

Kier Group plc

Rules of the Kier Group plc 2020 Long-Term Incentive Plan

Adopted by a committee of the board of directors of Kier Group plc (the “Committee”) on 16 October 2020, subject to the approval of shareholders at Kier Group plc’s Annual General Meeting on 17 December 2020. The Committee was established at a meeting of the said board of directors on 14 September 2020.

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1 DEFINITIONS

1.1 In this Plan the following expressions have the following meanings:

"**Adoption Date**" means the date on which the Plan was approved by the Company's shareholders in general meeting;

"**Announcement Date**" the date on which the Company announces its results for any period (preliminary, interim or otherwise);

"**Award**" means a right to acquire a specified number of Shares at such price or free as specified in accordance with these Rules (and whether by purchase or subscription), in the form of a contingent right to receive Shares or such other right as is determined by the Committee in its absolute discretion on the relevant Commencement Date;

"**Award Certificate**" means a certificate issued to a Participant evidencing the terms on which an Award is made;

"**Basic Annual Salary**" means the basic pay due to a Qualifying Employee from companies in the Group under contracts of employment and which, for the avoidance of doubt, includes amounts subject to salary sacrifice but excludes bonus pay, commissions, profit sharing pay and similar payments, employers pension contributions, allowances, and any benefits-in-kind within the meaning of Part 3 of the Income Tax (Earnings and Pensions Act) 2003;

"**Board**" means the board of directors of the Company;

"**Clawback**" means the recovery of value pursuant to Rule 6.2;

"**Commencement Date**" means, in respect of any Award, the date on which the Award is made in accordance with the Plan;

"**Committee**" means the Remuneration Committee of the Board or any other duly constituted committee of the Board;

"**Company**" means Kier Group plc (incorporated in England with company number 2708030);

"**Control**" has the meaning ascribed thereto in section 995 of the Income Tax Act 2007;

"**Director**" means a director of the Company;

"**Dividend Equivalent**" means a benefit calculated by reference to dividends paid on Shares, as described in Rule 5.8;

"**Employee**" means a bona fide employee of the Company or of any Subsidiary;

"**Financial Year**" a financial year of the Company within the meaning of section 390 of the Companies Act 2006;

"**Formula**" for the purposes of Rule 8.4 is $(A \text{ divided by } B) \text{ multiplied by } C = D$, where "A" is the number of full calendar months between the first day of the Performance Period and the relevant date of cessation for the purposes of Rule 8.2, "B" is the number of full calendar months between the first day of the Performance Period and last day of the Performance Period as determined at the Commencement Date, "C" is the Maximum Number of Shares and "D" is the reduced number of Shares that may be acquired;

"**Grantor**" means the Committee or the Trustee, as set out in Rule 2.1;

"**Group**" means the Company and its Subsidiaries from time to time;

"**Holding Period**" means the period after Vesting during which a Participant is required to retain their Shares, as set out in Rule 7.3;

"London Stock Exchange" means the London Stock Exchange plc or any successor of that company;

"Market Value" on any day shall be a price equal to the middle market quotation for a Share on the London Stock Exchange on the dealing day immediately preceding that day (as derived from the London Stock Exchange Daily Official List) or such other basis for determining market value for the purposes of these Rules as the Committee shall determine in its absolute discretion;

"Maximum Number of Shares" means, in relation to an Award, the maximum number of Shares which may become due in respect of that Award;

"Other Executive Scheme" means any discretionary share option plan or scheme or share incentive plan or scheme for Employees or Directors, other than any such plan or scheme for the benefit of the majority of Employees;

"Participant" means any person who has received an Award or Awards in accordance with the Plan or (where the context requires) a person who becomes entitled to the benefit of an Award or Awards in consequence of the death of a Participant;

"Performance Condition" means such performance condition governing the Vesting of an Award as the Committee shall determine (in its absolute discretion);

"Performance Period" means the period of time over which performance is measured for the purposes of the Performance Condition(s);

"Plan" means the Kier Group plc 2020 Long-Term Incentive Plan;

"Qualifying Employee" means any Employee (which shall include, for the avoidance of doubt, any Director who is also an Employee);

"Retained Shares" means any Shares subject to a Holding Period pursuant to Rule 7.1;

"Rules" means the rules of the Plan as contained herein and as amended from time to time;

"Sanction" means court sanction pursuant to Rule 9.3;

"Share" means an ordinary share in the capital of the Company (subject to the operation of Rule 10);

"Subsidiary" means any company (whether incorporated within or outside the United Kingdom and wheresoever resident) which is for the time being under the Control of the Company;

"Tax Liability" means any tax and/or social security contributions (or similar liabilities) arising in connection with an Award, as set out in Rule 5.6;

"Treasury Shares" means shares purchased by the Company in accordance with sections 724-732 of the Companies Act 2006;

"Trust" means the Kier Group 1999 Employee Benefit Trust established by the Company and the Trustee on 27 November 1999, and any other employee benefit trust established by any member of the Group so designated for the purposes of the Plan;

"Trustee" means the trustee or trustees for the time being of any Trust;

"Unvested Award" means an Award which has not Vested or lapsed;

"Vest/Vesting/Vesting Date" means, in relation to an Award, a Participant becoming entitled to have Shares or cash transferred to them subject to the Plan; and

"Vesting Period" means the period of three years commencing on the Commencement Date or such other period that the Grantor shall determine at the Commencement Date and specify in the Award Certificate.

