

NOTICE OF DEFERRED SHAREHOLDERS MEETING

3:00 p.m., BST
Wednesday, June 8, 2022

Lumns Lane,
Manchester, M27 8LN
United Kingdom



LUXFER

DEAR LUXFER DEFERRED SHAREHOLDERS,

I have the pleasure of enclosing the notice of a meeting of the holders (the “Deferred Shareholders”) of the deferred shares of £0.0001 each (the “Deferred Shares”) in the capital of Luxfer Holdings PLC (the “Deferred Shareholders Meeting”). The Deferred Shareholders Meeting will be held at our Luxfer MEL Technologies site, which is located at Lumns Lane, Manchester, M27 8LN, United Kingdom (entrance on Rake Lane), on June 8, 2022, at 3:00 p.m. BST. The formal notice of the Deferred Shareholders Meeting is set out on page 1 of this document (the “Notice”). As a holder of Deferred Shares, you may attend and/or vote at the Deferred Shareholders Meeting, or you may appoint another person as your proxy. To be valid, a form of proxy must be submitted in accordance with the instructions set out in the Notes to the Notice on page 2.

We are convening the Deferred Shareholders Meeting in order to propose a special resolution whereby the Deferred Shareholders will be asked to approve a capital reduction comprising the cancellation of all of the Deferred Shares. Further information on this proposal is set out below.

Proposed Capital Reduction

Under the Companies Act 2006 (the “Act”), a company may, with the sanction of a special resolution and the confirmation of the court, reduce or cancel its existing share capital. It may apply the sums resulting from such reduction in repaying holders of the relevant shares and/or by crediting such sums to the company’s reserves.

At Luxfer’s Annual General Meeting of Shareholders, to be held on June 8, 2022, a special resolution (the “AGM Resolution”) will be proposed to Luxfer’s ordinary shareholders to approve the cancellation of all of the Deferred Shares in issue (the “Capital Reduction”). If duly passed, the AGM Resolution will provide that a nominal sum of £76,180.60 out of the sum of approximately £76.183 million resulting from the Capital Reduction be paid to the holders of the Deferred Shares (pro rata to their holdings of Deferred Shares) and the remainder (approximately £76.107 million) credited to the Company’s reserves. This will have the effect of increasing the Company’s distributable reserves. Presently, the sum of approximately £76.183 million, which represents the nominal value of the Deferred Shares, constitutes a capital reserve and is not available for distribution except in certain limited circumstances permitted by the Act. The proposed repayment equates to a repayment of approximately £0.10 per million Deferred Shares held.

The vast majority of the Deferred Shares were issued by the Company as part of a debt restructuring effected by way of two schemes of arrangement that took effect in 2007. The Deferred Shares carry only very limited rights to participate in the capital of the Company on a winding up and carry no voting or dividend rights. These rights are such as to make the Deferred Shares effectively worthless in the hands of their holders. The Board does not consider there to be any commercial purpose for the continued existence of the Deferred Shares. Accordingly, the Board has proposed the Capital Reduction in order to approve the cancellation of the Deferred Shares, which will have the effect of tidying up the Company’s balance sheet and augmenting the Company’s reserves available for distribution to ordinary shareholders.

The proposed Capital Reduction amounts to a variation of the rights attached to the Deferred Shares. Any variation to the rights attached to the Deferred Shares requires, in accordance with Luxfer’s Articles of Association, either (a) the written consent of the holders of not less than three-fourths in nominal value of the Deferred Shares or (b) the sanction of a written resolution passed at a separate general meeting of the holders of the Deferred Shares. Accordingly, we are convening the Deferred Shareholders Meeting at which Deferred Shareholders as a class will be asked to pass a special resolution (the “Special Resolution”) to sanction the Capital Reduction. Deferred Shareholders should note that the Capital Reduction will not proceed unless both the Special Resolution and the AGM Resolution are both duly passed.

