

KIER GROUP PLC

SECTION 430(2B) STATEMENT

The following statement is made by Kier Group plc (the “**Company**”) pursuant to section 430 (2B) Companies Act 2006.

As previously announced, on 22 January 2019, Haydn Mursell ceased to be a director of the Company, following which notice of termination of his employment was served by the Company to expire on 23 January 2020. Mr. Mursell has been on garden leave from the date on which notice was served and has been receiving his monthly salary and contractual remuneration since that date. Mr. Mursell has agreed with the Company that his employment will terminate on 8 August 2019 (the “**Termination Date**”).

Pursuant to his service agreement, and in accordance with the Company’s remuneration policy, following the Termination Date Mr. Mursell will receive monthly payments in lieu of notice, comprising payments in respect of his base salary, pension contribution and car allowance, for the period from the Termination Date to (and including) 23 January 2020 (the “**PILON Period**”). Mr. Mursell and his family will continue to be covered by the Company’s private medical insurance until 23 January 2020 or, if earlier, the date on which he commences new employment which provides a similar benefit. The monthly payments in lieu of notice, after deducting the cost to Mr. Mursell of private medical cover for his family, will be £62,904.29 in August 2019 to December 2019 (inclusive) and £46,471.68 in January 2020. These payments will be reduced by any income obtained by Mr. Mursell from any new employment or engagement in the PILON Period.

In accordance with its remuneration policy, the Company will contribute towards (i) the cost of outplacement services for Mr. Mursell (subject to a cap of £5,000, excluding VAT) and (ii) his legal fees in connection with entering into a settlement agreement governing the termination of his employment (subject to a cap of £12,500, excluding VAT).

Mr. Mursell will not receive an annual bonus for the financial years ended 30 June 2019 and ending 30 June 2020. His allocations of “deferred shares” with respect to bonuses in 2016, 2017 and 2018 will be released at the expiry of the respective three-year holding periods in 2019, 2020 and 2021 (subject, if appropriate, to any reduction for malus).

Mr. Mursell’s awards under the Company’s Long-Term Incentive Plan granted in October 2016, October 2017 and October 2018 have lapsed.

All payments are subject to deductions for tax and national insurance contributions.