



Policy on Provision of Audit and Non-Audit Services by the Company's Independent Auditor



Version 4.0

Owner: Audit Committee of the Board of Directors

Effective Date: November 30, 2022

Creation Date: March 31, 2012

1.0 STATEMENT OF PRINCIPLES

- 1.1 Pursuant to the Sarbanes-Oxley Act of 2002 (the “Act”) and in accordance with the Charter of the Audit Committee of the Board of Directors of Luxfer Holdings PLC (“Luxfer” or the “Company”), the Audit Committee is responsible for the appointment, remuneration, and oversight of the Company’s independent auditor. As part of this responsibility, the Audit Committee is required to pre-approve all audit and permitted non-audit services performed by the Company’s independent auditor in order to ensure that the services do not impair the auditor’s independence and objectivity. The U.S. Securities and Exchange Commission (the “SEC”) has issued rules specifying the types of services that an independent auditor may not provide to its audit client, as well as the Audit Committee’s responsibility for administering the engagement of the independent auditor, including the pre-approval of fees.
- 1.2 Additionally, the Public Company Accounting Oversight Board (“PCAOB”) has issued rules to promote the ethics and independence of registered public accounting firms that audit financial statements of public companies. The rules require registered public accounting firms to provide certain information to audit committees in connection with seeking pre-approval of non-prohibited tax services and internal control services. PCAOB Rule 3524(Audit Committee Pre-Approval of Certain Tax Services) and Rule 3525 (Audit Committee Pre-Approval of Non-Audit Services Related to Internal Control Over Financial Reporting) require a registered public accounting firm that seeks the pre-approval of an issuer client’s audit committee for non-prohibited tax and internal control services to (i) describe, in writing, to the audit committee the nature and scope of the proposed service; (ii) discuss with the audit committee the potential effects on the firm’s independence that could be caused by the firm’s performance of the proposed service; and (iii) document the firm’s discussion with the audit committee.
- 1.3 Accordingly, the Audit Committee has adopted, and the Board of Directors has ratified, this Policy on Provision of Audit and Non-Audit Services by the Company’s Independent Auditor (“Policy”), which sets forth procedures and conditions whereby services proposed to be performed by the independent auditor may be pre-approved.

2.0 APPROACH TO PRE-APPROVING SERVICES

- 2.1 The SEC rules establish two different and equally valid approaches to pre-approving audit and permitted non-audit services. Proposed services may either (i) be pre-approved pursuant to pre-approval policies and procedures established by the Audit Committee that are detailed as to the general type of service, without consideration of specific case-by-case services by the Audit Committee (“general pre-approval”) or (ii) require the specific pre-approval of the Audit Committee on a case-by-case basis (“specific pre-approval”). The Audit Committee believes that the combination of these two approaches will result in an effective and efficient procedure to pre-approve services performed by the independent auditor.
- 2.2 For both types of pre-approval, the Audit Committee will consider whether such services are consistent with the SEC’s and PCAOB’s rules on auditor independence and whether the provision of such services by the independent auditor would impair the auditor’s independence. The Audit Committee will also consider (i) whether the independent auditor is best positioned to provide the most effective and efficient service for reasons such as familiarity with the Company’s business, personnel, accounting systems, risk profile, and other factors and (ii) whether the service might enhance the Company’s ability to manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor should necessarily determine the result of the pre-approval process.

2.3 On an annual basis, the Audit Committee will review and pre-approve the services that may be provided by the independent auditor without obtaining specific pre-approval. The Audit Committee may revise this list of general pre-approved services from time to time. Any services that are pre-approved by the Audit Committee and, if applicable, pre-approved fee limits for such services will be documented in the Audit Committee's meeting minutes. Unless a type of service to be provided by the independent auditor is within the generally pre-approved services documented by the Audit Committee in its meeting minutes, the provision of such service by the independent auditor will require specific pre-approval by the Audit Committee.

2.4 As provided in the Act and other applicable rules of the SEC, the Audit Committee may delegate either type of pre-approval authority to one or more of its members (an "authorized member"). The Audit Committee may not delegate to management its responsibility to pre-approve services performed by the Company's independent auditor. Any pre-approval by an authorized member must specify, clearly in writing, the services and fees pre-approved by the authorized member. Any pre-approval decisions made under such delegated authority must be reported, for information purposes, to the Audit Committee at its next scheduled meeting.