Deferred Shareholders should note that a quorum is necessary to hold a valid Deferred Shareholders Meeting. Our Articles of Association require a quorum of two Deferred Shareholders entitled to vote and representing not less than one third in nominal



Patrick Mullen
Board Chair

value of the Deferred Shares in issue to be present in person or by proxy at the initial Deferred Shareholders Meeting. However, if the initial Deferred Shareholders Meeting is inquorate, the meeting may be adjourned, and, at any adjourned meeting, the quorum is reduced to one holder of Deferred Shares entitled to vote being present in person or by proxy (regardless of the number of Deferred Shares held by such person). We currently anticipate that any adjourned meeting would be held on or around June 20, 2022; however, this is subject to change at the direction of the chair of the Deferred Shareholders Meeting.

As stated above, the Capital Reduction is also subject to confirmation by the court. The Company will make an application to the High Court of Justice of England and Wales (the "Court") to confirm the Capital Reduction if the Special Resolution and the AGM Resolution are both duly passed.

The Capital Reduction will take effect when the order of the Court confirming it and a statement of capital approved by the Court have been registered with the Registrar of Companies for England and Wales. Assuming the Special Resolution and the AGM Resolution are each duly passed on June 8, 2022, the Company currently anticipates that the final hearing of the Court would take place in late June or early July 2022 and that the Capital Reduction would take effect shortly thereafter. This timeline is indicative only and is subject to agreement of hearing dates with the Court. If either the AGM or the Deferred Shareholders Meeting is adjourned, the timeline will be adjusted accordingly.

In order to confirm the Capital Reduction, the Court will need to be satisfied that the interests of the Company's creditors will not be prejudiced by the Capital Reduction. In consultation with professional advisors, the Board has undertaken a thorough review of the Company's liabilities (including contingent liabilities). The Board considers that the Company will be able to satisfy the Court that, as of the date on which the order of the Court relating to the Capital Reduction becomes effective, the Company's creditors will be sufficiently protected.

Deferred Shareholders should note that if, for any reason, the Court declines to confirm the Capital Reduction, then the Capital Reduction will not take place.

Assuming the Capital Reduction does take effect, the Company's registrars will send cheques to the holders of Deferred Shares in respect of their pro rata entitlement to repayment from the proceeds, as described above. All cheques will be denominated in pounds sterling.

Once the Capital Reduction has taken effect, the Deferred Shares will be extinguished and cancelled, and the Deferred Shareholders shall have no further rights in respect of the Deferred Shares except to receive the repayment as specified in the Special Resolution.

Following completion of the Capital Reduction, Deferred Shareholders are, for good order, requested to send the share certificates representing their Deferred Shares to the Company's registered office at Lumns Lane, Manchester, M27 8LN, United Kingdom for cancellation. All certificates will be cancelled and void following completion of the Capital Reduction in any event.

The Board reserves the right (where necessary by application to the Court) to abandon, discontinue, or adjourn any application to the Court for confirmation of the Capital Reduction, and hence the Capital Reduction itself, if the Board believes that the terms required to obtain confirmation are unsatisfactory to the Company or if as the result of a material unforeseen event, the Board considers that to continue with the Capital Reduction is inappropriate or inadvisable.

The Board considers the Capital Reduction to be in the best interest of the Company and its shareholders and believes that the Capital Reduction is likely to contribute to the Company's success. Accordingly, the Board recommends that you vote in favor of the Special Resolution and urges you to exercise your right to vote at the Deferred Shareholders Meeting.

Sincerely,



Patrick Mullen
Board Chair

April 27, 2022





NOTICE OF DEFERRED SHAREHOLDERS MEETING



Date & Time

Wednesday, June 8th, 2022
3:00 p.m., BST



Location

Luxfer MEL Technologies
Lumns Lane, Manchester, M27 8LN, United Kingdom

Notice is hereby given that the Deferred Shareholders Meeting of **LUXFER HOLDINGS PLC** (“Luxfer” or the “Company”), a public limited company incorporated in England and Wales under Company No. 03690830, will be held at the Company’s Luxfer MEL Technologies site, which is located at Lumns Lane, Manchester, M27 8LN, United Kingdom (entrance on Rake Lane), on June 8, 2022 at 3:00 p.m. BST, to consider and, if thought fit, pass the resolution set out below.

