

LUXFER HOLDINGS PLC
AUDIT COMMITTEE
TERMS OF REFERENCE

Reference to “the Committee” shall mean the Audit Committee.

I. Statement of Purpose

The Audit Committee is a standing committee of the Board of Directors. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibility relating to (i) the integrity of the Company’s financial statements internal control system (including the implementation and effectiveness of internal control over financial reporting); (ii) the performance of the internal audit services function; (iii) the annual independent audit of the Company’s financial statements, the engagement of the independent auditors and the evaluation of the independent auditors’ qualifications, independence and performance; (iv) the compliance by the Company with legal and regulatory requirements; (v) the implementation and effectiveness of the Company’s disclosure controls and procedures; and (vi) the fulfillment of the other responsibilities set out herein. The Committee shall also prepare the report of the Committee required to be included in any annual proxy statement the Company is required to prepare.

In discharging its responsibilities, the Committee is not itself responsible for the planning or conduct of audits or for any determination that the Company’s financial statements are complete and accurate or in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

II. Organization

A. *Terms of Reference.* Generally on an annual basis, these Terms of Reference shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board of Directors for approval.

B. *Members.* The members of the Committee shall be appointed by the Board of Directors and shall number at least three, including the Committee Chairman, each of whom shall meet the independence, experience and expertise requirements of the New York Stock Exchange and applicable law. The Board of Directors shall also designate a Committee Chairman.

C. *Meetings.* In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled as required. In planning the annual schedule of meetings, the Committee shall periodically meet separately (i) with the independent auditors and/or internal audit (or internal audit service providers), without management present; and (ii) with management, without the independent auditors and/or internal audit (or internal audit service providers) present. The Committee shall also regularly meet in executive session with only the Committee members present. If the matter is urgent and cannot wait the provisions of the ‘Decisions taken Between Scheduled Board Meetings’ will apply construing references to the Chairman as references to the Committee Chairperson and references to the Board as references to the Committee.

D. *Quorum; Action by Committee.* A quorum at any Committee meeting shall be at least two members. All determinations of the Committee shall be made by a majority of its

members present at a meeting duly called or held, except as specifically provided herein (or where only two members are present, by unanimous vote). Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

E. *Agenda, Minutes and Reports.* An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Committee shall make regular reports to the Board of Directors.

F. *Performance Evaluation.* The Committee shall evaluate its performance on an annual basis. The Committee shall conduct this evaluation in such manner as it deems appropriate.

III. Responsibilities

The following shall be the principal responsibilities of the Audit Committee:

A. *Engagement of Independent Auditors.* The Committee shall engage the independent auditors for all audit and non-audit services, and oversee, evaluate and, where appropriate, replace the independent auditors.

B. *Pre-Approval of Audit and Non-Audit Services.* The Committee shall approve procedures for the pre-approval of the engagement of the independent auditors to provide audit and non-audit services. The Committee shall, in accordance with such procedures, pre-approve all audit and non-audit services provided to the Company by the independent auditors, all as required by applicable law or listing standards.

C. *Review of Independence and Performance of Independent Auditors.* The Committee shall receive periodic reports from the independent auditors as required by applicable law or standards of the PCAOB (United States) regarding the auditors' independence, which shall be not less frequently than annually. The Committee shall discuss such reports with the auditors and take appropriate action to satisfy itself of the independence of the auditors. The Committee shall review the performance, evaluate the qualification and independence (including an evaluation of the lead audit partner) of the Company's independent auditors annually. In doing so, the Committee shall consult with management and the internal audit function (or internal audit service providers) and shall obtain and review a report by the independent auditors describing their internal control procedures, issues raised by their most recent internal quality control review, or peer review (if applicable), or by any inquiry or investigation by governmental or professional authorities for the preceding five years and the response of the independent auditors. The Committee shall consider whether it is appropriate to adopt a policy of rotating independent auditors on a periodic basis. Any selection of the auditors by the Committee may be subject to shareholders' approval, as determined by the Board of Directors.

D. *Review of Performance of Internal Auditors.* The Committee shall annually review the experience and qualifications of the internal audit function (or the internal audit service providers), including the responsibilities, staffing, budget and quality control

procedures of the internal audit function. If the internal audit services are outsourced, the Committee shall be responsible for the engagement, evaluation and termination of the internal audit service providers and shall approve fees paid to the internal audit service providers. As part of its responsibility to evaluate any internal audit service providers, the Committee shall review the quality control procedures applicable to the service providers. The Committee shall also obtain not less frequently than annually a report of the service providers addressing such service providers' internal control procedures, issues raised by their most recent internal quality control review or by any inquiry or investigation by governmental or professional authorities for the preceding five years and the response of such service providers.

E. Audits by Internal and Independent Auditors. The Committee shall discuss with the internal audit function (or the internal audit service providers) and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing, budgets and other factors that may affect the effectiveness and timeliness of such audits. In this connection, the Committee shall discuss with management, the internal audit function (or the internal audit service providers) and the independent auditors the Company's major risk exposures (whether financial, operating or otherwise), the adequacy and effectiveness of the Company's internal control over financial reporting and the steps management has taken to monitor and control such exposures, among other considerations that may be relevant to their respective audits.

F. Oversight of Internal Control over Financial Reporting. The Committee shall review with management and the independent auditors the Company's overall system of internal control, including management's annual assessment of the Company's internal control over financial reporting and the related report issued by the independent auditors. The Committee shall also review with management and the independent auditors (i) significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting; (ii) any fraud (regardless of materiality) involving management or other employees having a significant role in internal control over financial reporting; and (iii) changes in the Company's internal control over financial reporting during the most recent fiscal year that have materially affected, or are reasonably likely to materially affect, such internal control over financial reporting.

