

REMUNERATION POLICY REPORT

The Directors' Remuneration Policy Report ("the Policy Report") sets out the policies under which the Executive and Non-Executive Directors are remunerated. The Policy Report is designed to be in full compliance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the UK Corporate Governance Code as issued by the Financial Reporting Council and the Listing Rules.

The current Directors' Remuneration Policy Report was approved by our shareholders at the AGM in 2015. We are required by law to put a new Policy to our shareholders for approval three years later at the 2018 AGM. The current Policy Report can be found in full in the Essentra Annual Report 2014, a copy of which can be obtained from the Company's registered office or downloaded from www.essentraplc.com.

The Remuneration Committee has reviewed the continued appropriateness of the current Policy Report in the context of the Company's corporate strategy following the appointment of Paul Forman as Chief Executive on 1 January 2017. Following that review, shareholder approval will be sought at the 19 April 2018 AGM for the updated Policy Report set out below. Subject to shareholder approval, the updated Policy Report will take effect immediately after the 19 April 2018 AGM and will apply to the 2018 financial year.

Summary of key changes The key proposed changes in our updated Policy are summarised below. These changes bring our Policy in line with current mainstream market practice and are consistent with the Essentra corporate strategy.

Policy change	Rationale for change and implementation in 2018
Amended approach to LTIP awards	Annual LTIP awards will be calculated as a percentage of salary. This will replace the non-market standard feature of the 2015 Policy Report whereby the former Chief Executive and Group Finance Director received an award over a fixed number of LTIP shares each year.
Extended LTIP release date	LTIP awards granted to Executive Directors will be released five years after grant. Performance will be measured over an initial three-year period and then there will be a new additional two-year holding period.
Amended LTIP performance conditions	<p>LTIP awards may be subject to a combination of relative Total Shareholder Return ("TSR"), Earnings Per Share ("EPS"), cumulative adjusted operating cash flow and a capital return measure. The addition of cash flow and capital return as potential measures reflect our evolving strategic priorities and feedback from our shareholders.</p> <p>After careful consideration the Remuneration Committee has decided that 2018 LTIP awards will be subject to a combination of relative TSR, EPS and cash flow measures. The Remuneration Committee will most likely introduce a capital return measure for LTIP awards to be made in 2019 and subsequent years. In the interests of simplicity, we would try to have no more than three measures in any one award.</p>
Amended approach to salary reviews	Executive Director salaries will be reviewed on an annual basis in April each year. This will replace the current, non-market standard approach whereby the former Chief Executive's and Group Finance Director's salaries were fixed throughout the Policy period.

Reduced future pension provision	The revised Policy Report includes a commitment to reduce the maximum level of pension provision for any future Executive Director appointments to 20% of salary compared to the current 25% of salary maximum.
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Overview

The Remuneration Committee determines and recommends to the Board the framework for the remuneration of the Executive Directors, Company Secretary and the Chairman of the Board. The remuneration of the Non-Executive Directors is the responsibility of the Board as a whole. No Director is involved in determining or voting on their own remuneration.

The Chief Executive's remuneration proposals for the other members of the Group Management Committee ("GMC") are reviewed by the Remuneration Committee, and recommendations as regards those proposals are made to the Board.

The Remuneration Committee also takes note of the remuneration policy as detailed by the Chief Executive in respect of other levels of management in the Company, and makes such recommendations to the Chief Executive as the Remuneration Committee deems appropriate. The Remuneration Committee has regard to the proposed remuneration policy for other management and employees across the Group, when determining recommendations on remuneration for the Executive Directors and other senior executives.

The Remuneration Committee places significant focus on and spends considerable time reviewing the risks surrounding the Company's existing remuneration policies on an annual basis and has determined that there are no significant concerns with the structure or operation of the remuneration policy.

