



**LUXFER**  
**CORPORATE GOVERNANCE GUIDELINES**

Version 2.0

Effective Date: December 11, 2019

## **1.0**      **PURPOSE**

The Board of Directors of Luxfer Holdings PLC (the “Company”) adopts the following guidelines as a basis for good corporate governance. These guidelines are intended to ensure that the Company is run in a transparent and ethical manner and to support the Company’s core objectives in furtherance of its values.

## **2.0**      **BOARD ISSUES**

### **2.1**      **Membership**

#### **(A)**      **Size of Board**

The Board believes that its optimal size is between five and ten members. The Company’s Articles of Association specify a minimum and maximum number of Directors; any change to the minimum or maximum number of members of the Board would require amendment to the Company’s Articles of Association and shareholder approval.

#### **(B)**      **Mix of Directors; "Independent" Directors**

A majority of the Directors shall satisfy the independence requirements of the Securities Exchange Act of 1934, the New York Stock Exchange and any other regulatory authority. The Board must make an affirmative determination regarding the independence of each Director annually, based upon the recommendation of the Nominating and Governance Committee and monitor its compliance with the New York Stock Exchange rules and other applicable standards, including, as applicable, enhanced director independence requirements for members of the Board Committees.

#### **(C)**      **Board Membership Criteria**

The Board does not discriminate on the basis of gender, sexual orientation, race, religion or national origin in selecting Director candidates. The Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Exceptional candidates who do not meet all of these criteria may still be considered. Directors should have experience of working in positions with a high degree of responsibility, having been or currently being leaders in companies or institutions with which they were or are affiliated and be selected based upon contributions they can make to the Company. Directors should plan to make a significant time commitment to the Company and demonstrate a willingness and ability to prepare for, attend and participate in all Board and Committee meetings.

#### **(D)**      **New Directors**

The Nominating and Governance Committee has, as one of its responsibilities, the duty to recommend director candidates to the full Board. The Nominating and Governance Committee will maintain an orientation program for new Directors.

#### **(E)**      **Term Limits; Retirement; Resignation**

##### **(i)**      **Term Limits**

Non-Employee Directors should offer to resign from the Board after nine years’ service. Whether the resignation is accepted by the Board is a matter to be determined by the Nominating and Governance

Committee and the Board. The Board believes this is a matter to be decided in each individual instance. Included within the Company Articles of Association is also a mandatory provision for at least a third of the Directors to stand for re-election on a rotating basis at the Annual General Meeting (although general practice is that all Directors stand for re-election at each Annual General Meeting).

**(ii) Resignation Policy - Executive Directors**

Executive Directors shall offer to resign from the Board and the boards of all subsidiaries and affiliates of the Company on which they serve upon their resignation, removal or retirement as an officer of the Company. Whether the resignation is accepted by the Board is a matter to be determined by the Nominating and Governance Committee and the Board. The Board believes this is a matter to be decided in each individual instance.

**(iii) Directors Changing Their Present Job Responsibilities**

The Board expects Directors to offer to resign from the Board upon a change in their business position, including, without limitation, a substantial change in responsibilities or retirement from the position on which their original nomination was based. Whether the resignation is accepted by the Board is a matter to be determined by the Nominating and Governance Committee and the Board. The Board believes this is a matter to be decided in each individual instance.

**(iv) Retirement Age**

When a Director reaches the age of 73, the Director shall submit an offer tendering such Director's resignation to the Board. Such offer shall be effective as of the first Annual General Meeting of the Company's shareholders after such time and annually thereafter. The Nominating and Governance Committee shall review the Director's continued qualifications and contributions to the Board and recommend to the Board any action to be taken in connection with such offer.

**2.2 Conduct**

**(A) Board Meetings**

**(i) Selection of Agenda Items and Executive Sessions**

The Chief Executive Officer and the Company Secretary, with input from the Chair of the Board and the other Directors, should establish the agenda for Board meetings. The non-executive Directors of the Board will meet in executive session during each of the Board's regularly scheduled meetings, without any Executive Directors or other members of the Company's management present. The Chair of the Board or such individual's designee will preside at the executive sessions.