- 1.2** Any reference herein to any enactment shall be construed as including a reference to that enactment as the same may from time to time be amended or re-enacted, and shall include any orders, regulations or other subordinate legislation made under the relevant enactment.
- 1.3** Wherever the context so admits or requires words in the singular shall include the plural and vice versa.
- 1.4** The headings to the Rules are for convenience only and have no legal effect.

2 MAKING OF AWARDS

2.1 The Grantor shall be entitled to make Awards pursuant to, and subject to, the terms of the Plan to such Qualifying Employees as it may in its absolute discretion select, provided that the person to whom an Award is made remains a Qualifying Employee on the relevant Commencement Date. If the Grantor is the Trustee, the Committee shall make recommendations to it in relation to its rights and obligations under the Plan and in respect of the Awards to be made. For the avoidance of doubt, the views expressed by the Committee in any recommendation will not be binding on the Trustee and irrespective of the terms of any recommendation the Trustee shall have full discretion with regard to any action it takes.

2.2 Subject to Rule 2.3, Awards may only be made:

2.2.1 within the period of 42 days commencing on the Adoption Date or in each period of 42 days commencing on the date on which any amendment to the Plan is approved and adopted in accordance with Rule 11;

2.2.2 within any period of 42 days commencing on the date immediately following any Announcement Date;

2.2.3 within the period of 42 days commencing on the date immediately following the day of commencement of a Qualifying Employee's employment with the Group;

2.2.4 within the period of 42 days commencing on the date when a new Directors' remuneration policy approved by the shareholders of the Company takes effect; and/or

2.2.5 in any other period of 42 days following the occurrence of an event which, in the opinion of the Committee, constitutes an exceptional event relating to or affecting the Company and/or the Group,

provided that in each case the relevant Commencement Date is prior to the tenth anniversary of the Adoption Date.

2.3 If the Grantor is restricted by statute, order or regulation (including any order, regulation or requirement imposed on the Grantor (or the Company) by any regulatory authority) from making Awards within any period set out in Rule 2.2 (or any part of such period) the Grantor may make Awards within the period of 42 days beginning with the date on which such restriction is removed.

2.4 Awards shall be granted by Deed.

2.5 No consideration shall be paid for the making of Awards.

2.6 Awards under the Plan shall be evidenced by an Award Certificate which shall specify the type of Award, the Maximum Number of Shares in respect of the Award, the price (if any) payable, the Performance Condition(s) (if any) and the Performance Period (if any) and/or any other conditions attaching to the Award as specified pursuant to Rule 2.7, the Vesting Period and Vesting Date of the Award, whether the Participant will be liable to pay any secondary Class 1 (employer) National Insurance contributions arising in relation to the Award, the basis on which the value of any Dividend Equivalent will be calculated and whether the provisions relating to malus and/or Clawback and/or a Holding Period will apply.

2.7 Awards shall be made subject to such Performance Condition(s) and/or any other conditions as may be determined by the Committee. The Committee may modify such Performance Condition(s) or conditions if the Committee, in its absolute discretion, deems it fair and reasonable that such Performance Condition(s) or conditions should be

modified, save that any modified Performance Condition(s) or conditions shall be not materially easier or materially more difficult to satisfy than the original Performance Condition(s) or conditions were considered to be when they were first set. The Committee shall inform the Grantor who will send to each Participant particulars of the revised Performance Condition(s) or conditions.

- 2.8** If an Award is made in breach of the limits contained in Rule 3, it shall be limited to such amount as would be within that limitation and, if necessary, the Committee shall, as soon as practicable, arrange for any original Award Certificate to be cancelled by the Grantor and a replacement Award Certificate to be issued in its place.
- 2.9** Awards shall be satisfied as the Committee in its absolute discretion determines (subject to the Trustee's agreement if applicable) by any of, or any combination of, the following:
- (a) the transfer by the Trustee or any other person of Shares (whether previously issued by the Company to the Trustee or otherwise acquired); or
 - (b) the issue of Shares by the Company; or
 - (c) the transfer of Treasury Shares by the Company; or
 - (d) the payment by the Company or any other member of the Group or the Trustee of a cash amount equal to the Market Value of the Shares that a Participant is entitled to receive in respect of a Vested Award, which Market Value shall be measured on the applicable Vesting Date.