The Remuneration Committee's main responsibilities are to:

- > Develop the Company's Remuneration Policy for the Executive Directors, the Company Secretary and other senior executives, covering basic salary, bonus, long-term incentives, retirement provisions and other benefits
- > Strike an appropriate balance between; (i) the fixed and variable; and (ii) the cash and equity-related components of total remuneration packages
- > Review and determine the terms of employment and remuneration of the individual Executive Directors, including any specific retirement or severance terms
- > Determine the remuneration of the Chairman of the Board
- > Establish and review the operation of any employee share plans, including the granting of awards, the setting and testing of performance conditions and exercising of any awards under long-term incentive plans
- > Select, appoint and determine the terms of reference for independent consultants to advise the Remuneration Committee on remuneration matters

In determining the policy for the Executive Directors, the Remuneration Committee's key objectives are to:

- > Ensure that senior executives' remuneration is designed so as to attract, retain and motivate high quality executives in a manner that aligns their remuneration with the interests of shareholders and other stakeholders, particularly in the design of the performance-related elements of their remuneration packages and their shareholding guidelines
- > Promote the achievement of both the Company's annual and longer-term strategic objectives. The Remuneration Committee considers the alignment of Company performance and the remuneration of its senior executives, including the Executive Directors, to be of the utmost importance. It believes that senior executives should be highly rewarded (on a market-competitive basis) for the delivery of stretching goals but should also receive reduced rewards when the business does not perform to expectations

- > Encourage Executive Directors to act in a fair and responsible manner without unnecessary risk taking having regard to the long-term performance of the Company

The Remuneration Committee considers all elements of the remuneration package as a whole. It looks to ensure that an appropriate balance is maintained between them so that the need for both short-term success and long-term sustainable growth is recognised. The Remuneration Committee also ensures that non-financial business measures and individual objectives reflect adequately the Company’s environmental, social and governance (“ESG”) responsibilities.

Summary of components of Executive Directors’ remuneration

The Remuneration Committee structures Executive Director remuneration in two distinct parts: (i) fixed remuneration of basic salary, pension and benefits; and (ii) variable performance-related remuneration in the form of cash bonuses, deferred share bonuses and long-term incentive arrangements.

Remuneration for Executive Directors is structured so that the variable performance-related pay element forms a significant portion of each package. The majority of total remuneration at the maximum performance level will derive from the Company’s long-term incentive arrangements. All incentives are designed to be aligned to delivery of Essentra’s strategic priorities.

Policy table			
Purpose and link to strategy	Operation	Opportunity	Performance measures
Basic salary			
To reflect the particular skills and experience of an individual and to provide a competitive basic salary.	Generally reviewed annually with any increase normally taking effect from 1 April although the Remuneration Committee may award increases at other times of the year if it considers it appropriate. The review takes into consideration a number of factors, including (but not limited to): <ul style="list-style-type: none"> > The individual Director’s role, experience and performance > Business performance > Pay and conditions elsewhere in the Group > Market data for comparable roles in appropriate pay comparators 	No absolute maximum has been set for Executive Director base salaries. Any annual increase in salaries is at the discretion of the Committee taking into account the factors stated in this table and the following principles: <ul style="list-style-type: none"> > Salaries would typically be increased at a rate consistent with the average salary increase (in percentage of salary terms) for permanent UK employees. > Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual’s responsibilities or in the scale of their role or in the size and complexity of the Group). > Larger increases may also be considered appropriate if a Director has been initially appointed to the Board at a lower than typical salary. 	Not applicable.

Annual bonus

<p>To ensure the delivery of Company performance-related objectives, and to aid retention and to align Directors' interests with those of the Company's shareholders.</p>	<p>One half of the total annual bonus is paid in cash shortly after the announcement of the annual results.</p> <p>The other half is deferred into shares in the Deferred Annual Share Bonus ("the DASB") which will normally vest after three years subject to continued service.</p> <p>Performance is assessed against measures and targets which are established on an annual basis by the Remuneration Committee. As performance increases so does the percentage payable up to the maximum.</p> <p>The bonus is subject to malus and clawback provisions for a period of three years following the determination of the bonus. Circumstances in which these provisions could be applied by the Remuneration Committee are material misstatement in the Company's Financial Statements, error in assessing the performance conditions, serious misconduct by an individual or serious reputational damage to the company or a relevant business unit.</p> <p>An additional payment (in the form of cash or shares) may be made in respect of shares which vest under deferred awards to reflect the value of dividends which would have been paid on those shares during the vesting period (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).</p>	<p>Chief Executive – 150% of basic salary.</p> <p>Other Executive Directors – 125% of basic salary.</p>	<p>The bonus will be based on performance assessed over one year using appropriate financial, strategic and individual performance measures.</p> <p>The majority of the bonus will normally be determined by measure(s) of the Company's financial performance.</p> <p>The remainder of the bonus will be based on financial, strategic or operational measures appropriate to the individual Director.</p> <p>The selected measures for the next financial year are set out below in the Annual Report on Remuneration on page 105.</p> <p>No more than 20% of each financial measure will vest at threshold performance.</p>
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Long-Term Incentive Plan ("LTIP")

