Spectris plc Notice of General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or the action you should take, it is recommended that you seek your own independent financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your shares in Spectris plc, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or the transferee. If you sell or have sold or otherwise transferred only part of your holding of shares in Spectris plc, you should retain this document and the accompanying documents and consult with the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take. However, neither this document nor any accompanying documents should be released, published, distributed, forwarded or transmitted, in whole or in part, into or from any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

Spectris plc Incorporated and registered in England with registered number 2025003.

Please read the whole of this document

Your attention is drawn to the letter from the Chairman of Spectris plc which is set out in Part I (Letter from the Chairman) of this document which contains the unanimous recommendation from the Board that you vote in favour of the resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting of the Company to be held at Melbourne House, 5th Floor, 44-46 Aldwych, London WC2B 4LL at 13:30 on 13 December 2022 is set out in Part III of this document.

A Form of Proxy for use at the General Meeting accompanies this document. To be valid, the enclosed Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's registrars, Equiniti, by no later than 13:30 on Friday 9 December 2022. All Forms of Proxy must be submitted at the address provided in the 'Investors' section of www.spectris.com by post or by hand.

In the case of Shareholders holding their shares through CREST, instructions for the appointment of a proxy can be delivered by using the CREST electronic proxy appointment service in accordance with the procedures set out in this document. Completion of a Form of Proxy will not preclude a member attending and voting in person at the General Meeting. Further instructions relating to the Form of Proxy are set out in Part III of this document.

The contents of this document have not been reviewed by any regulatory authority in the United Kingdom or any other jurisdiction. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document is dated 11 November 2022.

Contents

Part I – Letter from the Chairman

Dear Shareholder

General Meeting December 2022
I am pleased to confirm that a general meeting of Spectris plc (the "Company") will be held at Melbourne House, 5th Floor, 44-46 Aldwych, London, WC2B 4LL on Tuesday 13 December 2022 at 13:30 (the "GM" or "General Meeting").

The purpose of this document is to explain certain elements of the business which will be considered at the GM, namely the consideration of the 2023 Directors' Remuneration Policy (the "2023 Policy" or the "Policy"), as set out in Appendix I on pages 9 to 22.

We recently communicated our strategy for sustainable growth at the Capital Markets Day, which we understand was well received by shareholders. This review of our strategy has been taken into consideration and reflected in the proposals for the 2023 Directors' Remuneration Policy.

Considerable time has also been taken to ensure that the 2023 Policy reflects the highest standards of corporate governance, including the alignment of targets with our refreshed strategy, as well as ensuring that the incentive structures adequately underpin the business performance expected by our shareholders.

The 2023 Policy formalises a prior commitment to align Executive Director pension levels with levels provided to the majority of the UK workforce from 1 January 2023.

Shareholder feedback has been sought on the changes proposed within the 2023 Policy in comparison to the previously approved policy in December 2019 (which came into effect on 1 January 2020). We thank shareholders for their participation in this process.

The Resolution is covered in detail in the remainder of this document and I would like to take this opportunity to explain the effect of the Resolution to be proposed at the General Meeting.

Resolution 1 – Approval of the 2023 Directors' Remuneration Policy
This resolution seeks shareholder approval of a revised Directors' Remuneration Policy, which, if approved, will take effect from 1 January 2023.

A detailed explanation of the proposed changes to the Policy is set out in a letter from Cathy Turner, Chairman of the Remuneration Committee, on pages 2 to 4 of this document and the full Policy is set out on pages 9 to 22 of this document.

All votes at the GM will be taken by poll. If the Company considers that any changes are necessary or appropriate, shareholders will be updated through the Company website (www.spectris.com).

The formal notice of GM (the "GM Notice") is set out on page 5 of this document and explanatory notes on the business to be considered are set out on pages 6 to 8.

Action to be taken
As a Shareholder, you are entitled to vote on the resolution being considered at the GM.

Questions on the business of the GM can be asked in advance or raised at the General Meeting, more details on this are set out on page 8. Details for appointing a proxy are contained in the Notes for Shareholders section on pages 6 to 8.

Each Shareholder registered on the register of members of the Company at 6:30 p.m. on Friday 9 December 2022 is entitled to vote on the resolution contained in the GM Notice (the "Resolution").

Recommendation to Shareholders
Your Board of Directors believe that the proposal described in this document is in the best interests of the Company and its Shareholders as a whole and recommend that you vote in favour of the Resolution. The Directors intend to do so in respect of their own shareholdings.

On behalf of the Board of Directors, I would like to thank you for your continued support.

Yours faithfully

Mark Williamson
Chairman
11 November 2022

Part II – Letter from the Remuneration Committee Chairman

I am writing to you as Chairman of the Remuneration Committee (the "Committee") of Spectris plc ("Spectris" or the "Company"). In this letter, I have set out a summary of the considerations undertaken by the Committee which supported the drafting of the 2023 Directors' Remuneration Policy (the "Policy"). This summary letter should be read in conjunction with the Policy which is set out on pages 9 to 22 of this Notice.

Background
The current Directors' Remuneration Policy was approved at a General Meeting in December 2019 (the "2020 Policy") and aligned with the 2019 business priorities identified during the strategic review completed at that time. The objectives of that strategic review have largely been met and, following a Capital Markets Day held on 19 October 2022, we have taken the time to consider and directly align the remuneration structures in place with our strategic business priorities for 2023 and beyond.

We very much appreciated the support received in approving our current 2020 Policy (at 94.09%) and the subsequent high level of support of our annual Remuneration Reports. The 2020 Policy has served us well in terms of structure and there are many elements of the 2020 Policy that we are proposing to continue with broadly unchanged.

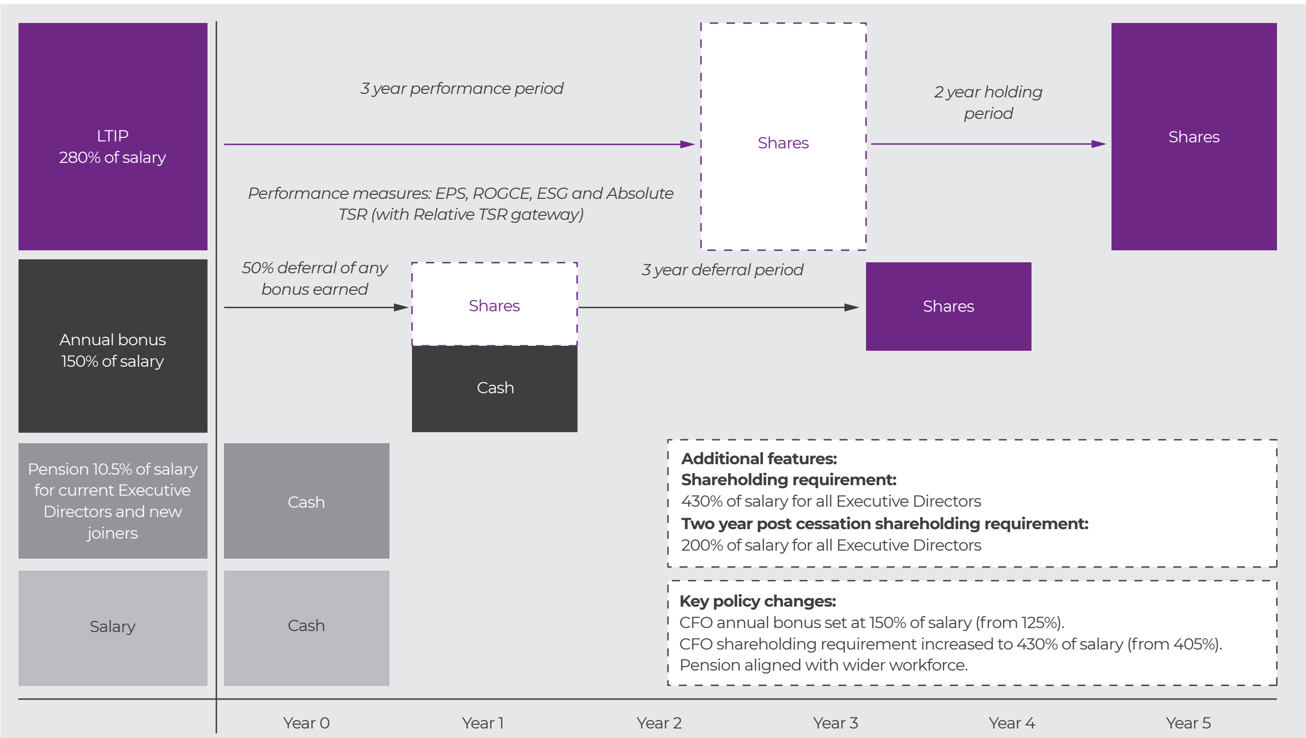
There are some modest changes to ensure that performance measures align with updated strategic business priorities. We are seeking approval of the renewed Policy in December 2022 at a General Meeting, consistent with both the expiry of the 2020 Policy and in support of the business priorities from 1 January 2023.

