

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, auditor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Spirax-Sarco Engineering plc please pass this document and the accompanying documents (but not the personalised Form of Proxy) as soon as possible to the purchaser or transferee or to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

**Spirax-Sarco Engineering plc**  
**Circular to Shareholders**  
and  
**Notice of Annual General Meeting**  
to be held in  
**The Cotswold Suite, Tewkesbury Park Hotel,**  
**Lincoln Green Lane,**  
**Tewkesbury,**  
**Gloucestershire,**  
**GL20 7DN**  
on  
**Wednesday, 10th May 2023 at 2.00 pm**

The Notice convening the Annual General Meeting appears at the end of this document.

Forms of Proxy for use at the Annual General Meeting should be completed and returned to the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA as soon as possible and, in any event, so as to arrive not less than 48 hours, excluding non-business days, before the time of the Meeting.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so. Institutional investors may be able to appoint a proxy electronically via the Proxymity platform. Please refer to page 9 for full details.

At the Annual General Meeting shareholders will be invited to vote on a resolution by resolution basis by way of a polled vote; the results will be announced instantaneously using the Equiniti "VoteNow" polling system. Shortly after the conclusion of the Annual General Meeting, the results will also be announced on the Group's website, [www.spiraxsarcoengineering.com](http://www.spiraxsarcoengineering.com), and the London Stock Exchange.



## Spirax-Sarco Engineering plc

(Registered in England No. 596337)

Registered office:  
Charlton House  
Cirencester Road  
Cheltenham  
Glos.  
GL53 8ER

31st March 2023

## Part I – Letter from the Chair

### Dear Shareholder,

This Circular accompanies the Annual Report and the audited Financial Statements of the Company for the year ended 31st December 2022. The consideration of resolutions at the Annual General Meeting (AGM) is important. Your Directors believe that in the interests of shareholder democracy it is critical that the voting intentions of all members are taken into account, not just those who are able to attend the AGM.

We therefore propose to put all resolutions at the AGM to shareholders by way of a poll rather than a show of hands. The Board considers that a poll is more democratic since it allows the votes of all shareholders to be counted and electronic voting enables poll voting results to be obtained efficiently and effectively. Shareholders attending the AGM will still have the opportunity to ask questions, form a view on the points raised and vote on each resolution.

Whether or not you anticipate attending the meeting in person, the Company recommends that all of its shareholders (i) appoint the Chair of the meeting as their proxy and (ii) submit their votes (via proxy) as early as possible and in any event by no later than 2.00 pm on Friday 5th May 2023 (due to the 8th May being a bank holiday) to ensure that their votes are counted. Due to possible delays in the postal service, please submit your proxies electronically if possible. Please see the Form of Proxy section in the notes to the Notice of Annual General Meeting for information. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the Meeting if you so wish.

The purpose of this Circular is to explain certain elements of the business to be conducted at the AGM, including the ordinary resolutions (numbered 1 to 18) and the special resolutions (numbered 19 and 20).

### Notice of Annual General Meeting

You will find the Notice of Annual General Meeting of the Company, which is to be held in the Cotswold Suite, Tewkesbury Park Hotel, Lincoln Green Lane, Tewkesbury, Gloucestershire, GL20 7DN on Wednesday, 10th May 2023 at 2.00 pm, set out in Part II of this Circular on pages 6 and 7.

### Ordinary Resolutions

#### Resolution 1 – Annual Report

The receipt and consideration of the Company's Annual Report and Accounts 2022.

#### Resolution 2 – 2023 Remuneration Policy

In accordance with Section 439A of the Companies Act 2006, as amended from time to time ("CA2006"), your Board is asking for your approval of the Remuneration Policy Report 2023 which is intended to take effect, if approved, from the AGM to be held on 10th May 2023, as set out in pages 160 to 168 of the Company's Annual Report for the year ended 31st December 2022. The Policy Report sets out the Company's forward looking policy on Directors' remuneration and is subject to a binding vote at least every three years, a summary of the Policy can be found in Appendix I. After the AGM all payments by the Company to Directors must be made in accordance with the Policy (unless separately approved by shareholders).

#### Resolution 3 – Annual Report on Remuneration 2022

In accordance with Section 439 of the CA 2006, your Board is asking for your approval of the Annual Report on Remuneration 2022 for the year ended 31st December 2022, which can be found of pages 143 to 159 of the Company's Annual Report for the year ended 31st December 2022. This part of the Report is, as in previous years, put to an advisory shareholder vote. The Directors Remuneration for 2022 has been paid in accordance with the 2020 Remuneration Policy which can be found on our website. [www.spiraxsarcoengineering.com](http://www.spiraxsarcoengineering.com).

#### Resolution 4 – Final Dividend

The proposal recommended by the Directors to pay a final dividend of 109.5 pence per Ordinary share on 19th May 2023 to all shareholders on the register of members at 5.00 pm on 21st April 2023.

**Resolution 5 – Auditor**

The CA2006 requires that an auditor be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. This resolution seeks shareholder approval for the re-appointment of Deloitte LLP as the Company's Auditor. During 2022 a competitive tender was undertaken in relation to the Auditor appointment. Full details of this can be found in the Audit Committee report on page 138 in the 2022 Annual Report. Deloitte LLP was successful in the tender and has expressed its willingness to continue in office as auditor. The Audit Committee has recommended the re-appointment of Deloitte LLP and has confirmed that such recommendation is free from influence by a third party and that no restrictive contractual terms have been imposed on the Company. The Directors are therefore recommending the re-appointment of Deloitte LLP.