The resolution is proposed as a special resolution. Further information on the resolution is provided on pages 8-9 of this document.

Special Resolution

1. To approve the reduction of the issued share capital of the Company by cancelling and extinguishing all of the issued deferred shares of £0.0001 each in the capital of the Company (the “Deferred Shares”) and the repayment of an aggregate sum of £76,180.60 to the holders of the Deferred Shares (pro rata to their holdings of Deferred Shares) out of the amount by which the share capital is so reduced, with the remaining amount being credited to a reserve.

BY ORDER OF THE BOARD OF DIRECTORS:

Megan E. Glise
Company Secretary

Milwaukee, Wisconsin, U.S.
April 27, 2022

LUXFER HOLDINGS PLC

DEFERRED SHAREHOLDERS MEETING

To Be Held on Wednesday, June 8, 2022

NOTES TO NOTICE OF DEFERRED SHAREHOLDERS MEETING

SPECIAL RESOLUTION

Each Luxfer Deferred Share is entitled to one vote on each matter properly brought before the Deferred Shareholders Meeting. The resolution proposed herein will be proposed as a Special Resolution, which means, assuming a quorum is present, it will be approved if not less than three fourths of the votes cast are in favor thereof.

Please review the entirety of the document accompanying this Notice for more complete information regarding the Deferred Shareholders Meeting, as well as the full text of the resolution to be proposed at the Deferred Shareholders Meeting. If you are in any doubt as to what action you should take, please seek your own financial advice from your stockbroker or other independent advisor.

RECORD DATE

Only Luxfer Deferred Shareholders of record at the close of business, Eastern Standard Time, on April 14, 2022, the voting notice record date (the "Voting Record Date") for the Deferred Shareholders Meeting, are entitled to receive notice of and vote at the Deferred Shareholders Meeting. Changes to the entries on the register after the Voting Record Date will be disregarded in determining the rights of any person to attend or vote at the Deferred Shareholders Meeting. If you are the beneficial owner of Luxfer Deferred Shares (i.e., you hold your Deferred Shares in "street name") as of April 14, 2022, you will have the right to direct your broker, bank, trust, or other nominee on how to vote such Deferred Shares at the Deferred Shareholders Meeting.

PROXY VOTING

In accordance with provisions of the Companies Act 2006 and the Company's Articles of Association, a shareholder of record is entitled to appoint another person as their proxy to exercise all or any of their rights to attend, speak, and vote at the Deferred Shareholders Meeting and to appoint more than one proxy in relation to the Deferred Shareholders Meeting (provided that each proxy is appointed to exercise the rights attached to a different share or shares held by them). Such proxy need not be a shareholder of record.

If you do not hold Deferred Shares, you may have received this document in error. If this is the case, please contact the Company or Computershare as soon as possible. Please also contact the Company or Computershare using the contact details below at your earliest convenience if you have not yet received a physical copy of this document but believe you are so entitled as a holder of Deferred Shares.

If you are submitting your proxy card by mail, your printed proxy card must be received at the address stated in the enclosed envelope by June 7, 2022.

If you wish to submit your vote electronically, go to www.envisionreports.com/LXFRSPC - login details are located in the shaded bar on the enclosed proxy card. Votes submitted electronically must be received by 11:59 P.M. Eastern Standard Time on June 7, 2022 (4:59 A.M. BST on June 8, 2022).

