

Essentra plc
Section 430(2B) Companies Act 2006 Statement – Paul Forman

As announced on 3 October 2022, Paul Forman has decided to step down from his role as Chief Executive of the Company at the end of the current financial year on 31 December 2022.

The following remuneration arrangements have been agreed for Paul:

Salary and benefits

Paul will continue to receive his normal remuneration in terms of basic salary, pension allowance, car allowance and Company benefits, in accordance with his service agreement, up to and including 31 December 2022.

Paul will be paid in lieu of his unexpired (as at 31 December 2022) period of notice (the “**Notice Payment**”). The Notice Payment shall be paid in monthly instalments and will include the value of the benefits (calculated as the monthly cost to the Company of providing such benefits) that Paul would otherwise have been entitled to receive during the period of the monthly payments, save for private medical insurance which will be continued after 31 December 2022 for the duration of the unexpired period of notice ending on 11 October 2023 (or, if earlier, the date Paul commences alternative employment which provides such benefits which are at the same level or better than the Company’s private medical insurance). The monthly instalments shall reflect that, from 1 January 2023, Paul’s pension provision would have been reduced and Paul would have received a cash contribution in lieu of pension equal to 5% of salary. Subject to the below, each monthly instalment will amount to £62,637 (gross), save for the last monthly instalment which will be reduced on a pro rata basis to reflect the unexpired period of notice as at the beginning of October 2023.

In the event that Paul should obtain an alternative remunerated position during the period of monthly payments then any remaining monthly payments shall be reduced by the amount received in respect of such employment or engagement, provided that no reduction shall be made where the position obtained is a non-executive director position (including a non-executive chairmanship) and is on a temporary or part time basis or is otherwise approved by the board of the Company.

The Company will pay Paul in lieu of holiday entitlement accrued but untaken as at 31 December 2022.

Bonus for financial year 2022

Paul will remain eligible to receive an annual bonus for the 2022 bonus year, and shall not lose such entitlement as a result of leaving employment with the Company.

The bonus shall be subject to performance assessment in the ordinary course, consistent with the performance framework set out at the time of the launch of the 2022 bonus programme. Any award payable will be pro-rated for the performance year up to the date Paul’s active

employment terminates (which if active service ends on 31 December 2022, as expected, will result in no pro-rating) and shall be paid entirely in cash on the normal bonus payment date.

Share incentives

The Remuneration Committee intends to treat Paul as a “good leaver”, such that his outstanding awards under the Essentra Plc Long Term Incentive Plan 2015 (the “**LTIP**”) will not lapse on 31 December 2022, and will instead continue subject to the plan rules, and in the ordinary course will become exercisable in the six month period after the third anniversary of the relevant date of grant.

In relation to Paul’s 2021 and 2022 LTIP awards, the Remuneration Committee intends that the number of shares which vest will be time pro-rated to reflect the number of days elapsed from the start of the relevant performance period until and including 31 December 2022 as a proportion of the full performance period. It is therefore anticipated that, subject to the assessment and degree of satisfaction of the applicable performance targets determined by the Remuneration Committee at the normal vesting date, the unvested 2021 and 2022 LTIP awards granted to Paul will vest as specified below, and will remain subject to any applicable post-vesting holding periods in the usual way:

Year of award	Grant date	Normal vesting date	End of holding period	Number of shares granted ⁽¹⁾	Pro-rated number of shares ⁽²⁾
2021	31 March 2021	31 March 2024	31 March 2026	440,799	293,463
2022	4 October 2022	4 October 2025	4 October 2027	557,552	185,172

⁽¹⁾ Value of any dividends paid by Essentra over the vesting period will be payable in addition (pro-rated for time)

⁽²⁾ Pro-rating estimated based on termination date of 31 December 2022 and maximum performance

The Remuneration Committee also intends to treat Paul as a “good leaver” for the purposes of the Essentra Plc Deferred Annual Share Bonus Plan (the “**DASBP**”) such that his outstanding awards for 2020 and 2022 under the DASBP will not lapse on 31 December 2022, and will instead vest on 31 December 2022 without time pro-rating.

Paul will be required to comply with the Company’s in-employment and post-employment shareholding requirements, including post-vesting and post-cessation holding periods, on the terms set out in any applicable policy and the rules of any relevant share incentive scheme adopted by the Company in each case as amended from time to time. For the avoidance of doubt, Paul will also be required to comply with the Company’s post-employment shareholding requirements in respect of shares from incentive awards that have been released since the date of the adoption of the Policy at the 2021 AGM, or are released in future on an after-tax basis.

Other payments

Paul will receive a capped contribution of £12,500, excluding VAT, towards legal fees incurred in connection with his departure.

The Company will meet the reasonable cost of Paul obtaining outplacement support through a provider to be nominated or approved by the Company, subject to a maximum (excluding VAT but including all disbursements) of £50,000.

Further information

The relevant remuneration details relating to the matters set out above will be included in the Directors' Remuneration Report in the Annual Report and Accounts for the year ended 31 December 2022.

Other than the amounts disclosed above, Paul will not be eligible for any remuneration payments or payments for loss of office.

In accordance with section 430(2B) of the Companies Act 2006, the information contained in this document will be made available on Essentra's website until its next Directors' Remuneration Report is made available.