**Resolution 6 – Auditor Remuneration**

The proposal to authorise the Directors to fix the remuneration of Deloitte LLP for the audit work to be carried out by them in the next financial year.

**Resolutions 7 to 15 – Re-election of Directors**

Resolutions 7 to 15 deal with the re-election of Directors in accordance with the requirements of the Company's Articles of Association and the UK Corporate Governance Code 2018 (the "Code").

The Code provides for all Directors to be subject to annual election by their shareholders. Accordingly, in keeping with the Board's aim of following best corporate governance practice, all members of the Board, still in post at the date of this letter, are standing for re-election.

I confirm that, following a formal performance evaluation, each Director's performance continues to be effective and each Director demonstrates commitment to the role. Details of each of the Directors seeking re-election are set out in Appendix II, including the reasons why the Company considers each Director's contribution to be important for the long-term success of the Company, in accordance with Code provision 18.

**Resolution 16 – Issue New Shares**

Resolution 16 renews the authority granted to the Directors to allot new shares in accordance with Section 551 of the CA2006.

The Investment Association's Share Capital Management Guidelines allow this authority to apply up to a nominal amount of 33.33% of the issued Ordinary share capital. However, the Directors only wish to have this authority up to 25%. Therefore, the Directors seek authority to allot new shares in accordance with Section 551 of the CA2006 up to a nominal amount of £4,979,883 being 25% of the issued Ordinary share capital at 28 February 2023 (being the latest practicable date prior to publication of this Circular). This authority will expire on the date of the next AGM or on 30th June 2024, whichever is the earlier. The Directors have no present intention of exercising this authority, other than for small value allotments in the normal course of business, i.e. the Employee Share Ownership Plan.

**Resolution 17 – Scrip Alternative**

At the AGM held in 2022, shareholders authorised the Directors to offer a scrip alternative to any dividend declared or paid in the period up to the date of the AGM to be held in 2027 or, if earlier, 12th May 2027. A scrip alternative will not be offered for the financial year ended 31st December 2022 but the Directors consider it prudent to maintain the facility to provide this alternative for shareholders should circumstances alter so as to make a scrip alternative appropriate. In accordance with the Articles of Association, Resolution 17 will be proposed as an ordinary resolution to renew this authority for five years ending on the date of the AGM to be held in 2028 or, if earlier, on 10th May 2028, although it is the Directors' intention to renew this authority annually.

**Resolution 18 – Adoption of the Spirax-Sarco 2023 Performance Share Plan (the "PSP")**

Resolution 18 seeks your approval for the adoption of a new Spirax-Sarco 2023 Performance Share Plan (the "PSP"). The Spirax-Sarco 2023 Performance Share Plan will replace the Company's existing performance share plan which was approved by shareholders in 2015. As the Company's existing performance share plan would require replacement within the life of the directors' remuneration policy being proposed to shareholders at the Company's 2023 AGM, the Directors consider it appropriate to seek shareholder approval for a replacement performance share plan at the same time as the revised policy.

A summary of the principal terms of the PSP can be found in Appendix III. A copy of the rules of the Spirax-Sarco 2023 Performance Share Plan is available for inspection on the National Storage Mechanism from the date of this Notice and will also be available for inspection at the place of the meeting from 15 minutes before it is held until its conclusion.

**Special Resolutions****Resolution 19 – Disapply Pre-emption Rights**

Resolution 19 renews the Directors' authority in accordance with Section 561 of the CA2006 to allot further shares for cash, pursuant to the authority granted by Resolution 16, without first being required to offer such shares to existing shareholders. If approved, the Resolution will authorise the Directors to issue shares in connection with a rights issue or open offer and otherwise to issue shares for cash, excluding the sale on a non-preemptive basis of treasury shares for cash, up to a maximum nominal amount of £995,977 being 5% of the nominal value of the Company's issued Ordinary share capital on 28 February 2023 (being the latest practicable date prior to the publication of this Circular). In accordance with the Investment Association's Share Capital Management Guidelines and the Pre-Emption Group's Statement of Principles, the Directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non-preemptive basis in any rolling three-year period without prior consultation with shareholders. This authority will expire on the date of the next AGM or on 30th June 2024, whichever is the earlier. The Directors have no present intention of exercising this authority, other than for small value allotments in the normal course of business, i.e. the Employee Share Ownership Plan.

## Resolution 20 – Purchase Own Shares

Resolution 20 renews the Directors' authority to make market purchases of its own Ordinary shares as permitted by the CA2006.

The maximum aggregate number of Ordinary shares that may be purchased would be 7,377,604 which represents approximately 10% of the Company's existing Ordinary share capital as at 28 February 2023 (being the latest practicable date prior to publication of this Circular). The minimum price (excluding expenses) that may be paid for each share purchased under this authority is 26 12/13p. The maximum price (excluding expenses) that may be paid for a share purchased under this authority is an amount equal to the higher of (i) 5% above the average of the middle market quotations of the Company's Ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the market where the purchase is carried out. This renewed authority will expire on the date of the next AGM or on 30th June 2024, whichever is the earlier.

The share re-purchases made to date under the authorities granted by shareholders have enhanced earnings per share to the benefit of all shareholders. The Board believes that it would be appropriate to have the option to use a proportion of the Company's cash resources to make further market re-purchases of Ordinary shares.