3 LIMITATIONS

- 3.1** An Award made to a Qualifying Employee on any occasion shall be limited and take effect so that the Maximum Number of Shares in respect of Awards granted to the Participant under the Plan (valued according to their Market Value on their respective Commencement Dates) in any Financial Year of the Company shall not exceed the higher of (i) 200 per cent of the Qualifying Employee's Basic Annual Salary at the rate of salary which applies on the Commencement Date and (ii) the limit set out in the Directors' Remuneration Policy required pursuant to section 420 of the Companies Act 2006 in force on the Commencement Date. For the avoidance of doubt, the limit which applies to the executive directors of the Company shall be the limit set out in the Directors' Remuneration Policy in force on the Commencement Date.
- 3.2** The Grantor must not grant an Award if the number of Shares committed to be issued to satisfy such Award would exceed 5 per cent. of the ordinary share capital of the Company on the Commencement Date, when aggregated with the number of Shares which have been issued, or a Grantor has committed will be issued, to satisfy (i) Awards made under the Plan; and (ii) options or awards made or granted under any Other Executive Scheme adopted by the Company, in each case within the period of 10 years ending on the Commencement Date.
- 3.3** The Grantor must not grant an Award if the number of Shares committed to be issued to satisfy such Award would exceed 10 per cent. of the ordinary share capital of the Company on the Commencement Date, when aggregated with the number of Shares which have been issued, or a Grantor has committed will be issued, to satisfy (i) Awards made under the Plan; (ii) options or awards made or granted under any employee share incentive plan or scheme operated by the Company, in each case within the period of 10 years ending on the Commencement Date.
- 3.4** For the purposes of calculating the limits in Rules 3.2, and 3.3, no account shall be taken of any Shares where the right to subscribe for the Shares has been released, has lapsed or has otherwise become incapable of being satisfied and Treasury Shares shall be treated as Shares issued or to be issued for the purposes of this Rule 3 unless the guidelines of the Investment Association or any successor or similar entity cease to require Treasury Shares to be so treated.

4 AWARDS TO BE PERSONAL TO PARTICIPANTS

- 4.1** An Award shall be personal to the Participant and shall not be capable of being transferred by them, but in the event of the death of a Participant, a Participant's legal personal representatives shall receive the benefit of their Award as provided in Rule 8.
- 4.2** No Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over any Award.
- 4.3** If the Participant does or suffers to be done any act or thing whereby he would or might be deprived of the legal or beneficial ownership of an Award (including if the Participant becomes bankrupt) then that Award shall lapse forthwith.

5 VESTING AND SATISFACTION OF AWARDS

- 5.1** Save as specifically provided in these Rules or the applicable Award Certificate, an Award shall only Vest subject to and conditional upon the Performance Condition(s) (if any) relating to the Award being achieved, provided that the Committee may adjust (including by reducing to nil) the number of Shares in respect of which the Award shall Vest if, in its discretion, it determines that it would be appropriate to do so in order to override the formulaic outcome of any Performance Condition, taking into account such factors as it considers relevant, including but not limited to: (i) the performance of the Company or of any member of the Group; (ii) the conduct or performance of the relevant Participant; and/or (iii) any circumstances or events which have occurred since the Commencement Date. For the purposes of this Rule, the Committee shall determine, as soon as possible following the end of the relevant Performance Period, whether and to what extent the Performance Condition(s) has or have been achieved.
- 5.2** To the extent that the Performance Condition(s) has or have been achieved, or to such lesser extent determined in accordance with Rule 5.1 (or in the event that there are no Performance Conditions), an Award shall Vest with effect from the end of relevant Vesting Period (but subject to Rules 6.1.1(iii), 8 and 9). To the extent that the Performance Condition(s) has or have not been achieved or the Vesting of the Award has been adjusted downwards under Rule 5.1, the Award shall lapse with effect from the date on which such assessment of the Performance Condition(s) or downward adjustment is determined. As soon as practicable following the Vesting of an Award, the Committee shall decide the form in which the Award is to be satisfied pursuant to Rule 2.9 and shall notify the Participant and the Grantor accordingly. If the Award is to be satisfied with Shares (and subject to Rule 5.4), the Grantor shall then take all necessary steps to issue or transfer (or procure the issue or transfer) to the Participant the Shares in respect of which the Award has Vested and deliver to the Participant a definitive share certificate or other evidence of title in respect thereof or, if the Award is to be satisfied by a cash payment, the Grantor shall pay or procure the payment thereof.
- 5.3** On Vesting, the Participant shall deliver to the Grantor:
- 5.3.1** the relevant Award Certificate;
 - 5.3.2** a payment (which, for the avoidance of doubt, includes an undertaking to pay in a form acceptable to the Grantor) for the aggregate price due (if any); and
 - 5.3.3** unless the Participant has entered into arrangements pursuant to Rule 5.7, a payment for the Tax Liability due.
- 5.4** If and so long as the Company's share capital remains listed and admitted to trading on the London Stock Exchange, the Company shall make the appropriate application for admission of all Shares issued under the Plan to be so admitted.
- 5.5** Any Shares issued or transferred to a Participant following Vesting shall rank in full for all distributions declared, made or paid to shareholders on the register on the immediately following record date occurring after the date of issue or transfer and otherwise pari passu with the other fully-paid issued Shares.

