

Section 430(2B) COMPANIES ACT 2006 STATEMENT

The following information is provided in accordance with section 430(2B) of the Companies Act 2006.

Further to the announcements on 27 September 2017, 30 January 2018, 23 April 2018 and 9 May 2018, Bruce Thompson stepped down from the Board of Diploma PLC at the close of the Board meeting on Tuesday, 8 May 2018 and after an orderly handover of responsibilities, he will retire from the Diploma Group on 30 September 2018. Remuneration arrangements in respect of his retirement as determined by the Company's Remuneration Committee in line with the Company's Remuneration Policy, approved by shareholders in January 2018, are set out below. Further details will be included in Diploma's 2018 Annual Report & Accounts to be published in December 2018.

Mr Thompson will be treated as a "good leaver" on his retirement from full time employment following almost 24 years' service, during which time he has played the leading role in developing and implementing the growth strategy of the Group.

Salary, annual bonus and benefits

Mr Thompson will receive his current salary and contractual benefits (including pension contributions) up to the date of his retirement at the end of September 2018.

Mr Thompson is also eligible to receive an annual bonus for the 2018 financial year of up to a maximum of 125% of base salary - all of this bonus will be based on the financial performance of the Group in the 2018 financial year. The annual bonus will be determined by the Remuneration Committee following the end of the 2018 financial year and paid in December 2018.

Long term incentive plan ("LTIP") awards

In accordance with the Rules of the relevant plans, Mr Thompson's outstanding LTIP awards under the Company's 2011 Performance Share Plan ("PSP") shall vest to the extent that performance conditions are met and pro-rated for time served, as follows:

- J Outstanding PSP award over an aggregate of 113,630 shares, for the three year Performance Period to 30 September 2018 - this will vest to the extent the applicable performance conditions are met over the Performance Period to 30 September 2018;
- J Outstanding PSP award over 85,263 shares, for the three year Performance Period to 30 September 2019 - this will vest to the extent the applicable performance conditions are met over the two financial years ending 30 September 2018 and then pro-rated for time served (2 out of the 3 years completed); and
- J Outstanding PSP award over 71,663 shares, for the three year Performance Period to 30 September 2020 - this will vest to the extent the applicable performance conditions are met over the financial year ending 30 September 2018 and then pro-rated for time served (1 out of the 3 years completed).

The PSP awards, in the form of nil-paid Options, may be exercised under the Rules of the relevant plans within the period of twelve months from the date that the number of vested award shares has been determined.

No further PSP awards will be made to Mr Thompson and no further payments will be made to Mr Thompson on his retirement.

AJ Gallagher
Group Company Secretary

9 May 2018