



Related Party Transactions Policy



Version 5.0

Owner: Board of Directors of Luxfer Holdings PLC



Effective Date: November 30, 2022

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1.0 POLICY STATEMENT

- 1.1 Luxfer Holdings PLC, together with its subsidiaries and affiliates (“Luxfer” or the “Company”), has adopted this Related Party Transactions Policy (this “Policy”), as required by Item 404(b) of Regulation S-K of the Securities Act of 1933 (the “Securities Act”). This Policy sets forth Luxfer’s policy and procedures with respect to the notification, review, approval, ratification, and disclosure of Related Party Transactions involving the Company’s Directors, Executive Officers, and Significant Shareholders (as defined below).
- 1.2 Luxfer recognizes that Related Party Transactions may raise questions as to whether those transactions are consistent with the best interests of the Company and its shareholders. Pursuant to Luxfer’s Corporate Governance Guidelines and Code of Ethics and Business Conduct, all Directors and Executive Officers of the Company have a duty to report any actual or potential conflict of interest. In the event any reported conflict of interest or potential conflict of interest is determined to constitute a potential Related Party Transaction, it will be reviewed, and, if necessary, action will be taken in accordance with this Policy. It is the Company’s policy to enter into or ratify Related Party Transactions only when the Audit Committee of the Company’s Board of Directors (the “Audit Committee”) determines that the Related Party Transaction in question complies with applicable law and is in, or is not inconsistent with, the best interests of the Company and its shareholders.

2.0 DEFINITIONS

For purposes of this Policy, the defined terms below shall mean the following:

- 2.1 The “Determining Officer” is the person who determines whether a transaction constitutes a Related Party Transaction subject to this Policy. The Determining Officer shall be the Company’s General Counsel and Company Secretary or most senior legal officer; however, the next most senior member of the Legal Department may act as the Determining Officer in the event that the General Counsel and Company Secretary or most senior legal officer is unable to act in such capacity, whether because they are unavailable or are, directly or indirectly, involved in the transaction.
- 2.2 A “Director” is any member of the Board of Directors of the Company.
- 2.3 An “Executive Officer” is any person who has been designated as a Section 16 officer of the Company by Luxfer’s Board of Directors.¹
- 2.4 An “Immediate Family Member” is any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a Director, Executive Officer, nominee for Director, or Significant Shareholder, and any person (other than a tenant or employee) sharing the household of such Director, Executive Officer, nominee for Director, or Significant Shareholder.
- 2.5 A “Related Party” is (A) any person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and Proxy Statement, even if they do not presently serve in that role) (i) a Director or Executive Officer of the Company; (ii) any nominee for election as a Director of the Company; or (iii) an Immediate Family Member of a Director, Executive Officer, or any nominee for Director; and (B) any person who was, when a transaction in which such person had a direct or indirect material interest

¹ A Section 16 officer shall mean the president, principal financial officer, principal accounting officer, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function, or any other person who performs similar policy making functions for the Company and/or a subsidiary.

occurred or existed, (i) a Significant Shareholder or (ii) an Immediate Family Member of any such Significant Shareholder.

- 2.6 A “Related Party Transaction” is any transaction directly or indirectly involving a Related Party that is required to be disclosed under Item 404(a) of Regulation S-K of the Securities Act. Under Item 404(a), the Company is required to disclose any transaction, arrangement, or relationship, or any series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness), since the beginning of the Company’s last fiscal year, or any currently proposed transaction, in which (a) the amount involved will or may be expected to exceed \$120,000 in any fiscal year; (b) the Company was or is to be a participant; and (c) any Related Party had or will have a direct or indirect material interest.²
- 2.7 A “Significant Shareholder” is any security holder covered by Item 403(a) of Regulation S-K of the Securities Act, being any beneficial owner of more than 5% of any class of the Company’s voting securities.

3.0 NOTICE TO COMPANY OF POTENTIAL RELATED PARTY TRANSACTIONS

- 3.1 Any Director or Executive Officer who proposes to enter into a potential Related Party Transaction or becomes aware of a potential Related Party Transaction shall promptly notify the Determining Officer of the facts and circumstances surrounding such transaction, including, to the extent known, the following:
- the identity of the Related Party and the basis on which the person is a Related Party;
 - the Related Party’s interest in the transaction with the Company, including the Related Party’s position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the transaction;
 - the material terms of the potential Related Party Transaction, including the purpose and timing of the transaction;
 - the approximate dollar value of such transaction or, in the case of indebtedness, the largest aggregate amount of principal outstanding that would be involved and the rate or amount of interest payable on the indebtedness;
 - the approximate dollar value of the amount of the Related Party’s interest in the transaction, which shall be computed without regard to the amount of profit or loss;
 - if the transaction involves the sale of an asset, a description of the asset, including the date acquired and cost basis;
 - whether the transaction is proposed to be, or was, undertaken in the ordinary course of the Company’s and the Related Party’s business;
 - if applicable, the availability of other sources of comparable products or services;
 - information concerning counterparties in the potential transaction, including the party who initiated the transaction; and
 - an assessment of whether the potential Related Party Transaction is on terms that are comparable to the terms available to an unaffiliated third party.