The table on pages 9 to 12 sets out a summary of the proposed Policy and how it compares to the current 2020 Policy. As mentioned above, the proposals are substantially unchanged from the 2020 Policy, but we have modified some elements of the performance measures to align with our newly communicated strategic priorities. For ease of reference, the key changes we are making under the Policy are to:

- introduce an ESG component to the LTIP from 2023 that will sit alongside the two current core measures of EPS and Return on Gross Capital Employed ("ROGCE") with an equal weighting (such that ESG will have an effective weighting of 24% of the total LTIP opportunity available inclusive of the TSR multiplier);
- measure ROGCE as an average over the performance period, in line with common market practice and to ensure sustainably good returns (to date ROGCE has been measured in the final year of assessment); and
- increase the potential annual bonus payable to Derek Harding, Chief Financial Officer, from 125% of base salary to 150%. This is in recognition of the increased job responsibilities, plus his capability, development and contribution since he joined in 2019. This change positions Derek's annual bonus in line with the market median and is consistent with our overall policy for market benchmarking. The result of this change is also to increase Derek's shareholding requirement to 430% of salary from the current 405% of salary.

In addition, the annual bonus for the policy period will split the current Adjusted Operating Profit performance measure into its constituent parts: Like-for-Like ('LFL') Sales Growth and Adjusted Operating Margin Growth (both with equal weighting of 30% of the maximum bonus opportunity). This is consistent with our focus of driving both growth and profit. Both measures are key components of how we drive value for our shareholders and align with the Group's strategy.

Proposed remuneration structure for the 2023 Policy
The overall structure remains consistent with the 2020 Policy with the relevant changes outlined above reflected in the diagram below.

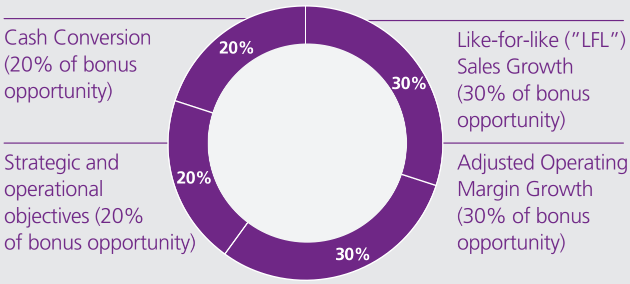


Part II – Letter from the Remuneration Committee Chairman continued

Annual bonus and LTIP performance measures
The diagram below shows the performance measures for the annual bonus and LTIP under the proposed Policy.

Performance measures are aligned to our updated strategic business priorities from our Capital Markets Day.

Annual bonus



LTIP

Total Shareholder Return ("TSR") (1x – 1.4x base award)

Adjusted Earnings Per Share ("EPS") (33.3% of base award)	Return on Gross Capital Employed ("ROGCE") (33.3% of base award)	Environmental, Social and Governance ("ESG") (33.3% of base award)

Note:
Consistent with the 2020 Policy, the LTIP operates with a base award with a maximum opportunity of 200% of salary. An additional 80% of salary is available if the TSR targets are achieved.

LTIP targets
Set out below are our proposed 2023 LTIP performance target ranges. The targets are detailed on page 16. Targets are aligned to our business priorities and set at a sufficiently stretching level as to motivate high performance.

The Remuneration Committee considers these targets to be appropriately stretching in the context of the Group's strategic plan, the macro-economic environment, and external consensus forecasts. Further detail is set out below:

- The EPS performance range at threshold, target, and maximum will remain as currently calibrated through the Policy cycle and reflects the high-performance goals we have set ourselves. The Committee considers the range to be suitably stretching against the Group's strategic plan, consensus forecasts, and the macro-economic environment, and ensures maximum pay-out is only awarded for very strong performance.
- Going forward as we focus primarily on organic growth and margin expansion, it is our intention to maintain a mid-teens ROGCE %, which is well in excess of our cost of capital. We have made good progress on growing ROGCE and the level of stretch in the targets ensures that pay-outs remain strongly aligned with sustainable value delivered to shareholders. The level of stretch is deemed appropriate in context of the Group' strategic plan and historic ROGCE performance. Maximum payout would only be delivered for achieving a level of average ROGCE well beyond that achieved in recent years.
- Our Net Zero Scope 1 and 2 targets are aligned to our Net Zero Roadmap to 2030. Our progress towards Net Zero will be measured in equal annual portions over the performance period to support the delivery of our ambition to be Net Zero across Scope 1 and 2 by 2030. Reaching Net Zero is a strategic advantage for the Group, supporting our continued prioritisation in the supply chains of our customers as we align with their Net Zero goals. The reduction in market-based emissions will be measured against the Group's continuing portfolio with performance assessed at the end of each three-year performance period. Market-based emissions will be calculated in accordance with GHG Protocol Corporate Accounting and Reporting and be assured by the Group's external auditor against the International Standard for Assurance Engagements 3000 and Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board.
- Employee engagement is measured by Gallup, a well-respected and independent survey with a robust benchmarking methodology. Responses are scored on a scale of 1 to 5 and the employee engagement score averages all the questions in the survey into one score. The stretching target range below reflects our desire to significantly grow our engagement score over the performance period from the 2021 baseline calculated by Gallup which, if achieved, would lead to a material shift in our overall engagement outcome. As a business that prioritises delivery of our diversity and inclusion, ethics, culture, and values commitments, we genuinely believe the engagement score is the best way to measure progress and the key to unlocking workforce engagement and productivity. This in turn supports our ability to retain and attract the talent we need to execute the strategy successfully and drive value for all of our stakeholders.
- The Committee is satisfied that the calibration of the Total Shareholder Return ("TSR") multiplier (which is unchanged from the 2020 Policy approved at the 2019 General Meeting) ensures that the maximum LTIP opportunity can only be achieved if very stretching performance is achieved, and shareholders see a material increase in TSR over the performance period.

