

THIS DOCUMENT IS IMPORTANT. If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. 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 at

**THE CHELTENHAM CHASE HOTEL
SHURDINGTON ROAD
BROCKWORTH
GLOUCESTERSHIRE
GL3 4PB**

on

TUESDAY, 11TH MAY 2010

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, Aspect House, Spencer Road, Lancing, BN99 6ZX as soon as possible and, in any event, so as to arrive not less than 48 hours 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. Please refer to page 15 for full details.

SPIRAX-SARCO ENGINEERING plc

(Registered in England No. 596337)

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

24th March 2010

Dear Shareholder,

This circular accompanies the Report of the Directors and the Audited Accounts of the Company for the year ended 31st December 2009.

NOTICE OF ANNUAL GENERAL MEETING

You will find the notice of annual general meeting of the Company, which is to be held at The Cheltenham Chase Hotel, Shurdington Road, Brockworth, Gloucestershire GL3 4PB on 11th May 2010 at 2.00 p.m, set out on pages 11,12 and 13 of this circular. The purpose of this circular is to explain certain elements of the business to be considered at that meeting.

RE-APPOINTMENT OF DIRECTORS

Resolutions 4, 5, 6 and 7 deal with re-appointment of directors. Details of each of the directors seeking re-appointment are set out below.

Clive Watson B Comm (Acc), ACA, CTA (52) joined the Group as an independent non-executive director in July 2009. He is an executive director and Group Finance Director of Spectris plc. He is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees.

Mark E. Vernon BSc (Hons) (57) joined Spirax Sarco Inc. in the USA in 2003 as President. He was appointed to the Board in 2006 and became Chief Operating Officer in 2007. He was appointed as Chief Executive in April 2008. He is a member of the Nomination and Finance Committees and Chairman of the Risk Management Committee.

Neil Daws CEng FIMechE (47) joined Spirax-Sarco Limited in 1978. He was appointed to the Board in 2003 and is now responsible for Asia Pacific and South America. He is a member of the Risk Management Committee.

David Meredith FCMA (50) joined the Group in 1988 as Group Accountant. He was appointed to the Board as Finance Director in 1992. He is also responsible for Watson-Marlow. He is a member of the Finance and Risk Management Committees.

The Board has confirmed, following a performance review, that all directors standing for re-appointment continue to perform effectively and demonstrate commitment to their roles.

Each Board member recommends that each other director retiring at the forthcoming annual general meeting offers themselves for re-appointment.

AMENDMENTS TO ARTICLES OF ASSOCIATION

Resolution 9 deals with proposed amendments to the Company's articles of association. These amendments reflect certain changes in company law brought about by the Companies Act 2006 (the '2006 Act') which came into effect on 1st October 2009.

Under the 2006 Act, all provisions of the Company's memorandum, but most significantly the objects clause, were deemed to form part of the Company's articles of association (the 'Articles') from 1st October 2009. It is possible for the objects clause to be removed or amended by amending the Articles by special resolution. It is not necessary under the 2006 Act for a company to set out its objects. The 2006 Act provides that, unless the articles state otherwise, a company's objects will be unrestricted.

One of the other key provisions of the memorandum which is deemed to form part of the Articles from 1st October 2009 is the statement of the Company's existing authorised share capital. Under the 2006 Act companies no longer have an authorised share capital. The statement of a company's existing authorised share capital instead acts as a limit on the number of shares that the company may issue unless and until it is removed from the articles. The directors are proposing to remove this limit as this will ease the administrative burden on a further share issue, however the directors will still require authority to allot shares (which is being sought pursuant to resolution 10).

Resolution 9 will, if passed, remove these provisions, which would otherwise be deemed to form part of the Articles under section 28 of the 2006 Act, from the Articles. It will also remove the statement of authorised share capital which is currently set out in Article 3 of the Articles.

Another of the provisions of the memorandum which is deemed to form part of the Articles from 1st October 2009 is the statement that the liability of the members of the Company is limited. This statement of limited liability needs to be retained in the Articles and resolution 9 accordingly provides for an explicit statement of the members' limited liability to be included in the Articles as a new Article 3.

In light of inconsistencies between provisions of the 2006 Act and the Articles and in order to simplify matters for shareholders, it is also proposed that the provisions in Articles 6 and 7 of the Articles regarding the directors' authority to allot shares and the dis-application of pre-emption rights be removed from the Articles.

