



LUXFER
REMUNERATION COMMITTEE CHARTER

Version 2.0
Effective Date: December 11, 2019

1.0 PURPOSE

- 1.1 The Remuneration Committee (the “Committee”) is a standing committee of the Board of Directors of Luxfer Holdings PLC (the “Board”). The purpose of the Committee is to assist and advise the Board on matters relating to the remuneration of Directors, Executive Officers, and senior management of Luxfer Holdings PLC (the “Company”), so as to motivate and retain personnel and ensure that the Company is able to attract superior talent. Additionally, the objective of this Policy shall be to ensure that (a) Executive Officers are provided with appropriate incentives to encourage enhanced performance and (b) rewarded for their individual contributions to the success of the Company in a fair and reasonable manner.
- 1.2 The Committee shall determine, and recommend to the Board, the Company’s framework or broad policy on executive remuneration, the cost of such framework, and the specific remuneration packages for each of the Company’s Executive Officers. In doing so, the Committee shall consider any factors it deems necessary. It remains the right of the Board to accept or reject the recommendations of the Committee.

2.0 COMPOSITION

- 2.1 The Committee shall consist of three or more Directors. Each member of the Committee (“Member”) shall be independent, as determined by the Board, in accordance with the rules of the New York Stock Exchange and any additional requirements the Board deems appropriate (an “Independent Director”). In making this determination, the Board should consider whether the Director has (a) a relationship with the Company that is material to the Director’s ability to be independent from management in relation to the Committee’s duties or (b) a relationship that would impair the Director’s ability to make independent judgments about the Company’s executive remuneration. Factors used in making such determination include, but are not limited to, (x) the source of the Director’s remuneration, including any consulting, advisory, or other compensatory fee paid by the Company to the Director and (y) whether the Director is affiliated with the Company, a Company subsidiary, or an affiliate of a Company subsidiary. Desirable qualifications in Committee Members include experience in personnel management, executive compensation, employee benefits, and human resources.
- 2.2 The Members are appointed by the Board for a period of up to three years, which may be extended for two additional three-year periods, so long as Members (other than the Chair of the Board if he or she is a Member of the Committee) continue to qualify as an Independent Director.
- 2.3 The Board will appoint the Committee Chair. The Chair of the Board may be a Member of the Committee if he or she is an Independent Director.

3.0 ATTENDANCE AT MEETINGS

- 3.1 Non-Executive Directors who are not Committee Members shall have the right to attend and speak at meetings of the Committee, provided that such attendance is arranged by the Committee. The Chief Executive Officer (“CEO”) may attend and speak at meetings of the Committee, provided that such attendance is arranged by the Committee and the CEO excuses himself or herself during any executive session in which CEO remuneration is to be discussed. Additionally, senior management and the senior Human Resources representative of the Company, as well as external advisors, may be invited to attend all or part of any meeting, as and when appropriate.

3.2 No attendee of Committee meetings shall participate in any discussion or decision on their own remuneration and shall recuse themselves from any such conversations.

4.0 DUTIES, RESPONSIBILITIES, AND AUTHORITY

4.1 The Committee shall have the below-listed responsibilities and duties. The Committee is authorized by the Board to seek any information it requires from any employee of the Company in order to perform its responsibilities and duties. In conducting their responsibilities, the Members shall give due regard to the comments and recommendations of the UK Corporate Governance Code, the NYSE Listed Company Manual, and the U.S. Securities and Exchange Commission regulations governing domestic issuers, as well as any other applicable rules or guidance insofar as they are applicable to the Company.

(A) ***Oversight of Executive Remuneration and Employee Benefits Structure.*** The Committee shall oversee the Company's remuneration program for Executive Officers, including the Remuneration Policy. The Committee shall approve the design of, and determine targets for, any performance-related pay schemes operated by the Company in respect to the CEO and the other Executive Officers, which will form the broad framework for the Company's performance-related pay schemes. The Committee will also have the responsibility of assessing whether the Company's remuneration programs and practices are competitive with comparable companies and are effective in attracting, retaining, and motivating highly-qualified personnel in order to achieve the Company's business objectives and optimize long-term growth. For this purpose, the CEO shall make a report to the Committee annually on the current level of pay and benefits of the Executive Officers. In assessing the Company's remuneration programs and practices, the Committee may commission surveys and reports aimed at establishing market position, competitive analysis, or exploring particular aspects of remuneration, at a reasonable cost to the Company. Additionally, the Committee shall oversee any major changes in employee benefits structures throughout the Company.