WE ENCOURAGE YOU TO VOTE YOUR DEFERRED SHARES BY SUBMITTING A PROXY AS SOON AS POSSIBLE. IF YOU PLAN TO SUBMIT A PROXY, YOU MUST SUBMIT YOUR PROXY BY INTERNET NO LATER THAN 11:59 P.M. EST ON JUNE 7, 2022 (4:59 A.M. BST ON JUNE 8, 2022) OR, IF YOU ARE VOTING BY MAIL, YOUR PRINTED PROXY CARD MUST BE RECEIVED AT THE ADDRESS STATED IN THE ENCLOSED ENVELOPE BY JUNE 7, 2022.

HOW TO VOTE

We encourage you to cast your vote by one of the following methods:



VOTE BY INTERNET

www.envisionreports.com/LXFRSPC



VOTE BY PHONE

1-600-652-VOTE (8683)

**Available to U.S. and Canadian holders only*



VOTE BY MAIL

See Proxy Card



VOTE IN PERSON

If your Luxfer Deferred Shares are held in “street name” by your broker, bank, trust, or other nominee, only that holder can vote your Luxfer Deferred Shares, and the vote cannot be cast unless you provide instructions to your broker, bank, trust, or other nominee or obtain a legal proxy from your broker, bank, trust, or other nominee. You should follow the directions provided by your broker, bank, trust, or other nominee regarding how to instruct such person to vote your Luxfer Deferred Shares.

Please note that holders of Luxfer Deferred Shares through a broker, bank, trust, or other nominee may be required to submit voting instructions to their applicable broker or nominee at or prior to the deadline applicable for the submission by registered holders of Luxfer Deferred Shares. Such holders should, therefore, follow the separate instructions that will be provided by their broker, bank, trust, or other nominee.

YOUR VOTE IS IMPORTANT. Even if you plan to attend the Deferred Shareholders Meeting, please submit a proxy card or voting instruction form for the Deferred Shareholders Meeting as soon as possible. For specific instructions on voting, please refer to the document accompanying this Notice or the proxy card included herewith.

INFORMATION AND CONCERNS RELATED TO COVID-19

Although we plan to hold the Deferred Shareholders Meeting in person, considering the ongoing public health concerns surrounding the COVID-19 pandemic, we may deem it necessary to hold the Deferred Shareholders Meeting solely by means of remote communication (i.e., a virtual-only meeting) or as a hybrid meeting (i.e., permitting both virtual and limited in-person attendance). In the event of such necessity, we will announce the decision in a press release. The details will also be posted on our website at www.luxfer.com. While the health and wellbeing of our stakeholders is our top priority, we are also committed to ensuring that Deferred Shareholders can exercise their right to vote with respect to this special resolution. Due to the potential risks of attending the Deferred Shareholders Meeting in person and restrictions on travel and public gatherings, we encourage our Deferred Shareholders to vote by internet, phone, or mail.

QUESTIONS & ANSWERS ABOUT THE DEFERRED SHAREHOLDERS MEETING

This document relates to the Deferred Shareholders Meeting and any adjournments thereof. The meeting will be held at our Luxfer MEL Technologies site, which is located at Lumns Lane, Manchester, M27 8LN, United Kingdom, on June 8, 2022, at 3:00 p.m. BST.

The following are questions that Luxfer Deferred Shareholders may have regarding the proposal being considered at the Deferred Shareholders Meeting and brief answers to those questions. Luxfer urges you to carefully read this entire document, as the information in this section does not provide all information that may be important to you.

Q: Who can vote at the Luxfer Deferred Shareholders Meeting?

A: The Board has set the close of business, Eastern Standard Time, on April 14, 2022, as the Voting Record Date for the Deferred Shareholders Meeting. At the close of business on the Voting Record Date, we had 761,835,318,444 Deferred Shares outstanding and entitled to vote. The Company has used all reasonable endeavors in conjunction with its registrars, Computershare, to ensure that the register of Deferred Shareholders is as accurate as possible based on the records in the Company's possession and that this document is posted to each person entitled to attend and vote at the Deferred Shareholders meeting. However, the Company is unable to guarantee that the register is completely accurate. Accordingly, if you believe you do not hold Deferred Shares and may have received this document in error, please contact the Company or Computershare as soon as possible. Alternatively, if you have not received a physical copy of this document but believe you are so entitled as a holder of Deferred Shares, please contact the Company or Computershare at your earliest convenience.