- 5.6** In any case where any company and/or the Trustee is obliged to account:
- 5.6.1** for any tax (or similar liabilities) in any jurisdiction; and/or
- 5.6.2** for any social security contributions (or similar liabilities) in any jurisdiction (including, if specified at the Commencement Date, any secondary Class 1 (employer) National Insurance contributions),
- by virtue of the grant of an Award, the Vesting of an Award, the settlement of an Award or Dividend Equivalent (in cash or Shares) and/or the acquisition and holding of Shares pursuant to an Award (together, the "**Tax Liability**"), such company/the Trustee may recover the Tax Liability from the Participant in such manner as the Grantor shall think fit and (without prejudice to the generality of the foregoing) settlement of an Award or Dividend Equivalent shall not be made (and Shares shall not be issued or transferred) unless the Participant has either:
- (i) made a payment to that company/the Trustee of an amount equal to the estimated Tax Liability; or
 - (ii) entered into arrangements with that company/the Trustee to secure that such payment is made.
- 5.7** Without prejudice to the foregoing, the Company and/or the Trustee shall be entitled to retain or otherwise withhold Shares which would otherwise be issued or transferred to the Participant following Vesting (either at that time or in the future) or withhold a cash amount having a value (after deduction of costs etc.) equal to the Tax Liability due, and shall expressly have the power to sell such Shares and apply the proceeds from such sale in satisfying the relevant Tax Liability.
- 5.8** An Award may include the right to receive a benefit determined by reference to the ordinary dividends payable on the gross number of Shares in respect of which the Award Vests between the Commencement Date and the date when a Participant can first receive Shares as a result of the Vesting of their Award. The Committee shall decide the basis on which the value of such dividends shall be calculated, which may assume the reinvestment of dividends. The Committee may also decide on or before the Vesting Date whether the Dividend Equivalent shall be provided to the Participant in the form of cash and/or Shares.
- 5.9** To the extent that any Dividend Equivalent is to be satisfied with Shares, then as soon as practicable following the Vesting of an Award the Grantor shall, subject to Rule 5.4, take all necessary steps to transfer (or procure the issue or transfer) to the Participant of such Shares and deliver to the Participant a definitive share certificate or other evidence of title in respect thereof.
- 5.10** To the extent that any Dividend Equivalent is to be satisfied by a cash payment, the Grantor shall pay or procure the payment thereof as soon as practicable following the Vesting of an Award.

6 MALUS AND CLAWBACK

6.1 Malus

- 6.1.1** The Committee may, at any time before an Award has Vested and in its absolute discretion, decide that if any of the circumstances specified in the Award Certificate occurs:
- (i) the number of Shares subject to any Award shall be reduced;
 - (ii) the Award shall lapse (at a time it determines);
 - (iii) the Vesting of the Award shall be delayed until any investigation which may affect the Participant is completed or any action required to comply with any regulatory or legal requirement is completed; and/or
 - (iv) additional conditions shall be imposed on the Vesting of the Award.
- 6.1.2** The following shall apply where there is a delay under Rule 6.1.1(iii):

- (i) if a Participant leaves employment after the date on which the Award would have Vested, but for the delay then, unless the Committee decides otherwise, Rule 8 (*Cessation of Employment*) shall not apply. The Award shall not lapse but shall Vest to the relevant extent (subject to any further adjustment under this Rule 6.1) when the investigation or action is completed; and
- (ii) Vesting of the Award shall not be delayed beyond any date on which Vesting would otherwise occur under Rule 9 (*Change of Control*).

6.1.3 This Rule 6.1 shall apply notwithstanding any other provision of the Plan.

6.2 Clawback

6.2.1 The Committee may, in its absolute discretion, decide that during the period commencing on the Vesting of an Award and ending on the second anniversary of such Vesting (but subject to Rule 6.3.4), a Participant shall be subject to Clawback if any of the circumstances specified in the Award Certificate occurs.

6.2.2 If Clawback applies, the Committee may decide that the Participant:

- (i) must transfer to or to the order of the Company a number of Shares which is equal to (or less than) the number of Shares issued or transferred to them pursuant to the Award and any related Dividend Equivalent; and/or
- (ii) pay to or to the order of the Company an amount representing the value of the Shares acquired under the Award and any related Dividend Equivalent; and/or
- (iii) pay to or to the order of the Company an amount equal to any cash payment made to them pursuant to the Award and any related Dividend Equivalent.

6.2.3 In addition, the Committee may decide that any salary, Award, bonus, deferred bonus or other benefit which might have been granted, Vested or paid to the Participant under this or any other arrangement shall be reduced, not awarded or not Vest.

6.3 General

6.3.1 Rules 6.1 and 6.2 may apply if the Participant was not responsible for the event in question or if it took place before the Vesting or grant of the Award.

6.3.2 Rules 6.1 and 6.2 may be applied in different ways for different Participants in relation to the same or different events.

6.3.3 The Committee shall notify a Participant of any adjustment made to their Award pursuant to Rule 6.1.

6.3.4 Clawback shall not apply where an Award has Vested in accordance with Rule 9 (*Change of Control*).

6.3.5 Without limiting Rule 11.5, the Participant shall not be entitled to any compensation in respect of the operation or purported operation of Rules 6.1 and 6.2.