Part II – Letter from the Remuneration Committee Chairman continued

Stakeholder consultation
Two consultation letters were sent to shareholders representing 79.68% of our issued share capital (excluding treasury shares) during September and October 2022 and included an invitation to discuss the proposals. Six shareholders wished to have a discussion and we appreciated the opportunity to share our thinking and to hear views.

As a consequence of those discussions, the majority of investors were strongly supportive of the key changes proposed to the 2020 Policy, the supporting rationale and confirmed that they felt that the 2023 Policy aligned well with the new strategy for sustainable growth.

Pensions
Towards the end of 2019, the Investment Association published guidance regarding pension arrangements and in response to this guidance, the Committee agreed that an approach would be developed to bring Executive Director and senior management pension arrangements in line with the workforce by the end of 2022. The first step in this process was undertaken during 2020 and centered on a review of the appropriateness of existing workforce arrangements. It should be noted that the Committee has already started the process of alignment by recruiting the current Executive Directors on lower pension contributions than their predecessors with Andrew Heath recruited in late 2018 on a contribution level of 20% of salary and Derek Harding recruited in early 2019 on a contribution of 15% of salary, which is notably lower than the 25% contribution levels in place for their predecessors.

The Policy sets out pension contribution and/or taxable cash allowance in lieu for current Executive Directors and new joiners will be aligned to the majority of the UK workforce (set at 10.5% of base salary from 1 January 2023). The Policy change formalises the prior commitment to align Executive Director pension levels with levels provided to the majority of the UK workforce from 1 January 2023.

Conclusions
I will be attending the General Meeting and I will be available to answer any shareholder questions on the contents of this document or more broadly in relation to the Group's approach to Executive remuneration. If you are unable to attend the Meeting and you would like to raise a question regarding the Policy please email cosec@spectris.com

Yours faithfully

Cathy Turner
Chairman of the Remuneration Committee
11 November 2022

Part III – Notice of General Meeting

Notice is hereby given that a General Meeting of the Company will be held at Melbourne House, 5th floor, 44-46 Aldwych, London, WC2B 4LL on Tuesday 13 December 2022 at 13:30 to consider and, if thought fit, pass the Resolution detailed opposite.

The Resolution is proposed as an ordinary resolution, requiring more than half of the votes cast to be in favour for the Resolution to be passed. Voting on the Resolution will be conducted by way of a poll rather than a show of hands.

Ordinary Resolutions
Directors' Remuneration Policy

1. That the Directors' Remuneration Policy, produced in draft to the Meeting and as set out on pages 9 to 22 of this Notice, be and is hereby approved and will take effect from 1 January 2023.

By order of the Board

Rebecca Dunn
Group Company Secretary
11 November 2022

Registered office:
Melbourne House,
5th Floor, 44-46 Aldwych,
London,
WC2B 4LL

Registered in England and Wales
Registered number: 2025003

Notes on Resolutions

Resolution 1
Approval of the 2023 Directors' Remuneration Policy
This resolution seeks shareholder approval of a revised Directors' Remuneration Policy (the "Policy"), which, if approved, will take effect on 1 January 2023.

The current Remuneration Policy (the "2020 Policy") was approved by shareholders at the 2019 General Meeting and has been in operation for almost three years. Current regulations require the Company to keep the 2020 Policy under review and to obtain shareholder approval of its Remuneration Policy at least every three years. Following the announcement in October 2022 of the Group's Strategy for Sustainable Growth, the Policy has been developed to align the Group's remuneration structure with the new strategy from 1 January 2023. The proposed revised Policy will broadly retain the structure of the 2020 Policy but has been updated to reflect changes in best practice and corporate governance, and the outcome of discussions held with the Company's major shareholders.

The full Policy is set out on pages 9 to 22 of this Notice.

Part III – Notice of General Meeting continued

Notes for Shareholders

1. Voting at the General Meeting
In line with best practice, the Resolution to be put to the Meeting will be voted on by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are counted according to the number of shares held. Approval of an ordinary resolution requires that a simple majority of votes cast be in favour of the Resolution. The results of the voting at the Meeting and proxy votes cast will be published on the Company's website www.spectris.com and announced via a Regulatory Information Service as soon as practicable following the conclusion of the Meeting.

2. Entitlement to attend and vote
The Company hereby gives notice that, in order to have the right to attend and vote at the Meeting, (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a shareholder must be entered on the Company's register of members no later than 6:30 p.m. on Friday 9 December 2022 or, if the Meeting is adjourned, Shareholders must be entered on the Company's register of members not later than 6:30 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend and vote at the Meeting or adjourned meeting.

3. Appointment of proxies
A member is entitled to appoint another person (who need not be a member of the Company) as his proxy to exercise all or any of his rights to attend, to speak and to vote at the Meeting. A member may appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted.

Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior). A Form of Proxy is enclosed with this Notice. All proxies must be submitted at the office of the registrars by post or by hand not later than 48 hours (excluding non-working days) before the time of the Meeting (or, in the case of a poll taken subsequently to the date of the Meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll).

Completion of the Form of Proxy will not preclude a member attending and voting in person at the Meeting. If you require additional Forms of Proxy, please contact the registrars of the Company, Equiniti, on 0371 384 2586. Telephony provider costs may vary. An overseas helpline number is also available on +44 121 415 7047. Lines are open 8:30 a.m. to 5:30 p.m., Monday to Friday (excluding public holidays in England and Wales).

4. Appointment of proxies using the CREST system
CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on Tuesday 13 December 2022 and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("Euroclear") 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 RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice. 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. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 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 sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST systemand timings. The CREST Manual can be reviewed at www.euroclear.com.

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.

5. Appointment of Corporate Representatives
A corporate Shareholder is entitled to appoint one or more corporate representatives who may exercise on its behalf all of the same powers the relevant corporate Shareholder could exercise if it were an individual provided they do not do so in relation to the same shares.

6. Rights of Nominated Persons
Any person to whom this GM Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (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 (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such 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.

The statement of the rights of members in relation to the appointment of proxies in notes 4 and 5 above does not apply to Nominated Persons. The rights described in notes 4 and 5 can only be exercised by members of the Company.

7. Right to ask questions
In accordance with section 319A of the Act, all members of the Company and their proxies have the right to ask questions at the Meeting.

It would be helpful if you could state your name before you ask a question. The Company must cause to be answered any question relating to the business being dealt with at the Meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on the Company's website (www.spectris.com) in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

8. Documents available for inspection
Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) up to and including the date of the Meeting and at the place of the Meeting for at least 15 minutes prior to and during the Meeting.

A. the proposed 2023 Directors' Remuneration Policy;

Copies of this document will also be available for inspection at those times at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY.

9. Issued shares and total voting rights
As at 10 November 2022 (being the last practicable date prior to the publication of this GM Notice), the Company's issued share capital comprised 104,866,307 Ordinary Shares (excluding treasury shares). Each Ordinary Share (other than a treasury share) carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total voting rights in the Company as at that date are 104,866,307. As at 10 November 2022, the Company held 4,606,418 Ordinary Shares as treasury shares.