**(ii) Distribution of Materials**

The Company shall distribute, sufficiently in advance of meetings to permit meaningful review, materials for use at Board meetings. Normally, distribution should be not less than five business days before the related Board or Committee meeting, although the Directors and Committee members appreciate that this may not always be possible. The Directors should review and understand the materials provided prior to Board meetings and keep abreast of any economic, business and business management news and trends in the Company's competitive environment.

**(iii) Attendance of Non-Directors**

The Board believes that attendance of key executive officers at appropriate portions of Board or Committee meetings augments the meeting process and may call upon such individuals from time to time as deemed necessary or desirable.

**(iv) Number of Meetings; Attendance and Preparation**

The Board of Directors shall hold a minimum of four physical meetings per year. Directors are expected to attend all meetings and to have, prior to the meetings, reviewed all meeting materials distributed to them in advance. Directors are expected to be physically present at all meetings, including the Annual General Meeting. Conference telephone, video conference, or similar communication equipment attendance at a meeting may be permitted, but in-person attendance is preferred and is expected to be the norm.

**(B) Conflicts of Interest**

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company or gives the appearance of a conflict. The Company annually solicits information from Directors in order to monitor potential conflicts of interest, and Directors are expected to always be mindful of their fiduciary obligations to the Company.

**(C) Compliance**

Directors are expected to comply with all statutory duties imposed by the Companies Act 2006, the rules and regulations set forth by the U.S. Securities and Exchange Commission and New York Stock Exchange, and any other applicable rules or legislation. These duties include, but are not limited to, acting to promote the success of the Company as a whole and exercising reasonable care, skill and diligence. Directors are also expected to comply with all Board and Company policies and procedures.

**(D) Consulting Agreements with Directors**

The Board believes that the Company should not enter into paid consulting arrangements with outside Directors or their employers, unless this is in the best interests of the Company and its members as a whole and explicit Board approval has been sought. Such approval may, in appropriate circumstances, be granted within specific parameters, on an annual basis.

**(E) Compensation Review**

The Remuneration Committee will annually review and, when it deems appropriate, recommend to the full Board changes in director compensation and benefits.

**(F) Assessing Board and Committee Performance**

The Board is committed to continuous improvement and a self-assessment of the Board and each Committee is conducted annually. This function is overseen by the Nominating and Governance Committee, although the assistance of independent advisors is permitted. This process is designed to identify areas of particular effectiveness or where improvement could be made. The results of the assessment and any recommendations are discussed by the full board as well as the Nominating and Governance Committee.

**(G) Access to Senior Management**

Board members should have complete and open access to senior members of management. The Chief Executive Officer shall invite key employees to attend those Board sessions at which the Chief Executive Officer believes they can meaningfully contribute to Board discussion.

**(H) Interaction with Third Parties**

The Board believes that management should speak for the Company and that the Chair of the Board should speak for the Board.

**(I) Shareholder Communication with Directors**

Shareholders and other interested parties may communicate with the full Board, non-executive Directors as a group or individual Directors, including the Chairperson of the Board, by providing such communication in writing to the Company Secretary, who will directly provide the communication to whom it is addressed to in accordance with established protocol.

**(J) Confidentiality**

In accordance with Board members' fiduciary duties, confidentiality of information and deliberations is imperative. Board members are required to protect and hold confidential all non-public information and not disclose confidential information outside of the Company except with authorization from the Board or as may be otherwise required by law.

**(K) Board of Directors' Resources**

The Board of Directors shall have the authority to obtain advice and seek assistance from legal, accounting, and other advisors and consultants. The Board of Directors shall determine the extent of funding necessary for the payment of compensation to any advisor and/or consultant retained to advise it, and the Company shall provide appropriate resources.

**(L) Chair of the Board**

The Chair of the Board shall be appointed from among the non-executive Directors of the Board and shall be selected by the non-executive Directors based upon the recommendation of the Nominating and Governance Committee. The Chair of the Board shall be appointed, and their position should be reviewed periodically. The duties of the Chair of the Board are included within, but not limited to the items within, the Company's Articles of Association.

**(M) Succession Planning**

The Nominating and Governance Committee will be responsible for succession planning for both executive and non-executive Directors and in particular the key roles of Chair of the Board, Chief Executive Officer and Chief Financial Officer. Succession plans should be reviewed periodically with the Chief Executive Officer and any suggestions will be made to the Board.