The Company will only exercise the authority granted by the proposed Resolution where the Board reasonably believes that repurchasing its shares will increase earnings per share of the Ordinary shares in issue after the purchase and, accordingly, is in the best interests of shareholders generally.

The number of options and Performance Share Plan (PSP) awards to subscribe for equity shares that are outstanding at 28 February 2023 is 187,411, being 0.25% of the issued Ordinary share capital at that date. The Company has no warrants to subscribe for equity shares that are outstanding on 28 February 2023.

The CA2006 permits certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the Company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under share plans. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

Any shares purchased by the Company pursuant to the authority conferred by Resolution 20 will either be cancelled and the number of shares reduced accordingly or, if the Directors think fit, they may be held as treasury shares. As at 28 February 2023, the Company held no Ordinary shares in treasury. This authority will expire on the date of the next AGM or on 30th June 2024, whichever is the earlier.

The Directors have no present intention of exercising this authority..

### Action to be taken

Whether or not you are able to attend the Meeting, please complete and return the Form of Proxy so as to reach the Registrars not less than 48 hours, excluding non-business days, before the time of the Meeting. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the Meeting if you so wish.

### Recommendation

Your Directors believe that all the proposals to be considered at the AGM will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole and recommend shareholders to vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 238,952 shares (as at 28 February 2023), representing approximately 0.32% of the existing issued share capital of the Company, save in respect of those resolutions in which they are interested.

Yours faithfully,

**Jamie Pike**

Chair

## Part II – Notice of Annual General Meeting

Notice is hereby given that the sixty-fifth Annual General Meeting of Spirax-Sarco Engineering plc will be held in the Cotswold Suite, Tewkesbury Park Hotel, Lincoln Green Lane, Tewkesbury, Gloucestershire, GL20 7DN on Wednesday, 10th May 2023 at 2.00 pm to consider and, if thought fit, to pass Resolutions 1 to 18 inclusive as ordinary resolutions and Resolutions 19 and 20 as special resolutions.

### Ordinary Resolutions

1. To receive and consider the Company's Financial Statements, the Strategic Report and the reports of the Directors of the Company and the Auditor of the Company for the year ended 31st December 2022.
2. To approve the directors' remuneration policy, as set out on pages 160 to 168 of the directors' remuneration report, which takes effect on 11th May 2023.
3. To approve the Annual Report on Remuneration for the year ended 31st December 2022, as set out on pages 143 to 159 of the Annual Report 2022.
4. To declare a final dividend for the year ended 31st December 2021 of 109.5 pence for each Ordinary share in the capital of the Company.
5. To re-appoint Deloitte LLP as auditor of the Company to hold office from the conclusion of this Meeting until the conclusion of the next General Meeting at which Financial Statements are laid before the Company.
6. To authorise the Directors to determine the remuneration of Deloitte LLP as auditor of the Company.
7. To re-elect Jamie Pike as a Director.
8. To re-elect Nicholas Anderson as a Director.
9. To re-elect Nimesh Patel as a Director.
10. To re-elect Angela Archon as a Director.
11. To re-elect Peter France as a Director.
12. To re-elect Richard Gillingwater as a Director.
13. To re-elect Caroline Johnstone as a Director.
14. To re-elect Jane Kingston as a Director.
15. To re-elect Kevin Thompson as a Director.
16. That:
  - (a) the Directors be generally and unconditionally authorised, in accordance with Section 551 of the CA2006, to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company (Rights) up to a maximum nominal amount of 25% of the issued Ordinary share capital (£4,979,883);
  - (b) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or, if earlier, at the close of business on 30th June 2024;
  - (c) the Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after it expires and the Directors may allot shares or grant Rights in pursuance of such offer or agreement as if this authority had not expired; and
  - (d) all previous unutilised authorities under Section 551 of the CA2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 551(7) of the CA2006 by reason of any offer or agreement made prior to the date of this Resolution that would or might require shares to be allotted or Rights to be granted on or after that date).
17. That approval be and is hereby given to the exercise by the Directors of the power conferred upon them by Article 110 of the Company's Articles of Association in respect of any dividends declared or paid in the period up to and including the date of the AGM to be held in 2028 or, if earlier, on 10th May 2028 (scrip alternative).
18. To:
  - a) approve the rules of the Spirax-Sarco 2023 Performance Share Plan (the "PSP"), in the form produced to the AGM and initialled by the Chair for the purposes of identification (a summary of which is set out the Appendix III); and
  - b) to authorise the Directors of the Company to establish further plans based on the PSP for the benefit of Directors and employees of the Company and/or its subsidiaries who are located in the United Kingdom or overseas, with such modifications as may be necessary or desirable in order to obtain or maintain favourable tax treatment (including by way of granting tax-advantaged options) or to take account of local exchange control or securities laws, provided that any ordinary shares made available under such plans shall be treated as counting against any individual or overall limits contained in the PSP.