10. Information available on the Company's website
A copy of this GM Notice and other information required by section 311A of the Act can be found on the Company's website: www.spectris.com.

11. Use of electronic addresses
Shareholders are advised that they may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this GM Notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

12. Personal data
Personal data provided by or on behalf of Shareholders in connection with the GM may be processed by the Company and any third party to whom it discloses such data in connection with the holding of the general meeting (including the Company's registrar) for the purposes of compiling and updating the Company's records in connection with the GM, fulfilling its legal obligations and handling the rights exercised by shareholders.

13. General Meeting venue and travel arrangements
The General Meeting will be held at Melbourne House, 44-46 Aldwych, London, WC2B 4LL. Please note that there is no parking available and we would therefore encourage shareholders wishing to attend in person to use public transport.

- **Arriving by tube/rail** – The nearest tube stations to Melbourne House are Temple and Holborn. From there, a walk to Melbourne House will take approximately 5 minutes and 12 minutes respectively. The nearest National Rail stations are Charing Cross (approximately 10 minutes walk) and London Blackfriars (approximately 15 minutes walk).

Appendix I – Directors' Remuneration Policy

The Company and Remuneration Committee ("the Committee") intends that, subject to shareholder approval, the following Directors' Remuneration Policy will take effect from 1 January 2023, following the December 2022 General Meeting. The table below describes each component of the remuneration package applicable to the Executive Directors:

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics	Change from 2020 Policy[1]
Base salary/fees	• Competitive fixed remuneration that enables Spectris to attract and retain key Executives.	• Normally reviewed annually. • Benchmarked triennially against FTSE 50-150 excluding investment trusts. This peer group is considered appropriate given the size and listing of the business. Other peer groups may be considered by the Committee if appropriate.	• Increases will typically not exceed the average increase for the general UK workforce. The Committee retains the discretion to award increases in excess of or below this if, and where, it deems appropriate e.g. if a role changes substantially or a new incumbent is being moved to a target salary over time.	• Reflects the role and the Director's skills, performance and experience, referenced to a level at or moderately below the comparator group's median.	• No changes.
Annual bonus	• Drives short-term financial performance that flows through to long-term shareholder value. • Incentivises Executives to achieve specific predetermined stretching objectives relating to the Group's strategy	• Bonus based on annual performance targets. • 50% of any bonus is normally paid in cash, with the remaining 50% deferred into Spectris shares. Any deferred element will vest after 3 years from the date of grant and is subject to continued employment. • Clawback and Malus provisions enable variable remuneration to be reclaimed under the following exceptional circumstances: – Material misstatement of results or accounts; – Gross misconduct or fraud; – Award calculated in error; – Material failure of risk management; and – A material breach of our Code of Business Ethics.	• Maximum opportunity is based on base salary: – 150% – Chief Executive – 150% – Chief Financial Officer • Bonus starts accruing from threshold levels of performance. • Notional reinvestment of dividends will apply from the date of grant to deferred shares when the shares vest.	• The performance measures to be applied will be assessed annually and may be financial or non-financial and in such proportions as the Committee considers appropriate. However, the weighting of financial measures will not be reduced below 70% of total annual bonus potential for the duration of this Policy. • For the 2023 annual bonus, the financial performance measures will be Adjusted Operating Margin Growth, Like-For-Like Sales Growth and Cash Conversion. • A minimum (threshold) level of performance will result in a bonus of 1% of total bonus opportunity. At target, the bonus level for each Executive Director is 50% of total bonus opportunity.	• Increase CFO's bonus opportunity from 125% of salary to 150% of salary. Aligns CFO's bonus quantum to market median and reflects the increased job responsibilities. • Introduction of Adjusted Operating Margin growth and Like-For-Like Sales Growth performance measures from 2023 to replace Adjusted Operating Profit. • No other changes are proposed to the bonus policy.

Appendix I – Directors' Remuneration Policy continued

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics	Change from 2020 Policy[1]
Spectris Long Term Incentive Plan ("LTIP")	• Drives the delivery of sustained performance and shareholder value over the performance period.	• Awards made annually with performance conditions based over a three-year period. • Two-year holding period applies post performance period. • Clawback provisions enable the Committee to recoup the value of previously vested awards from an individual within two years of the end of the relevant performance period. Malus provisions also enable the Committee to reclaim any unvested LTIP award if it considers it appropriate. The Clawback and Malus provisions are as follows: – Material misstatement of results or accounts; – Gross misconduct or fraud; – Award calculated in error; – Material failure of risk management; and – A material breach of our Code of Business Ethics.	• Base award has a maximum of 200% of base salary. • Executive Directors will receive up to 1.4x their base award, subject to outperformance against stretch conditions. • The total maximum possible opportunity is therefore 280% of base salary (200% x 1.4). • Notional re-investment of dividends will apply from the date of grant to the date when the shares are first capable of release, including for any awards subject to a holding period.	• The Committee may set such performance conditions on LTIP awards as it considers appropriate (whether financial or non-financial). • A minimum (threshold) level of performance will result in vesting of 20% of the relevant element of a LTIP award. • The performance measures that will apply to the 2023 LTIP base award will be based on growth in EPS, ROGCE and ESG. • The performance measures that will apply to 2023 LTIP multiplier will be absolute TSR with a relative TSR underpin. • Should the Committee materially change the current measures applied for the LTIP awards made to Executive Directors or the weightings between these measures then they would consult with major shareholders.	• No changes to maximum award potential or target and threshold performance. • Introduction of an ESG performance measure. • No other changes are proposed.
Pensions	• Market- competitive defined contribution pension, enabling Spectris to attract and retain key executives.	• Pensions are benchmarked periodically.	• Existing Executive Directors and new joiners have a maximum 10.5% of base salary Company pension contribution and/or taxable cash allowance in lieu, in line with the terms applicable to the majority of the UK workforce. • This value may change over time if the rate provided to the majority of the wider UK workforce changes.	• None applicable.	• Pension for the existing Executive Directors will be aligned with the terms applicable to the majority of the wider UK workforce from 1 January 2023 at 10.5% of salary. • No other material changes are proposed to the pension policy.

Appendix I – Directors' Remuneration Policy continued

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics	Change from 2020 Policy[1]
Benefits in kind[2]	• Market- competitive benefits in kind, enabling Spectris to attract and retain key executives.	• Benefits in kind include company cars or allowances, medical insurance and life and disability insurance and are benchmarked periodically. The Committee may provide other benefits from time to time.	• It is not possible to prescribe the likely change in the cost of insured benefits or the cost of some of the other reported benefits and so a monetary limit of £30,000 p.a. post tax per Executive Director has been set for the duration of this Policy although, clearly, the Committee will monitor the costs in practice and ensure that the overall costs do not increase by more than the Committee considers to be appropriate in all circumstances. • Where the requirements of the business involve an Executive Director relocating, the Company may make a payment towards related expenses, as it considers appropriate. This may fall outside of the monetary limit of £30,000 p.a.	• None applicable.	• Clarification that the £30,000 limit may not apply in the event of a Director relocating. • No other changes are proposed to the benefits policy.
All-employee share incentive plan	• The Spectris Share Incentive Plan ("SIP") is operated to encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of shareholders.	• Individuals may purchase Spectris shares at market price, using gross salary up to a maximum of the level allowed by HMRC. For every five shares purchased by an employee under the SIP, the Company will award one free Matching share. • Matching shares are subject to forfeiture if the employee leaves the SIP within 3 years. • Dividends earned may be delivered in shares.	• Executive Directors are able to participate in all-employee share plans on the same terms as other Group employees.	• Consistent with normal practice, such awards are not subject to performance conditions.	• No changes.