7 HOLDING PERIOD

7.1 Determination of the Holding Period

7.1.1 The Committee may decide on or prior to the Commencement Date of an Award that the Award shall be subject to a Holding Period.

7.1.2 Shares to be issued or transferred to a Participant on or after Vesting (including any Shares representing any Dividend Equivalents), after deducting any Shares retained or withheld to satisfy

a Tax Liability (the “**Retained Shares**”), shall be subject to a Holding Period during which the Participant agrees to restrict their dealings with the Retained Shares in accordance with Rule 7.2.

7.1.3 The Committee shall put in place such arrangements to enforce the Holding Period as it considers necessary. These may include arranging for the Retained Shares to be issued or transferred to a designated nominee to be held on trust absolutely for the Participant during the Holding Period, on such administrative terms as the Committee determines, or an undertaking in writing from a Participant not to transfer the shares during the Holding Period. The Participant must enter into any documentation, including a power of attorney or blank stock transfer form, requested by the Grantor.

7.2 Terms applicable to Retained Shares

7.2.1 The Participant agrees with the Company that he shall not sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over any Award or otherwise dispose of the Retained Shares or any interest in them, or assign their beneficial interest in the Retained Shares, instruct any nominee to assign the Retained Shares or call for the legal title to the Retained Shares during the Holding Period, except:

- (i) in the case of the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue or similar event;
- (ii) in respect of Shares disposed of under Rule 5.7;
- (iii) if Clawback applies under Rule 6.2; or
- (iv) if the Committee, in its absolute discretion, decides otherwise.

7.2.2 During the Holding Period, the Participant shall be entitled to vote and have all other rights of a shareholder in respect of the Retained Shares. Any dividends payable in respect of the Retained Shares during the Holding Period shall be paid to the Participant. However, if the Committee decides that Clawback applies to the Retained Shares, such dividends (howsoever paid) shall (unless the Committee, in its absolute discretion decides otherwise) be subject to Clawback during the Holding Period in accordance with Rule 6.2.

7.2.3 Any securities which the Participant receives in respect of Retained Shares as a result of an event described in Rule 10.1 during the Holding Period shall, unless the Committee decides otherwise, be subject to the same restrictions as the corresponding Retained Shares. This shall not apply to any Shares which a Participant acquires on a rights issue or similar transaction to the extent that they exceed the number they would have acquired on a sale of sufficient rights under the rights issued nil-paid to take up the balance of the rights.

7.2.4 To the extent that Retained Shares are subject to Clawback, then a Participant is deemed to consent to their immediate transfer, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Committee.

7.3 Duration of the Holding Period

7.3.1 The Holding Period shall begin on the date on which an Award Vests and shall end on the earliest of the following:

- (i) the second anniversary of the Vesting Date;
- (ii) any change of Control of the Company other than in the context of a Reorganisation (as defined in Rule 9.8);
- (iii) any date on which the Committee decides that the number of Retained Shares is sufficiently small that the continuation of the Holding Period is not warranted;
- (iv) the death of the Participant;

- (v) if the Committee so decides, on Court sanction of any scheme, compromise or arrangement described in Rule 9 which is not associated with a change of Control of the Company or on the passing of a resolution for the voluntary winding up of the Company; or
- (vi) such earlier date as the Committee may, in its absolute discretion, decide.

7.3.2 At the end of the Holding Period, Rule 7.2 shall cease to apply to the Retained Shares.

7.3.3 The Holding Period shall continue regardless of the Participant leaving employment (except in circumstances of the death of the Participant).

8 CESSATION OF EMPLOYMENT

8.1 Save as provided in Rule 8.2, where a Participant ceases to be an Employee or Director their outstanding Award(s) (whether or not Vested) shall lapse on the date of such cessation. For the avoidance of doubt, a Participant shall not be treated as having ceased to be an Employee or Director unless and until they no longer hold any office or employment with any Group Company. Furthermore, where a Participant ceases to be an Employee or Director because their employment or office is terminated without notice or where they terminate their employment or office with or without notice, their employment or office shall be deemed to cease, for the purposes of this Rule 8, on the date on which the termination takes effect or, if earlier, the date of giving such notice. If a Participant's employment or office is terminated by any Group Company with notice, their employment or office shall be deemed to cease on the date when such notice expires or, if earlier (unless the Committee decides otherwise), the date on which the Participant is placed on 'garden leave' to serve all or part of their notice (in accordance with the terms of their employment contract or as otherwise required by the Company).

8.2 Rule 8.3 shall apply if, prior to the Vesting Date of an Award, a Participant ceases to be an Employee or Director by reason of:

8.2.1 death;

8.2.2 ill-health, injury or disability (each evidenced to the satisfaction of the Committee);

8.2.3 retirement with the agreement of the Company;

8.2.4 the sale or transfer of the business or part of the business of the Group in which the Participant is employed to a company which is not a member of the Group;

8.2.5 the company in relation to which they are an Employee or Director ceasing to be a member of the Group;

8.2.6 redundancy in circumstances which give rise to a redundancy payment; or

8.2.7 any other circumstances approved by the Committee (in its absolute discretion) provided that such approval shall be given (if at all) within 30 days of such cessation at the end of which (if approval is not given) the Participant's Award(s) shall lapse.

