committee would consider the amount of remuneration forfeited, as well as the nature, vesting dates, and performance requirements of the forfeited remuneration.

Any new Executive Director will be required to hold Company shares at a minimum value of 4x their annual base salary and is allowed a period of five (5) years from the date of appointment or the effective date of the Company’s Stock Ownership Guidelines, whichever occurs later, to acquire this minimum holding. The Committee may award a new Executive Director up to 100% of their base salary in time-based options outside of the terms of the LTIP. These options would vest in three equal installments over the three anniversaries of the award. Additionally, the Committee may award a new Executive Director up to 300% of their base salary in performance-based options outside the terms of the LTIP. These options may be made available in installments, with various performance targets, over a period of up to seven (7) years to allow for the delivery of strategic objectives. Shares acquired under this performance-based element must be retained for a minimum of five (5) years from the date of appointment.

#### Non-Executive Directors

New Non-Executive Directors will be offered remuneration on the same basis as existing Non-Executive Directors, including annual retainer fees and long-term equity awards. Long-term equity awards are granted to Non-Executive Directors pursuant to the Equity Incentive Plan (“EIP”), under which the annual awards are non-discretionary. Awards can be made in the form of Options, Restricted Stock, or Restricted Stock Units at the discretion of the Committee, based on the value of each type of award and the number of shares left in the Plan. The vesting period is determined at the discretion of the Committee.

## ARTICLE 8 SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

In accordance with Luxfer’s long-standing policy, the Executive Director is party to a Service Contract, while Non-Executive Directors are subject to Letters of Appointment, which detail the basis of their appointment. Service Contracts and Letters of Appointment are available for inspection at the Company’s registered office.

#### Executive Director

It is generally the Company’s policy that Service Contracts for Executive Directors shall not include a fixed term. Notice periods are set by the Board, having regard to the Company’s need to attract and retain talent, ensure an orderly succession, and enable the Company to manage personnel while avoiding excessive costs. Generally, Service Contracts may be terminated by either party, upon twelve months’ notice, and contain change in control provisions. At the Committee’s discretion, Service Contracts may provide for pay in lieu of notice in the event of early termination. Such payment in lieu of notice may include base salary, benefits, pension contributions, or payment of the annual cash bonus incentive.

The Company may terminate, without notice, the Executive Director’s Service Contract for “Cause” (as such term is defined in the Service Contract) upon the occurrence of certain events identified in the Service Contract. Such termination would typically occur if the Executive Director’s conduct justifies dismissal, such as gross misconduct. In such event, the Company will pay the Executive Director all accrued and unpaid base salary and any accrued and unpaid benefits through the date of termination, after which Luxfer will have no further obligation to the Executive Director under the Service Contract, unless specified by further written agreement. The Executive Director

has the same employment rights as any other employee in the case of redundancy or if a relevant tribunal determines that their termination was unlawful or unfair under applicable law.

The below table summarizes various terms of the current Executive Director's Service Contract.

Executive Director	Date of Current Service Contract	Notice Period	Remuneration Entitlement
Alok Maskara	23 May 2017	12 months	<ul style="list-style-type: none"> <li>▪ <b>Payment in lieu of notice in the event of early termination:</b> May include base salary, benefits, and pension contributions payable for the notice period. A cash bonus may be paid if the period for which pay in lieu of notice is made extends past the year-end, subject to performance targets being achieved.</li> <li>▪ <b>Termination for Cause:</b> All accrued and unpaid base salary and any accrued and unpaid benefits through the date of termination.</li> <li>▪ <b>Death or Disability:</b> All accrued and unpaid base salary and any accrued and unpaid benefits through the date of death or disability.</li> </ul>
<b>Change in Control</b>			
<p>In the event of (A) a change in control and (B) (i) the Executive Director's Service Contract not being assumed by the acquiring entity or (ii) a materially different position is offered to the Executive Director, a severance payment is payable by the Company to the Executive Director upon termination of the Service Contract. The severance payment shall be made in accordance with the terms of the Service Contract or, where not applicable, the Company's then-current Severance Policy. In the event of a severance payment as a result of a change in control, the severance payment is calculated at 2x the highest basic annual salary for the Executive Director (as opposed to twelve months' salary at the base salary in effect as of the date of termination under typical notice circumstances and provisions).</p> <p>Upon a change in control, all outstanding but unvested time-based awards will fully vest and become exercisable. Unless otherwise determined by the Committee, any exercisable time-based awards shall lapse on the first anniversary of the change in control if not exercised. Pursuant to the rules of the LTIP, all performance-based awards will vest on a pro-rata basis, based on the Company's performance as of the effective date of the change in control and the elapsed portion of the performance period.</p> <p>The Committee may choose to make a cash payment equivalent of the non-equity incentive compensation to the Executive Director, typically at the Target level, and subject to performance targets being achieved.</p>			