Appendix I – Directors' Remuneration Policy continued

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics	Change from 2020 Policy[1]
Shareholding ownership guidelines	• To encourage share ownership by the Executive Directors and ensure that their interests are aligned with those of shareholders.	• Each Executive Director is required to build a retained shareholding in Spectris of at least one times their maximum annual variable pay in value within five years of being appointed to the Board. • Post-tax value of any outstanding LTIP awards post three-year performance period or/and deferred annual bonus awards will count towards the shareholding ownership guidelines.	• Each Executive Director is, subject to personal circumstances, required to build a retained shareholding in Spectris of their maximum annual variable pay (430% of salary) within a five-year period from appointment to the Board. • Executive Directors will not be permitted to sell shares unless the requirement is met. • In addition, a post cessation holding period will apply for Executive Directors who leave the Company. Each Executive Director will have a requirement to retain the lower of their actual shareholding or two times their final base salary in shares for two years post-cessation.	• None applicable.	• The shareholding requirement for the CFO will increase to 430% of salary from 405% as a result of the change to the CFO annual bonus opportunity. • No other changes.

Notes:

1 Where the Company's pay policy for the Executive Directors differs from its pay policies for groups of employees, this reflects the appropriate market rate positions for the relevant roles.

2 While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by Spectris or another) and business travel (including any related tax liabilities settled by the Company) for the Directors (and exceptionally their family members) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policies.

The Committee reserves the right to make any remuneration payments notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a director of the Company.

In-flight awards made before the adoption of this Policy will continue in line with the approved Policy under which they were granted. Further details of these awards can be found within the Remuneration Policy approved at the 2019 General Meeting and subsequent Annual Reports and Accounts. In the event of a change in control, deferred share awards will vest in full, and LTIP awards will vest subject to performance conditions and be reduced on a time pro-rated basis, unless the Committee determines otherwise.

Appendix I – Directors' Remuneration Policy continued

Performance measures
The table below sets out the relevant performance measures for 2023 and the link to strategy. Note that the Policy includes the flexibility for the Committee to select appropriate measures each year.

Annual bonus
The performance conditions used to determine bonus achievement are selected by the Committee with the emphasis on driving performance in sales, margin growth, and cash conversion and aspiring to meet or exceed stretching targets to the benefit of shareholders.

Performance metric	Definition	Link to strategy/Rationale
Like-for-Like ("LFL") Sales Growth (30% of bonus opportunity)	• LFL Sales Growth is a measure of how R&D and other investments help to grow the business organically, i.e., excluding the effects of currency translation and acquisitions or divestments.	• The Group is customer focused and targets attractive end markets where we are best placed to drive growth and profitability.
Adjusted Operating Margin Growth (30% of bonus opportunity)	• Adjusted Operating Margin Growth is defined as adjusted operating profit as a percentage of sales.	• Adjusted Operating Margin Growth ensures improving profitability in the business. This business aims to deliver strong operational leverage and drive operating margin expansion.
Cash Conversion (20% of bonus opportunity)	• Cash Conversion is defined as adjusted operating cash flow as a percentage of adjusted operating profit.	• Cash Conversion ensures a focus on generating quality earnings that can be reinvested into the business and distributed to our shareholders through dividends. The business aims to deliver high Cash Conversion of operating profit each financial year.
Strategic and operational objectives (20% of bonus opportunity)	• N/A	• The remaining bonus components aim to reward the achievement of significant and demanding strategic and operational objectives that support sustainable growth.

Appendix I – Directors' Remuneration Policy continued

Long Term incentive Plan
The measures proposed are intended to provide an appropriate balance between absolute financial performance, our ESG agenda, and strong relative performance.

Performance metric	Definition	Link to strategy/Rationale
	Core measures	
Adjusted Earnings Per Share ("EPS") Growth (⅓ of base award)	• Adjusted EPS is the ratio of adjusted earnings for the year to the number of ordinary shares outstanding during the year, excluding certain items.	• Adjusted EPS growth is a key performance measure for investors and indicates how profitable the business is for shareholders. The Group's aim is to achieve year-on-year growth in adjusted EPS as this is a key value driver for shareholders.
ROGCE (⅓ of base award)	• ROGCE is the ratio of the Group's Adjusted Operating Profit to the average year-end shareholders equity, net debt and accumulated amortisation and impairment of goodwill and acquired intangible assets. • From 2023 the measure will be assessed as an average over the three-year LTIP performance period.	• The Group's strategy is to achieve highly cash generative operations and deploy the cash in a structured and considered way. ROGCE is a pure measure of the effectiveness of all capital deployed by the Group.
ESG (⅓ of base award)	• ESG will be made up of the following measures: – Net Zero: Scope 1 and 2 emissions reduction – 50% of total ESG weighting. – Employee engagement (Gallup score assessment covering diversity and inclusion, ethics, culture and values) – 50% of total ESG weighting.	• Drives focus on our Net Zero, and employee engagement ambitions which are critical to our sustainability ambitions and supports our Strategy for Sustainable Growth. • Note that whilst ESG reflects ⅓ of the base award, this is c.¼ of the overall LTIP opportunity once the quantum available when the TSR multiplier is factored in.
	TSR multiplier	
Absolute TSR (multiplier)	• The growth in Total Shareholder Return (TSR) for Spectris over the performance period.	• Measure strongly aligns participants with growth in shareholder returns over the performance period and aligns payouts directly to the value created for our shareholders over the performance period.
Relative TSR (multiplier)	• The Total Shareholder Return of Spectris over the TSR performance period compared to the FTSE 250 (excluding Investment Trusts).	• To ensure that any payouts under the multiplier are only generated if outperformance is strong relative to peers. The FTSE 250 (excluding investment trusts) index has been chosen because it is a widely recognised performance benchmark for large companies in the UK.

Appendix I – Directors' Remuneration Policy continued

Target setting

Long-term and short-term target ranges are set with reference to the internal business plan, external consensus forecasts and market norms where appropriate and are calibrated to generate sustainable value for our shareholders. Annual bonus targets are not disclosed in advance as the Committee considers them to be commercially sensitive, but they will be disclosed retrospectively following the end of the performance period.

LTIP targets

Set out below are our proposed 2023 LTIP performance target ranges. Targets are aligned to our business priorities and are set at a sufficiently stretching level so as to motivate high performance.

