

Carillion plc

MINUTES OF A MEETING OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS

Held at 25 Maddox Street, London, W1
on
Thursday 1 December 2016 at 10 am

Present:	Mrs. A. Horner	Chairman
	Mr. A. Dougal	
	Mr. K. Cochrane	
	Dr. C. Powell	
	Mr. R.F. Tapp	Secretary
In Attendance:	Mr. R.J. Howson	
	Mr. P.N. Green	
	Mrs. J. Dawson	
	Ms. J. Swann	Deloitte

1.0 Minutes

The minutes of the meeting of 18 August 2016 were approved.

2.0 Meeting Schedule

The meeting schedule was noted.

3.0 Directors Remuneration Report and Disclosures 2016

The draft Directors' Remuneration Report had been circulated. The increasing investor involvement in remuneration reporting was noted, together with the comments received on the 2015 disclosures in relation to the Annual General Meeting. It was necessary to ensure that kpis are clearly seen as "hard" measures.

A draft letter to key shareholders had been prepared and included in the Committee pack, and both that letter and the Directors' Remuneration Report would reference the shift to corporate kpis.

Members of the Committee were asked to notify Mrs Dawson of any comments or queries on the draft report.

4.0 Shareholder Letter

A draft letter to the Shareholders outlining Directors' Remuneration Policy arrangements was noted.

5.0 Bonus Disclosure

A paper detailing the Bonus Design for 2017 had been circulated. The detail of the proposal was outlined, and after discussion the proposal was approved in principle, subject to the approval of the Budget at the Board at its forthcoming meeting.

Mr Cochrane noted his concern regarding the questions of whether eps should be calculated before or after taxation, and it was agreed that the calculation should remain as at present – i.e. after taxation.

A sub-committee comprising Mrs Horner and any other member of the Committee was authorised to finalise and confirm the Bonus Design thereafter.

6.0 Annual Review of Expenses

A paper detailing claims received for expenses had been circulated and was noted.

7.0 Evaluation Report

The evaluation report was considered and discussed. Lintstock would be asked to produce a year-on-year comparator for the Committees as well as for the Board for future years.

8.0 Next Meeting

The next meeting would be held on 23 February 2017 at Maddox Street.

9.0 Any other business

Mr Dougal noted that the Green Paper on Corporate Governance had been issued for consultation with responses due in February. Ms Swann noted Deloitte's initial view, feeling that some changes would be introduced, for example in relation to CEO/employee ratios and around stakeholder voice. Mr Tapp noted the work which had been done internally around the Green Paper and the earlier BEIS consultation. Mr Green noted that he would be discussing the paper at Downing Street later in the day.

Alison Howell

Chairman