## Special Resolutions

19. That:

- (a) the Directors be given power (subject to the passing of Resolution 16), to allot equity securities (as defined in Section 560 of the CA2006) for cash pursuant to the authority conferred on them by that Resolution under Section 551 of the CA2006 and to allot equity securities as defined in Section 560(3) of the CA2006, (sale of treasury shares) for cash, in either case as if Section 561 of the CA2006 did not apply to the allotment but this power shall be limited:
- (i) to the allotment of equity securities in connection with an offer or issue of equity securities to or in favour of:
- I. holders of Ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - II. holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;
- and so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and
- (ii) to the allotment of equity securities pursuant to the authority granted under Resolution 17 and/or by virtue of Section 560(3) of the CA2006 (in each case otherwise than under (i) above) up to a maximum nominal amount of £995,977;
- (b) this power shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution or, if earlier, at the close of business on 30th June 2024;
- (c) all previous unutilised authorities under Sections 570 and 573 of the CA2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 570(4) of the CA2006 by reason of any offer or agreement made prior to the date of this Resolution that would or might require equity securities to be allotted on or after that date); and
- (d) the Company may, before this power expires, make an offer or agreement that would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

20. That, in accordance with the CA2006, the Company be and is hereby unconditionally and generally authorised to make market purchases (as defined in Section 693 of the CA2006) of Ordinary shares in the capital of the Company on such terms and in such manner as the Directors may determine, provided that:

- (a) the maximum number of shares that may be purchased under this authority is 7,377,604;
- (b) the minimum price (excluding expenses) that may be paid for each share purchased under this authority is 26 12/13p;
- (c) the maximum price (excluding expenses) that may be paid for a share purchased under this authority shall not be more than the higher of an amount equal to:
- (i) 5% above the average of the middle market quotations of the Company's Ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such a share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid on the market where the purchase is carried out;
- (d) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this Resolution, or at close of business on 30th June 2024, whichever is earlier, unless such authority is renewed prior to such time;
- (e) the Company may make a contract or contracts to purchase Ordinary shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary shares in pursuance of such contract; and
- (f) all existing authorities for the Company to make market purchases of Ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this Resolution and which has or have not yet been executed.

By order of the Board

### Andy Robson

Group General Counsel and Company Secretary  
31st March 2023

Registered office:  
Charlton House  
Cirencester Road  
Cheltenham  
Glos.  
GL53 8ER

Registered in England No. 596337

## Notes

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote instead of them. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.
2. Any shareholder with more than one ordinary shareholding registered in their name should receive only one copy of the Annual Report and one Form of Proxy. The Form of Proxy will be valid in respect of all their holdings. If you do not have a Form of Proxy and believe you should have one, or if you require additional Forms, please contact the Company's Registrars, Equiniti on +44 (0) 371 384 2349 (\* Lines are open from 8.30 am to 5.30 pm, Monday to Friday, excluding public holidays in England or Wales).
3. The Company specifies that only those shareholders entered on the Company's register of members at 6.30 pm on Friday, 5th May 2023 (due to the 8th May 2023 being a bank holiday) or, if the meeting is adjourned, on the Company's register of members at 6.30 pm two business days before the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's register of members after 6.30 pm on Friday, 5th May 2023 (due to the 8th May 2023 being a bank holiday) or, if the meeting is adjourned, at 6.30 pm two business days before the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.
5. A member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with Section 319A of the CA2006. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
6. It is possible that, pursuant to requests made by members of the Company under Section 527 of the CA2006, the Company may be required to publish on its website a statement setting out any matter relating to: (i) the audit of the Company's Financial Statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid.  
The Company may not require the members requesting such website publication to pay its expenses in complying with Sections 527 and 528 of the CA2006 and it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the CA2006 to publish on its website.
7. Copies of the register of Directors' interests in the share capital of the Company, all service agreements under which Directors of the Company are employed by the Company or any of its subsidiaries and the Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office during business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available for inspection at the place of the meeting from 15 minutes before it is held until its conclusion.
8. Shareholders (and any proxies or representatives they appoint) agree, by attending the Meeting, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company's securities) made at the Meeting.
9. A copy of this Notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the CA2006. The right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the CA2006. Persons nominated to receive information rights under Section 146 of the CA2006 who have been sent a copy of this Notice of Meeting are hereby informed, in accordance with Section 149(2) of the CA2006, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
10. The issued share capital of the Company as at 28th February 2023 (being the latest practicable date prior to the publication of this Notice) was 73,776,048 Ordinary shares, carrying one vote each. The Company holds no Ordinary shares in treasury. The Company holds 209,632 shares as at 28th February 2023 in the Spirax-Sarco Employee Benefit Trust. The total number of voting rights in the Company as at 28th February 2023 was 73,776,048.
11. In accordance with Section 311A of the CA2006, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice can be found at [www.spiraxsarcoengineering.com](http://www.spiraxsarcoengineering.com).

### Guidance notes for completion of the Form of Proxy

12. If you wish to appoint a proxy to attend and to speak and vote on your behalf, please complete the Form of Proxy and return it, together with any power of attorney or other authority (or a duly certified copy of such power or authority) under which it is executed by one of the following methods:
  - in hard copy form by post, by courier or by hand to the Company's Registrars, Equiniti; or



- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in notes 19 to 22 below, so as to be received no later than 2.00 pm on Friday, 5th May 2023 (due to the 8th May 2023 being a bank holiday).