3.0 AUDIT SERVICES

3.1 "Audit Services" are those services required to be performed by the independent auditor in order for the independent auditor to form an opinion on the Company's consolidated financial statements. Audit Services include the following:

- audit of the Company's annual financial statements;
- quarterly reviews; and
- other procedures required to be performed by the Company's independent auditor to enable the auditor to form an opinion on the Company's consolidated financial statements. Such other procedures include reviews of information systems, procedures, and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the audit or quarterly review of operations and financial results.

3.2 Each year, the independent auditor's engagement letter, including terms and conditions thereof and the related fees, will be subject to the specific pre-approval of the Audit Committee. The Audit Committee expects that the independent auditor's engagement letter will contain a reasonably detailed description of services proposed to be provided by the independent auditor during the period covered by the engagement letter and related estimated fees (supported by detailed analyses). Through the Audit Committee's approval of the independent auditor's engagement letter, the services set forth in the engagement letter shall be deemed to have specific pre-approval. The Audit Committee will monitor the services provided by the independent auditor pursuant to the engagement letter throughout the year. The Audit Committee will specifically approve, if necessary, any changes in terms, conditions, and fees resulting from changes in audit scope, Company structure, or other matters.

4.0 OTHER AUDIT SERVICES

4.1 "Other Audit Services" are those services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements and other services that only the independent auditor can reasonably provide. Other Audit Services include the following:

- statutory audits or financial audits for subsidiaries and affiliates of the Company;
- equity investment audits, such as audits of joint ventures;
- services associated with SEC registration statements;

- consents and assistance with and review of documents furnished to or filed with the SEC;
- comfort letters; and
- attest services.

4.2 The Audit Committee will periodically review the list of Other Audit Services provided by the independent auditor and document any Other Audit Services generally pre-approved for the fiscal year in its meeting minutes. If any additional Other Audit Services are proposed by management, or if any changes in terms, conditions, and fees are proposed with respect to Other Audit Services pre-approved, management will refer such services to the Audit Committee for pre-approval. If approved, the services and, if applicable, pre-approved fee limits for such services will be documented in the Audit Committee's meeting minutes. Other Audit Services that are not generally pre-approved by the Audit Committee and documented in the meeting minutes must receive specific pre-approval of the Audit Committee if they are to be performed by the Company's independent auditor.

5.0 AUDIT-RELATED SERVICES

5.1 "Audit-Related Services" are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements, or services that are traditionally and more effectively performed by the Company's independent auditor. Audit-Related Services include, among other things, the following:

- accounting consultations related to accounting, financial reporting, or disclosure matters not classified as Audit Services;
- assistance with understanding and implementing new accounting and financial reporting guidance from applicable regulatory bodies;
- financial audits of employee benefit plans;
- assistance with internal reporting control requirements and internal control reviews that are not required by statute and regulation;
- agreed upon or expanded audit procedures related to accounting records required for the purpose of responding to or complying with financial, accounting, or regulatory reporting matters;
- issuance of reports under recognized auditing, attestation, or review standards; and
- accounting consultations and audits in connection with mergers and acquisitions.

5.2 The Audit Committee believes that the provision of Audit-Related Services does not impair the auditor's independence. The Audit Committee will periodically review the list of Audit-Related Services provided by the independent auditor and document any Audit-Related Services generally pre-approved for the fiscal year in its meeting minutes. If any additional Audit-Related Services are proposed by management, or if any changes in terms, conditions, and fees are proposed with respect to Audit-Related Services pre-approved by the Audit Committee, management will refer such services to the Audit Committee for pre-approval. If approved, the services and, if applicable, pre-approved fee limits for such services will be documented in the Audit Committee's meeting minutes. All other Audit-Related Services that are not generally pre-approved by the Audit Committee and documented in the meeting minutes must receive specific pre-approval of the Audit Committee if they are to be performed by the Company's independent auditor.¹

¹ With respect to internal control services classified as Audit-Related Services, the independent auditor shall comply with the requirements of PCAOB Rule 3525 (Audit Committee Pre-Approval of Non-Audit Services Related to Internal Control Over Financial Reporting), as further described in Section 1.0 of this Policy.

