

[REDACTED]
BlackRock
12 Throgmorton Avenue
London EC2N 2DL

7 March 2017

Dear [REDACTED]

**STRICTLY PRIVATE AND CONFIDENTIAL
CARILLION PLC – REMUNERATION CONSULTATION**

Further to our recent correspondence and telephone call I am writing to inform you of two changes to the new remuneration policy which will be put forward to shareholders at the May AGM. These changes have been made following feedback as part of this consultation process:

1. Bonus maximum – after feedback from some of our shareholders and due consideration by the Remuneration Committee, the Committee has decided not to include provision for additional quantum in the bonus. Some shareholders were comfortable with the added flexibility but given that the Committee has no intention of taking bonuses above 100% at this time it has decided that it is not necessary to include it in the policy and the maximum opportunity will be maintained at 100% of salary.
2. Change of control and good leaver provisions – in practice Carillion have always pro-rated long term incentives for good leavers and therefore, for clarity, we have removed any discretion not to pro-rate or take performance into account in assessing vestings on change in control or for good leavers.

I hope these clarifications will allow you to fully support our new policy at the forthcoming AGM but if you do have any questions on this or any other remuneration related matter once the 2016 Annual Report has been published, I would be happy to discuss them with you.

With kind regards.

Yours sincerely



Alison Horner
Remuneration Committee Chairman

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