The Remuneration Committee considers these targets to be appropriately stretching in the context of the Group's strategic plan, the macro-economic environment and external consensus forecasts. Further detail is set out below:

- The EPS performance range at threshold, target, and maximum will remain as currently calibrated through the Policy cycle. The Committee considers the range to be suitably stretching against the Group's strategic plan, consensus forecasts, and the macro-economic environment, and ensures maximum pay-out is only awarded for very strong performance.
- Going forward as the Group focuses primarily on organic sales growth and margin expansion, it is the intention to maintain a mid-teens ROGCE %, which is well in excess of the Group's cost of capital. The Group has made good progress on growing ROGCE and the level of stretch in the targets ensures that pay-outs remain strongly aligned with sustainable value delivered to shareholders. The level of stretch is deemed appropriate in context of the Group's strategic plan and historic ROGCE performance. Maximum payout would only be delivered for achieving a level of average ROGCE well beyond that achieved in recent years.
- The Net Zero Scope 1 and 2 targets are aligned to the Group's Net Zero Roadmap to 2030. Progress towards Net Zero will be measured in equal annual portions over the performance period to support the delivery of the ambition to be Net Zero across Scope 1 and 2 by 2030. Reaching Net Zero is a strategic advantage for the Group, supporting the continued prioritisation in the supply chains of our customers as we align with their Net Zero goals. The reduction in market-based emissions will be measured against the Group's continuing portfolio with performance assessed at the end of each three-year performance period. Market-based emissions will be calculated in accordance with GHG Protocol Corporate Accounting and Reporting and be assured by the Group's external auditor against the International Standard for Assurance Engagements 3000 and Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board.
- Employee engagement is measured by Gallup, a well-respected and independent survey with a robust benchmarking methodology. Responses are scored on a scale of 1 to 5 and the employee engagement score averages all the questions in the survey into one score. The Gallup survey measures employees' perspectives on the crucial elements of a workplace culture such as purpose and personal development. The stretching target range below reflects our desire to significantly grow the Group's engagement score over the performance period from the 2021 baseline calculated by Gallup which, if achieved, would lead to a material shift in the overall engagement outcome. As a business that prioritises delivery of diversity and inclusion, ethics, culture, and values commitments, we genuinely believe the engagement score is the best way to measure progress and the key to unlocking workforce engagement and productivity. This in turn supports the ability to retain and attract the talent the Group needs to execute the strategy successfully and drive value for all of our stakeholders.
- The Committee is satisfied that the calibration of the Total Shareholder Return ("TSR") multiplier (which is unchanged from the 2020 Policy approved at the 2019 General Meeting) ensures that the maximum LTIP opportunity can only be achieved if very stretching performance is achieved, and shareholders see a material increase in TSR over the performance period.

Performance measure	Adjusted EPS (assessed at the end of 2025)	ROGCE (average over the three year performance period)	ESG[2] (assessed at the end of 2025)	TSR (assessed at the end of the three year vesting period)
Weighting	**⅓ of base award**	**⅓ of base award**	**⅓ of base award (both measures equally weighted)**	**Multiplier (applies to the outcome from the base award with a maximum multiplier of 1.4x)**
Payout curve	**Threshold: 20% of base award Target: 60% of base award Max: 100% of base award**			**Threshold: 1x base award Target: 1.2x of base award Max: 1.4x base award**
Threshold[1]	4% p.a.	14%	**Net Zero scope 1 & 2:** 27.5% reduction of GHG emissions over the performance period from a 2022 baseline **Employee Engagement:** 3.94 (0.22 increase from baseline)	**Absolute TSR**: 8% p.a. **Relative TSR**: At least median relative TSR for any award under the absolute TSR performance condition to pay out between threshold and target performance.
Target[1]	7% p.a.	16%	**Net Zero scope 1 & 2:** 31.5% reduction of GHG emissions over the performance period from a 2022 baseline **Employee Engagement:** 4.00 (0.28 increase from baseline)	**Absolute TSR:** 10% p.a. **Relative TSR:** At least upper quartile relative TSR for payout at target or above under the absolute TSR performance condition.
Maximum[1]	10% p.a.	17%	**Net Zero scope 1 & 2:** 35.5% reduction of GHG emissions over the performance period from a 2022 baseline **Employee Engagement:** 4.06 (0.34 increase from baseline)	**Absolute TSR:** 15% p.a. **Relative TSR:** At least Upper Quartile

1 Straight line vesting occurs between threshold and target and target and maximum.
2 Employee Engagement Score targets are calibrated based on improvement from a baseline determined by Gallup for 2021 of 3.72 (out of 5). In respect of the emissions reduction target, to ensure accuracy, the targets will be updated to reflect the actual emissions outcome for 2022 once known. Currently the targets are calibrated using an estimated outcome for 2022. Because the targets are based on an equal annual reduction of emissions over the period to 2030, this may result in a small change in the precise % reduction targets, but the stretch in the targets will remain consistent with what is shown in the above table. The final targets will be included in the Remuneration Report.

Approach to adjusting performance measures in the event of acquisitions, disposals and a return of capital to shareholders

Targets for each cycle will normally be set excluding any acquisition or disposal activity (unless known when they are set). Any such activity during the measurement period will be considered by the Committee and, if material, adjusted for at the end of the performance period. This ensures that measurement focuses on the underlying business contribution during the performance period, whilst allowing for the execution of strategic actions as agreed by the Board. Such adjustments are intended to neither benefit nor penalise participants and concentrate the assessment of the incentive on the underlying performance of the business during the period to ensure alignment with shareholder interests. Targets set for the next cycle will build in the impact of any transactions that have been made.

In respect of share buybacks or special dividends, there may be circumstances where a cash return to shareholders is appropriate and in the best interests of shareholders, if at that point in time there are no desirable business investments to be made. If a capital return is made to shareholders, the Committee's normal course of action would be not to adjust performance measures for this on the principle that the value delivered to shareholders should be reflected in the incentive outcomes, in particular for the long-term metrics of adjusted EPS growth and ROGCE.

Appendix I – Directors' Remuneration Policy continued

Discretion
Discretion is reserved for incentive plans that are operative. The Committee will operate the Annual Bonus Plan and LTIP according to their respective rules and the above Directors' Remuneration Policy table.

The Committee reserves certain discretions, consistent with market practice, in relation to the operation and administration of these plans including:

- the determination of performance measures and targets and resultant vesting and payout levels;
- the ability to adjust performance measures and targets to reflect material events and/or to ensure that the performance measures and targets operate as originally intended;
- to vary the terms of performance conditions under the incentives after the start of the performance period have been made to take account of technical changes, for example changes in accounting standards or the takeover of a company in a TSR comparator group, or if an event occurs that causes the Committee to consider that the performance condition can no longer achieve its original purpose. However, the amended performance condition will have to be, in the Committee's view, no less challenging in the circumstances as a result of the change;
- to vary performance measures under the incentives in events such as corporate acquisition or other major transitions;
- the ability to override formulaic outcomes should this be appropriate, determination of the treatment of individuals who leave employment (as described in the Termination arrangements section on page 20), based on the rules of the incentive plans, and the application of the incentive plans under exceptional events, such as a change of control of the Company; and
- the ability to make adjustments to existing awards made under the incentive plans in certain circumstances (e.g. rights issues, corporate restructurings or special dividends).

Any adjustment made using this discretion will be explained in the following Annual Report.

UK Corporate Governance Code 2018 – remuneration principles
To ensure compliance with the UK Corporate Governance Code 2018, we set out below the remuneration principles and how each principle was addressed when setting the 2023 Remuneration Policy. The Committee has taken feedback from shareholders on matters relating to remuneration and governance when determining, reviewing and implementing the Policy, as well as taking into consideration any conflicts of interest. A shareholder engagement exercise has been carried out in advance of putting the Policy out to shareholders for approval.

