

LUXFER HOLDINGS PLC

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Reference to “the Company” shall mean Luxfer Holdings PLC.

Reference to “Executive Officers” shall mean an executive officer of the Company.

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

Reference to “the Board” shall mean the Board of Directors.

Reference to “the Chairperson” shall mean the Chairperson of the Remuneration Committee.

Reference to “a Member” shall mean a director who is a Member of the Remuneration Committee.

Reference to the “Article” shall mean the Articles of Association of the Company.

Reference to the “Group” shall mean a reference to the subsidiaries of the Company that form the Luxfer Group of companies from time to time.

CONSTITUTION: The Remuneration Committee was constituted by resolution of the Board on 23 July 1999.

MEMBERSHIP: The Committee shall be appointed by the Board and shall comprise of a minimum of three directors of the Company. Each member of the Committee shall be an independent director, as determined by the Board, in accordance with the rules of the New York Stock Exchange as they apply to Members and any additional requirements the Board deems appropriate (an “Independent Director”).

CHAIRPERSON: The Board will appoint the Chairperson of the Committee. The Chairperson of the Board may be a Member if he or she is an Independent Director.

QUORUM: The quorum for meetings of the Committee is two Members.

A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

- SECRETARY:** The Secretary of the Company shall serve as the Secretary of the Committee. At meetings where the Committee desires to discuss matters confidentially, a Member shall carry out the functions of the secretary.
- AGENDA:** The Secretary, in conjunction with the Chairperson, shall draw up an agenda, which shall be circulated at least three (3) days before each meeting to the Members.
- ATTENDANCE:** The Chief Executive shall have the right to attend and speak at meetings of the Committee. Others Board Members and Senior Managers of the Group shall have the right to attend and speak by prior arrangement with the Chairperson. External advisers may be invited to attend all or part of any meetings as and when appropriate.
- RECUSAL:** No Committee attendee shall participate in any discussion or decision on their own remuneration and shall recuse themselves from any such conversations.
- FREQUENCY OF MEETINGS:** Meetings will normally be scheduled annually with the Board timetable and no separate notice is required to be given of such meetings. A minimum notice period of 5 days should be given for any additional meetings that are required. If the matter is urgent and cannot wait until the next regular meeting of the Committee, the provisions of the 'Decisions Taken Between Scheduled Board meetings' will apply, construing references to the chairperson as reference to the Chairperson and references to the Board as references to the Committee.
- The Committee shall meet at least twice a year, provided that in any event one meeting will be held (i) in January/February of each year to deal with pay and bonus issues; (ii) one meeting immediately before the submission of the Company's annual report and accounts to the Board for approval if, at any time, the Company is required by any law or regulation to provide a remuneration committee report; and (iii) otherwise at such other times of the year as the Chairperson shall require. The Chairperson or the Secretary of the Committee shall call a meeting of the Committee if so requested by any Member, by the Chief Executive or by the Board.
- MINUTES:** The Secretary shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made.
- Minutes of Committee meetings shall be circulated promptly to all Members and, once agreed, to all members of the Board, unless a conflict of interests shall arise when appropriately redacted

Minutes may be circulated to a Board member who is conflicted.

RESPONSIBILITIES:

The Committee shall determine, and recommend to the Board, the framework or broad policy of the Company and the Group, on executive remuneration and its cost, and on specific remuneration packages for each of the Executive Officers. It remains the right of the Board to accept or reject the recommendations of the Committee.

In doing so the Members shall give due regard to the comments and recommendations of The UK Corporate Governance Code and the NYSE Listed Company Manual and any other applicable rules or guidance insofar as they are applicable to the Company and Group.

The objectives of the policy shall be to ensure that Executive Officers are provided with appropriate incentives to encourage enhanced performance and are in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company and the Group;

The Committee shall conduct an annual evaluation of the performance of its duties under these terms of reference and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

The Committee should attend the annual general meeting to answer any shareholder questions on the Committees activities.