<p>To drive the long-term delivery of the Company's strategic objectives, aid</p>	<p>An annual award of performance share awards usually with a three-year performance and additional two-year holding period.</p> <p>Awards are subject to malus and clawback provisions for a period of</p>	<p>An award to any Executive Director would be limited to a maximum of 300% of salary.</p>	<p>Vesting will be subject to performance conditions as determined by the Remuneration Committee on an annual basis.</p> <p>The performance conditions will usually be some combination of</p>
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retention and to align Directors' interests with those of the Company's shareholders.	<p>three years following the vesting of the awards. Circumstances in which these provisions could be applied by the Remuneration Committee are material misstatement in the Company's Financial Statements, error in assessing the performance conditions, serious misconduct by an individual or serious reputational damage to the Company or a relevant business unit.</p> <p>An additional payment (in the form of cash or shares) may be made in respect of shares which vest under LTIP awards to reflect the value of dividends which would have been paid on those shares during the period up to the release of the shares (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).</p>	<p>relative TSR, adjusted EPS, adjusted cumulative operating cash flow and a capital return measure although the Remuneration Committee will retain discretion to include alternative performance measures which are aligned to the corporate strategy.</p> <p>The Remuneration Committee may adjust the weightings of the performance conditions for each award although usually each condition would have a weighting in the range of 20% – 40% of the award.</p> <p>Performance will usually be measured over a three-year period.</p> <p>Up to 25% of each element vests at threshold performance, usually rising on a straight-line basis for performance up to the maximum level for full payment. Below threshold performance, that element of the award will not vest.</p>
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All Employee Plans

To create alignment of employees' interests with those of shareholders and an awareness of the Company's	Under the UK Sharesave, employees (including Executive Directors) are invited to enter a savings contract of three years or five years, whereby the proceeds can be used towards the exercise of an option granted at the time they participate. The option price can be up to a 20% discount on	<p>For the UK plan, shares worth up to the value of the savings an Executive Director agrees to make over the saving period at the previously agreed option price. The savings amount is subject to the HMRC limit, currently £500 per month.</p> <p>The US Plan is limited to the monthly dollar equivalent of the UK</p>	No performance conditions apply to All Employee Plans.
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Pension

To provide cost-effective long-term benefits comparable with similar roles in similar companies.	A contribution to a defined contribution plan or paid as a cash supplement.	<p>Any future Executive Director appointment will have a maximum pension provision of 20% of salary.</p> <p>The current Executive Directors have pension provision of 25% of salary (Chief Executive) and 20% of salary (Group Finance Director).</p>	Not applicable.
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Other benefits

<p>> To provide cost-effective benefits comparable with similar roles in similar companies.</p>	<p>> Other benefits include medical expenses, life insurance, and a company car or cash allowance.</p> <p>> The Remuneration Committee may vary these benefits from time to time to suit business needs, but they will be provided on broadly similar terms to those offered to other Group employees.</p> <p>> Executive Directors are entitled to reimbursement of reasonable expenses.</p>	<p>> There is no overall maximum as the level of benefits depends on the annual cost of providing individual items in the relevant local market and the individual's specific role.</p>	Not applicable.
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Shareholding requirement

<p>To align the interests of Executive Directors and shareholders, encourage a focus on long-term performance and risk management.</p>	<p>These shareholding guidelines are to be built up over six years from date of appointment.</p> <p>The Remuneration Committee will review progress towards the guidelines on an annual basis, and has the discretion to adjust the guidelines in what it feels are appropriate circumstances.</p>	<p>The guideline minimum level for Executive Directors is 300% of salary for the Chief Executive and 200% for the Group Finance Director.</p> <p>Non-Executive Directors are encouraged to hold a minimum of 7,500 shares.</p>	Not applicable.
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Non-Executive Directors