Principle	How principle was addressed when setting the 2023 Remuneration Policy
Clarity	The Committee has ensured that the Policy is transparent and that there is strong alignment between the interest of stakeholders and reward e.g. by using performance-based reward and specific performance measures such as TSR. The short and long-term incentive plan measures drive our strategy and business priorities.
Simplicity	The Policy was set in a simple and transparent way to ensure it is clearly understood. Our remuneration structure is made up of market standard components that are well understood. The purpose of each element of remuneration is set out in our Policy table.
Risk	The Committee has identified and mitigated risks through malus on the Deferred Bonus Plan and Long Term Incentive Plan. The malus and clawback provisions are deemed to be sufficient. All elements of the Policy are compatible with our risk policies. Additionally, to ensure that reward is appropriate, the Committee has discretion policies available where performance and pay do not align.
Predictability	Maximum opportunities are clearly set out in the Policy table and shown in the scenario charts on page 22.
Proportionality	The Policy is focused on creating long term sustainable shareholder value and is aligned to our strategic business priorities. Remuneration is designed to be competitive but not excessive compared to peers.
Alignment to culture	The Policy drives strong performance and achievement of business goals. The total compensation package is competitive to ensure we can retain and attract key talent.

Appendix I – Directors' Remuneration Policy continued

Non-executive Directors

Element	Relevant to the Company's short and long term strategic objectives	Operation	Maximum potential value	Performance metrics	Changes from 2020 Policy
Fees	Competitive fees that enable Spectris to attract able and experienced Directors.	Normally reviewed biennially and determined by reference to market practice (although the Board may review at other times). Base fee is supplemented by fees for Chairmanship of the Audit and Risk and Remuneration Committees, the Workforce Engagement Director and for the Senior Independent Director. Travel allowances are paid, where applicable. The Board reserves the right to vary the basis for setting fees (such as introducing Committee membership fees) should it consider that to be appropriate. There is no participation in bonus, share plan or pension arrangements. The Company reserves the ability to provide the Company Chairman with certain benefits in kind and/or a contribution towards the provision of office facilities where appropriate, although the current Chairman does not presently receive such benefits.	The aggregate fees of the Non-executive Directors will not exceed the limit provided within the Company's Articles of Association (currently £650,000 per annum). Additional fees may be payable to any Director who does not hold executive office for any additional role that they take on the Board (including Chairman, Senior Independent Director, Committee Chairman or Workforce Engagement Director) or for serving on any Committee of the Board.	Not applicable to this element.	No change.
Benefits	It is not the policy of the Company to provide benefits to the Chairman or the Non-executive Directors. However, while the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by Spectris or another) and business travel (including any related tax liabilities settled by the Company) for the Directors (and, exceptionally, their family members) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policy.				No change.

Appendix I – Directors' Remuneration Policy continued

Recruitment remuneration

The Company's recruitment remuneration policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skill sets to deliver the Company's strategic aims. In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to look to the general policy for Executive Directors as set out above and structure a package in accordance with that policy.

Remuneration element	Current recruitment policy	Changes from 2020 Policy
Base salary, benefits and pension	• Salary and benefits will be set in line with the Remuneration Policy for existing Directors. • Pension levels will be set in line with the Remuneration Policy and wider workforce (currently 10.5% of salary). • Consistent with the regulations, the caps contained within the general policy for fixed pay technically do not apply to a recruit, although the Committee would not envisage exceeding such cap in practice.	No change.
Annual bonus	• The annual bonus will operate (including the maximum award levels) as detailed in the Remuneration Policy for existing Directors for any newly-appointed Executive Director. • For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.	No change.
Long term incentive plan ("LTIP")	• The LTIP will operate (including the maximum award levels) as detailed in the Remuneration Policy for existing Directors for any newly-appointed Executive Director. • For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.	No change.
Buy out of incentive forfeited on cessation of employment	• All buy-out awards for external appointments made to compensate for awards forfeited on leaving the previous employer will be designed to replace the commercial value of the amount forfeited and will take account of the nature, time horizons and performance requirements of those awards. • In particular, the Committee's starting point will be to ensure that any awards being forfeited which remain subject to outstanding performance requirements (other than where substantially complete) and/or service requirements are bought out with Spectris awards subject to similar terms, unless an alternative approach is considered appropriate. • Buy-outs may be made under the annual bonus or LTIP on varied terms (in reliance on Listing Rule 9.4.2). Buy-outs will only include guaranteed amounts where the Committee considers that it is necessary to secure the recruitment and to replace forfeited pay. For the avoidance of doubt, buy-out awards to compensate for awards forfeited are not subject to a formal cap.	No change.
Relocation policy	• For external and internal appointments of Executive Directors, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate. Relocation support will not exceed two years from appointment.	No change.

Appendix I – Directors' Remuneration Policy continued

Recruitment remuneration for Non-executive Directors
A new Chairman or Non-executive Director would be recruited on terms consistent with the main policy.

Termination arrangements
It is the practice of the Committee to consider the treatment on termination having regard to the relevant facts and circumstances. The contracts permit the Committee to make salary, benefits and pension payments on a monthly basis with payments reducing or ceasing if the individual finds another position during the notice period, and termination arrangements will normally follow this approach. However, the Committee reserves the power to negotiate a single lump sum payment on termination if it considers that to be in the interests of the Company and will have full regard to the duty to mitigate if it does so.

Remuneration element	Good leaver	Bad leaver	Proposed termination arrangements
Annual bonus	Under certain circumstances, for example good leaver provisions covering retirement and ill health, bonus entitlements may be payable, calculated to the date of termination only. Bonuses will be paid in line with normal policies.	Bonus for the year in which the individual left the business would be forfeited.	No change.
Deferred annual bonus	Under certain circumstances, for example good leaver provisions covering retirement and ill health, the deferred annual bonus awards will normally continue to vest at the vesting date. Alternatively, the Committee may determine that awards will vest on cessation of employment. On a change of control, deferred bonus awards will vest in full in accordance with the rules of the plan.	Unvested deferred bonus awards would lapse on termination.	No change.
Long term incentive plan ("LTIP")	Under certain circumstances, for example good leaver provisions covering retirement and ill health, awards made under the LTIP will remain exercisable subject to time prorating and the application of the performance conditions at the performance vesting date. Awards will continue to vest at the vesting date. The Committee also retains a standard ability to vary or disapply time pro-rating for LTIP awards for good leavers where it considers it fair and reasonable to do so or to allow good leavers' LTIP awards to vest at the date of termination (subject to time pro-rating and the application of performance conditions) in exceptional cases. Likewise, on a change of control, LTIP awards may vest in accordance with the rules of the plan (performance conditions and time pro-rating apply, subject to a standard ability for the Committee to vary or disapply time pro-rating). After the performance vesting date, any outstanding LTIP awards which are subject to a holding period will not normally be forfeited on a termination and the holding period will continue to apply to such awards (although the Committee may release awards early from the holding period in appropriate cases).	Prior to the performance vesting date, all share awards would lapse following termination. Post the performance vesting date, LTIP awards will normally only be forfeited if the reason for termination is misconduct.	No change.
Post cessation holding period	Upon departure, Executive Directors will be required to retain the lower of actual shares held on departure or 200% of final base salary in Spectris shares for two years post-cessation.		No change.
Legal fees	Consistent with market practice, in the event of termination of an Executive Director, the Company may pay a contribution towards the individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees would be disclosed as part of the detail of the termination arrangements. Should it become necessary to make additional payments in respect of such professional fees that were not ascertained at the time of reporting, the Company may do so up to a level of £10,000. For the avoidance of doubt, the Policy does not include an explicit cap on the cost of termination payments. The Committee may also, after taking appropriate legal advice, sanction the payment of additional sums in settlement of potential legal claims.		No change.

