



Essentra plc
Matters Reserved for the Board

The following matters can only be approved by the Board of Directors of the Company, or a Committee of the Board validly appointed as prescribed in Article 110 of the Company's Articles of Association (Delegation to Committees) for the purpose of approving a specific matter or matters. The current standing committees of the Board are the Audit & Risk Committee, Remuneration Committee, Nomination Committee and Sustainability Committee, and matters which the Board consider suitable for delegation include those matters contained in the terms of reference of such committees.

1. Strategy and Management

- 1.1 Responsibility for establishing the purpose, values and strategy and the overall direction of the Essentra Group of Companies ('the Group') and satisfying itself that these and the Group culture are aligned.
- 1.2 Approval of the Group's long-term objectives and strategy, policies and annual budgets.
- 1.3 Oversight of the Group's operations and management.
- 1.4 Review of performance in the light of the Group's culture, strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.5 Extension of the Group's activities into new business areas.
- 1.6 Any decision to cease to operate all or any material part of the Group's business.
- 1.7 The making of any public takeover bid or response to a bid approach.

2. Structure and capital

- 2.1 Changes relating to the Group's capital structure.
- 2.2 Major changes to the Group's corporate structure, management and control structure.
- 2.3 Any changes to the Essentra Plc listings or its status as a plc.
- 2.4 Changes to the Company's name.

3. Financial reporting and controls

3.1 Approval of preliminary announcements of interim and final results, trading updates and any other non-routine announcements concerning the financial or corporate affairs of the Company intended to be released to shareholders, the regulatory authorities or official news services.

3.2 Approval of the Annual Report and Accounts.

3.3 Approval of the dividend policy and the declaration of interim and recommendation of the final dividends.

3.5 Approval of any significant changes in accounting policies or practices.

3.6 Approval of treasury policies.

3.7 Approval of a tax strategy.

4. Acquisitions, Disposals and Transactions

4.1 Approval of Class 1 or Class 2 acquisitions, disposals and transactions.

4.2 Approval of all acquisitions, including minority stakes in any business above £5m each and £15m in aggregate of assets and/or shares.

4.3 Approval of all disposals, including minority stakes in any business, above £5m each and £15m in aggregate of assets and shares.

4.4 Approval of the acquisition of any shares in any publicly quoted company of more than 3% of the voting shares or the making of any takeover offer.

4.5 For transactions requiring Board approval, further reference shall be made to the Board in the event of material alterations to the proposed transaction between signing and close.

5. Risk Management and Internal controls

5.1 Responsible for:

- a sound system of risk management and internal control;
- oversight and review of risk management and internal control; and
- establishing the appropriate risk tolerance for the Company.

6. Contracts

- 6.1 Approval of major capital projects and investments in excess of £5m.
- 6.2 Approval of contracts or exposures in excess of £50m where the length of the contract exceeds 5 years.
- 6.3 Lending or borrowing by the Company made outside the treasury policy of the Company.

7. Communication

- 7.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 7.2 Approval of resolutions and related documentation to be put forward to shareholders at a general meeting.
- 7.3 Approval of press releases concerning matters decided by the Board.

8. Board membership and other appointments

- 8.1 Changes to the structure, size and composition of the Board and Board committees, including the appointment of the Chair of the Board, the Chief Executive and the Senior Independent Director, and appointment of all other directors, following recommendations from the Nomination Committee.
- 8.2 Succession planning for the Board and Board committees and senior management, assisted by the Nomination Committee.
- 8.3 Appointment or removal of the Company Secretary following recommendation from the Nomination Committee.
- 8.4 Proposals by Executive Directors to accept appointments as directors of companies outside the Group.
- 8.5 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

9. Remuneration

- 9.1 Determining the remuneration policy for the Chair, the Chief Executive Officer and the Executive Directors.

9.2 Determining the remuneration of the Non-executive Directors, subject to the Articles of Association and shareholder approval as appropriate.

9.3 The introduction of new share schemes or new long-term incentive schemes or major changes to existing schemes, which require shareholders' approval.

10. Delegation of Authority

10.1 The division of responsibilities between the Chair and the Chief Executive Officer.

10.2 Establishing Board committees, approval of their terms of reference and receiving reports from Board committees on their activities.

10.3 Approval of the Schedule of Delegation of Authority.

11. Corporate Governance matters

11.1 Conduct an adequate annual evaluation of its own performance, that of its committees, the Chair, the Chief Executive Officer and, in consultation with the Chief Executive Officer, other Executive Directors.

11.2 Determining the independence of directors.

11.3 Receiving reports on the views of the Company's shareholders and other key stakeholders.

11.4 Authorising conflicts of interest where permitted by the Company's articles of association.

11.5 Assessing the adequacy of the Company's corporate governance arrangements.

11. Policies

11.1 Approval of Group-wide policies including but not limited to:

- Ethics Code
- Board Diversity Policy
- Diversity Policy (for employees)
- Sustainability Policy
- Modern Slavery Statement
- Health and Safety Policy
- Share Dealing Policy
- Anti-Bribery and Corruption Policy
- Whistleblowing policy

12. Other

11.1 Settlement of litigation involving amounts in excess of £1m.

11.2 This schedule of matters reserved for Board decisions.

11.3 Any other matter not falling within the powers and authority of the shareholders, the Chief Executive Officer or delegated to a committee of the Board.

11.4 Any decision likely to have a material impact on the company or group from any perspective including, but not limited to, financial, operational, strategic or reputational.

11.5 Review the arrangements for the workforce and the process managing workforce to raise concerns in confidence and, if they wish, anonymously and review the reports arising from its operation.

11.6 Any political donations.

11.7 Major changes to the rules of the group's pension scheme, any changes of trustees and the overall pension policy.

12.8 Approval of the Company's insurance brokers and the Company's principal professional advisors.

Approved by the Board
28 July 2022