### Electronic appointment of proxies

13. As an alternative to completing the hard copy Form of Proxy, you can appoint a proxy electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your Voting ID, Task ID and Shareholder Reference Number printed on your Form of Proxy. Full details of the procedure are given on the website. Your electronic proxy appointment and/or voting instructions must be received no later than 2.00 pm on Friday, 5th May 2023 (due to the 8th May 2023 being a bank holiday).
14. You can appoint the Chair of the Meeting, or any other person, as your proxy. If you wish to appoint someone other than the Chair, cross out the words “the Chair of the Meeting or” on the Form of Proxy and insert the name of your proxy in the box provided.
15. You can instruct your proxy how to vote on each Resolution by placing an “X” in the For, Against or Vote Withheld boxes, as appropriate. If you do not indicate on the Form of Proxy how your proxy should vote, they can exercise their discretion as to whether, and if so how, he/she votes on each Resolution, as he/she will do in respect of any other business which may properly come before the Meeting.
16. You must sign and date the Form of Proxy in the boxes provided. In the case of joint shareholders, only one need sign the Form of Proxy. The vote of the senior joint shareholder will be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority will be determined by the order in which the names of the shareholders appear in the register of members in respect of the joint shareholding. If the Form of Proxy is signed by someone else on behalf of the registered holder(s), the appropriate power of attorney or other authority (or a duly certified copy of such power or authority) under which it is executed must be returned with the Form of Proxy.
17. A corporation should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the CA2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be returned with the Form of Proxy.
18. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Equiniti on +44 (0) 371 384 2349. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last sent shall be treated as replacing and revoking the other or others.  
(\* Lines are open from 8.30 am to 5.30 pm, Monday to Friday, excluding public holidays in England and Wales.)
19. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
20. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID number – ID RA19) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
21. CREST members and, where applicable, their CREST sponsor, or voting service provider(s) should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
22. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Securities Regulations 2001.
23. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.
24. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 2.00 pm on Friday, 5th May 2023 (due to the 8th May 2023 being a bank holiday). In order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity’s associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

## Appendix I – 2023 Remuneration Policy overview

Key Change	2020 Policy	Rationale/comment
An increase in annual bonus maximum opportunity to 200% of base salary	Maximum 150% of base salary	Included for flexibility for the next three years and to align with market comparability. No intention to utilise this currently but we will consult with leading shareholders beforehand should there be any desire to implement it in the future
Bonus deferral is amended to 25% of any bonus received with a two-year holding period	Bonus award in excess of 80% of the maximum (or above 60% of maximum, if Share Ownership Guidelines have not been met) deferred into shares for a two-year holding period	Holding shares to a value of 50% above the Guideline allows for a fall in the share price of a third before the Guideline is no longer met. Executive Directors have historically been reluctant to sell any shares and so have built up significant holdings
No bonus deferral where an Executive Director has at least 1.5 x their Share Ownership Guideline		
The inclusion of a bonus threshold payout level of up to 20%	Silent on value of bonus threshold payment	This change confirms the threshold level currently operating
The inclusion of a PSP threshold payout level of up to 18%	Silent on value of PSP threshold payment	This change confirms the threshold level currently operating
Broader definition of when the Committee can override formulaic outcomes	Discretion based on business performance only	Broaden discretion to cover ability to adjust formulaic outcomes in relation to individual performance and broader shareholder and employee experience, in addition to business performance
Incumbent Executive Directors' maximum pension is in line with the UK workforce, currently 10% of salary	Incumbent Executive Directors' maximum pension to be, by 31st December 2022, the current blended average in the market in which the Executive Director is based (17% of salary in the UK), reducing to the New Executive Director level (same basis as the majority of newly appointed employees in the market in which the Executive Director is based) by 2025	This change brings forward the date by which all incumbent Executive Directors' pensions are in line with the majority of the colleagues in the UK, the market in which they are based and now fully aligns with the Corporate Governance Code requirements

The full policy can be found on pages 160 to 168 of the 2022 Annual Report and Accounts.

## Appendix II – Directors Biographies

### Jamie Pike MBA, MA, MIMechE Non-Executive Chair

**Committees:** Colleague Engagement, Nomination (Chair)  
**Appointed to the Board:** May 2014. Appointed Chair in May 2018.  
**Areas of experience:** Engineering, international business, senior management, M&A, strategy

#### Background:

Jamie Pike joined Burmah Castrol in 1991 and was Chief Executive of Burmah Castrol Chemicals before leading the Foseco buy-out in 2001 and its subsequent flotation in 2005. Prior to joining Burmah, he was a partner at Bain & Company. Jamie was educated at Oxford, holds an MBA from INSEAD and is a Member of the Institute of Mechanical Engineers. Jamie is a Non-Executive Director and designate Chair of XP Power Limited.

#### Contribution to the long-term success of the Company

Jamie Pike has considerable past executive experience, which assists in steering the Group's strategy through its Medium-Term Plan. He also has wide-ranging experience as both an executive, non-executive director and chair of other listed companies at handling the successful purchase and integration of major acquisitions. Jamie's leadership skills are evident from the excellent way in which the Board functions.

### Nicholas Anderson BSc Engineering, MBA Group Chief Executive

**Committees:** Risk Management (Chair)  
**Appointed to the Board:** March 2012. Appointed Chief Operating Officer in August 2013 and Group Chief Executive in January 2014.  
**Areas of experience:** Engineering, international business, senior management, M&A, operational, strategy, sales and marketing, industrial  
**External appointments:** Non-Executive Director of BAE Systems plc

#### Background:

Before joining the Group in 2011 as Director EMEA, Nicholas Anderson was Vice-President of John Crane Asia Pacific (part of Smiths Group plc), based in Singapore, and President of John Crane Latin America, based in the USA. Previously, Nicholas held senior positions with Alcoa Aluminium in Argentina and Brazil, starting his career with the Foseco Minsep Group plc in Brazil. He is a Non-Executive Director of BAE Systems plc.

#### Contribution to the long-term success of the Company

Nicholas Anderson has successfully managed the Group for almost ten years. The long-term success of the Group, the expansion of its activities across all three of its businesses and its embracing of a truly sustainable and inclusive basis for its business are testament to his executive leadership.