G. Review of Disclosure Controls and Procedures. The Committee shall review with the Chief Executive, the Chief Financial Officer and the General Counsel the Company's disclosure controls and procedures and shall review periodically, but in no event less frequently than yearly, management's conclusions about the effectiveness of such disclosure controls and procedures, including any material non-compliance with them. The Committee shall also review any statements included in any annual report of filing with the SEC on internal controls and risk management.

H. Review of Annual SEC Filings and Companies House Annual Report and Accounts. The Committee shall review and challenge where necessary with management and the independent auditors the financial information to be included in the Company's Annual Report on Form 20-F (or the annual report to shareholders if distributed prior to the filing of the Form 20-F) and the statutory financial statements including, as appropriate (i) the disclosures including under "Management's Discussion and Analysis of Financial Condition and Results of Operations"; (ii) their judgment about the quality, not just acceptability, of accounting principles, policies and practices; (iii) any significant changes in accounting

policies and practices; (iv) the consistency of the accounting policies and practices both year to year and across the group; (v) the reasonableness of significant judgments made in the preparation of the financial statements, how they are reflected in the Company or Group financial statements and the clarity of the disclosures therein; (vi) methods used to account for significant or unusual transaction during the year and how they are disclosed; (vii) significant adjustments resulting from the audit; (viii) the going concern assumption and the statement that the business is a going concern before endorsement by the Board; (ix) compliance with accounting standards; (x) compliance with regulatory and legal requirements (including the requirements of any relevant stock exchange); (xi) all material information presented with the financial statements and any corporate governance statements but only in so far as it relates to audit and risk management.

The Committee shall also (a) monitor the integrity of the financial statements including the quarterly reports and unaudited condensed financial statements, annual report and financial statements and 20-F and consider whether the accounting policies of the group are in accordance with the law and accounting standards and report to the Board accordingly; (b) discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under applicable standards of the PCAOB (United States) or applicable law or listing standards.

The Committee may discuss with the national office of the independent auditors issues on which it was consulted by the Company's audit team and matters of audit quality and consistency. Based on such reviews and discussion, the Committee shall determine whether to recommend to the Board of Directors that the translated audited financial statements be included in the Company's Form 20-F and the audited financial statements be approved.

I. *Review of Certain Other Communications.* The Committee shall review the Company's interim financial reports and earnings press releases and financial information and earnings guidance, including non-GAAP and non IFRS financial measures, periodically provided to analysts and rating agencies (which may consist of a discussion of the types of information to be provided and types of presentation to be made) to the extent required by applicable law or listing standards.

J. *Review of Certain Matters with Management and the Independent Auditors.* The Committee shall review periodically with management and independent auditors (i) significant financial reporting issues, including material changes in the Company's selection or application of accounting principles and the effects of alternative applications of accounting principles on the Company's financial statements; and (ii) the effect of new or proposed regulatory and accounting initiatives on the Company's financial statements and other public disclosures.

K. *Additional Consultations with Independent Auditors.* The Committee shall review with the independent auditors any difficulties the auditors may have encountered in connection with the annual audit or otherwise and any management letter provided by the auditors and the Company's response to that letter. Such review shall address (i) any restrictions on the scope of activities or access to required information; (ii) any disagreements with management regarding generally accepted accounting principles and other matters; and (iii) material adjustments to the financial statements recommended by the independent auditors and adjustments that were proposed but "passed," regardless of materiality.

L. *Policies for Employment of Former Audit Staff.* The Committee shall approve guidelines for the Company's hiring of former employees of the independent auditors, which shall meet the requirements of applicable law and listing standards.

M. *Establishment of "Whistleblowing" Procedures.* The Committee shall establish and publish procedures for the receipt and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

N. *Oversight of Compliance and Ethics Program.* The Committee shall periodically, but not less frequently than annually, review with management, including the General Counsel, the implementation and effectiveness of the Company's compliance and ethics program, including the "whistleblowing" procedures referred to above.

In performing such oversight, the Committee shall also review with appropriate members of management, and, if appropriate, the independent auditors any correspondence with, or other action by, regulators or governmental agencies and any employee complaints or published reports that raise concerns regarding the Company's financial statements, accounting or auditing matters or compliance with any Code of Business Conduct and Ethics implemented by the Company in so far as it is required to implement such a code or other applicable law or listing standards. **The Committee shall have the sole authority for determining whether and on what terms to grant to any Director or executive officer a waiver as such from the Company's Code of Business Conduct and Ethics.** The Committee shall also meet periodically and separately with the General Counsel to review the material legal affairs of the Company.

O. *Review of Certain Transactions with Directors and Related Persons.* The Committee shall review periodically, but no less frequently than annually, a summary of the Company's transactions with Directors and officers of the Company and with firms that employ Directors, as well as any other related person transactions.

P. *Access to Records, Consultants and Others.* The Committee shall have full authority (i) to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company; (ii) to retain outside legal, accounting or other consultants to advise the Committee; and (iii) to request any officer or employee of the Company, the Company's outside counsel, internal auditor, internal audit service providers or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Q. *Delegation.* The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee.

R. *Other Delegated Responsibilities.* The Committee shall also carry out such other duties that may be delegated to it by the Board of Directors from time to time.