6.0 TAX SERVICES

- 6.1 The Audit Committee believes that the Company's independent auditor can provide certain Tax Services to the Company without impairing the auditor's independence, such as the following services:
- tax compliance (e.g., preparing original and amended state and federal corporate tax returns, planning for estimated tax payments, and preparation of tax return extensions);
 - tax advice (e.g., advice related to mergers and acquisitions and employee benefit plans) ; and
 - tax planning (e.g., assistance with tax audits and appeals and requests for rulings or technical advice from tax authorities).
- 6.2 The Audit Committee will not permit the retention of the independent auditor (or any affiliate of the independent auditor) in connection with the provision of any prohibited Tax Service listed in [Appendix A](#), as the PCAOB has determined that these prohibited Tax Services would impair the independence of the independent auditor. Furthermore, retention of the independent auditor is not permitted in connection with any transaction initially recommended by the independent auditor; the sole purpose of which may be tax avoidance and the tax treatment of which may not be supported by applicable tax acts or regulations in the U.K. and other countries in which the Company operates, including the U.S. Internal Revenue Code. The Audit Committee will consult with the Chief Financial Officer and appropriate advisors to determine whether the Company's tax planning and reporting policies and practices are consistent with this Policy. However, the Audit Committee is ultimately responsible for the determination of whether a Tax Service would impair the independent auditor's independence.
- 6.3 The Audit Committee will periodically review the list of Tax Services provided by the independent auditor and document any Tax Services generally pre-approved for the fiscal year in its meeting minutes. If any additional Tax Services are proposed by management, or if any changes in terms, conditions, and fees are proposed with respect to Tax Services pre-approved by the Audit Committee, management will refer such services to the Audit Committee for pre-approval. If approved, the services and, if applicable, pre-approved fee limits for such services will be documented in the Audit Committee's meeting minutes. All other Tax Services that are not generally pre-approved by the Audit Committee and documented in the meeting minutes must receive specific pre-approval of the Audit Committee if they are to be performed by the Company's independent auditor.² Additionally, all Tax Services proposed to be provided by the independent auditor to any Executive Officer or Director of the Company in their individual capacity, where such services are paid for by the Company, must be specifically pre-approved by the Audit Committee.

7.0 ALL OTHER SERVICES

- 7.1 The Audit Committee believes that there are other routine and recurring services that can be performed by the independent auditor, which would not impair the auditor's independence. These services are classified as "All Other Services" and must comply with applicable regulatory requirements.
- 7.2 The Audit Committee will periodically review the list of All Other Services provided by the independent auditor and document All Other Services generally pre-approved for the fiscal year in its meeting minutes. If any additional All Other Services are proposed by management, or if any changes in terms, conditions, and fees are proposed with respect to All Other Services pre-approved by the Audit Committee, management will refer such services to the Audit Committee for pre-approval. If approved, the services and, if applicable, pre-approved fee limits for such services will be documented in the Audit Committee's

² With respect to Tax Services, the independent auditor shall comply with the requirements of PCAOB Rule 3524 (Audit Committee Pre-Approval of Certain Tax Services), as further described in Section 1.0 of this Policy.

meeting minutes. Any other services that constitute All Other Services and which are not generally pre-approved by the Audit Committee and documented in the meeting minutes must receive specific pre-approval of the Audit Committee if they are to be performed by the Company's independent auditor.

8.0 PROHIBITED SERVICES

- 8.1 The Company will not retain its independent auditor for any services that constitute "prohibited services," as defined by applicable statutes and regulations, as may be in effect from time to time, including, without limitation, those services prohibited by Section 201(a) of the Act and the SEC's and PCAOB's rules and regulations.
- 8.2 Attached to this Policy as [Appendix A](#) is a list of the SEC's and PCAOB's prohibited non-audit services, including prohibited tax services.

9.0 PRE-APPROVED FEE LIMITS

- 9.1 Pre-approved fee limits or budget amounts for all services proposed to be provided by the independent auditor will be established annually by the Audit Committee and documented in the meeting minutes.
- 9.2 Any proposed service exceeding the level or amount established by the Audit Committee will require specific pre-approval by the Audit Committee.

10.0 PROCEDURE FOR PRE-APPROVAL OF ENGAGEMENTS

- 10.1 All requests or applications for services to be provided by the independent auditor shall be submitted to the Chief Financial Officer (or their designee) and must include a detailed description of the services to be rendered. The Chief Financial Officer will determine whether such services are included among the services that have received general pre-approval or whether the services require specific pre-approval of the Audit Committee. The Chief Financial Officer will advise the authorized member or the Audit Committee on a timely basis of the proposed service requiring specific pre-approval and present the request to either the authorized member or the Audit Committee in a reasonable time for it to be considered.
- 10.2 Requests or applications for services that require specific pre-approval of the Audit Committee shall be submitted to the Chief Financial Officer by the sponsoring business unit and the independent auditor. The Chief Financial Officer and the independent auditor must determine whether, in their view, the request or application is consistent with applicable rules, including the SEC rules on auditor independence, and is an appropriate service. If so, the request or application shall be submitted to the Audit Committee or the authorized member, as appropriate, for their consideration.
- 10.3 The Audit Committee has designated the Chief Financial Officer to monitor and report on the performance of all services provided by the Company's independent auditor and to determine whether such services comply with this Policy. The Chief Financial Officer will report to the Audit Committee, on a periodic basis, the results of their monitoring. Both the Chief Financial Officer and management will promptly report to the Chair of the Audit Committee any breach of this Policy that comes to their attention.