**(N) Strategic Planning**

In order to ensure appropriate oversight and involvement of the Board members, in particular those that are considered to be independent in line with the requirements of the Securities Exchange Act of

1934, the Board will annually review the Company's strategic plan with the Chief Executive Officer and other appropriate members of management.

**(O) Transactions with Directors**

The Company does not engage in transactions with Directors or their affiliates, other than those of employment with the CEO or any other Executive Director, or those otherwise permitted by law or other authority.

Each Director should make the CEO or the Chair of the Board aware of any transactions involving the Company or any subsidiaries in which he or she has a financial interest that is different from or in addition to the interests of shareholders generally so that appropriate measures may be implemented before the Company or subsidiaries become legally obligated.

**(P) Service by Senior Executives and Directors on Other Company Boards**

**(i) Senior Executive Officer Service on Other Boards**

The Board believes that, in general, senior executive officers of the Company should devote their full business time and attention to the operation and management of the Company. However, the Board recognizes that members of management and the Company itself will benefit from service on other company boards. It is the Board's policy to encourage such membership in appropriate cases. If any senior executive officer desires to join another company board, he or she should advise the Chief Executive Officer of his or her desire to do so, prior to agreeing to be considered for nomination, and the Chief Executive Officer will consider whether or not such person and the Company will benefit from that person's service on such company's board and if such membership will interfere with or detract from such person's responsibilities to the Company. If acceptable, the Chief Executive Officer will then recommend such membership for consideration and final decision by the Nominating and Governance Committee, which will consider, among other things, whether the membership would present any inappropriate liability or conflicts of interest issues. If the Chief Executive Officer desires to join the board of another company, he or she should advise the Chair of the Nominating and Governance Committee who will review with the rest of the Committee and the Board of Directors if appropriate.

**(ii) Director Service on Other Boards**

All memberships on other company boards by non-executive Directors will be considered and decided by the Nominating and Governance Committee, after consideration of applicable independence guidelines and conflicts of interest. The Nominating and Governance Committee has delegated authority for review and approval of such decisions to its Chair, who maintains the discretion to refer the matter to the full Committee for determination.

**3.0 COMMITTEE ISSUES**

**3.1 Board Committees; Committee Charters**

The Board currently has the following three Committees: Audit, Nominating and Governance and Remuneration (together, the Committees). Each of these Committees shall consist of three or more Directors, each of whom shall satisfy the independence (and, in the case of the Audit Committee, the financial literacy and experience) requirements of the Securities Exchange Act of 1934, the New York

Stock Exchange and any other regulatory requirements.

Each Committee shall meet in executive session during a portion of each of its regularly scheduled meetings.

Each Committee should have a written charter outlining its responsibilities. The charters of the Audit, Nominating and Governance and Remuneration Committees will be made available on the Company's website. All committee actions must be ratified by the Board before becoming effective, unless taken pursuant to an express delegation of authority.

### **3.2 Rotation of Committee Assignments and Chairs**

Each Director should be a member of at least one and utmost two Committees. Committee assignments and the designation of Committee Chairs should be based on the Director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of Committee assignments or Chairs. The Board believes experience and continuity are more important than rotation. Board members and Chairs should be rotated only if rotation is likely to increase Committee performance.

### **3.3 Frequency of Committee Meetings; Attendance**

Each Committee Chair shall determine the frequency of meetings of their respective Committees, consistent with any requirements contained in such Committee's charter. Committee members are expected to be physically present at all meetings. Conference telephone, video conference or similar communication equipment attendance at a meeting will be permitted, but in-person attendance is preferred and is expected to be the norm.

### **3.4 Committee Duties**

Each Committee has the powers and responsibilities set forth in its Charter, which is available on the Company's website.

## **4.0 OTHER PRINCIPLES**

### **4.1 Disclosure of Corporate Governance Guidelines**

These Corporate Governance Guidelines will be made available on the Company's website.

### **4.2 Continuing Education Guidelines**

The Board promotes the continuing education of its Directors and encourages attendance at appropriate training programs, conferences and seminars at the Company's expense. The Company believes each Director should attend at least one specific training session each year as determined by the Board.

<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
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