8.3 Where a Participant ceases to be an Employee or Director by reason of any of the circumstances set out in Rule 8.2 all of their outstanding Vested Awards (including those Unvested Awards whose Vesting has been accelerated pursuant to Rule 8.4.1) shall be satisfied in accordance with Rule 5.

8.4 The Grantor may, upon the recommendation of the Committee in its absolute discretion, permit a Participant who has ceased to be an Employee or Director by reason of any of the circumstances set out in Rule 8.2 (or their personal representatives if appropriate) either:

8.4.1 to have their outstanding Unvested Awards satisfied on an accelerated basis (in accordance with Rules 8.3, but subject to Rule 8.5); or

8.4.2 to retain their outstanding Unvested Awards until the relevant Vesting Date and, subject to those Awards Vesting in accordance with their terms (including any relevant Performance Condition(s)), to have their Unvested Awards satisfied at that time,

save that in each of the above cases the Committee may also, but is not required to, reduce the number of Shares that may be acquired by applying the Formula.

8.5 In exercising its discretion as to the extent to which an Unvested Award shall Vest early under Rule 8.4.1, the Committee shall take into account:

8.5.1 the amount of progress made by the Company towards meeting the Performance Condition(s) (if any) relating to the Unvested Award by reference to the relevant date of cessation;

8.5.2 the extent to which it considers that the Performance Condition(s) (if any) relating to the Unvested Award would have been satisfied by the end of the Vesting Period relating to the Award had the cessation event not taken place; and

8.5.3 any other factors which the Remuneration Committee considers, in its absolute discretion, to be relevant;

provided that any such discretion must be applied (if at all) within 30 days of such cessation at the end of which (if the Committee decides not to permit accelerated Vesting) the Unvested Award(s) shall be governed by Rule 8.4.2 instead.

9 CHANGE OF CONTROL

9.1 Subject to Rule 9.8, if in connection with or as a result of an offer to shareholders in the Company (or any of them) the Company will come under the Control of another person ("**change of control**") any outstanding Unvested Award shall Vest to the extent determined by the Committee in accordance with Rule 9.7 when such offer becomes wholly unconditional, and Rule 5 shall apply.

9.2 Subject to Rule 9.8, if under Sections 974 to 991 of the Companies Act 2006 or (where relevant) legislation that the Grantor determines is the overseas equivalent thereof, any person becomes bound or entitled to acquire shares of a class over which Awards have been granted the Board shall forthwith notify every Participant that outstanding Unvested Awards shall Vest to the extent determined by the Committee in accordance with Rule 9.7 when such person becomes so bound or entitled, and Rule 5 shall apply.

9.3 Subject to Rule 9.8, if under Sections 895 to 901 of the Companies Act 2006 or (where relevant) legislation that the Grantor determines is the overseas equivalent thereof, the Court sanctions a scheme, compromise or arrangement proposed for the purposes of or in connection with the acquisition of Shares, any outstanding Unvested Award shall Vest to the extent determined by the Committee in accordance with Rule 9.7 on the Court sanction of such scheme, compromise or arrangement, and Rule 5 shall apply.

9.4 For the purposes of this Rule 9 a person shall be deemed to have obtained Control of a company if they and others acting in concert with them have together obtained control of it.

9.5 If notice is duly given to members of a resolution for the voluntary winding-up of the Company outstanding Unvested Awards granted under the Plan shall Vest to the extent determined by the Committee in accordance with Rule 9.7 immediately prior to the passing of the resolution, and Rule 5 shall apply. The Vesting of an Award in such circumstances shall be of no effect if the resolution is not passed prior to the tenth anniversary of the relevant Commencement Date. Subject thereto all Awards shall lapse on the passing of a resolution to wind-up the Company.

9.6 If the Company proposes a demerger, delisting, distribution (other than an ordinary dividend) or other transaction which, in the opinion of the Committee, could reasonably be expected materially to affect the current or future value of Awards, outstanding Unvested Awards may Vest to the extent determined by the

Committee in accordance with Rule 9.7 at such time as the Committee may decide, and Rule 5 shall apply. The Directors may impose other conditions on Vesting.

9.7 The Committee shall determine the extent to which an Unvested Award shall Vest under Rules 9.1, 9.2, 9.3, 9.5 and 9.6 by taking into account:

9.7.1 the amount of progress made by the Company towards meeting the Performance Condition(s) (if any) relating to the Award by reference to the date on which the relevant event under Rules 9.1, 9.2, 9.3, 9.5 or 9.6 takes place (the "**Relevant Event**");

9.7.2 the extent to which it considers that the Performance Condition(s) (if any) relating to the Unvested Award would have been satisfied by the end of the Vesting Period relating to the Award had the Relevant Event not taken place;

9.7.3 the proportion of the Vesting Period that has elapsed relating to the Unvested Award; and

9.7.4 any other factors which the Committee considers, in its absolute discretion, to be relevant,

and, for the avoidance of doubt, if under this Rule 9.7, the Committee determines that the Performance Condition(s) relating to an Unvested Award would have been satisfied in full by the end of the relevant Vesting Period or has already been satisfied at the time of the Relevant Event, then the early Vesting of the Unvested Award can be permitted in full.