11.0 RESPONSIBILITY FOR AND ADMINISTRATION OF THIS POLICY

- 11.1 The Audit Committee has overall responsibility for this Policy.
- 11.2 The Audit Committee, with the assistance of the Company Secretary and in consultation with the Chief Financial Officer, will review this Policy annually and may update this Policy from time to time in connection with such review.

APPENDIX A PROHIBITED SERVICES

PROHIBITED NON-AUDIT SERVICES

- Bookkeeping or other services related to the accounting records or financial statements; ¹
- Financial information systems design and implementation; ¹
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports; ¹
- Actuarial services; ¹
- Internal audit outsourcing services; ¹
- Management functions;
- Human resources services;
- Broker-dealer, investment adviser, or investment banking services;
- Legal services; and
- Expert services unrelated to the audit.

PROHIBITED TAX SERVICES

The PCAOB has determined that the following services constitute "Prohibited Tax Services," which the independent auditor (including any affiliate of the independent auditor, as defined in PCAOB Rule 3501(a)(i)) is prohibited from performing for the Company:

- any service or product by the independent auditor or any of its affiliates for the Company and its affiliates for a contingent fee or a commission, including any fee established for the sale of a product or the performance of any service pursuant to an arrangement in which no fee would be payable unless a specified finding or result is attained or the amount of the fee is otherwise dependent on the finding or result of such product or service, taking into account any rights to reimbursements, refunds or other repayments that could modify the amount received in a manner that make it contingent on a finding or result (excluding fees where the amount is fixed by courts or other public authorities and is not dependent on a finding or result), or the independent auditor or any of its affiliates receives, directly or indirectly, a contingent fee or commission;
- non-audit services by the independent auditor or any of its affiliates for the Company and its affiliates related to marketing, planning or opining in favor of the tax treatment of a "confidential transaction" as defined under PCAOB Rule 3501(c)(i) or an "aggressive tax position transaction" (including, without limitation, any transaction that is a "listed transaction" under applicable U.S. Treasury regulations) that was (i) initially recommended, directly or indirectly, by the independent auditor or another tax advisor with which the independent auditor has a formal agreement or other arrangement related to the promotion of such transactions, and (ii) a significant purpose of which is tax avoidance, unless the proposed tax treatment is at least more likely than not to be allowable under applicable tax laws; and
- tax services by the independent auditor or any of its affiliates for persons that serve in a financial reporting oversight role at the Company or its affiliates, including any employee who is in a position to, or does, exercise influence over

¹ These services may be permitted if it is reasonable to conclude that the results will not be subject to audit procedures during an audit of the Company's financial statements. Materiality is not an appropriate basis upon which to overcome the rebuttable presumption that prohibited services will be the subject to audit procedures because determining materiality is itself a matter of audit judgement.

the contents of the Company's financial statements or any employee who prepares the financial statements, including, without limitation, the Company's chief executive officer, president, chief financial officer, chief operating officer, general counsel, chief accounting officer, controller, director of internal audit, director of financial reporting, treasurer or any equivalent position, including for any immediate family member of such employees (being such employee's spouse, spousal equivalent and dependents), but excluding tax services for: (i) any person who serves in a financial reporting oversight role for the Company or its affiliates solely because such person serves as a member of the Board of Directors, the Audit Committee, any other Board committee or similar management or governing body of the Company or its affiliates (in each case who do not otherwise occupy an employment position in a financial oversight role); (ii) any person serving in a financial reporting oversight role at the Company or its affiliates only because of such person's relationship to an affiliate of the Company if such affiliate's financial statements (1) are not material to the Company's consolidated financial statements or (2) are audited by an auditor other than the Company's independent auditor or its associated persons; and (iii) employees who were not in a financial reporting oversight role for the Company or its affiliates before a hiring, promotion or other change in employment event and the tax services were provided by the independent auditor or any of its affiliates to such person pursuant to an engagement in process before the hiring, promotion or other change in employment event, provided that such tax services are completed on or before 180 days after the hiring or promotion event.