Accordingly, instead of the authority to allot shares and the power to dis-apply statutory pre-emption rights being granted through a combination of the Articles and resolutions passed at each annual general meeting, this authority and power will simply be granted by resolutions passed at each annual general meeting. Resolution 9 will, if passed, also remove Articles 6 and 7 from the Articles and resolutions 10 and 11 set out in full the authority to be granted to the directors to allot shares and the power to be given to the directors to dis-apply statutory pre-emption rights.

Resolution 9 will be proposed as a special resolution to amend the Company's Articles.

For a more detailed explanation of these amendments please refer to the Appendix to this circular on pages 9 and 10.

A copy of the current Articles and the proposed new Articles that reflect these amendments will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS until the close of the meeting. Copies will also be available at The Cheltenham Chase Hotel, Shurdington Road, Brockworth, Gloucestershire GL3 4PB on the day of the meeting from 1.00 p.m. until its conclusion.

AUTHORITY TO ALLOT SHARES

Resolution 10 deals with the directors' authority to allot shares.

At the last annual general meeting of the Company held in 2009, the directors were given authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £6,336,055 representing approximately 33% of the Company's then issued ordinary share capital (excluding treasury shares). This authority expires at the conclusion of the forthcoming annual general meeting.

Resolution 10 will, if passed, renew this authority to allot on broadly the same terms as last year's resolution but the resolution has been updated to reflect that authority is being given under section 551 of the Companies Act 2006 (rather than section 80 of the Companies Act 1985) and to reflect a change in the language used in the Companies Act 2006. Resolution 10 has also been updated to set out the authority to allot in full in view of the proposed deletion of Article 6 from the Articles pursuant to resolution 9.

The Board considers it appropriate that the directors be granted authority to allot shares in the capital of the Company up to a maximum nominal amount of £6,370,508 representing approximately 33% of the Company's issued ordinary share capital (excluding treasury shares) as at 4th March 2010 (being the latest practicable date prior to publication of this circular). The power will last until the conclusion of the annual general meeting to be held in 2011 or, if earlier, on 10th August 2011.

The directors have no present intention of exercising this authority.

The Company held 846,847 shares in treasury representing approximately 1.11% of the Company's issued ordinary share capital (excluding treasury shares) as at 4th March 2010 (being the latest practicable date prior to publication of this circular).

Resolution 10 will be proposed as an ordinary resolution to renew this authority.

DIS-APPLICATION OF PRE-EMPTION RIGHTS

Resolution 11 will give the directors authority to allot shares in the capital of the Company pursuant to the authority granted under resolution 10 above for cash without complying with the pre-emption rights in the Companies Act 2006 in certain circumstances. This authority will permit the directors to allot:

- (a) shares up to a nominal amount of £6,370,508 (representing one-third of the Company's issued share capital excluding treasury shares) on an offer to existing shareholders on a pre-emptive basis (subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the directors see fit); and
- (b) shares up to a maximum nominal value of £966,162, representing approximately 5% of the issued ordinary share capital of the Company as at 4th March 2010 (the latest practicable date prior to publication of this circular) otherwise than in connection with an offer to existing shareholders.

As with resolution 10, the terms of resolution 11 are broadly the same as last year's resolution but the resolution has been updated to reflect that it is being passed pursuant to sections 570 and 573 of the Companies Act 2006 rather than section 95 of the Companies Act 1985. Resolution 11 has also been updated to set out the terms of the authority in full in view of the proposed deletion of Article 7 from the Articles pursuant to resolution 9.

The directors have no present intention of exercising this authority.

The directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that companies should not issue shares for cash representing more than 7.5% of the Company's issued share capital in any rolling three-year period, other than to existing shareholders, without prior consultation with shareholders.

Resolution 11 will be proposed as a special resolution to renew this authority. This authority will also expire at the conclusion of the 2011 annual general meeting or, if earlier, on 10th August 2011.

SCRIP ALTERNATIVE

At the annual general meeting held in 2009 shareholders authorised the directors to offer a scrip alternative to any dividend declared or paid in the period up to the date of the annual general meeting to be held in 2014, or, if earlier, 11th May 2014. A scrip alternative will not be offered for the financial year ended 31st December 2009, but the directors consider it prudent to maintain the facility to provide this alternative for shareholders should circumstances alter to make a scrip alternative appropriate.

In accordance with the articles of association, resolution 12 will be proposed as an ordinary resolution to renew this authority for five years ending on the date of the annual general meeting to be held in 2015 or, if earlier, on 10th May 2015, although it is the directors' intention to renew this authority annually.

