



KIER GROUP PLC
(the "Company")

PERFORMANCE CONDITIONS FOR FY24 AWARD TO BE GRANTED UNDER KIER GROUP PLC'S LONG TERM INCENTIVE PLAN (THE "LTIP")

The Company will be granting a contingent right to acquire shares under the Long Term Incentive Plan to the Executive Directors in FY24 ("the Award").

The Award will vest on the third anniversary of the date of grant. The performance period is the three-year period from 1 July 2023 to 30 June 2026.

The measures and targets attaching to the Award are as follows:

Adjusted Earnings Per Share (the "EPS Element of the Award") – 40%

Up to 40% of the Award will Vest by reference to the Group's adjusted earnings per share ("EPS") for the financial year ending 30 June 2026 ("FY26 EPS").

- If FY26 EPS is less than 21.0p, there will be no Vesting of the EPS Element of the Award;
- 25% of the EPS Element of the Award will Vest if EPS is 21.0p; and
- 100% of the EPS Element of the Award will Vest if EPS is 26.2p or more.

Vesting between these latter two (2) points will be on a straight-line basis.

Total Shareholder Return (the "TSR Element of the Award") – 25%

Up to 25% of the Award will Vest by reference to the Company's total shareholder return (TSR) performance, as compared to the FTSE 250 Index excluding investment trusts (the "Comparator Group").

The relevant TSR performance will be measured by comparing the Company's average TSR over the three-month period beginning on (and including) 1 April 2023 and ending on (and including) 30 June 2023 with its average TSR over the three-month period beginning on (and including) 1 April 2026 and ending on (and including) 30 June 2026.

- The TSR Element of the Award will not Vest if the Company performs below the median constituent of the Comparator Group;
- 25% of the TSR Element of the Award will Vest if the Company performs in line with the median constituent of the Comparator Group; and
- 100% of the TSR Element of the Award will Vest if the Company performs equal to or outperforms the upper quartile of the Comparator Group.

Vesting between these latter two (2) points will be on a straight-line basis.

Adjusted Free Cash Flow (the “FCF Element of the Award”) – 25%

Up to 25% of the Award will Vest by reference to the Group’s adjusted free cash flow (“FCF”) for the financial year ending 30 June 2026 (“FY26 FCF”).

- If the FY26 FCF is less than £130.4m, there will be no Vesting of the FCF Element of the Award;
- 25% of the FCF Element of the Award will Vest if FCF is £130.4m; and
- 100% of the FCF Element of the Award will Vest if FCF is £163m or more.

Vesting between these latter two (2) points will be on a straight-line basis.

Reduction in Carbon Emissions (the “ESG Element of the Award”) – 10%

Up to 10% of the Award will Vest by reference to the Group’s reduction in scope 1&2 carbon emissions between the FY23 position and the 2039 net zero ambition on a straight-line basis (“Emissions Reduction”) for the financial year ending 30 June 2026 (“FY26 ESG”).

- If the emission total for FY26 ESG for Scope 1&2 is above the Emissions Reduction, there will be no Vesting of the ESG Element of the Award;
- 25% of ESG Element of the Award will Vest if the FY26 ESG emission total for Scope 1&2 is at the Emissions Reduction; and
- 100% of ESG Element of the Award will Vest if the FY26 ESG emission total for Scope 1&2 is 10% below the Emissions Reduction.

Vesting between these latter two (2) points will be on a straight-line basis.

Note

SBTi net zero commitments allow for 10% residual emissions.

If re-baselined during the Performance Period, the FY24-FY26 targets will remain aligned to the current FY19 baseline and FY23 actuals.

Actual tCo2e targets will be disclosed in the 2024 Directors Remuneration Report.

Miscellaneous

The Remuneration Committee will review the Performance Conditions if, during the Performance Period there is an acquisition or disposal by a member of the Group and/or changes to the Group’s finance facilities.

The Remuneration 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.

The above Performance Conditions apply to the Awards made for FY24. Subsequent Awards may be subject to different Performance Conditions, which will be determined by the Remuneration Committee.

Updated version correcting typographical error – July 2024