



# Remuneration Committee Charter



Version 4.0

Owner: Board of Directors of Luxfer Holdings PLC

Effective Date: November 30, 2022

Creation Date: March 31, 2012

## 1.0 PURPOSE AND ROLE

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- 1.1 **Purpose.** The Remuneration Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of Luxfer Holdings PLC (the “Company”). The purpose of the Committee is to assist and advise the Board on matters relating to (i) the compensation of the Company’s Directors, Executive Officers, and senior management and (ii) the Company’s human capital practices as such practices pertain to the Company’s broader Environmental, Social and Governance (“ESG”) strategy.
- 1.2 **Role.** The Committee is responsible for overseeing the establishment, maintenance, administration, and periodic review and evaluation of the Company’s compensation programs, which are designed to (i) attract, retain, and incentivize superior talent; (ii) provide competitive compensation that rewards employees for their contributions toward achieving the Company’s financial and strategic objectives; and (iii) aligns employees’ interests with the interests of the Company’s stakeholders. The Committee shall determine, and recommend to the Board, the Company’s framework or broad policy on executive and director compensation, the cost of such framework, and the specific compensation packages for each of the Company’s Executive Officers and Directors. The Committee is also responsible for overseeing, and making recommendations to the Board on, the Company’s human capital practices which form part of the Company’s broader ESG strategy. In fulfilling these responsibilities, 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

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- 2.1 **Committee Members.** The Committee shall consist of three or more Directors. The Board will appoint the members of the Committee (a “Member”) and the Committee Chair based upon recommendations made by the Company’s Nominating and Governance Committee. The Board Chair may be a Member if they are an Independent Director (as defined below).
- 2.2 **Membership Criteria.** Each Member must meet the independence requirements of the New York Stock Exchange (“NYSE”), the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) promulgated thereunder, as such requirements are interpreted by the Board in its reasonable business judgment (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 compensation. Factors used in making such determination include but are not limited to (x) the source of the Director’s compensation, 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 the Company or a Company subsidiary. At least two Members shall also qualify as “non-employee directors” for purposes of Rule 16b-3 of the Exchange Act. In addition, no Member may be part of a “compensation committee interlock” within the meaning of SEC Regulation S-K. Desirable qualifications in Committee Members include experience in organizational leadership, personnel management, executive compensation, employee benefits, and human resources.
- 2.3 **Term.** Members may serve on the Committee for a period of up to three years, which may be extended for two additional three-year periods, provided the Director meets the criteria for membership of the Committee, or until earlier resignation. The Board may remove a Member from the Committee at any time, with or without cause.

## 3.0 DUTIES, RESPONSIBILITIES, AND AUTHORITY

The Committee shall have the below-listed duties, responsibilities, and authority. In fulfilling these duties, the Members shall give due regard to the comments and provisions of the U.K. Corporate Governance Code, rules and regulations of the SEC, and NYSE listing rules, as well as any other laws, rules, or guidance insofar as they are applicable to the Company.

### 3.1 Executive Compensation

**3.1.1 Oversight of Executive Compensation Programs.** The Committee shall oversee the Company's compensation programs 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 with respect to Chief Executive Officer (the "CEO") and 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 compensation 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 Company's Executive Officers. In assessing the Company's compensation programs and practices, the Committee may commission surveys and reports aimed at establishing market position, providing competitive analysis, or exploring particular aspects of compensation at a reasonable cost to the Company.

**3.1.2 Review and Approval of Executive Compensation.** 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 compensation of the Company's CEO. On an annual basis, the Committee shall also receive and analyze information – which may include benchmark studies on external market equivalents – regarding the level of executive compensation, including equity-based compensation and other benefits, in order to assist in the Committee's review of compensation trends across the Company. Where appropriate, the Committee shall determine and approve the total compensation packages, including bonuses, equity-based compensation, pension rights, and other payments applicable to 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 compensation, bonuses, pensions, or other benefits to Executive Officers. However, the Committee does not have the authority to make decisions regarding the employment or dismissal of Executive Officers.

**3.1.3 Review of Severance and Retention Packages.** The Committee shall, either as a Committee or together with the Independent Directors (as directed by the Board), review and approve any of the Company's current or proposed severance or retention packages with respect to Executive Officers, except for any such payment to be made in accordance with a package 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 severance or retention packages.

**3.2 Oversight of Director Compensation Program.** The Committee shall oversee the Company's compensation program applicable to Non-Executive Directors, including the Remuneration Policy. The Committee will

also have the responsibility of assessing whether the Company's compensation programs and practices applicable to Non-Executive Directors are competitive with comparable companies and effective in attracting, retaining, and motivating highly qualified Directors. On an annual basis, the Committee shall review, and recommend to the Board, the total compensation for the Non-Executive Directors of the Company. Notwithstanding these duties and the other duties of the Committee set forth in this Charter, the Board shall have responsibility for setting compensation packages applicable to the Non-Executive Directors and the Board Chair, subject to any limits set out in the Company's Articles of Association.