Deferred Shareholders of record at the close of business on the Voting Record Date are entitled to vote on the matters set forth in this document and any other matter properly presented at the Deferred Shareholders Meeting. Beneficial owners whose banks, brokers, or other nominees are shareholders registered in our share register with respect to the beneficial owners' Deferred Shares at the close of business on the Voting Record Date are entitled to vote on the matters set forth in this document and any other matter properly presented at the Deferred Shareholders Meeting.

Each Deferred Share is entitled to one vote on each matter that is properly brought before the Deferred Shareholders Meeting.

Q: What is a proxy?

A: A proxy is your legal designation of another person to vote on your behalf. By voting your proxy, you are giving the persons named on the proxy card the authority to vote your Deferred Shares in the manner you indicate on your proxy card. You may vote your proxy over the internet or by signing and dating the proxy card and submitting it by mail.

Q: Upon what am I being asked to vote at the Deferred Shareholders Meeting?

A: You are being asked to consider and vote upon the following Special Resolution:

1. To approve the reduction of the issued share capital of the Company by cancelling and extinguishing all of the issued deferred shares of £0.0001 each in the capital of the Company (the "Deferred Shares") and the repayment of an aggregate sum of £76,180.60 to the holders of the Deferred Shares (pro rata to their holdings of Deferred Shares) out of the amount by which the share capital is so reduced, with the remaining amount being credited to a reserve.

Q: What is the recommendation of Luxfer's Board of Directors?

A: The Board of Directors unanimously recommends that you vote "FOR" the resolution proposed at the Deferred Shareholders Meeting.

Q: What is the difference between a shareholder of record and a beneficial owner?

A: If your Deferred Shares are registered directly in your name with Computershare Trust Company, N.A. (“Computershare”), you are a “shareholder of record.” If your Deferred Shares are held in a stock brokerage account or by a bank or other custodian or nominee, you are considered the “beneficial owner” of shares held in “street name.” As a beneficial owner, you have the right to direct your broker, bank, or other custodian or nominee on how to vote your Deferred Shares.

Q: How do I vote my Deferred Shares?

A: Your vote is important. We encourage you to vote promptly, which may save us the expense of a second mailing. If you are a holder of record, you may vote your Deferred Shares in any of the following ways:

- **By Mail:** You may vote your Deferred Shares by marking, dating, and signing your proxy card and returning it by mail in the enclosed envelope.
- **By Internet:** You may vote your Deferred Shares via the website www.envisionreports.com/LXFRSPC. You may vote electronically 24 hours a day through 11:59 p.m. EST on June 7, 2022 (4:59 a.m. BST on June 8, 2022). You may confirm that the system has properly recorded your vote. If you vote via the internet, you do not need to mail a proxy card. You may incur costs, such as internet access charges, if you vote electronically.
- **In person at the Deferred Shareholders Meeting:** If you are a Deferred Shareholder of record and choose not to vote via the internet, phone, or by mail, you may still attend the Deferred Shareholders Meeting and vote in person. If you vote prior to the meeting, you may still attend the Deferred Shareholders Meeting and vote in person.

If you are a beneficial holder, the instructions that accompany your proxy card will indicate how you may vote. If you wish to attend the meeting and vote in person, you must bring a legal proxy from the organization that holds your Luxfer Deferred Shares or a brokerage statement showing ownership of Luxfer Deferred Shares as of the close of business, Eastern Standard Time, on the Voting Record Date.

Q: What is the deadline to vote my Deferred Shares if I do not vote in person at the Deferred Shareholders Meeting?

A: If you are a shareholder of record, you may vote by internet or phone until 11:59 p.m. EST on June 7, 2022 (4:59 a.m. BST on June 8, 2022). If you are a shareholder of record and submit a proxy card by mail, the proxy card must be received at the address stated on the proxy card by June 7, 2022. If you are a beneficial owner, please follow the voting instructions provided by your bank, broker, or other custodian or nominee.

