

Carillion plc

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

Held at 25 Maddox St., London W1
on Thursday 26 February 2015 at 10 am

Present:	Mrs. A. Horner	Chairman
	Mr. A. Dougal Mr. S. Mogford Dr. C. Powell	
	Mr. R. F. Tapp	Secretary (part only)
In Attendance:	Mr. R. J. Howson	
	Mr. P. N. Green	
	Mrs. J Dawson	(part only)
	Ms. J. Swann	Deloitte

1.0 Minutes

The minutes of the meeting of 4 December 2014 were approved.

2.0 Meeting Schedule 2015

The meeting schedule was noted.

3.0 Remuneration Report and Disclosures 2014

The Directors' Remuneration Report, which includes the Directors' Remuneration Policy as approved by shareholders at the 2014 Annual General Meeting, had been circulated and was approved subject to amendment of detail.

4.0 Annual Salary Review

4.1 Business

Mrs Dawson presented her report noting the proposed budgets for salary increases across the business. After discussion, the proposals were approved.

4.2 Senior Team

The position was noted and approved. Mrs Dawson and Mr Tapp left the meeting whilst the Committee considered the review applicable to them.

4.3 Group Finance Director

The position was noted and approved.

5.0 Incentive Schemes

5.1 Bonus 2014

Details of performance outcomes in relation to the 2014 Bonus Scheme had been circulated and were approved, covering financial performance, payment proposals and the achievement of personal and stretch objectives.

5.2 Leap 2012

It was noted that the qualifying conditions for LEAP 2012 had not been met and that accordingly no payments were due under the LEAP 2012 scheme. It was noted that the LEAP scheme had not now crystallised and no long-term incentive payments had been made for a number of years. The audited result had been annexed to the Committee papers following signature by KPMG.

5.3 Leap 2015

The list of proposed participants for LEAP 2015 was noted and approved.

6.0 Clawback

At the previous meeting of the Committee, it had been determined to adopt provisions to facilitate compliance with the provisions of the UK Corporate Governance Code to allow for the application of clawback in addition to the malus provisions which currently applied.

A paper was presented setting out a proposed position in relation to scope, implementation and application of benefit plans. After discussion it was agreed that the proposals set out in the paper be approved.

The Committee noted that in the light of the very long term nature of the company's contracts, it would not be appropriate for participants to become victims of hindsight.

In considering the implementation of clawback on cash bonus and malus on deferred bonus and LEAP, and in particular the impact of the future re-statement of the company's published accounts, the Committee was advised that while it was not possible or appropriate to limit the impact on future performance periods of a re-statement of the accounts, it was possible and appropriate for the Committee to exercise discretion regarding, amongst other things, the extent to which re-statement arising from contracts which pre-dated the introduction of clawback and the alignment of the operation of malus to clawback (March 2015) impacted executives in respect of current plans if so wished. Similarly, given the very long term nature of contracts operated by the company, it would be possible and appropriate for the Committee to consider if future executives participating in the relevant plans should be protected (in whole or in part) from re-statement of accounts arising from contracts entered into prior to their appointment.

After discussion, the Committee concluded that it would be its current intention to exercise that discretion and effectively exclude the impact of contracts which pre-dated the introduction of clawback and the revised malus in March 2015 in respect of current executives or which pre-dated the appointment of future executives in their case although it recognised that if the circumstances in which clawback or malus applies arose then it would need to consider all relevant factors in reaching any decision.

7.0 Date of Next Meeting

The next meeting would be held on 20 August 2015 at Maddox Street.

Alison Howell

Chairman

