

24th April 2017

STATEMENT FROM THE REMUNERATION COMMITTEE

In response to questions raised in relation to our Directors' Remuneration Policy, the Spirax Sarco Remuneration Committee would like to clarify the following points:

1. As disclosed in our current and proposed policy, we have different termination provisions in place for (i) legacy executive directors (currently two individuals) and (ii) our Chief Executive, Finance Director and any new appointment to the Board.

In respect of the latter, we would like to confirm that where the individual is classed as a "good leaver" any bonus payment will be based on performance and pro-rated to reflect the time in role. There is no automatic entitlement to a bonus and no bonus will be paid when an individual is classed as a "bad leaver".

In respect of the former, a legacy clause that permitted the automatic payment of an annual bonus equal in value to the average of the prior three years in certain situations was renegotiated with the executives in 2012. As a result of this review:

- (a) No payment if the individual is classed as a "bad leaver";
- (b) No additional termination payment if notice is worked; and
- (c) If payment is made in lieu of notice, a calculation is made of the average of the three prior years' annual bonus payments and the Remuneration Committee can then reduce this if performance is deemed unsatisfactory.

In relation to point (b) above, assuming the individual is classed as a "good leaver", the treatment is the same as that of the Chief Executive, Finance Director and all participants in our annual bonus plan: any payment would be based on performance and time pro-rated to reflect service during the year. This is evidenced in the approach taken for David Meredith in 2016, who was employed under one of the legacy service agreements.

2. On page 106 of our Annual Report we note the Change in Control provisions that apply to our bonus plan. This erroneously suggests that it applies to all Executive Directors. This is not the case. As per page 105 this clause only applies to those executives employed under the legacy terms, not any new appointment nor the incumbent Chief Executive or Finance Director. There are no automatic entitlements under the annual bonus plan on a change in control for the Chief Executive, Finance Director or any new appointment to the Board.

We trust this clarification is helpful.

Enquiries:

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About Spirax Sarco

Spirax-Sarco Engineering plc is the world leader in each of its two businesses, Spirax Sarco for steam specialties and Watson-Marlow Fluid Technology Group for niche peristaltic pumps and associated fluid path technologies. The Steam Specialties business provides a broad range of fluid control products, engineered packages, site services and systems expertise for a diverse range of industrial and institutional customers. The company helps its end users to improve production efficiency, reduce energy costs, water usage and emissions, improve product quality and enhance the safety of their operations. Watson-Marlow Fluid Technology Group offers the ideal solution for a wide variety of demanding fluid path applications with highly accurate, controllable and virtually maintenance free pumps and associated technologies. The Group is headquartered in Cheltenham, England, has strategically located manufacturing plants around the world and employs over 5,300 people, of whom nearly 1,400 are direct sales and service engineers. Its shares have been listed on the London Stock Exchange since 1959 (symbol: SPX).

Further information can be found at www.spiraxsarcoengineering.com