

KIER GROUP PLC
SECTION 430(2B) STATEMENT

The following statement is made pursuant to section 430 (2B) Companies Act 2006.

As previously announced, on 27 April 2015 Steve Bowcott ceased to be a director of Kier Group plc (the "Company"). His employment with the Company terminated on 30 April 2015 (the "Termination Date").

In accordance with the terms of his service agreement and the Company's remuneration policy, Mr. Bowcott received salary and benefits as normal until 30 April 2015 and it was agreed that he would receive a payment in lieu of base salary, pension allowance and car allowance for his 12-month notice period, on the following basis:

- a lump sum payment of £129,275 (less deductions for tax and national insurance contributions) in respect of the first three (3) months of his notice period (being May, June and July 2015); and
- nine (9) lump sum payments of £43,083 (less deductions for tax and national insurance contributions), commencing in August 2015. These monthly payments will be subject to mitigation should Mr. Bowcott obtain new employment before 30 April 2016.

Mr. Bowcott will continue in the Company's private medical insurance scheme for six (6) months from the Termination Date or, if earlier, until he secures new employment. If Mr. Bowcott does not secure new employment after six (6) months, the monthly payments referred to above will be increased to reflect the loss of this benefit.

Mr. Bowcott will be considered for an annual bonus for that part of the financial year ending 30 June 2015 in which he was actively employed by the Company. His allocation of "deferred shares" with respect to bonuses in 2012 and 2013 were released immediately following the Termination Date and the allocation of "deferred shares" for 2014 will be released at the expiry of the three-year holding period in 2017 (subject, if appropriate, to any reduction for malus).

Mr. Bowcott's 2012, 2013 and 2014 awards under the Company's Long-Term Incentive Plan will vest on the vesting dates in September 2015, October 2016 and October 2017, respectively, subject to the satisfaction of their performance conditions and time pro-rating up to the Termination Date.

The Company agreed to contribute (i) up to £15,000 (excluding VAT) towards the cost of outplacement counselling for Mr. Bowcott, (ii) up to £10,000 (excluding VAT) towards Mr. Bowcott's legal fees in connection with his departure and (iii) up to £500 towards the renewal of Mr. Bowcott's membership of the Institute of Civil Engineering before the first anniversary of the Termination Date.