Q: How do I attend the Deferred Shareholders Meeting?

A: All Deferred Shareholders of record, whether registered or beneficial, as of the close of business, Eastern Standard Time, on the Voting Record Date are invited to attend the Deferred Shareholders Meeting. Representatives of institutional shareholders must bring a legal proxy or other proof that they are representatives of an institution that held Deferred Shares as of the close of business, Eastern Standard Time, on the Voting Record Date and are authorized to vote on behalf of such institution.

Q: May I change or revoke my proxy?

A: If you are a Deferred Shareholder of record and have already voted, you may change or revoke your proxy before it is exercised at the Deferred Shareholders Meeting in the following ways:

- By mailing a proxy card that is properly signed and dated later than your previous vote and that is received by June 7, 2022; or
- By voting via the internet or phone at a later date than your previous vote but prior to the voting deadline of 11:59 p.m. EST on June 7, 2022 (4:59 a.m. BST on June 8, 2022).

If you are a beneficial owner, you must contact the record holder of your Deferred Shares to revoke a previously authorized proxy or voting instructions.

QUESTIONS AND ANSWERS ABOUT THE DEFERRED SHAREHOLDERS MEETING

Q: If my Luxfer Deferred Shares are held in “street name” by my broker, bank, or other custodian or nominee, will my broker, bank, or other custodian or nominee vote my Deferred Shares for me?

A: Yes. If your Luxfer Deferred Shares are held in “street name” by your broker, bank, or other custodian or nominee, only that holder can vote your Luxfer Deferred Shares, and the vote cannot be cast unless you provide instructions to your broker, bank, or other custodian or nominee or obtain a legal proxy from your broker, bank, or other custodian or nominee. Please follow the directions provided by your broker, bank, or other custodian or nominee regarding how to instruct such person to vote your Luxfer Deferred Shares.

Q: What is the effect of broker non-votes and abstentions?

A: A broker non-vote occurs when a broker holding Deferred Shares for a beneficial owner does not vote on a particular agenda item because the broker does not have discretionary voting power for that item and has not received instructions from the beneficial owner. In such cases, the broker non-vote will have no effect on the vote.

Q: How will my Deferred Shares be voted if I do not specify how they should be voted?

A: If you submit a proxy to Luxfer-designated proxy holders and do not provide specific voting instructions, you instruct Luxfer-designated proxy holders to vote your Deferred Shares in accordance with the recommendations of the Board of Directors.

Q: How will voting on any other business be conducted?

A: Other than matters incidental to the conduct of the Deferred Shareholders Meeting and those set forth in this document, we do not know of any business or proposals to be considered at the Deferred Shareholders Meeting. If any other business is proposed and properly presented at the Deferred Shareholders Meeting, you instruct Luxfer-designated proxy holders, in the absence of other specific instructions or the appointment of other proxy holders, to vote your Deferred Shares in accordance with the recommendations of the Board of Directors.

Q: What constitutes a quorum for the Deferred Shareholders Meeting?

A: A quorum is necessary to hold a valid meeting of Deferred Shareholders. Our Articles of Association require a quorum of two Deferred Shareholders and representing not less than one third in nominal value of the Deferred Shares in issue to be present in person or by proxy at the initial meeting. However, if the initial meeting is inquorate, the meeting may be adjourned and, at any adjourned meeting, the quorum is reduced to one holder of Deferred Shares entitled to vote being present in person or by proxy (regardless of the number of Deferred Shares held by such person).

Your Deferred Shares will be counted towards the quorum if you submit a proxy or vote at the Deferred Shareholders Meeting. If there is not a quorum, the Deferred Shareholders Meeting shall be adjourned to another day (being not less than 10 days later, excluding the day on which the meeting is adjourned and the day for which it is reconvened) and at such other time or place as the Chair of the meeting may decide. We currently anticipate that any adjourned meeting would be held on or around June 20, 2022; however, this is subject to change at the direction of the Chair of the Deferred Shareholders Meeting.