² A person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the Company shall not be deemed to have an indirect material interest in a transaction where (A) the interest arises only (i) from such person’s position as a director of another corporation or organization that is a party to the transaction; or (ii) from the direct or indirect ownership by such person and all other Related Parties of less than a 10% equity interest in another person (other than a partnership) which is party to the transaction; or (iii) from both such position and ownership; or (B) the interest arises from such person’s position as a limited partner in a partnership in which the person and all other Related Parties have an interest of less than 10%, and the person is not a general partner of and does not hold another position in the partnership.

4.0 REVIEW OF POTENTIAL RELATED PARTY TRANSACTIONS BY DETERMINING OFFICER

- 4.1 Upon receipt of the notice described in Section 3.0 above, the Determining Officer (in consultation with outside counsel, management, and/or the Board as appropriate) shall review the notice and any additional information provided therewith to determine whether the potential Related Party Transaction constitutes a Related Party Transaction pursuant to this Policy.
- 4.2 If the Determining Officer concludes that the potential Related Party Transaction does not constitute a Related Party Transaction pursuant to this Policy, the transaction will be handled in accordance with other applicable Company policies, including policies on conflicts of interest, the Company's Corporate Governance Guidelines, and the Code of Ethics and Business Conduct.
- 4.3 If the Determining Officer concludes that the potential Related Party Transaction constitutes a Related Party Transaction pursuant to this Policy, the Determining Officer shall present the transaction to the Chair of the Audit Committee so that the transaction may be submitted to the Audit Committee for review and, if appropriate, approval at the Audit Committee's next regularly scheduled meeting. All Related Party Transactions must be reviewed and approved by the Audit Committee before commencement or entrance into any such transaction. However, no such review or approval of the Related Party Transaction is required by the Audit Committee if the transaction constitutes a pre-approved transaction in accordance with Section 6.0 of this Policy.
- 4.4 In instances in which the Determining Officer, in consultation with the Chief Executive Officer and Chief Financial Officer (provided, in each case, that such person is not, directly or indirectly, involved in the transaction) determines that it is not practicable or desirable for the Company to wait until the next regularly scheduled Audit Committee meeting to review the transaction, such transaction may be submitted for review at a special meeting of the Audit Committee called in accordance with the Company's Articles of Association.

5.0 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS BY THE AUDIT COMMITTEE

- 5.1 The Audit Committee shall review the material terms, facts, and circumstances of all Related Party Transactions, other than those transactions pre-approved in accordance with Section 6.0 of this Policy, and either approve or disapprove of the entry into the Related Party Transaction before commencement of said transaction.
- 5.2 In evaluating a Related Party Transaction submitted for approval under this Policy, the Audit Committee shall consider all of the relevant terms, facts, and circumstances available to it, including but not limited to the following (if applicable):
 - the information made available in the notice described in Section 3.0 of this Policy;
 - the purpose of the transaction and its potential risks and benefits to the Company;
 - the interests of all Related Parties in the Related Party Transaction;
 - the role, if any, the Related Parties played in arranging the transaction;
 - whether the transaction was or is proposed to be undertaken in the ordinary course of the Company's and the Related Party's business;
 - whether the Related Party Transaction is material to the Company;
 - whether the terms and conditions of the Related Party Transaction are fair to the Company and usual and customary in the market;
 - whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances;

- the availability of other sources for comparable products or services;
 - in the event the Related Party is a Director, an Immediate Family Member of a Director, or an entity in which a Director is a partner, shareholder, or executive officer, the impact of the transaction on the Director's independence, and if the Director serves on the Remuneration Committee, such Director's status as a "non-employee director" under Rule 16b-3 of the Securities Exchange Act of 1934, as amended and, if applicable, an "outside director" under Section 162(m) of the Internal Revenue Code of 1986, as amended; and
 - the information required to be disclosed by the Company pursuant to Item 404(a) of Regulation S-K of the Securities Act if the Company were to enter into the Related Party Transaction.
- 5.3 The Audit Committee shall approve only those Related Party Transactions that are in, or are not inconsistent with, the best interests of the Company and its shareholders, as the Audit Committee determines in good faith. Approval of any Related Party Transaction shall be conditioned upon approval by a majority of the disinterested members of the Audit Committee.
- 5.4 No Director shall participate in any discussion or approval of a Related Party Transaction for which they or any Immediate Family Member is a Related Party, except that the Director shall provide all material information concerning the Related Party Transaction to the Audit Committee.
- 5.5 The Audit Committee may, in its sole discretion, approve or deny any Related Party Transaction. Approval of a Related Party Transaction may be conditioned upon the Company and the Related Party taking any or all of the following additional actions, or any other actions, that the Audit Committee deems appropriate:
- requiring the Related Party to resign from, or change position within, an entity that is involved in the Related Party Transaction;
 - assuring that the Related Party will not be directly involved in negotiating the terms of the Related Party Transaction or in the ongoing relationship between the Company and the other persons or entities involved in the Related Party Transaction;
 - requiring that information about the Related Party Transaction be documented and that reports reflecting the nature and amount of the Related Party Transaction be delivered to the Audit Committee on a regular basis;
 - requiring that the Company have the right to terminate the Related Party Transaction by specified period of advance notice; or
 - appointing a Company representative to monitor various aspects of the Related Party Transaction.
- 5.6 If the Audit Committee learns of a Related Party Transaction that has not previously been approved pursuant to this Policy, the below steps shall be taken, to the extent applicable.
- If the transaction is pending or ongoing, the Audit Committee shall promptly review it, considering all of the relevant facts and circumstances available to it, including the criteria outlined in this Policy. Based on the conclusions reached, the Audit Committee shall determine whether to ratify, amend, implement any of the actions described above in Section 5.5, or terminate the Related Party Transaction.
 - If the transaction is completed, the Audit Committee shall evaluate the transaction, considering all of the relevant facts and circumstances available to it, including the criteria outlined in this Policy, to determine whether rescission of the transaction is feasible and/or appropriate. Additionally, the Audit Committee shall consider whether disciplinary action against the Related Party who failed to report the Related Party Transaction or other involved Directors or Executive Officers is appropriate.
 - In the case of a Related Party Transaction that was not approved in advance pursuant to this Policy, the Audit Committee shall request that the Determining Officer or appropriate Company employees, such as members of the Internal Audit team, evaluate the Company's controls and procedures and ascertain the reason the transaction was not submitted to the Audit Committee for prior approval. The Determining Officer and/or Company employee tasked with such evaluation shall report its findings to the Audit Committee, along with any recommended changes to this Policy.