### Nimesh Patel BSc Chief Financial Officer

**Committees:** Risk Management  
**Appointed to the Board:** September 2020  
**Areas of experience:** International business, senior management, M&A, finance and accounting, industrial, pensions, tax and treasury  
**External appointments:** A Trustee of the Barts Charity and Co-Chair of the FTSE Women Leaders Review

#### Background:

Before joining the Group in 2020, Nimesh Patel was Chief Financial Officer of the De Beers Group. Prior to that he was Group Head of Corporate Finance at Anglo American plc, leading a team based in London and Johannesburg. Previously, Nimesh spent 14 years in investment banking at both JP Morgan and as a Managing Director at UBS.

#### Contribution to the long-term success of the Company

Nimesh Patel combines investment banking expertise, which assists in engaging with our institutional shareholders, negotiation of strategic acquisitions and management of our financial position. His senior leadership experience and financial expertise has strengthened our organisation and our platform to drive long-term growth.

**Angela Archon MSc SE, BSc CEng**  
**Independent Non-Executive Director**

Committees: Colleague Engagement, Nomination, Remuneration

**Appointed to the Board:** December 2020

**Areas of experience:** Engineering, operational, strategy, International business, Senior Management, Manufacturing, M&A

**External appointments:** DT Midstream Inc. (NYSE), CommonSpirit Health and the National Association of Corporate Directors – Texas TriCities Chapter

**Background:**

Angela Archon held various senior executive positions while employed by IBM Corporation, including Vice President Transformation and Chief Operating Officer of the Watson Health Division. Angela represented IBM for eight years as Board Liaison for The National Action Council for Minorities in Engineering. She is a member of Tau Beta Pi, the Engineering Honour Society and earned a Professional Engineer's license. Until December 2022, she was a non-executive director of Switch Inc., an independent leader in data centres and technology solutions.

**Contribution to the long-term success of the Company**

Angela Archon has extensive operational experience, along with digital transformation expertise. This assists the Group in its goal of operational excellence, and in the implementation of our digital strategy. As well, her work with the National Action Council for Minorities in Engineering has helped shape the Group's Diversity and Inclusion strategy.

**Peter France**  
**Independent Non-Executive Director**

**Committees:** Audit, Colleague Engagement, Nomination

**Appointed to the Board:** March 2018

**Areas of experience:** Engineering, international business, senior management, M&A, operational, strategy, sales and marketing, industrial, manufacturing

**External appointments:** Chief Executive Officer of ASCO Group Limited

**Background:**

Peter France was Chief Executive Officer of Rotork plc from 2008 to 2017. He also gained wide experience in a number of key roles at Rotork plc from 1989 to 2008 including acting as Chief Operating Officer and Director of Rotork South East Asia based in Singapore. Peter is a Chartered Director of the Institute of Directors.

**Contribution to the long-term success of the Company**

Peter France's engineering, executive leadership and international skills ensures the Group receives strong advice when engaging in new lines of business. His leadership skills greatly assist with colleague engagement.

**Richard Gillingwater MBA, BA Law**  
**Senior Independent Non-Executive Director and Non-Executive Director**

**Committees:** Audit, Nomination, Remuneration

**Appointed to the Board:** March 2020

**Areas of experience:** International business, investment and finance

**External appointments:** Senior Independent Director of Whitbread plc and Governor at The Welcome Trust.

**Background:**

Until December 2022, Richard was Chair of Janus Henderson Group plc. He has also held a range of executive positions within global investment banks including Kleinwort Benson, Credit Suisse and Barclays de Zoete Wedd. Richard holds an MBA from the International Institute for Management Development, a BA Law from Oxford University and is qualified as a solicitor.

**Contribution to the long-term success of the Company**

Richard's experience with the investment and shareholder communities have strengthened the Group's dialogue with its investors. His leadership of other listed boards ensures the Group can benchmark its performance across general trading and ESG matters.

**Caroline Johnstone CA, BA**  
**Independent Non-Executive Director**

<b>Committees:</b>	Audit, Colleague Engagement (Chair), Nomination
<b>Appointed to the Board:</b>	March 2019
<b>Areas of experience:</b>	International business, M&A, finance, people
<b>External appointments:</b>	Chair of Synthomer plc, Non-Executive Director and Audit Committee Chair of Shepherd Group Ltd, a private company which owns Portakabin Limited, and sits on the Governing Board of the University of Manchester

**Background:**

Caroline Johnstone has 40 years' experience working with large global organisations on mergers and acquisitions, culture change and cost optimisation. She was a partner in PricewaterhouseCoopers (PwC) and sat on the UK Assurance Board as people partner. Caroline is a member of the Institute of Chartered Accountants of Scotland.

**Contribution to the long-term success of the Company**

Caroline Johnstone's financial, people and acquisition experience assists the Group on long-term operational and strategic matters. Her expertise with culture change is very helpful when the Group has taken on many new colleagues and diversified into related businesses in a concentrated period.

**Jane Kingston BA**  
**Independent Non-Executive Director**

<b>Committees:</b>	Colleague Engagement, Nomination, Remuneration (Chair)
<b>Appointed to the Board:</b>	September 2016
<b>Areas of experience:</b>	Engineering, international business, senior management, operational, people, remuneration
<b>External appointments:</b>	Non-Executive Director and Remuneration Committee Chair of Inchcape plc

**Background:**

From 2006 until her retirement in December 2015, Jane Kingston served as Group Human Resources Director for Compass Group PLC. Prior to this, she served as Group Human Resources Director for BPB plc. Jane has worked in a variety of sectors, including roles with Blue Circle Industries plc, Enodis plc and Coats Viyella plc and has significant international experience.