Appendix I – Directors' Remuneration Policy continued

Termination arrangements – Non-executive Directors
All Non-executive Directors' conditions of appointment provide for a six-month period of notice and are renewable at each AGM, subject to review prior to proposal for re-election. Ordinarily, appointments do not continue beyond nine years after the first election, at which time Non-executive Directors cease to be presumed independent under the UK Corporate Governance Code.

Service Contracts
The Executive Directors have rolling contracts subject to 12 months' notice of termination by either party, or to summary notice in the event by the Director of a serious breach of obligations, dishonesty, serious misconduct or other conduct bringing the Company into disrepute.

The contracts of employment in respect of Andrew Heath and Derek Harding provide for payment in lieu of notice on termination equivalent to base salary, pension and benefits but exclude any compensation for loss of bonus and is in full and final settlement of all employment-related claims. Such payment may be paid in monthly instalments for the duration of the notice period or as a lump sum and is subject to mitigation if alternative employment is found during the notice period.

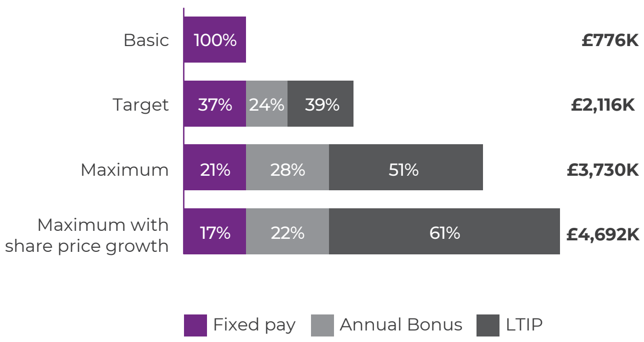
The Committee is committed to continuous review of its policies in the best interests of shareholders. The following table sets out a summary of the Executive and Non-executive Directors' service contracts or terms of appointment:

	Date of contract	Expiry date	Notice period	Length of service at 11 November 2022
Executive Directors				
Andrew Heath	3 Sept 2018	Rolling contract with no fixed expiry date	12 months	4 years 2 months
Derek Harding	1 Mar 2019	Rolling contract with no fixed expiry date	12 months	3 years 8 months
Non-executive Directors				
Mark Williamson	26 May 2017	Renewable at each AGM	6 months	5 years 6 months
Ravi Gopinath	1 Jun 2021	Renewable at each AGM	6 months	1 year 5 months
Alison Henwood	1 Sep 2021	Renewable at each AGM	6 months	1 year 2 months
Ulf Quellmann	1 Jan 2015	Renewable at each AGM	6 months	7 years 10 months
Bill Seeger	1 Jan 2015	Renewable at each AGM	6 months	7 years 10 months
Cathy Turner	1 Sept 2019	Renewable at each AGM	6 months	3 years 2 months
Kjersti Wiklund	19 Jan 2017	Renewable at each AGM	6 months	5 years 10 months

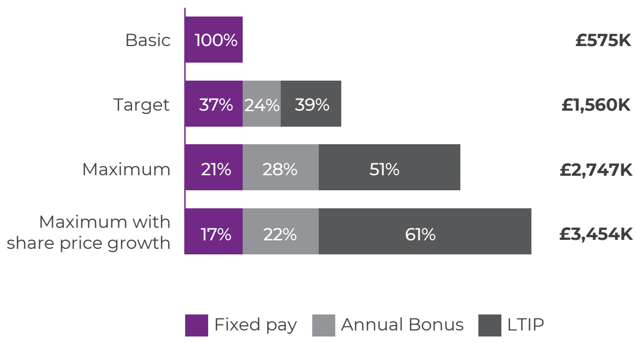
Appendix I – Directors' Remuneration Policy continued

Range of remuneration expectations
The following graphs show the remuneration each of the Executive Directors is expected to receive if their performance fails to meet threshold (basic), attains target, or achieves maximum under the proposals for variable remuneration to be approved at the December 2022 General Meeting. Additionally, the maximum performance graph shows the remuneration each Executive Director is expected to receive should the share price increase by 50% for the LTIP element over the life of the Policy:

Chief Executive's Remuneration
(£'000s)



Chief Financial Officer's Remuneration
(£'000s)



1 Fixed pay includes: base salary, car allowance, pension salary supplement, and benefits in kind.
2 Annual bonuses are based on a percentage of base salary: at target level this is 50% of maximum potential bonus; at maximum level this is 150% of base salary for all Executive Directors.
3 LTIP is based on a percentage of base salary: at target level this is 120% of base salary (60% of base award); at maximum level this is 280%.

Each bar shows the percentage of the total comprised by each of the parts.

Consideration of conditions elsewhere in the Group
The Committee is sensitive to the need to set all Directors' remuneration having regard to pay and employment conditions in the Group as a whole and is satisfied that the approach taken by the Company is fair and reasonable in light of current market practice and the best interests of shareholders. The levels of remuneration and annual increase awarded to the Presidents of each of the Group's operating businesses are taken into consideration, notwithstanding that these reflect such businesses' particular trading position and the geographical and technical employment markets in which they operate.

Remuneration for the Executive Committee is structured the same as for the Executive Directors with the exception of bonus deferral which does not apply to members of the Executive Committee. The Executive Committee pay levels are set at competitive levels to reflect the size, complexity and geographic locations of these businesses. Additionally, the Executive Committee participate in share awards under the LTIP, albeit at lower levels than the Executive Directors, and in profit-related bonus arrangements linked to base salary and payable according to their business's achievement of annual adjusted operating margin growth, like for like sales growth and cash conversion targets. On-target plan performance delivers 50% of the maximum potential bonus opportunity, with the upper limit being 125% of base salary.

Below this level, a range of different incentive arrangements apply as appropriate to the business, geography and level. The Company did not consult with employees in drawing up this report and no remuneration comparison measures were used.

Consideration of shareholders' views
The Committee engaged with the Company's top 25 shareholders and with ISS, the Investment Association, and Glass Lewis regarding the proposals for the Policy. The feedback received from this process was considered and incorporated in the proposals for the Directors' Remuneration Policy.

Appendix II – Definitions

"Act"	means the Companies Act 2006
"GM" or **"General Meeting"**	means the general meeting of Spectris plc to be held at Melbourne House, 5th Floor, 44-46 Aldwych, London WC2B 4LL on Tuesday 13 December 2022 at 13:30
"GM Notice"	means formal notice of the GM, which is set out on pages 5 to 8 of this document
"Company"	means Spectris plc
"CREST Proxy Instruction"	means the appropriate CREST message required in order for a proxy appointment or instruction made using the CREST service to be valid
"Euroclear"	means Euroclear UK and Ireland Limited
"IA"	means the Investment Association
"Ordinary Shares"	means the ordinary shares with nominal value of 5 pence each in the capital of the Company
"Form of Proxy"	means the form of proxy relating to the GM which has been enclosed with this document
"Nominated Person"	means any person to whom the GM Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights
"Resolution"	means the resolution contained in the GM Notice
"Shareholders"	means holders of the Ordinary Shares

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