- 5.7 With respect to any Related Party Transaction that constitutes a series of similar transactions, arrangements, or relationships expected to continue in the future, the Audit Committee, in approving such transaction, may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Audit Committee, on at least an annual basis, shall review and assess ongoing transactions with the Related Party to ensure that they comply with the Audit Committee's guidelines and that the Related Party Transaction remains appropriate.
- 5.8 The Company Secretary shall maintain a list of Related Parties based on the information reported annually by Directors and Executive Officers on the Directors' and Officers' Questionnaire. Directors and Executive Officers shall notify the Company Secretary of any updates to the list of Related Parties, their employment, and relationships with various organizations. The Company Secretary shall distribute this Policy and the list of Related Parties, and any updates thereto, to the Company's independent auditor and any executive within the Company that requires such information. The recipients of the list of Related Parties shall utilize the information contained therein, in connection with their respective areas of responsibility, to effectuate this Policy.

6.0 PRE-APPROVED RELATED PARTY TRANSACTIONS

The Audit Committee has reviewed the types of Related Party Transactions described in this Section 6.0 and determined that each of these types of Related Party Transactions shall be deemed to be pre-approved by the Audit Committee, even if the aggregate amount involved exceeds \$120,000.

- 6.1 **Executive Officer Employment and Compensation.** Any employment by the Company of an Executive Officer and any related compensation solely resulting from that employment relationship if:
- the related compensation is required to be reported in the Company's Proxy Statement under Item 402 of the Securities and Exchange Commission's (the "SEC") compensation disclosure requirements (generally applicable to "named executive officers"); or
 - the Executive Officer is not an Immediate Family Member, and the related compensation would be reported in the Company's Proxy Statement under Item 402 of the SEC's compensation disclosure requirements for services to the Company if the Executive Officer was a "named executive officer," and the Remuneration Committee of the Board approved (or recommended that the Board approve) such compensation.
- 6.2 **Director Compensation.** Any compensation paid to a Director if the related compensation is required to be reported in the Company's Proxy Statement under Item 402(k) of the SEC's compensation disclosure requirements.
- 6.3 **Certain Transactions with Other Entities.** Any transaction between the Company and another firm, corporation, or other entity at which a Related Party's interest arises only from such person's:
- position as a director of another corporation or organization that is a party to the transaction; or
 - from the direct or indirect ownership by such person and all other Related Parties, in the aggregate, of less than a 10% equity interest in another person (other than a partnership) which is party to the transaction; or
 - from both such position and ownership described above; or
 - position as a limited partner in a partnership which the person and all other Related Parties have an interest of less than 10%, and the person is not a general partner in the partnership.
- 6.4 **Transactions Involving Competitive Bids.** Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids.

- 6.5 **Regulated Transactions.** Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- 6.6 **Transaction involving Certain Banking-Related Services.** Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.
- 6.7 **Transactions in which Shareholders Receive Proportional Benefits.** Any transaction in which the Related Party's interest arises solely from the ownership of a class of equity securities of the Company and all holders of that class of equity securities receives the same benefit on a pro rata basis (e.g., dividends).

7.0 RESPONSIBILITY FOR AND ADMINISTRATION OF THIS POLICY

- 7.1 The Company's Board of Directors has overall responsibility for this Policy, and such responsibility shall be overseen by the Audit Committee.
- 7.2 The Audit Committee, with the assistance of the Company Secretary, will review this Policy annually and may update this Policy from time to time in connection with such review.