9.8 Unless the Committee determines otherwise (in full or in part), an Award shall not vest pursuant to this Rule 9 if, as a result of any corporate event described in Rules 9.1, 9.2 and 9.3 (a "**Corporate Event**"), a company will obtain Control of the Company (the "**Acquiring Company**") and, immediately following the Corporate Event, the Acquiring Company will have (either directly or indirectly) substantially the same shareholders and in approximately the same shareholdings as those of the Company prior to the Corporate Event (a "**Reorganisation**").

In such case the existing Award (the "**Old Award**") shall lapse on the occurrence of the relevant Corporate Event, and the New Parent Company shall grant a replacement right to receive shares (the "**New Award**") over such number of shares in the New Parent Company which are of equivalent value to the number of Shares in respect of which the Old Award was outstanding. The New Award shall be granted on the terms of the Plan, but as if the New Award had been granted at the same time as the Old Award and shall continue to be subject to any Performance Condition(s).

9.9 For the purposes of Rule 9.8:

9.9.1 the "**New Parent Company**" shall be the Acquiring Company, or, if different, the company that is the ultimate parent company of the Acquiring Company within the meaning of section 1159 of the Companies Act 2006; and

9.9.2 the terms of the Plan shall, following the date of the relevant Corporate Event, be construed as if:

(i) the reference to "Kier Group plc" in the definition of "**Company**" in Rule 1 were a reference to the company which is the New Parent Company; and

(ii) except where the New Parent Company is listed on the London Stock Exchange, Rule 11.2 were omitted.

10 ALTERATION OF CAPITAL OF THE COMPANY

10.1 In the event of any capitalisation issue, rights issue, open offer or placing of Shares (or any combination of the foregoing) or any sub-division or consolidation of Shares or any reduction in, or other alteration or variation of, the share capital of the Company or upon a demerger of the Group or the payment by the Company of a super or special dividend or any other event which would materially affect the value of an Award, the Grantor may (following consultation with the Committee) make such adjustments to the terms of Awards, including (without limitation) to the number of Shares that are the subject of an Award and/or any

price due, as the Committee considers to be in its opinion fair and reasonable, provided that in no event shall an adjustment be made that would cause Shares to be issued for less than their nominal value.

- 10.2** If as a result of an alteration pursuant to Rule 10.1, the price due under any Award to subscribe for Shares would (but for the proviso in Rule 10.1) fall below the nominal value of a Share the Company may, to the extent it is lawful to do so, upon the Vesting of such an Award capitalise reserves to be applied in paying up additional Shares to be allotted to the Participant to bring about a full equitable adjustment hereunder.
- 10.3** If pursuant to Rule 10.1 any increase occurs in the number of Shares comprised within or which might be acquired pursuant to an Award, the additional Shares comprising such increase shall for the purpose of the Plan be treated as if they had been subject of the Award since the applicable Commencement Date.
- 10.4** If any adjustment to an Award falls to be made pursuant to Rule 10.1, the Grantor shall send to each Participant particulars of the adjustment within 28 days after it has been determined.

11 ADMINISTRATION, AMENDMENT AND TERMINATION

- 11.1** Subject to Rule 11.2, the Plan shall in all respects be administered by the Committee and all or any of the provisions of the Plan may be altered by the Committee (and without other formality) in such manner as the Committee sees fit, provided that no such alteration shall operate to affect adversely in a material way any right already acquired by a Participant under the Plan except with the consent of such Participant.
- 11.2** Save for a change described in Rule 11.3, the Company in general meeting must approve in advance by ordinary resolution any alteration to the terms of the Plan which would be to the advantage of any individual who has been or may be granted an Award and which relates to:
- 11.2.1** the definition of “Qualifying Employee” in Rule 1; or
 - 11.2.2** any of the limitations set out in Rule 3; or
 - 11.2.3** the basis for determining a Participant’s entitlement to, and the terms of, securities, cash or other benefit under the Plan or the basis of the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital; or
 - 11.2.4** this Rule 11.2.
- 11.3** The Directors can change the Plan and need not obtain the approval of the Company in general meeting for the following minor changes:
- 11.3.1** to benefit the administration of the Plan; or
 - 11.3.2** to comply with or take account of the provisions of any proposed or existing legislation; or
 - 11.3.3** to take account of any changes to legislation; or
 - 11.3.4** to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Subsidiary or any present or future Participant.
- 11.4** The Plan may be terminated at any time by the Committee and if the Plan is so terminated no further Award shall be granted hereunder but the then existing rights of Participants under the Plan shall not thereby be affected.
- 11.5** The Company, or such other member of the Group as the Committee shall specify, shall bear the costs of establishing and administering the Plan including (but not limited to) the payment of any stamp duty or stamp duty reserve tax arising on the transfer of Shares to the Participant.
- 11.6** Participation in the Plan by a Participant is a matter entirely separate from, and shall not affect, their pension rights and terms of employment or office and, in particular (but without prejudice to the generality of the foregoing), if a Participant shall for any reason cease to hold an office or employment with any member of