Service Contracts for new Executive Directors to the Board, including internal promotions, will be made on the same terms as those offered to the current Executive Director, provided the Committee determines that such terms are consistent with market practice and in the best interest of the Company.

### Non-Executive Directors

It is generally the Company's policy that Letters of Appointment for Non-Executive Directors, including the Chair, shall not include a fixed term. However, the Company's Corporate Governance Guidelines contain term limits and provisions regarding retirement age. Moreover, all Directors are subject to annual election or re-election at the Company's Annual General Meeting, in accordance with the UK Corporate Governance Code. Non-Executive Directors, including the Chair, do not have any employment rights with the Company.

The below table summarizes various terms of the Non-Executive Directors' Letters of Appointment.

Non- Executive Director	Date of Current Letter of Appointment	Notice Period	Remuneration Entitlement
David Landless	20 February 2013	3 months, except if the Director fails to be re-elected at an AGM, then the appointment terminates immediately, without notice or compensation	All accrued and unpaid retainer fees through the date of termination.

Clive Snowdon	29 July 2016	3 months, except if the Director fails to be re-elected at an AGM, then the appointment terminates immediately, without notice or compensation	All accrued and unpaid retainer fees through the date of termination.
Richard Hipple	19 November 2018	3 months, except if the Director fails to be re-elected at an AGM, then the appointment terminates immediately, without notice or compensation	All accrued and unpaid retainer fees through the date of termination.
Allisha Elliott	5 March 2019	3 months, except if the Director fails to be re-elected at an AGM, then the appointment terminates immediately, without notice or compensation	All accrued and unpaid retainer fees through the date of termination.
Lisa Trimberger	1 September 2019	3 months, except if the Director fails to be re-elected at an AGM, then the appointment terminates immediately, without notice or compensation	All accrued and unpaid retainer fees through the date of termination.

New Non-Executive Directors to the Board will generally be appointed on the same basis as the current Non-Executive Directors.

## ARTICLE 9 POLICY ON PAYMENT FOR LOSS OF OFFICE

Luxfer’s policy on payment for loss of office (i) provides a clear set of principles that govern such payments that will be made for loss of office and (ii) takes into account the individual circumstances relating to such loss of office, including the reason for termination, individual performance, and contractual obligations. Any termination payment made in connection with the departure of an Executive Director will be subject to the Committee’s approval, having regard to the terms of the Service Contract, other legal obligations, and circumstances surrounding the termination. At minimum, all contractual entitlements through the date of termination will be honored, and the Company will pay any amounts it is required to pay in accordance with the Director’s statutory employment or contractual rights.

In addition to the payments described below, the Committee may pay such amounts as are necessary to settle or compromise any claim or by way of damages, where the Committee views it as in the best interests of the Company to do so, including, without limitation, payment of or reimbursement of reasonable legal and professional fees incidentally incurred by the Director. In all cases, the Company will seek to apply the principles of mitigation to ensure that it is not paying more than is required.

Generally, Luxfer employment arrangements for Executive Directors include a notice provision and continuing payment obligations as per the individual Executive Director’s Service Contract following termination of an Executive Director without cause or termination by the Executive Director for good reason or change in control. Payment obligations, if any, typically include base salary, all or some portion of the annual cash bonus, and long-term equity incentives. Luxfer may offer payment in lieu of notice if it is considered to be in the best interests of the Company.

### **Base Salary – Notice; Payment In Lieu of Notice**

For Executive Directors, service contracts will generally be on terms that allow such contract to be terminated on up to 12 months’ notice from either party or by way of payment of the then-current base salary in lieu of notice.

If an Executive Director is terminated “Cause”<sup>1</sup> or if the Executive Director resigns without “Good Reason” (as each term is defined in the Service Contract), Luxfer will pay the Executive Director all accrued and unpaid base salary and any accrued and unpaid benefits through the date of termination, after which Luxfer will have no further obligation under the Service Contract to the Executive Director, unless specified by further written agreement. Neither notice nor a payment in lieu of notice will be given in the event the Executive Director is terminated for “Cause” (as that term is defined in the Service Contract), such as in the event of gross misconduct.