(B) ***Review and Approval of Executive Remuneration.*** The Committee shall evaluate the CEO's performance and approve, in light of identified goals and objectives, either as a Committee or together with the other Independent Directors (as directed by the Board), the remuneration of the Company's CEO. The Committee shall also receive and analyze information (including benchmark studies on external market equivalents) regarding the level of Executive Officer remuneration, including share-based remuneration and other benefits in order to assist in the review of remuneration trends across the Company, for which note should be made on an annual basis. Where appropriate, the Committee shall determine and approve the total individual remuneration packages, including bonuses, share-based remuneration, pension rights, service contracts, and compensation payments for all Executive Officers, in accordance with the terms of the Remuneration Policy and in consultation with the CEO. The Committee has authority to exercise all of the powers of the Board set forth in the Company's Articles of Association in order to authorize payment of remuneration, pensions, or other compensation to Executive Officers. However, the Committee does not have the authority to make decisions regarding the employment or dismissal of Executive Officers.

(C) ***Review and Oversight of Incentive Plans.*** The Committee shall review the design of and make recommendations to the Board with respect to incentive plans, including non-equity incentive plans and long-term (share-based) incentive plans, for Executive Officers

and other employees, taking into consideration legislative and market developments, as well as the overall Remuneration Policy. The Committee shall also oversee the individuals and committees responsible for administering these plans and monitor compliance with plan provisions. Specifically, in relation to the Company's incentive plans, the Committee shall:

- (i) review and approve (a) the types of awards, (b) plan eligibility, (c) if share-based, the number of shares (or formula-based calculation of such shares, including by reference to the grant date fair value) relative thereto, (d) the financial and other performance objectives applicable to each plan, and (e) vesting schedules;
 - (ii) in relation to the terms and conditions of share-based awards granted to Executive Officers pursuant any such plans, (a) determine whether the exercise of share-based remuneration should be conditional on the satisfaction of an objective performance condition, (b) determine if such conditions have been satisfied prior to exercise or if they should be modified in accordance with the discretion granted to the Committee under the terms of any such incentive plans, and (c) determine the vesting schedule of any such individual award;
 - (iii) in relation to the terms and conditions of non-equity awards granted to Executive Officers pursuant to any such plans, (a) evaluate whether the financial and other performance objectives were achieved or if they should be modified in accordance with the discretion granted to the Committee under the terms of any such incentive plans and (b) calculate the award in accordance with the formula set forth in the plan;
 - (iv) in the event a material misstatement of financial results is discovered, have the discretion to apply any applicable Clawback Policy to recover and recoup incentive remuneration granted to any employees, including Executive Officers;
 - (v) oversee the determination of "good leaver" and "bad leaver" under the provisions of such plans; and
 - (vi) otherwise make any determinations, exercise any discretions, make any decisions, and take all such actions pursuant to the provisions of the Company's incentive plans and make any alterations to such plans as the Committee shall determine in accordance with the provisions of such plans.
- (D) **Review of Risk Assessment of Remuneration Plans.** The Committee shall review and discuss with management, on at least an annual basis, (i) management's assessment of whether the potential risks arising from the Company's remuneration policies and practices are reasonably likely to have a material adverse effect on the Company and (ii) the Company's remuneration policies and practices for the purpose of ensuring that these practices are aligned with shareholders' interests and do not motivate the Company's employees to take excessive risks.
- (E) **Review of Severance Packages.** The Committee shall, either as a Committee or together with the Independent Directors (as directed by the Board), review and approve any severance or other termination payments proposed to be made to any Executive Officer of the Company and any proposed severance or retention plans, except for any such payment to be made in accordance with a plan or agreement previously approved by the

Board, the Committee, or a predecessor to the Committee. In approving any such package, the Committee must (i) ensure that contractual terms are balanced and fair to the individual and to the Company, failure is not rewarded, and the duty to mitigate loss has been recognized and followed; and (ii) avoid any unusual, excessive, or out of the ordinary remuneration packages.