<p>To attract high-calibre Non-Executive Directors with the relevant experience and skills.</p>	<p>A basic fee is payable to all Non-Executive Directors with supplementary fees for those with additional responsibilities, such as acting as Senior Independent Director or chairing a Board Committee.</p> <p>Fees are reviewed periodically with reference to market levels in companies of a comparable size and complexity, and taking account of the responsibilities and time commitment of each role.</p> <p>No Non-Executive Director participates in the Group's incentive arrangements or pension plan or receives any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in</p>	<p>Fees for the current year are stated in the Annual Report on Remuneration.</p> <p>Fee increases may be greater than those of the wider workforce in any particular year as they reflect changes to responsibilities and time commitments and the periodic nature of any increases.</p> <p>A resolution to amend the Company's Articles of Association for aggregate annual fees for "Non-Executive Directors" fees to be increased to £1,000,000 will be proposed at the 2018 AGM.</p>	Not applicable.
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which case a Non-Executive Director may receive the grossed-up costs of travel as a benefit.

Non-Executive Directors are entitled to reimbursement of reasonable expenses.

Remuneration Committee discretion

The Remuneration Committee will operate the annual bonus plan and long-term incentive plans according to their respective rules and will be consistent with normal market practice, the Listing Rules and HMRC rules where relevant, including flexibility in a number of regards. These include:

- > When to make awards and payments
- > How to determine the size of an award or a payment, or when and how much of an award should vest
- > Who receives an award or payment
- > How to deal with a change of control or restructuring of the Group
- > Whether a participant is a good / bad leaver for incentive plan purposes, and whether and what proportion of awards vest and timing of delivery
- > How and whether an award (or an award of shares outlined in this Policy that is yet to be granted) may be adjusted in certain circumstances (eg, rights issues, corporate restructuring, events and special dividends)
- > What the weighting, measures and targets should be for the annual bonus plan and LTIP from year to year

The Remuneration Committee also retains the ability within the Remuneration Policy to adjust the targets and / or set different measures and alter weightings for the annual bonus plan, and to adjust targets for the LTIP if events occur which cause it to determine that the conditions are unable to fulfil their original intended purpose.

The Remuneration Committee may make minor amendments to the Remuneration Policy set out in this Remuneration Policy Report (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Existing awards

The Remuneration Committee reserves the right to make any remuneration payments and / or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Remuneration Policy 2015 (set out above) where the terms of the payment were agreed: (i) before the 2015 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Remuneration Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes "payments" includes the Remuneration Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

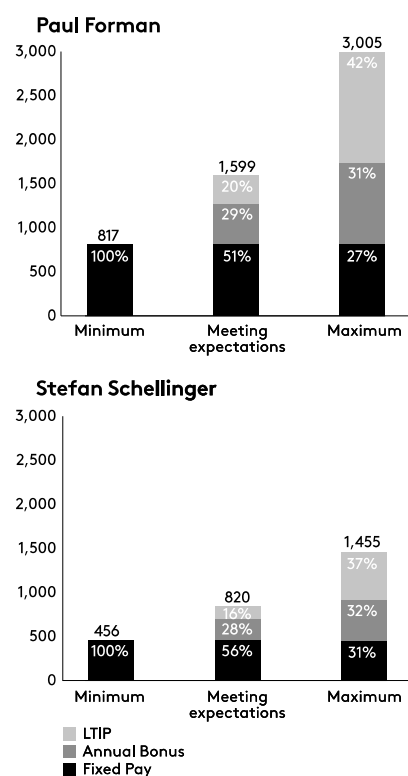
Choice of performance measures and approach to target setting

The Remuneration Committee sets performance metrics under both the annual bonus plan and LTIP which are clearly aligned to the Group's strategy and are usually part of its Key Performance Indicators ("KPIs"). Personal objective performance measures within the annual bonus are also directly linked to key strategic objectives.

Targets are set at the start of each performance period by the Remuneration Committee taking into account relevant internal and external reference points and are designed to be appropriately stretching.

Remuneration mix

The graph below demonstrates the potential remuneration mix for both of the Executive Directors in 2018 in three theoretical scenarios: minimum, meeting expectations and maximum.



Assumptions:

- > Salary: received during 2018: Paul Forman £625,000; Stefan Schellinger £360,000 to 31 March 2018 and £369,700 thereafter.
- > Pension: Paul Forman 25% of salary; Stefan Schellinger 20% of salary.
- > Benefits: 2017 reported taxable benefits.
- > Bonus maximum of 150% of salary for Paul Forman and 125% of salary for Stefan Schellinger.
- > LTIP award of 200% of salary for Paul Forman and 150% of salary for Stefan Schellinger.
- > Meeting expectations scenario assumptions – 50% of annual bonus maximum paid and 25% of LTIP award vests.
- > Maximum scenario assumptions – 100% of annual bonus maximum paid and 100% of LTIP award vests.
- > No share price growth or dividend accrual considered.
- > Sharesave awards have been ignored.