If the employment of the Executive Director terminates due to their death or “Disability” (as defined in the Service Contract), the Executive Director or their estate will receive all accrued and unpaid base salary and any accrued and unpaid benefits

through the date of death or disability, after which all right to benefits will terminate and Luxfer will have no further obligation to the Executive Director or their estate under the Service Contract.

If the employment of the Executive Director is terminated for any reason other than death, “Disability”, or “Cause”, the Executive Director will generally be entitled to a cash severance payment equal to 12 months of the Executive Director’s annual base salary at the time of termination.

<sup>1</sup> Unless otherwise defined in a Director’s Service Contract, termination for “Cause” is generally defined as conduct that would constitute grounds for summary dismissal.

#### **Long-Term Equity Incentive Awards**

The treatment of outstanding share awards in the event that an Executive Director leaves the Company is governed by the relevant LTIP rules.

For Directors departing for any reason other than termination for “Cause” (as that term is defined in the Service Contract), all outstanding and unvested time-based awards will immediately lapse. Unless otherwise determined by the Committee, any vested and exercisable time-based awards shall lapse on the first anniversary of the effective date of termination. Pursuant to the rules of the LTIP, all performance-based awards will vest on a pro-rata basis, based on the Company’s performance as of the effective date of termination and the elapsed portion of the performance period. The Committee has the discretion (as deemed appropriate to a “good leaver” in a particular circumstance, such as retirement of long serving employees or due to sickness or disability) to: (i) accelerate vesting and exercise dates; (ii) waive conditions to vesting, exercise, or transferability; and (iii) extend exercise periods after termination of employment. Such discretion is typically used in circumstances where Directors are retiring before the last vesting date or leaving the Company due to ill health or redundancy.

In the event of termination for “Cause”, all time-based awards, unvested performance-based awards, and unexercised options will immediately lapse or be forfeited as of the date of termination.

#### **Annual Cash Bonus Incentive**

Generally, an Executive Director is not entitled to an annual cash bonus incentive upon cessation of employment within the first half of the calendar year. However, the Committee may, at its discretion, make a retroactive payment on a pro-rated basis during the second half of the calendar year if the

Where an Executive Director’s employment is terminated after the end of a performance year but before the bonus payment is made, the Executive Director will remain eligible for an annual cash bonus for that performance year, subject to an assessment of performance achieved over the period. Any resulting cash bonus will be paid on the normal bonus payment date.

A departing Executive Director is not entitled to any cash bonus incentive if they breach any obligations in their Service Contract, including, without limitation, the notice period.

## **ARTICLE 10 CONSIDERATION OF INTERNAL AND EXTERNAL CONDITIONS**

The Committee commissions benchmarking studies of comparable companies and gives consideration to the conditions of the Company’s broader workforce when making remuneration-related decisions for the Directors. Consideration is given to various factors, such as general inflationary and cost-of-living increases. Luxfer utilizes a clear structure of pay and benefits per layer of its workforce. The Committee does not consult employees nor does it use internal comparison metrics when preparing the Directors’ Remuneration Policy. However, the Committee is aware of average pay and benefit packages available within the Company. The Committee also considers shareholder feedback and views expressed by institutional shareholder bodies, so far as it relates to remuneration, when reviewing the appropriateness of the Policy. In addition, the Committee considers potential conflicts of interest to ensure that Directors do not have sole discretion over their own remuneration.

## **ARTICLE 11 CLAWBACK POLICIES AND PROCEDURES**

The Company has established policies and procedures, which apply to all Directors and employees in relation to the clawback of certain incentive compensation. Specifically, if, during the preparation of the current year’s

financial results, a material misstatement of the previous year's results is discovered, a clawback of the non-equity cash bonus incentive and long-term incentive awards granted with respect to such misstated financial results may occur. The Committee has discretion in applying such policy to recover or recoup incentive compensation in situations involving a material misstatement of financial results. Furthermore, the Committee may take into account any factors it deems reasonable in determining whether to seek recoupment of previously paid incentive compensation; how much incentive compensation to recoup from individual Directors and employees; and the form of such incentive compensation to be recouped.