AUTHORITY TO PURCHASE ORDINARY SHARES

A special resolution was also passed at last year's meeting empowering the directors to purchase the Company's shares in the market. It is proposed that this authority also be renewed. The power given by the resolution will only be exercised if the directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and that the purchase is in the interests of shareholders generally. The directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits. The directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review.

If the directors exercise the authority conferred by resolution 13, the Company will have the option of holding those shares in treasury rather than cancelling them. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares.

If resolution 13 is passed at the annual general meeting, it is the Company's current intention to hold in treasury the majority of the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the directors will need to reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so.

The maximum number of shares which may be purchased under the proposed authority will be 7,644,609 shares representing approximately 10% of the issued share capital of the Company (excluding shares held in treasury) as at 4th March 2010 (being the latest practicable date prior to publication of this circular).

The price paid for shares will not be less than the nominal value of 25p per share nor more than the higher of 5% above the average of the mid-market quotations for the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the shares are contracted to be purchased and the amount stipulated by Article 5(1) of the EU Buy-back and Stabilisation Regulation.

This proposal should not be taken as an indication that the Company will purchase shares at any particular price or to imply any opinion on the part of the directors as to the market or other value of the Company's ordinary shares.

The total number of options to subscribe for ordinary shares, and the performance share plan awards granted, that were outstanding at 4th March 2010 (being the latest practicable date prior to publication of this circular) was 1,569,945. The percentage of issued share capital (excluding shares held in treasury) that they represented at that time was approximately 2.05% and the percentage of issued share capital (excluding shares held in treasury) that they will represent if the full authority to purchase shares is used will be approximately 2.28%.

Resolution 13 will be proposed as a special resolution to provide the Company with the necessary authority. The authority will expire at the conclusion of the 2011 annual general meeting or, if earlier, on 10th August 2011, unless renewed before that time. It is the present intention of the directors to seek a similar authority annually.

LENGTH OF NOTICE OF MEETING

Resolution 14 is a resolution to allow the Company to hold general meetings (other than annual general meetings) on 14 days' notice.

Before the introduction of the Companies (Shareholders' Rights) Regulations 2009 on 3rd August 2009, the minimum notice period permitted by the Companies Act 2006 for general meetings (other than annual general meetings) was 14 days. One of the amendments made to the Companies Act 2006 by the Regulations was to increase the minimum notice period for general meetings of listed companies to 21 days, but with an ability for companies to reduce this period back to 14 days (other than for annual general meetings) provided that two conditions are met. The first condition is that the company offers a facility for shareholders to vote by electronic means. This condition is met if the company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website. Please refer to note 13 to the notice of meeting on page 15 of this document for details of the Company's arrangements for electronic proxy appointment. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

The Board is therefore proposing resolution 14 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than annual general meetings.

The approval will be effective until the Company's next annual general meeting, when it is intended that the approval be renewed. The Board will consider on a case-by-case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time sensitive.

SPIRAX-SARCO PERFORMANCE SHARE PLAN

The Spirax-Sarco Performance Share Plan (the 'Plan') is a long term incentive arrangement operated by the Company which was approved by shareholders in 2005.

Under the rules of the Plan, eligible employees may be granted awards over ordinary shares. The vesting of such awards is normally subject to continued employment and the satisfaction of performance requirements. Awards which vest may, at the discretion of the Remuneration Committee, be satisfied by arranging for a transfer to the participant of the number of ordinary shares in respect of which the award has vested, by making a payment of a cash amount equal to the market value of that number of ordinary shares or by granting to the participant an option with a nominal exercise price to acquire that number of ordinary shares.

Currently the rules of the Plan state that any option which is granted to satisfy an award will be granted on terms that it will lapse if not exercised within 12 months of grant.

The Remuneration Committee is seeking shareholders' approval to amend the rules of the Plan to increase the exercise period of options which are granted to satisfy vested awards so that such options will lapse if not exercised within seven years of grant.

The proposed amendment will give additional flexibility for participants who are granted options upon the vesting of their awards to choose when to exercise their options and therefore when to acquire ordinary shares.

Resolution 15 will be proposed as an ordinary resolution to amend the rules of the Spirax-Sarco Performance Share Plan.

ACTION TO BE TAKEN

Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy so as to reach the Registrars not less than 48 hours before the time for 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 annual general meeting 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 218,448 shares (as at 4th March 2010) representing approximately 0.29% of the existing issued share capital of the Company (excluding treasury shares).

