



Kier Group

Kier Group plc
81 Fountain Street
Manchester
M2 2EE

www.kier.co.uk

20 November 2020

Dear Shareholder,

Kier Group plc (the “Company”) FY21 LTIP awards

In its 2020 Annual Report, the Company confirmed that, prior to its Annual General Meeting on 17 December 2020 (the “AGM”), it would provide details of the awards to be granted under the Company’s long-term incentive plan (the “LTIP”) to its Executive Directors during the financial year ending 30 June 2021 (“FY21”).

At the AGM, shareholders will be asked to approve the Company’s new remuneration policy. During the Summer, I engaged with a number of shareholders about the new policy; I would like to thank those who participated in the process for their constructive engagement. Although shareholders indicated that, overall, they were satisfied with the structure of the policy, they also confirmed that they would expect a reduction in the LTIP awards to be granted to the Executive Directors in FY21 so as to reflect the decrease in the share price over the year.

The Remuneration Committee (the “Committee”) has therefore decided to grant LTIP awards of 130% of base salary to each of the Chief Executive and the Chief Financial Officer in FY21 (rather than 175% of base salary, as initially proposed), subject to the approval of the new LTIP rules at the AGM. The performance conditions for these awards remain under consideration and further details will be provided in due course. The Committee believes that the level of these awards is appropriate to incentivise the delivery of the Company’s strategic objectives and to promote its long-term success, thereby aligning management’s interests with those of shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read "H Rabbatts".

Heather Rabbatts

**Chair of the Remuneration Committee
Kier Group plc**

Registered Company Name:
Kier Group plc
Registered Office: 81 Fountain Street, Manchester, M2 2EE
Registered in England No. 2708030