



LUXFER

**LUXFER
STOCK OWNERSHIP GUIDELINES**

Version 1.0
Effective Date: March 3, 2020

1.0 **PURPOSE**

The Board of Directors of Luxfer Holdings PLC (the “Board”) believes that it is important for Named Executive Officers and Directors of Luxfer Holdings PLC (the “Company” or “Luxfer”) to have a financial stake in the Company such that their interests align with those of the Company’s shareholders. In addition to such alignment of interests, the Board believes that share ownership promotes sound corporate governance and demonstrates a commitment to the Company. To meet these objectives, the Board has established these Stock Ownership Guidelines as expected best practice in relation to such Named Executive Officers’ and Directors’ shareholdings in the Company.

2.0 **APPLICABILITY**

These Stock Ownership Guidelines apply to all Non-Executive Directors, Named Executive Officers, and any other key employees that the Remuneration Committee may identify from time to time in consultation with management. Currently, the Company’s Articles of Association do not require Directors to hold a minimum number of shares in the Company in order to qualify for appointment to the Board of Directors. However, the Company’s Named Executive Officers and Non-Executive Directors are expected to comply with the terms of these Stock Ownership Guidelines. Notwithstanding the foregoing, any term relating to shareholding requirements contained in a Named Executive Officer’s or other employee’s employment contract shall be binding on any such employee and supersede these Stock Ownership Guidelines.

3.0 **MINIMUM OWNERSHIP GUIDELINES**

Each Named Executive Officer and Director of the Company is suggested to own shares of the Company having a total value equal to the multiple of such person’s annual base salary or retainer fee, as applicable, as set forth in the following table:

Position	Guideline
Chief Executive Officer	4x annual base salary
Chief Financial Officer	3x annual base salary
Named Executive Officers	2x annual base salary
Non-Executive Directors	1.5x annual retainer fee

The above represents minimum ownership guidelines. Named Executive Officers and Directors are encouraged to own shares of the Company’s common stock above these levels. Unless otherwise specified in a separate written agreement, Named Executive Officers and Directors are encouraged to achieve these minimum ownership guidelines within five (5) years of the effective date of these Stock Ownership Guidelines or his or her appointment or election, whichever occurs later.

4.0 **RETENTION RATIOS**

Until each Named Executive Officer or Director has attained the suggested guideline, he or she is expected to make continuous progress toward his or her respective ownership guideline and shall comply with the following retention ratio until such guideline has been attained:

Position	Retention Ratio
Chief Executive Officer	75% of Gain Shares resulting from the exercise of a stock option or vesting of a restricted stock award
Chief Financial Officer	75% of Gain Shares resulting from the exercise of a stock option or vesting of a restricted stock award
Named Executive Officers	75% of Gain Shares resulting from the exercise of a stock option or vesting of a restricted stock award
Non-Executive Directors	65% of Gain Shares resulting from the exercise of a stock option or vesting of a restricted stock award

With respect to stock options, “Gain Shares” means the total number of shares of the Company stock that are being exercised, less the number of shares, if any, used in the case of a cashless exercise to pay for the exercise price. With respect to a restricted stock award, “Gain Shares” means the total number of shares of Company stock resulting from the vesting or settlement of such equity award. “Gain Shares” shall in no event include shares of Company stock used to satisfy tax withholding obligations for applicable taxes on any gain attributable to such equity award.

5.0 EVALUATION

The Remuneration Committee will evaluate, at least once per year, the Named Executive Officers’ and Directors’ progress in relation to these Stock Ownership Guidelines. The measurement date will be determined by the Remuneration Committee. On each measurement date, progress will be measured using each Named Executive Officer’s base salary then in effect and each Non-Executive Director’s annual retainer fee then in effect. The stock will be valued using the average closing price per share of the Company’s common stock over the last twenty (20) trading days of each calendar year. Once a Named Executive Officer or Director has achieved the applicable ownership guideline, such achievement shall continue, regardless of any changes in base salary (except for increases resulting from a promotion to a new role), retainer fee, or the share price of Luxfer common stock, so long as such person continues to own at least the number of shares of Luxfer common stock required in order to initially achieve the applicable guideline.

6.0 CALCULATING STOCK OWNERSHIP

The following types of equity count toward determining stock ownership for purposes of these Stock Ownership Guidelines:

- Shares owned separately by the Named Executive Officer or Director or owned either jointly with, or separately by, his or her immediate family members residing in the same household;
- Shares held in trust for the benefit of the Named Executive Officer or Director or his or her immediate family members;
- Shares owned by an entity in which the Named Executive Officer or Director holds a minimum 51% ownership interest;
- Shares held in Luxfer’s employee benefit plans;
- Shares purchased through Luxfer’s Share Incentive Plan or Employee Stock Purchase Plan;

- Shares purchased on the open market;
- Shares obtained through the exercise of stock options;
- Vested but unexercised stock options;
- Vested shares of restricted stock or restricted stock units (“RSUs”); and
- Unvested, time-based restricted stock or RSUs

The following types of equity do not count toward determining stock ownership for purposes of these Stock Ownership Guidelines:

- Unvested stock options;
- Unvested performance-based restricted stock or performance-based RSUs; and
- Shares held in a margin account or pledged as collateral for a loan.¹

7.0 FAILURE TO ACHIEVE GUIDELINE

A Named Executive Officer’s or Director’s failure to show sustained progress toward achievement of the applicable ownership guideline may result in the Remuneration Committee taking any reasonable action it deems appropriate under the circumstances. Notwithstanding the foregoing, there may be instances where these Stock Ownership Guidelines would place a severe financial hardship on a Named Executive Officer or Director. Thus, the Remuneration Committee may, in its discretion, modify the guidelines or the applicability of these Stock Ownership Guidelines in special circumstances. Upon the request of a Named Executive Officer or Director, the Remuneration Committee may evaluate whether any exception or modification should be made in consideration of personal circumstances of such Named Executive Officer or Director.

8.0 ADMINISTRATION

The Board of Directors has overall responsibility for these Stock Ownership Guidelines. Such responsibility and the administration of these Stock Ownership Guidelines shall be overseen by the Remuneration Committee.

¹ Luxfer’s Insider Trading and Dealing Policy prohibits Directors and Executive Officers, as well as other covered persons, from holding Company Securities in a margin account, pledging Company Securities as collateral for a loan, and hedging Company Securities. “Company Securities” means ordinary shares, options, and any other securities that the Company may issue.

STANDARD GOVERNANCE	
STANDARD PRACTICE APPROVALS	Luxfer Holdings PLC Board of Directors
VERSION	1.0
EFFECTIVE DATE	March 3, 2020
LAST REVIEW DATE	-
NEXT REVIEW DATE	March 2, 2021