Yours faithfully,

Bill Whiteley

Chairman

Appendix

Proposed Amendments to the Company's Articles of Association

Under resolution 9, the Company is proposing to amend its Articles of Association (the 'Articles') to reflect certain changes in company law brought about by the provisions of the Companies Act 2006 (the '2006 Act') which came into effect on 1st October 2009. Set out below is a summary of the proposed changes.

1. The Company's objects

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The provisions governing the operations of the Company are currently set out in both its memorandum of association and its Articles. Under the 2006 Act, the memorandum no longer contains an objects clause and simply records the names of the subscribers and the number of shares which each subscriber agreed to take in the Company. Under section 28 of the 2006 Act, the objects clause and all other provisions in the memorandum are treated as part of the articles of association with effect from 1st October 2009 but the Company can remove these provisions by special resolution. Unless the Articles provide otherwise, the Company's objects will be unrestricted. The Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Articles as of 1st October 2009.

Paragraph (a) of resolution 9 confirms the removal of these provisions.

2. Authorised share capital

The 2006 Act abolishes the concept of authorised share capital and, under the 2006 Act, the memorandum of association no longer contains a statement of the company's authorised share capital. For existing companies, this statement is deemed to be a provision of the company's articles of association setting out the maximum amount of shares that may be allotted by the company. In addition, Article 3 of the Company's Articles currently contains a separate statement of the Company's authorised share capital.

Resolution 9 will, if passed, have the effect of removing both the provision from the memorandum relating to the maximum amount and the statement of authorised share capital in Article 3. Directors will still need to obtain the usual shareholders' authorisation in order to allot shares, except in respect of employee share schemes.

3. Limited liability

Under the 2006 Act, the memorandum of association also no longer contains a clause stating that the liability of the members of a company is limited. For existing companies, this statement is automatically treated as having moved into the Articles on 1st October 2009. As noted above, paragraph (a) of resolution 9 confirms the removal, from the Articles, of the provisions of the Company's memorandum of association which are treated as forming part of the Articles by virtue of section 28 of the 2006 Act, which includes the statement of limited liability. An explicit statement of the members' limited liability is therefore proposed to be included in the Articles as a new Article 3 (in place of the current statement of the Company's authorised share capital).

Paragraph (b) of resolution 9 provides for the removal of the existing Article 3 from the Company's Articles and the inclusion as a new Article 3 of a statement of the members' limited liability.

4. Authority to allot and dis-application of pre-emption rights

In light of inconsistencies between the provisions of the 2006 Act and the Articles and in order to simplify matters for shareholders, it is proposed that the provisions in Articles 6 and 7 of the Company's Articles regarding the directors' authority to allot shares and the dis-application of pre-emption rights be removed from the Articles.

At present, the authority given to the directors to allot shares and the power given to the directors to dis-apply statutory pre-emption rights is granted through a combination of the Articles and resolutions passed at each annual general meeting of the Company. It is proposed that this authority and power will instead simply be granted in full by resolutions passed at each annual general meeting. This will also enable the Company to respond to changes in investor guidelines and market practice in respect of those matters without the need to make changes to the Articles.

Paragraph (c) of resolution 9 accordingly provides for the removal of Articles 6 and 7 from the Company's Articles.

Notice of Annual General Meeting

Notice is hereby given that the fifty-third annual general meeting of Spirax-Sarco Engineering plc will be held at The Cheltenham Chase Hotel, Shurdington Road, Brockworth, Gloucestershire, GL3 4PB on 11th May 2010 at 2.00 p.m. to consider and, if thought fit, to pass resolutions 1 to 8 inclusive, 10, 12 and 15 as ordinary resolutions and resolutions 9, 11, 13 and 14 as special resolutions.

1. To receive the accounts and the reports of the directors and auditors for the year ended 31st December 2009.
2. To receive and approve the Directors' Remuneration Report for the year ended 31st December 2009, as set out on pages 39 to 45 of the 2009 Annual Report and Accounts.
3. To declare a final dividend for the year ended 31st December 2009 of 25.6p for each ordinary share in the capital of the Company.
4. To re-appoint Mr. C. G. Watson as a director.
5. To re-appoint Mr. N. H. Daws as a director, who retires by rotation.
6. To re-appoint Mr. D. J. Meredith as a director, who retires by rotation.
7. To re-appoint Mr. M. E. Vernon as a director, who retires by rotation.
8. To re-appoint KPMG Audit Plc as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to determine their remuneration.
9. That the Articles of Association of the Company be amended as follows:
 - (a) by deleting all the provisions formerly in the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are treated as provisions of the Company's Articles of Association;
 - (b) by deleting Article 3 and inserting the following in substitution therefor:

"3. Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them"; and
 - (c) by deleting Article 6 and Article 7, which shall, for the avoidance of doubt, remain blank and the remaining provisions of the Articles of Association shall not be re-numbered.
10. That the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £6,370,508 provided that this authority shall expire on the date of the next annual general meeting of the Company or, if earlier, on 10th August 2011, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the directors to allot shares and grant Rights be and are hereby revoked.