DUTIES:

Without prejudice to the generality of the foregoing Responsibilities, the Committee shall:

- (a) in determining such policy, take into account factors which it deems necessary;
- (b) approve the design of, and determine targets for, any performance related pay schemes operated by the Company in respect of the Chief Executive and the other Executive Officers which will form the broad framework for performance related pay schemes in the Group;
- (c) evaluate the Chief Executive's performance in light of those goals and objectives, and either as the Committee or together with the other Independent Directors (as directed by the Board), determine and approve the Chief Executive's compensation level based on this evaluation;
- (d) review the ongoing appropriateness and relevance of the remuneration policy of the Company and the Group having regard

to relevant market comparisons and practice;

(e) ensure that Executive Officer remuneration is competitive to help assist with the hiring and continued employment of such Executive Officers. For this purpose, the Chief Executive shall make a report to the Committee annually on the current level of pay and benefits of the Executive Officers;

(f) receive evidence on internal levels of the Executive Officers' remuneration, options and other benefits and benchmark to external market equivalents to help review the remuneration trends across the Company and the Group, for which a note should be made on an annual basis;

(g) to assist with (f), to commission surveys and reports aimed at establishing market position, competitive analysis or exploring particular aspects of remuneration, at a reasonable cost to the Company;

(h) within the terms of the agreed policy and in consultation with the Chief Executive (where appropriate), determine and approve the total individual remuneration packages including bonuses, share options, pension rights, service contracts and compensation payments for all Executive Officers;

(i) determine the terms of any compensation package in the event of early termination of the contract of any Executive Officer, including, but not limited to, (i) ensuring that contractual terms on termination balanced and fair to the individual and to the Company; (ii) any payments made are balanced and fair to the individual and to the Company; (iii) that failure is not rewarded; (iv) that the duty to mitigate loss has been recognised and followed; and (v) approve any unusual, excessive or out of the ordinary compensation packages offered to senior executives;

(j) in relation to the Company's share option schemes:

- decide whether and, in what amount, grants of options should be made under the Company's long-term share option schemes to eligible employees
- on the grant of any such options, to determine whether the exercise of such options should be conditional on the satisfaction of an objective performance condition, determine if such conditions have been satisfied prior to exercise or if they should be amended, relaxed or waived in accordance with the discretion granted to the Committee under the terms of any such option schemes;

- to otherwise make any determinations, exercise any discretions, make any decisions and take all such actions pursuant to the provisions of the Company's share option schemes and make any alterations to such schemes as the Committee shall determine in accordance with the provisions of such share options schemes;

(k) review the design of and monitor employee share schemes in light of legislative and market developments and overall remuneration policy, and oversee any major changes in employee benefits structures throughout the Company and the Group;

(l) ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; and

(m) prepare an annual Committee report for inclusion in the Company's annual proxy statement in accordance with applicable Securities and Exchange Commission rules and regulations.

**RECOMMENDATIONS
TO THE BOARD:**

The Chairperson shall report formally to the Board on the Committees' proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvements are needed.

If required by law or regulation or a decision of the Board, the Committee shall produce an annual report of the Company's remuneration policy and practices, which will form part of the Company's annual report and ensure that it is put to the shareholders for approval at the AGM. Otherwise, the Committee shall review that part of the annual report to the Company's shareholders setting out the Company's policy on Executive Officer remuneration, details of individual remuneration and other terms and conditions.

AUTHORITY:

The Committee has authority to exercise all the powers of the Board under the Articles of the Company, to authorise payment of remuneration, pensions or other compensation to the Executive Officers. The terms of reference of the Committee do not encompass decisions to employ or dismiss Executive Officers.

The Committee is authorised by the Board to seek any information it requires from any employee of the Company and the Group in order to perform its duties.

The Company shall provide appropriate funding, as determined by

the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee.

The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration all the factors relevant to that person's independence from management, including the following:

- (a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- (b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- (c) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (d) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- (e) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- (f) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

**NON-EMPLOYEE
DIRECTORS:**

The Board shall have responsibility for setting remuneration packages for non-employee directors and for the Chairperson of the Board, subject to any limits set out in the Company's Articles.