



ESSENTRA

24 November 2015

THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION – PLEASE READ IT CAREFULLY

Dear Shareholder

Adoption of Financial Reporting Standard (FRS) 101 – Reduced Disclosure Framework

On 1 January 2015 a new UK GAAP reporting regime became effective, and as a result Essentra plc (“Essentra” or “the Company”) will need to transition to the replacement accounting framework.

Essentra plc is proposing that FRS 101 “Reduced Disclosure Framework” will be applied for the financial years beginning on and after 1 January 2015. This allows the Company to follow the same accounting recognition and measurement principles as the Group accounts, but present a reduced level of disclosure for its individual accounts. The Company’s accounts will still be prepared to meet the requirements of the Companies Act 2006, including giving a true and fair view of the Company’s assets, liabilities and financial position, and the Group accounts will continue to be prepared under International Financial Reporting Standards.

Before an entity can apply the reduced disclosure framework, it is required to inform its shareholders and to provide a reasonable opportunity for its shareholders to object. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in Essentra plc may serve objections to the adoption of the disclosure exemption by notifying the Company Secretary in writing at Avebury House, 201-249 Avebury Boulevard, Milton Keynes, MK9 1AU by close of business on 31 January 2016.

Dividend payments – future direct credits

Following shareholders’ approval to relevant amendments of the Company’s Articles of Association at the 2015 AGM, I am writing to let you know that, after the payment of the Company’s final dividend in May 2016, Essentra will make future dividend payments only by direct credit into a nominated bank or building society account or, alternatively, via the Company’s Dividend Reinvestment Plan (“DRIP”).

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Please note that if dividends are already paid by direct credit into your bank or building society account – or you participate in the DRIP - you are not affected by the proposed change.

However, if you currently receive your dividends in the form of a cheque, you should act now. Please be sure to read the remainder of this letter and choose a preferred option for future dividend payments as soon as possible. To record your choice, kindly either complete and return the enclosed Dividend Mandate Form to the Company's Registrars or submit your instructions online.

Why Is Essentra making these changes?

Making dividend payments directly into a bank or building society account is more secure and convenient for the Company's shareholders:

- Dividends are credited to bank or building society accounts on the payment date as cleared funds, which means they are immediately accessible, rather than depositing a cheque and waiting for the funds to clear;
- It removes the risk of loss, fraud or theft of the dividend payment cheques.

What are the options for dividend payments after May 2016?

As Essentra will no longer be issuing dividend cheques, you now need to choose another method of receiving your dividend payments. These are the options:

- All shareholders can nominate a UK bank or building society account
- If you live outside of the UK, you will be contacted separately and you will be sent details of the Global Payment Service in 2016
- You can elect to participate in Essentra's DRIP

To help you decide, please refer to:

- The enclosed Frequently Asked Questions document;
- The Registrar's website at www.investorcentre.co.uk for the full Terms & Conditions of the DRIP, or call the Registrars (T: +44 (0) 370 703 6394) to obtain a paper copy; or
- A stockbroker, accountant or other professional adviser.



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What do you do next?

Please complete either the attached Dividend Mandate Form and return it to the Registrar in the enclosed reply paid envelope, or elect to join the DRIP by obtaining a DRIP Mandate Form by telephoning our Registrars (see contact details below). The enclosed form bears a barcode and your Shareholder Reference Number ("SRN"), both of which are unique to you. This helps the Registrar to process the forms efficiently but, more importantly; it means that your address is not required on the form, ensuring the security of your personal data.

Alternatively, you can register your bank or building society account details - or elect to join the DRIP - via our Registrars' website at www.investorcentre.co.uk. In order to log in to your holding you will need your 11 digit SRN which is printed on the enclosed form. Your SRN starts with the letter C or G, followed by 10 numbers.

What about dividend information for tax purposes?

After the end of 2016, Essentra will adopt the practice of supplying a single consolidated dividend report for tax. Instead of issuing a separate confirmation for each dividend payment (currently in the form of tax vouchers), a communication will be issued once a year, after the payment of the interim dividend, detailing all dividend payments made throughout the prevailing UK tax year.

What happens if the completed direct credit instructions for the October 2016 dividend payment are not sent in on time?

If instructions are not returned by the record date for the October 2016 dividend, which is typically in mid-September, Essentra will not be able to make the dividend payment on the designated payment date. The dividend will be held as a non-interest bearing deposit until a completed direct credit instruction is received. The dividend will then be paid to your nominated account as soon as possible. No interest will be paid on amounts held pending the receipt of your direct credit instructions.

What happens if the completed DRIP instruction for the October 2016 dividend payment is not sent in on time?

If the preferred option is to participate in the DRIP, and DRIP instructions are not returned by the latest DRIP election date for the October 2016 dividend, your dividend will be held for you as cash in a non-interest bearing deposit. Retrospective share purchases on receipt of DRIP instructions are not possible so the dividend payment will be credited to your nominated account on receipt of your completed direct credit instructions. No interest will be paid on amounts held pending the receipt of your direct credit instructions.



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Your DRIP instructions will then be processed for the next ordinary dividend payments.

Where can you get more help?

Please contact our Registrars, Computershare, on +44 (0)370 703 6394 where one of their customer service representatives will be pleased to help you.

Essentra continues to encourage shareholders to receive a copy of all future communications electronically instead in paper form, and for each new online response submitted, the Company is pleased to make a donation to the Woodland Trust which will go towards tree planting, Hedge & Copse packs for schools that include seeds, instructions on how to plant trees and care for them and pupil worksheets, for more information on the Woodland Trust and all of their campaigns please visit their website www.woodlandtrust.org.uk.

On behalf of the Board, I would like to thank you for your continued valued support of Essentra.

Yours sincerely

Jon Green
Company Secretary
Essentra plc