**3.3 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 cash incentive plans and equity incentive plans, for Executive Officers and other employees, taking into consideration legislative and market developments, as well as the Company's overall Remuneration Policy. Specifically, in relation to the Company's incentive plans, the Committee shall:

- review and approve (a) the types of awards, (b) plan eligibility, (c) if equity 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;
- in relation to the terms and conditions of equity awards granted to Executive Officers pursuant to any such plans, (a) determine whether the exercise or vesting of equity awards should be conditional on the satisfaction of an objective performance condition, (b) determine if such conditions have been satisfied prior to exercise and/or vesting 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 individual award;
- in relation to the terms and conditions of cash incentive 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;
- have the discretion to apply any applicable Clawback Policy to recover and recoup incentive compensation awarded to any employee, including Executive Officers;
- oversee the determination of "good leaver" and "bad leaver" under the provisions of such plans; and
- 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 and the Company's Articles of Association.

**3.4 Risk Assessment.** 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 compensation policies and practices are reasonably likely to have a material adverse effect on the Company and (ii) the Company's compensation 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. In assessing the risk of the Company's compensation programs and practices, the Committee may commission the assistance and opinion of the Committee's independent compensation consultant. The Committee shall specifically consider the consultant's assistance and opinion in the event of changes to the Company's compensation programs and practices.

### 3.5 Oversight of Company Practices, Regulatory Compliance, and Disclosures

- 3.5.1 **Oversight of Regulatory Compliance.** The Committee shall, in consultation with management and any outside advisors the Committee deems appropriate, oversee regulatory compliance with respect to compensation matters, particularly disclosure requirements.
- 3.5.2 **Oversight of Human Capital Practices.** The Committee shall assist the Board in its oversight of the Company's human capital practices, as such practices relate to the Company's broader ESG strategy, including, but not limited to, diversity, equity and inclusion and talent development and retention.
- 3.5.3 **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 (i) review and discuss with management the Company's disclosures under the "Executive Compensation Discussion and Analysis" section of the Company's annual 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 (ii) 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.
- 3.5.4 **Advisory Votes on Named Executive Officer Compensation.** The Committee shall review and make recommendations to the Board with respect to the advisory vote on Named Executive Officer compensation ("say-on-pay") and how frequently the Company should provide shareholders a say-on-pay advisory vote.

### 3.6 Authority and Delegation

- 3.6.1 **Access to External Advisors.** The Committee shall have the authority to select, retain, and obtain the advice of an independent compensation 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 a consultant or advisor only after taking into consideration all of the factors relevant to that person's independence from management, including the following:
- the provision of other services to the Company by the person that employs the compensation consultant, legal counsel, or other advisor;
  - the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel, or other advisor, as a percentage of such person's the total revenue;
  - the policies and procedures of the person that employs the compensation consultant, legal counsel, or other advisor that are designed to prevent conflicts of interest;
  - any business or personal relationship of the compensation consultant, legal counsel, or other advisor with a Member;
  - any securities of the Company owned by the compensation consultant, legal counsel, or other advisor; and
  - any business or personal relationship of the compensation consultant, legal counsel, advisor, or the person employing the advisor with an Executive Officer of the Company.



3.6.2 **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 Members, as the Committee may deem appropriate in its sole discretion.

3.6.3 **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.

#### 4.0 COMMITTEE MEETINGS

- 4.1 **Meeting Structure.** The Committee shall meet at least twice per year, provided that in any event (i) one meeting will be held in January, February, or early March of each year to deal with compensation 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 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. A minimum notice period of five days should be given for any meetings that are required and which do not occur in conjunction with the Board meeting schedule. If the matter is urgent and cannot wait until the next regular meeting of the Committee, the provision entitled "Resolution In Writing" set forth in the Company's Articles of Association shall apply, construing references to Directors as references to Members and references to the Board as references to the Committee.
- 4.2 **Quorum.** 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).
- 4.3 **Attendance at Meetings.** Non-Executive Directors who are not Members shall have the right to attend and speak at meetings of the Committee, provided that such attendance is arranged by the Committee Chair. The CEO may attend and speak at meetings of the Committee, provided that such attendance is arranged by the Committee and the CEO excuses himself during any executive session in which CEO compensation is to be discussed. Additionally, senior management and senior human resources representatives of the Company, as well as external advisors, may be invited to attend all or part of any meeting, as and when appropriate. No attendee of Committee meetings shall participate in any discussion or decision on their own compensation and shall recuse themselves from any such conversation.
- 4.4 **Secretary.** The Company Secretary, or their nominee, shall act as 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.
- 4.5 **Agenda and Meeting Materials.** 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.
- 4.6 **Minutes.** Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all 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.
- 4.7 **Reports to the Board.** The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make recommendations to the Board, as it deems appropriate, on any area within its remit where action or improvements are needed.

## 5.0 COMMITTEE OPERATIONS AND ACTIVITIES

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- 5.1 **Governing Rules.** 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 communication equipment), action without meetings, notice, waiver of notice, quorum, and voting requirements as are applicable to the Board.
- 5.2 **Expenses.** The Company shall appropriately fund the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- 5.3 **Performance Evaluation.** The Committee shall conduct an annual performance evaluation 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.
- 5.4 **Attendance at Annual General Meeting.** The Committee Chair shall attend the Annual General Meeting to answer any shareholder questions on the activities of the Committee.

## 6.0 RESPONSIBILITY FOR AND PUBLICATION OF THIS CHARTER

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- 6.1 **Responsibility for Charter.** The Company's Board of Directors has overall responsibility for this Charter. The Committee, with the assistance of the Company Secretary, shall review this Charter annually and recommend any proposed changes to the Board for approval.
- 6.2 **Publication.** Consistent with NYSE listing standards, this Charter shall be published and made available on the Company's website at [www.luxfer.com](http://www.luxfer.com).