**Contribution to the long-term success of the Company**

Jane Kingston's remuneration expertise has assisted in steering the Group through the increasingly complicated area of senior executive compensation ensuring a respectful approach to shareholders and the right level of incentives to retain and motivate executives. Jane also assists the Group in ensuring that whilst we grow, we retain our successful culture.

**Kevin Thompson BSc, FCA**  
**Independent Non-Executive Director**

<b>Committees:</b>	Audit (Chair), Nomination, Remuneration
<b>Appointed to the Board:</b>	May 2019
<b>Areas of experience:</b>	Engineering, international business, senior management, M&A, strategy, finance, pensions, tax and treasury
<b>External appointments:</b>	Trustee of the Great Ormond Street Hospital Children's Charity

**Background:**

Kevin Thompson was Group Finance Director of Halma plc from 1998 to 2018, having joined Halma as Group Financial Controller in 1987. Kevin qualified as a Chartered Accountant with PricewaterhouseCoopers (PwC) and is a Fellow of the Institute of Chartered Accountants in England and Wales.

**Contribution to the long-term success of the Company**

Kevin Thompson ensures a robust and rigorous approach to financial and governance matters. This approach is combined with a supportive approach to both organic growth and acquisitions ensuring the Group has a firm basis on which to progress in the future.

## Appendix III – Principal Terms of the Spirax-Sarco 2023 Performance Share Plan

### Summary of PSP

The Board and Remuneration Committee continue to believe that it is important to attract, motivate and retain employees of the appropriate calibre and to align their interests with those of shareholders in the Company through annual performance share awards. The Company's existing performance share plan was approved by shareholders in 2015 and so would require replacement within the life of the directors' remuneration policy being proposed to shareholders at the Company's 2023 AGM. Accordingly, the Board considers it appropriate to seek shareholder approval for a replacement performance share plan at the same time as the revised policy.

The terms of the proposed replacement Spirax-Sarco 2023 Performance Share Plan ("PSP") are summarised below.

#### *Administration*

Awards may be granted, and the PSP will be administered, by the Board, or a duly authorised committee of the Board. The current intention is that the PSP will be administered and awards granted by the Remuneration Committee (and this will be the case in respect of awards for Executive Directors and senior management of the Company). Accordingly, references in this summary to the Board include reference to the Remuneration Committee, where applicable.

#### *Eligibility*

Awards may be granted to any of the employees of the Company or its subsidiaries, including the Executive Directors. Participation by the Executive Directors shall be in accordance with the terms of the Company's remuneration policy as approved by shareholders from time to time (the "Remuneration Policy").

#### *Form of awards*

Awards will generally take the form of either: (i) a conditional right to receive ordinary shares in the Company which will be automatically transferred to the participant following vesting; or (ii) a nil or nominal cost option to acquire shares in the Company which may generally be exercised following vesting for a period of up to 10 years from the date of grant.

#### *Timing of grant of awards*

Awards may, save in exceptional circumstances, only be granted within a period of 42 days following the date of the adoption of the PSP or the date of announcement by the Company of its interim or final results (or as soon as practicable thereafter if the Company is restricted from being able to grant awards during such period). In respect of the recruitment or promotion of an eligible employee an award may be granted as soon as practicable thereafter. Awards may not be granted more than ten years after the date the plan is approved by the shareholders of the Company.

#### *Individual limit*

The PSP provides that the maximum market value of the shares over which an award to any employee may be granted in any financial year shall not exceed an amount equal to 250 per cent. of the employee's gross annual basic salary as at the date of grant. Awards granted in exceptional circumstances, for example in connection with the recruitment of an eligible employee to replace awards which the employee lost on leaving a former employer, will not count towards this limit.

#### *Performance conditions*

The Board will determine the performance conditions which will apply to awards and which will be measured over a period of not less than three years. There will be no provision for re-testing. Performance conditions for Executive Directors will be set in line with the Remuneration Policy, and will be set out in the annual report on directors' remuneration.

In determining the extent to which the performance conditions are met, the Board may adjust any formulaic outcome (negatively or positively) if it considers that this is necessary to take account of its broader assessment of the performance of the Company or the individual, or the broader experience of shareholders and/or employees.

The Board may alter the performance conditions attaching to an award if events happen after the date of grant that cause the Board to consider that any element of the performance conditions is no longer a fair measure of the Company's performance, provided that the revised target is not considered to be materially less challenging than was intended in setting the original conditions. Should an award vest prior to the normal vesting date, the Board will assess performance using such information as it considers appropriate.

In exceptional circumstances, for example in connection with the recruitment or promotion of an eligible employee, the Board may determine that no, or a shorter, performance period may apply.

#### *Vesting*

Awards will vest following an assessment of the performance condition, which will normally be no earlier than the third anniversary of the date of grant. Where the normal grant date has been delayed as a result of the Company being restricted from making grants, the Board may deem the award to have been granted, for these purposes, on the normal grant date. Awards granted in exceptional circumstances, for example in connection with the recruitment or promotion of an eligible employee, may have a shorter vesting period.

If the Board so determines, an award may be satisfied in whole or in part by a cash payment as an alternative to the issue or transfer of shares.