- 11.** That the directors be and they are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by resolution 10 above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:
- (a) the allotment of equity securities in connection with an offer of securities in favour of the holders of ordinary shares on the register of members at such record date(s) as the directors may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record date(s), subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) of this resolution 11) to any person or persons of equity securities up to an aggregate nominal amount of £966,162 and shall expire upon the expiry of the general authority conferred by resolution 10 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.
- 12.** 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 annual general meeting to be held in 2015 or, if earlier, 10th May 2015.
- 13.** That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 25p each in the capital of the Company ('ordinary shares') on such terms and in such manner as the directors of the Company may from time-to-time determine, provided that:
- (a) the maximum number of ordinary shares that may be purchased pursuant to this authority is 7,644,609 representing approximately 10% of the issued ordinary share capital of the Company as at 4th March 2010;
 - (b) the maximum price which may be paid for an ordinary share purchased pursuant to this authority is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased and (ii) the amount stipulated by Article 5(1) of the EU Buy-back and Stabilisation Regulation (being the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this resolution 13 will be carried out) and the minimum price which may be paid is 25p per ordinary share (in each case exclusive of expenses payable by the Company); and
 - (c) this authority will expire at the conclusion of the annual general meeting of the Company to be held in 2011 or, if earlier, on 10th August 2011 unless renewed before that time, but the Company may make a contract 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 any such contract.

14. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.
15. That the amendment to the rules of the Spirax-Sarco Performance Share Plan, in the form produced to this meeting and initialled by the Chairman for the purposes of identification, be and is hereby approved and adopted.

By order of the Board

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

W. G. Stebbings
Company Secretary & Solicitor

Registered in England No. 596337

24th March 2010

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 his/her rights to attend and to speak and vote instead of him/her. A shareholder may appoint more than one proxy in relation to the annual general meeting 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 his/her 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 his/her 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 0871 384 2349.
3. To be entitled to attend and vote at the meeting, members must be registered in the register of members of the Company at 6.00 p.m. on 9th May 2010 (or, in the event of any adjournment, at 6.00 p.m. on the date which is two days prior to the adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the annual general meeting or adjourned meeting.
4. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the annual general meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
5. The Company must cause to be answered at the meeting any question relating to the business being dealt with at the meeting which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
6. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.
7. Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business at the meeting. A resolution may properly be moved, or a matter properly included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person(s) making it and must be received by the Company not later than 28th March 2010, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
8. Copies of directors' service contracts and non-executive directors' letters of appointment with the Company and any of its subsidiaries are available for inspection at the registered office of the Company during normal business hours on any weekday, except Saturdays, Sundays and public holidays, and at the place of the meeting on 11th May 2010 for at least 15 minutes prior to and during the meeting.
9. 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.
10. 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 Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him/her and the member by whom he/she was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
11. As at 4th March 2010 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consists of 77,292,941 ordinary shares carrying one vote each. The Company holds 846,847 ordinary shares in treasury and is not permitted to exercise voting rights in respect of those shares. Therefore the total voting rights in the Company are 76,446,094.

12. The contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the meeting, details of the totals of the voting rights that members are entitled to exercise at the meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: www.SpiraxSarcoEngineering.com.

Guidance notes for completion of the Form of Proxy

13. If you wish to appoint a proxy to attend and to speak and vote on your behalf, please complete the enclosed 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 20 to 23 below, so as to be received no later than 2.00 p.m. on 9th May 2010.
14. A proxy need not be a shareholder of the Company but must attend the meeting to represent you. The appointment of a proxy will not prevent you from attending and voting in person.
15. You can appoint the Chairman of the meeting, or any other person, as your proxy. If you wish to appoint someone other than the Chairman, cross out the words 'the Chairman of the meeting or' on the Form of Proxy and insert the name of your proxy in the box provided.
16. 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, he/she can exercise his/her 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.
17. 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.
18. A corporation should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 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.
19. 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 proxy form and would like to change the instructions using another hard copy proxy form, please contact Equiniti on 0871 384 2349. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. 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.
20. 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/CREST). 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.
21. 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.
22. 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 his or her 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.
23. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
24. 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.