- (F) ***Oversight of Regulatory Compliance.*** The Committee shall, in consultation with appropriate Company employees, oversee regulatory compliance with respect to remuneration matters, particularly disclosure requirements.
- (G) ***Review and Discussion of “Executive Compensation Discussion and Analysis”, Remuneration Committee Report, and U.K. Directors’ Remuneration Report.*** With the assistance of management and any outside advisors the Committee deems appropriate, the Committee shall (a) review and discuss with management the Company’s disclosures under the “Executive Compensation Discussion and Analysis” section of the proxy statement, and based on this review, make a recommendation as to whether to include such disclosure in the Company’s annual report on Form 10-K and proxy statement, and (b) prepare the disclosure required by Item 407(e)(5) of Regulation S-K (the “Remuneration Committee Report”). Additionally, the Committee shall review and discuss with management the U.K. Directors’ Remuneration Report, and based on this review, make a recommendation as to whether to include this report in the U.K. Annual Report and Accounts.
- (H) ***Advisory Votes on Named Executive Officer Remuneration.*** The Committee shall review and make recommendations to the Board with respect to the Company’s advisory vote on Named Executive Officer remuneration (“say-on-pay”) and how frequently the Company should provide shareholders a say-on-pay advisory vote.
- (I) ***Access to External Advisors.*** The Committee shall have the authority to select, retain, and obtain the advice of a remuneration consultant, legal counsel, or other advisor as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to such consultants or advisors. The Committee may select such consultant or advisor only after taking into consideration all the factors relevant to that person’s independence from management, including the following:
 - (i) the provision of other services to the Company by the person that employs the remuneration consultant, legal counsel, or other advisor;
 - (ii) the amount of fees received from the Company by the person that employs the remuneration consultant, legal counsel, or other advisor, as a percentage of the total revenue of the person that employs the remuneration consultant, legal counsel, or other advisor;
 - (iii) the policies and procedures of the person that employs the remuneration consultant, legal counsel, or other advisor that are designed to prevent conflicts of interest;
 - (iv) any business or personal relationship of the remuneration consultant, legal counsel, or other advisor with a Committee Member;

- (v) any stock of the Company owned by the remuneration consultant, legal counsel, or other advisor; and
 - (vi) any business or personal relationship of the remuneration consultant, legal counsel, other advisor or the person employing the advisor with an Executive Officer of the Company.
- (J) **Delegation.** The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to a subcommittee comprised of one or more Committee Members, as the Committee may deem appropriate in its sole discretion.
- (K) **Other Delegated Responsibilities.** The Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.

5.0 **STRUCTURE AND OPERATIONS**

- 5.1 Committee meetings will typically be scheduled in conjunction with the Board meeting schedule, and no separate notice is required to be given of such meetings. A minimum notice period of five 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 Articles of Association provision entitled “Resolution In Writing” will apply, construing references to the Directors as reference to Members and references to the Board as references to the Committee.
- 5.2 The Committee shall meet at least twice a year, provided that in any event (i) one meeting will be held in January or February of each year to deal with pay and bonus matters; and (ii) one meeting will be held 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. Otherwise, the Committee may meet at such other times of the year as the Committee Chair shall require. The Committee Chair or the Secretary shall call a meeting of the Committee if so requested by any Member, the CEO, or the Board.
- 5.3 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).
- 5.4 The Company Secretary, or his or her nominee, shall act as the secretary to the Committee (the “Secretary”). At meetings where the Committee desires to discuss matters confidentially, a Member shall carry out the functions of the Secretary.
- 5.5 The Secretary, in conjunction with the Committee Chair, shall draw up an agenda, which shall be circulated to the Members, together with materials relating to the subject matter of each meeting, prior to each meeting.
- 5.6 Minutes for all Committee meetings 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, approved at a subsequent meeting of the Committee, and distributed periodically to the Board. Provided however, in situations involving a conflict of interest, minutes shall not be circulated to a Director who is conflicted, unless such minutes are appropriately redacted.

- 5.7 The Committee Chair 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.
- 5.8 Notwithstanding the duties of the Committee set forth in this Charter, the Board shall have responsibility for setting remuneration packages for the non-executive Directors and the Chair of the Board, subject to any limits set out in the Company's Articles of Association.
- 5.9 To the extent that this Charter does not specify otherwise, the Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum, and voting requirements as are applicable to the Board.
- 5.10 The Committee shall review this Charter annually and recommend any proposed changes to the Board for approval.

6.0 PERFORMANCE EVALUATION

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

7.0 PUBLICATION OF CHARTER

- 7.1 Consistent with the NYSE listing requirements, this Charter shall be made available on the Company's website.

8.0 ATTENDANCE AT THE ANNUAL GENERAL MEETING

- 8.1 The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the activities of the Committee.

STANDARD GOVERNANCE	
STANDARD PRACTICE APPROVALS	Luxfer Holdings PLC Board of Directors
VERSION	2.0
EFFECTIVE DATE	December 11, 2019
LAST REVIEW DATE	November 15, 2019
NEXT REVIEW DATE	August 15, 2020