Q: What happens if the Deferred Shareholders Meeting is adjourned or postponed?

A: Your proxy will still be effective and will be voted at the rescheduled Deferred Shareholders Meeting. You will still be able to change or revoke your proxy until it is voted.

Q: How can I find the results of the Deferred Shareholders Meeting?

A: Preliminary results will be announced at the Deferred Shareholders Meeting. Results will also be published in a current report on Form 8-K to be filed with the SEC within four business days after the meeting. If the official results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

Q: Why did I receive more than one copy of this document or multiple proxy cards?

A: You may have received multiple copies of this document and the accompanying materials if you hold your Deferred Shares in different ways or accounts (for example, 401(k) accounts, joint tenancy, trusts, custodial accounts) or in multiple accounts. If you are the beneficial owner of Deferred Shares held in “street name,” you will receive your voting information from your bank, broker, or other custodian or nominee, and you will vote as indicated in the materials you receive from your bank, broker, or other custodian or nominee. Please vote your proxy for each separate account you have.

RESOLUTION 1: TO APPROVE THE CAPITAL REDUCTION

Under the Companies Act 2006 (the “Act”), a company may, with the sanction of a special resolution and the confirmation of the court, reduce or cancel its existing share capital. It may apply the sums resulting from such reduction in repaying holders of the relevant shares and/or by crediting such sums to the company’s reserves.

At Luxfer’s Annual General Meeting of Shareholders, to be held on June 8, 2022, a special resolution (the “AGM Resolution”) will be proposed to Luxfer’s ordinary shareholders to approve the cancellation of all of the Deferred Shares in issue (the “Capital Reduction”). If duly passed, the AGM Resolution will provide that a nominal sum of £76,180.60 out of the sum of approximately £76.183 million resulting from the Capital Reduction be paid to the holders of the Deferred Shares (pro rata to their holdings of Deferred Shares) and the remainder (approximately £76.107 million) credited to the Company’s reserves. This will have the effect of increasing the Company’s distributable reserves. Presently, the sum of approximately £76.183 million, which represents the nominal value of the Deferred Shares, constitutes a capital reserve and is not available for distribution except in certain limited circumstances permitted by the Act. The proposed repayment equates to a repayment of approximately £0.10 per million Deferred Shares held.

The vast majority of the Deferred Shares were issued by the Company as part of a debt restructuring effected by way of two schemes of arrangement that took effect in 2007. The Deferred Shares carry only very limited rights to participate in the capital of the Company on a winding up and carry no voting or dividend rights. These rights are such as to make the Deferred Shares effectively worthless in the hands of their holders. The Board does not consider there to be any commercial purpose for the continued existence of the Deferred Shares. Accordingly, the Board has proposed the Capital Reduction in order to approve the cancellation of the Deferred Shares, which will have the effect of tidying up the Company’s balance sheet and augmenting the Company’s reserves available for distribution to ordinary shareholders.

The proposed Capital Reduction amounts to a variation of the rights attached to the Deferred Shares. Any variation to the rights attached to the Deferred Shares requires, in accordance with Luxfer’s Articles of Association, either (a) the written consent of the holders of not less than three-fourths in nominal value of the Deferred Shares or (b) the sanction of a written resolution passed at a separate general meeting of the holders of the Deferred Shares. Accordingly, we are convening the Deferred Shareholders Meeting at which Deferred Shareholders as a class will be asked to pass a special resolution (the “Special Resolution”) to sanction the Capital Reduction. Deferred Shareholders should note that the Capital Reduction will not proceed unless both the Special Resolution and the AGM Resolution are both duly passed.

