

R emuneration Policy and Practice

NON-EXECUTIVE DIRECTORS

The remuneration of non-executive directors is approved by the full Board within the limits set out in the Company's articles of association. Their remuneration reflects the amount of time spent on the Company's business. The non-executive directors do not participate in the bonus, share option or share ownership schemes and their appointments are non-pensionable.

DIRECTORS' REMUNERATION

	Basic Salary/ Fees £	Benefits ⁽¹⁾ £	Annual performance related bonus £	Other ⁽²⁾ £	Total emoluments excluding pension	
					2001 Total £	2000 Total £
T. B. Fortune ⁽³⁾	68,600	347	-	-	68,947	63,947
M.J.D. Steel	250,000	8,995	24,925	7,235	291,155	262,280
C.J. Ball	147,000	11,903	14,656	4,372	177,931	166,638
A.D.H. Black	142,000	12,364	14,157	4,324	172,845	160,739
G.P. Marchand	150,000	9,076	14,955	4,467	178,498	164,765
D.J. Meredith	165,000	10,200	16,451	4,930	196,581	182,745
P.A. Smith	118,000	7,106	11,765	3,402	140,273	124,831
P.M. Smith	142,000	13,158	14,157	4,245	173,560	159,703
E.Lindh ⁽³⁾	19,100	-	-	-	19,100	18,200
C.G. Sneath ⁽³⁾	19,100	-	-	-	19,100	18,200
M.Townsend ⁽³⁾	25,400	-	-	-	25,400	24,300
	1,246,200	73,149	111,066	32,975	1,463,390	1,346,348

(1) Benefits arising from employment by the Company, which relate in the main to the provision of a company car.

(2) The executive directors participated in the Spirax-Sarco Engineering 1992 Share Ownership Scheme, which is available to all UK employees. The Company contributed shares which broadly matched those deposited by the participant, the cost to the Company of which is shown above.

(3) Non-executive director.

T. B. Fortune *Chairman*

S tatement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- (i) Select suitable accounting policies and then apply them consistently.
- (ii) Make judgements and estimates that are reasonable and prudent.
- (iii) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- (iv) Prepare the accounts on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the requirements of the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.