

**Internet Disclaimer:**

2015 Rights Issue IRS Form 8937

INFORMATION FOR CERTAIN SHAREHOLDERS

This IRS Form 8937 "Report of Organizational Actions Affecting Basis of Securities" is being made available by Kier Group plc pursuant to Section 6045B of the U.S. Internal Revenue Code, which requires issuers to report certain organizational actions that affect the U.S. tax basis of securities in the hands of shareholders and additional information about the effect on basis.

The purpose of this disclosure is to assist holders of ordinary shares in determining the impact of the organizational actions discussed herein on the tax basis of their ordinary shares. However, the information contained in this disclosure does not constitute tax advice and does not take into account any shareholder's specific circumstances. Shareholders are urged to read the discussion under the heading "U.S. federal income tax considerations" included in the Rights Issue circular and to consult their own tax adviser regarding the U.S. tax consequences of the Rights Issue and allocating basis in their ordinary shares to the rights received in the Rights Issue. Any capitalized terms used and not defined in this disclosure have the meaning given in the Rights Issue circular.

This IRS Form 8937 and attachment in respect of the Rights Issue are available for download on Kier Group plc's **website** and will be available until 2025.

**Internal Revenue Service**

**Attachment to Form 8937**

**Kier Group plc**

Please find information as per IRS Form 8937 completed and published by Kier Group plc (the “**Company**”) in July 2015.

**Line 10:**

ISIN code for the ordinary shares of the Company (the “**Shares**”) is GB0004915632

ISIN code for the Rights (defined below) is GB00BWWC6C19

**Line 14:**

The Company issued to its existing shareholders at 8:00 a.m. on 18 May 2015 rights to acquire 5 new Shares at 858 pence per new Share (the “**Issue Price**”) for every 7 existing Shares in the Company held at the close of business on 13 May 2015 by such shareholders (the “**Rights**”). The Rights were separately tradable and each Right entitled a holder to acquire one new Share, subject to the terms and conditions set out in the Rights Issue circular. The Rights were traded on the London Stock Exchange beginning on 18 May 2015. On 18 May 2015, the first day of trading for the Rights, the existing Shares trading on the London Stock Exchange had a volume weighted average price (“**VWAP**”) of 1365.3424 pence and the Rights had a VWAP of 505.1533 pence (source: Bloomberg).

The underwriters of the issuance sought to obtain subscribers for any Rights not duly exercised by a shareholder prior to 11:00 a.m. on 2 June 2015, with any premium received over the Issue Price, less related expenses, paid as consideration to such shareholder for the Rights, subject to the terms and conditions set out in the Rights Issue circular.

For purposes of the information and calculations herein, the Company intends to use the VWAP of the Shares on 18 May 2015 (the first day of trading for the Rights and the last date as of which a shareholder was required to hold existing Shares to be entitled to acquire new Shares in the Rights Issue) as the fair market value of a Share, or 1365.3424 pence, and the VWAP of the Rights on 18 May 2015 multiplied by 5/7 as the fair market value of the Rights with respect to each Share, or 360.8238 pence (since shareholders received five Rights for every seven existing Shares they held). Other methods of calculating the fair market value of the Shares or the Rights are possible and you should consult your own tax advisor regarding such other methods.

**Line 15:**

Because the fair market value of the Rights with respect to each Share were greater than 15 per cent. of the fair market value of a Share, the basis in a shareholder’s existing Shares must be allocated between such existing Shares and the Rights received with respect to such Shares in proportion to their relative fair market values determined on the date of receipt, i.e. 18 May 2015.

A shareholder who received Rights must allocate 20.9032 per cent. of its basis in its existing Shares to the Rights and reduce its basis in such existing Shares by an equal amount.

**Line 16:**

The VWAP of the Shares on 18 May 2015, the first day of trading for the rights [and the date as of which a shareholder was required to hold existing Shares to be entitled to acquire new Shares in the Rights Issue], was 1365.3424 pence. The VWAP of Rights on 18 May 2015, or 505.1533 pence, multiplied by 5/7—since shareholders received five Rights for every seven existing Shares they held—was 360.8238 pence. The Rights with respect to each Share represented 20.9032 per cent. of the fair market value of a Share and the Rights with respect to each Share, together, on 18 May 2015. Accordingly, using the fair market value of the Rights with respect to each Share as determined on 18 May 2015, a shareholder who received Rights must allocate 20.9032 per cent. of its basis in its Shares to the Rights it receives and reduce its basis in its Shares by an equal amount.

**Line 17:**

U.S. Internal Revenue Code Sections 305(a) and 307(a).

**Line 18:**

A shareholder will recognize a loss on the sale or other disposition of Rights (including a sale of Rights by the Underwriters on behalf of a shareholder) to the extent the shareholder's adjusted basis in such Rights exceeds its amount realized from such sale or other disposition.