Deferred Shareholders should note that a quorum is necessary to hold a valid Deferred Shareholders Meeting. Our Articles of Association require a quorum of two Deferred Shareholders entitled to vote and representing not less than one third in nominal value of the Deferred Shares in issue to be present in person or by proxy at the initial Deferred Shareholders Meeting. However, if the initial Deferred Shareholders Meeting is inquorate, the meeting may be adjourned and at any adjourned meeting the quorum is reduced to one holder of Deferred Shares entitled to vote being present in person or by proxy (regardless of the number of Deferred Shares held by such person). We currently anticipate that any adjourned meeting would be held on or around June 20, 2022; however, this is subject to change at the direction of the chair of the Deferred Shareholders Meeting.

As stated above, the Capital Reduction is also subject to confirmation by the court. The Company will make an application to the High Court of Justice of England and Wales (the “Court”) to confirm the Capital Reduction if the Special Resolution and the AGM Resolution are both duly passed.

The Capital Reduction will take effect when the order of the Court confirming it and a statement of capital approved by the Court have been registered with the Registrar of Companies for England and Wales. Assuming the Special Resolution and the AGM Resolution are each duly passed on June 8, 2022, the Company currently anticipates that the final hearing of the Court would take place in late June or early July 2022 and that the Capital Reduction would take effect shortly thereafter. This timeline is indicative only and is subject to agreement of hearing dates with the Court. If either the AGM or the Deferred Shareholders Meeting is adjourned, the timeline will be delayed.

In order to confirm the Capital Reduction, the Court will need to be satisfied that the interests of the Company’s creditors will not be prejudiced by the Capital Reduction. In consultation with professional advisors, the Board has undertaken a thorough review

QUESTIONS AND ANSWERS ABOUT THE DEFERRED SHAREHOLDERS MEETING

of the Company's liabilities (including contingent liabilities). The Board considers that the Company will be able to satisfy the Court that, as at the date on which the order of the Court relating to the Capital Reduction becomes effective, the Company's creditors will be sufficiently protected.

Deferred Shareholders should note that if, for any reason, the Court declines to confirm the Capital Reduction, then the Capital Reduction will not take place.

Assuming the Capital Reduction does take effect, the Company will send cheques to the holders of Deferred Shares in respect of their pro rata entitlement to repayment from the proceeds, as described above. All cheques will be denominated in pounds sterling.

Once the Capital Reduction has taken effect, the Deferred Shares will be extinguished and cancelled, and the Deferred Shareholders shall have no further rights in respect of the Deferred Shares except to receive the repayment specified in the Special Resolution.

Following completion of the Capital Reduction, Deferred Shareholders are, for good order, requested to send the share certificates representing their Deferred Shares to the Company's registered office at Lumns Lane, Manchester, M27 8LN, United Kingdom for cancellation. All certificates will be cancelled and void following completion of the Capital Reduction in any event.

The Board reserves the right (where necessary by application to the Court) to abandon, discontinue, or adjourn any application to the Court for confirmation of the Capital Reduction, and hence the Capital Reduction itself, if the Board believes that the terms required to obtain confirmation are unsatisfactory to the Company or if as the result of a material unforeseen event, the Board considers that to continue with the Capital Reduction is inappropriate or inadvisable.

Resolution 1 is Special Resolution. The text of resolution is as follows:

- 1. To approve the reduction of the issued share capital of the Company by cancelling and extinguishing all of the issued deferred shares of £0.0001 each in the capital of the Company (the "Deferred Shares") and the repayment of an aggregate sum of £76,180.60 to the holders of the Deferred Shares (pro rata to their holdings of Deferred Shares) out of the amount by which the share capital is so reduced, with the remaining amount being credited to a reserve.*

Approval of the Capital Reduction requires the affirmative vote of not less than three fourths of the votes cast in person or by proxy at the Deferred Shareholders Meeting.

The Board of Directors recommends a vote "FOR" the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing all of the issued Deferred Shares and, of the amount by which the issued capital is so reduced, repaying an aggregate sum of £76,180.60 to the holders of Deferred Shares (pro rata to their holdings of Deferred Shares) and crediting the remaining amount to the Company's reserves.