*Holding period*

Awards granted to Executive Directors will be subject to a holding period of two years following the vesting of an award during which a participant shall not be permitted to dispose of the shares acquired on vesting or, in the case of awards granted in the form of options, to exercise their option (other than to cover tax liabilities or in the event of a corporate action). Shares (or share certificates) may be deposited with a custodian in order to enforce this requirement.

*Dividend equivalents*

Participants may receive an additional payment (or shares of equivalent value) equal to the dividends which would have been paid during the vesting period (or, in the case of an option that is subject to a holding period, during the period from the date of grant to the earlier of the expiry of the holding period and the date on which the option is exercised) on the number of shares that vest.

*Leavers*

An award will normally lapse where the participant ceases to hold office or employment with the Group. Awards will not lapse where the cessation of office or employment with the Group is due to illness, injury, disability, redundancy, retirement, the transfer of the participant's employment in connection with a business sale, the company with which the participant holds office or employment ceasing to be a member of the Group, or any other reason if the Board so determines (a "Good Leaver").

Where a participant ceases employment for a Good Leaver reason, the award will continue to be capable of vesting on its normal vesting date, provided that the Board may determine that the award will instead vest on or at any time following the date of cessation.

On the death of a participant, an award shall immediately vest.

An option will be exercisable during a period of six months from the date of such vesting (or such other period as the Board may permit) or 12 months from the date of death.

*Corporate actions*

In the event of a change of control, awards will normally vest and options may be exercised for a period of six months (depending on how the change of control is effected). In the event of the passing of a resolution for the voluntary winding-up of the Company, awards will normally vest and options may be exercised for a period of two months (or such other period determined by the Board). In the event of a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of shares to a material extent, awards may be adjusted (see below – Variation of share capital) or the Board may allow awards to vest, in which case options may be exercised for a period of two months (or such other period determined by the Board). Unless the Board determines otherwise, where the corporate action forms part of an internal re-organisation or where the Board in relation to another form of corporate action so determines, with the agreement of the new controlling company, an award shall not vest, and instead will be replaced with an award of equivalent value over shares in the new controlling company.

*International transfers*

If a participant is transferred to work in another country as a result of which the participant or a Group company will suffer a tax disadvantage or the participant will become subject to restrictions on the Participant's ability to receive or deal in shares, the Board may determine that an award will vest prior to the date of such transfer. An option may be exercised for a period of six months from such vesting date (or such other period determined by the Board).

*Extent of vesting*

Where, prior to the normal vesting date, a participant ceases employment (or gives or receives notice) for a Good Leaver reason or is subject to an international transfer, or there is a corporate action, the number of shares in respect of which an award may vest will, unless the Board determines otherwise, be pro-rated on the basis of the period which has elapsed from the beginning of the performance period to the date of the relevant event.

*Malus and Claw-back*

The Board may apply a malus reduction or claw-back to an award where at any time before or within two years of vesting it determines that: (i) the financial results of the Company were materially misstated or a material error was made in any calculation or in assessing performance, which resulted in the number of shares in respect of which the award was granted or vested being more than it should have been; (ii) the participant has materially contributed to substantial reputational damage to the Group or to a material loss (whether or not such loss leads to corporate failure); (iii) the Group enters into an involuntary administration or insolvency process or a corporate failure occurs; or (iv) an act, omission or event occurs that constitutes a failure of risk management or of other operational systems and controls for which the Participant was directly or indirectly responsible.

The Remuneration Committee may also apply a malus reduction or claw-back where it determines that, at any time prior to the later of the vesting of an award, the expiry of any holding period or an option having been exercised to the full extent to which it vested, the participant committed misconduct that justified, or could have justified, summary dismissal for gross misconduct.

A claw-back may be satisfied in a number of ways, including by reducing the amount of any future bonus, by reducing the vesting of any subsisting or future awards and/or by requiring the participant to make a cash payment or a transfer of shares to the Company.

Claw-back provisions do not extend past the date of a takeover or similar corporate event.

*Non-Transferable and Non-Pensionable*

Awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

#### *Plan Limits*

Shares to satisfy the vesting of awards may be newly issued, transferred from treasury or market purchased.

Awards capable of being satisfied by newly issued shares may not be granted where to do so would cause the number of shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under (i) any employees' share scheme operated by the Company, when added to the number of shares issued for the purpose of any such awards and options, to exceed 10 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant; or (ii) any discretionary employees' share scheme operated by the Company, when added to the number of shares issued for the purpose of any such awards and options, to exceed 5 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant.

These limits do not include rights to shares under awards which have been released, lapsed or otherwise become incapable of exercise or vesting.

Treasury shares will count as new issue shares for the purpose of these limits for so long as institutional investor bodies consider that they should be so counted.

#### *Variation of capital*

The number of shares subject to awards and, where applicable, any option exercise price may be adjusted, in such manner as the Board may determine to be appropriate, following any variation of share capital of the Company or a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of shares to a material extent.

#### *Alterations*

The Board may amend the rules of the PSP as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on participants relating to eligibility, plan limits, the basis of individual entitlement and the provisions for the adjustment of awards without prior shareholder approval, except in relation to amendments which are minor amendments to benefit the administration of the PSP, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company (or other Group companies).

#### *Overseas plans*

The PSP contains provisions which permit the Board to establish further plans for the benefit of any overseas employees based on the PSP but modified as necessary or desirable to take account of overseas tax, exchange control or securities laws. Any new shares issued under such plans would count towards the individual and overall plan limits outlined above.