the Group or to be entitled to receive Shares under an Award, they shall not be entitled to any compensation by reference to the rights granted to them, or the benefits capable of being received by them, under this Plan or for any loss or diminution in value of such rights or benefits, whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise howsoever. This exclusion applies equally (and without limitation) to any loss arising from the way in which the discretion is (or is not) exercised under any Rule or schedule of the Plan (and, in particular, but not limited, under Rules 6, 7, 8, 9 and 10) even if the exercise (or non-exercise) of such discretion is, or appears to be, irrational or perverse and/or breaches, or is claimed to breach any implied term of the Plan or any other contract between the Participant and their employer.

- 11.7** Awards will not count as pay or remuneration when calculating salary related benefits (including pensions).
- 11.8** Nothing in this Plan confers any benefit, right or expectation on a person who is not a Participant. No such third has any rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan. This does not affect any other right or remedy of a third party which may exist.
- 11.9** Subject to Rule 11.10, by participating in the Plan and accepting an Award, the Participant consents to the holding and processing of personal information the Participant provides to any member of the Group, trustee or third-party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to:
- 11.9.1** administering and maintaining Participant records;
 - 11.9.2** providing information to members of the Group, trustees of any employee benefit trust, registrars, brokers or third-party administrators of the Plan;
 - 11.9.3** providing information to future purchasers or merger partners of the Company, the Participant's employing company, or the business in which the Participant works;
 - 11.9.4** transferring information about the Participant to any country or territory that may not provide the same statutory protection for the information as the Participant's home country.
- 11.10** The basis for any processing of personal information about the Participant under the EU's General Data Protection Regulation (2016/679) (or any successor laws) is set out in the Company's Share Plan Privacy Notice and is not the consent given under Rule 11.9. The Share Plan Privacy Notice also contains details about how the Participant's personal information is processed and the Participant's rights in relation to that information. The Participant has a right to review the Share Plan Privacy Notice.
- 11.11** All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Participant is responsible for complying with any requirements to obtain or avoid the necessity for any such consent.
- 11.12** Nothing in these Rules or the terms of any Award will oblige the Grantor or any other person to make any remuneration payment or payment for loss of office which would be in breach of Chapter 4A of Part 10 of the Companies Act 2006 (which requires such payments to be within an approved remuneration policy or otherwise approved by shareholders). The Company will not be obliged to seek the approval of its shareholders in general meeting for any such payment but may make such changes as are necessary or required to the terms of any payment to ensure that it is not in breach of that Chapter.
- 11.13** The decision of the Committee on the interpretation of the Plan or in any dispute relating to an Award or matter relating to the Plan shall be final and conclusive on all persons.
- 11.14** The Plan and the rights and obligations of the Company and the Participant shall be governed by and construed in accordance with the Laws of England. Any claim, dispute, or difference arising out or in connection with this Plan shall be subject to the exclusive jurisdiction of Courts of England and Wales, provided that nothing contained in this Rule 11.14 shall be taken to have limited the right of the Grantor to proceed in the Courts of any competent jurisdiction.

12 NOTICES

- 12.1** A Participant shall not by virtue of any Award be entitled to receive copies of any notices or other documents sent by the Company to the holders of Shares.
- 12.2** Any notice or other communication between the Company or the Trustee and a Participant may be given by sending the same by prepaid post, electronic means or by personal delivery to, in the case of the Company or the Trustee, the Company's registered office and, in the case of the Participant, their address as notified by them to the Company from time to time.
- 12.3** Any notice or other communication sent by post:
- (a) by the Company or the Trustee shall be deemed to have been received 48 hours after the same was put in the post properly addressed and stamped;
 - (b) by the Participant shall be deemed to have been received when the same is delivered to the Company.
- 12.4** Any notice or other communication sent by electronic means, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

13 INTERNATIONAL

- 13.1** Notwithstanding any other provision of this Plan, the Committee may from time to time amend or alter the provisions of the Plan and/or the terms of Awards as they may in their absolute discretion consider necessary or desirable to comply with or take account of relevant overseas legal, taxation or securities laws. To the extent that any such alterations or amendments are to the material advantage of the overseas Participants, such alterations or amendments shall be made in accordance with the provisions of Rule 11.2.
- 13.2** Any alteration or amendment to this Plan made in pursuance of Rule 13.1 in relation to the operation of the Plan in a particular jurisdiction shall be contained in a separate schedule (which schedule may take the form of an award agreement reflecting the provisions required under Rule 13.1) in respect of the operation of the Plan in that jurisdiction to be attached hereto.