New appointments

- > **Basic salary** Will be set based on relevant market data, experience and skills of the individual, internal relativities across the Company and the individual's current basic salary. Any annual increase in salary for a new appointment would be at the discretion of the Remuneration Committee and would typically be broadly consistent with the average salary increase for UK employees. However, larger increases may be considered appropriate in certain circumstances. For example, where new appointees have initial basic salaries set below market rates, any shortfall will be managed with phased increases (which may be greater than those offered to the wider workforce) over a period of two to three years, subject to their development in the role.
- > **Pension** A contribution to a defined contribution plan or a cash supplement may be offered with the relevant maximum not exceeding the maximum in the Policy Table.
- > **Other benefits** As provided to current Executive Directors. Where necessary the Remuneration Committee may approve the payment of relocation expenses to facilitate recruitment, and flexibility is retained for the Company to pay for legal fees and other costs incurred by the individual in relation to their appointment.
- > **Bonus** The annual bonus described will apply to a new appointee with the relevant maximum not

exceeding that for the current Chief Executive; and, in the first year, being pro-rated to reflect the proportion of employment during the year. In the first year, the Remuneration Committee may set different performance measures and targets for the bonus to those of the other Executive Directors, depending on the timing and scope of any appointment. In order to facilitate recruitment the Remuneration Committee may compensate for any bonus forgone when the individual leaves their previous employer.

- > **Share incentives** New appointees will be granted awards under the LTIP up to the limit described in the Policy Table. An award may be made shortly following a new appointment. In the first year, the Remuneration Committee may set different performance measures and targets for the LTIP to those of the other Executive Directors, depending on the timing and scope of any appointment.
- > **Buy-out awards** To potentially facilitate the recruitment through the buy-out of existing awards and compensation arrangements from their current employer, the Remuneration Committee will retain the ability to make a one-off buy-out award. In doing so, the Remuneration Committee will take account of all relevant factors, including any performance conditions attached to incentive awards, the likelihood of those conditions being met, the proportion of the vesting / performance period remaining and the form of the award (eg, cash or shares). The overriding principle will be that any buy-out award should be of comparable commercial value to the compensation which has been forfeited. Buy-out awards will be made using existing incentive arrangements where possible, but it may be necessary to use the exemption under Listing Rule 9.4.2. Shareholders will be informed of any such payments at the time of appointment.
- > In the case of internal appointments or appointments following the Company's acquisition of or merger with another company or business, any variable pay element or legacy arrangements in respect of the prior role would normally be allowed to pay-out according to its terms, adjusted as relevant, to take into account the appointment.
- > For external and new internal appointments, the Remuneration Committee may set lower share ownership guidelines, or permit a longer period for them to be met.
- > **Non-Executive Directors** In the event of the appointment of a new Non-Executive Director, remuneration arrangements will normally be in line with the structure set out in the Policy Table for Non-Executive Directors. In the event that a Non-Executive Director is required to temporarily take on the role of an Executive Director, their remuneration may include any of the elements listed in the Policy Table for Executive Directors.

Service contracts and exit payments

Service contracts normally continue until the Director's agreed retirement date or such other date as the parties agree.

- > The policy for executive service contracts is that notice periods will normally not exceed 12 months. Paul Forman has a service contract dated 2 January 2017 and Stefan Schellinger has a service contract dated 8 October 2015, both with a notice period of 12 months from either party. The service contracts for the Executive Directors are available for inspection by shareholders at each AGM and during normal business hours at the Company's registered office.
- > The Remuneration Committee's policy in relation to termination of service contracts is to apply an appropriate level of mitigation, having regard to all of the circumstances of the individual, the termination of employment, and to any legal advice received. The Company has the right to make a payment in lieu of notice (such payment being made based on salary and at the Remuneration Committee's discretion as to the value of benefits), and any such payment may be made in monthly instalments at the Company's discretion, with a requirement for the individual to make reasonable endeavours to find alternative employment and may be reduced to take into account any sums earned during the payment period by way of employment elsewhere.
- > There are no enhanced provisions on a change of control.
- > In certain circumstances, such as gross misconduct, the Company may terminate employment immediately without notice or payment.
- > The Remuneration Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an

existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and / or the Director's legal and / or professional advice fees in connection with his cessation of office or employment.

- > The service contract for any new appointment would be on a similar basis to that described above.
- > The payment of any annual bonus will be at the Remuneration Committee's discretion, based on the individual circumstances and would usually be pro-rated for the period of service and may be paid entirely in cash. In determining the level of bonus to be paid, the Remuneration Committee may, at its discretion, take into account performance up to the date of cessation or over the financial year as a whole based on appropriate performance measures as determined by the Remuneration Committee.
- > Under the rules of the LTIP, outstanding awards may vest if a participant leaves for specified reasons, including injury, disability, ill health, death, retirement with the Company's agreement, redundancy, or the business or company in which the participant is employed ceasing to be part of the Group or on a change of control. In these circumstances a participant's award vests on an appropriate time pro rata basis (unless the Remuneration Committee decides it is inappropriate to do so) subject to the satisfaction of the relevant performance criteria at the normal vesting date with the balance of the award lapsing. The Remuneration Committee has discretion to determine that the performance period should end on the date of cessation of employment if it feels this is appropriate. If, however, the termination of employment is not for one of the specified reasons, and the Remuneration Committee does not exercise its discretion to allow an award to vest, a participant's award lapses in full on date of cessation.
- > The DASB awards may vest if a participant leaves for specified reasons including death, the business or company in which the participant is employed ceasing to be part of the Group, retirement with the agreement of the Company or at the discretion of the Board. DASB awards will either vest on the normal vesting date or at the point of the participant leaving date if deemed a good leaver by the Remuneration Committee.

Non-Executive Directors

The Non-Executive Directors do not have service contracts and do not participate in any Company pension, share or incentive schemes. In accordance with best practice, letters of appointment have been issued for all Non-Executive Directors for an initial period of three years, but may be terminated by either party with three months' notice. No compensation is payable on termination, except for fees and expenses accrued to date. These letters are available for inspection by shareholders at each AGM and during normal business hours at the Company's registered office.

Relationship between remuneration of Executive Directors and other employees

The Remuneration Committee is kept informed of pay and employment conditions in the wider Group and this is factored into deliberations when setting the Remuneration Policy for Executive Directors. The Group-wide salary increase budget and the proposed increase for UK based employees, or employees of such other jurisdiction within which the Executive Directors operate or reside, is considered by the Remuneration Committee when determining any basic salary increase for Executive Directors.

As stated previously, the overall remuneration package for Executive Directors is structured so that the variable performance-related pay element forms a more significant portion compared to pay for other employees. This policy is to ensure there is a clear link between the individual and corporate performance achieved, the value this creates for shareholders and the overall reward to Executive Directors. The weighting of variable pay will vary throughout the Group based on the seniority of the individual, the role and specific responsibilities. The Essentra Annual Management Bonus Plan also provides a consistent approach for the Executive Directors and Managers within Essentra by aligning the same performance conditions for their bonus plans.

The Board are awaiting the finalised views of the Corporate Governance Code to consider the most appropriate future approach to employee consultation on remuneration decisions. Essentra currently manages a number of employee forums including the European Information and Consultation forum, Diversity & Inclusion Steering Group and employee engagement focus groups.

How the views of shareholders are taken into account

The Remuneration Committee has consulted with major shareholders and investor bodies in the past when material changes to the Policy have been proposed, and this approach will continue in the future with the overall aim to maintain an open and transparent dialogue. A thorough consultation process was undertaken with our major shareholders and representative bodies before this updated Policy Report was submitted for the approval of all shareholders.

External appointments

Essentra recognises its senior executives can benefit from serving in a personal capacity as Non-Executive Directors of non-Essentra Group companies. It is, at the same time, conscious of the corporate governance recommendations that Executive Directors should take account of the time commitment required by a non-executive position. Executive Directors are permitted to accept non-executive directorships offered by listed companies and other organisations, which provide industry experience or public service. Such outside appointments are subject to prior Board approval, taking into account existing duties, potential conflicts of interest and time commitments outside of Essentra's responsibilities. Any fees earned from these roles may be retained by the Executive Director.