

Meeting the challenge together



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

When considering what action you should take, you are recommended to seek your own personal advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your shares in Kier Group plc, please send this document, together with any relevant accompanying documents, to the person to whom you sold or transferred your shares, or to the bank, stockbroker or other agent who arranged the sale or transfer for you.

Please note that Kier Group plc's 2020 AGM will be a 'closed' meeting due to COVID-19 restrictions. Shareholders will not be permitted to attend the meeting in person.

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16 October 2020

Dear Shareholder

Introduction

I am pleased to enclose the notice of our Annual General Meeting to be held at 10.00 a.m. on Thursday, 17 December 2020 (the 'AGM' or the 'meeting').

In light of the social distancing measures which are required in response to the COVID-19 pandemic, the AGM will be a 'closed' meeting and shareholders will not be permitted to attend the meeting in person. We hope that you will understand that, in these exceptional circumstances, we will be using this format so as to comply with the Government's guidelines and protect the health and wellbeing of our shareholders, employees and the wider community.

We will, however, make arrangements to ensure that the legal requirements for the AGM can be satisfied. At least two director-shareholders will be present at the offices of Kier Group plc (the 'Company') at 6 Cavendish Place, London W1G 0QA. **Please do not travel to the AGM, as anyone who seeks to attend in person will not be permitted to do so, on the grounds of public safety.**

Voting

The outcome of the resolutions to be proposed at the AGM will be determined by the proxy votes received ahead of the meeting.

We therefore strongly encourage all shareholders either to vote in advance of the meeting or to appoint the Chairman of the AGM as their proxy to vote on their behalf at the meeting. Please do not appoint any other person as your proxy, as (s)he will not be able to attend the AGM or vote on your behalf. If the Chairman of the AGM is appointed as your proxy, he will vote in accordance with any instructions given to him; if he is given discretion as to how to vote, the Chairman will vote in favour of each of the resolutions. The results of the voting will be announced via the London Stock Exchange and published on our website as soon as possible after the conclusion of the AGM.

You can vote or provide your voting instructions to the Chairman of the AGM either online at www.kier.co.uk/vote or by post. To do so by post, please complete the enclosed form of proxy and return it in accordance with its instructions. To be valid, your completed

form of proxy or online instruction must have been received by 10.00 a.m. on Tuesday, 15 December 2020.

Webcast, Telephone and Questions

The Company will hold a live webcast of the AGM for shareholders on its website at www.kier.co.uk/investors. To be able to attend the webcast, shareholders will need to have registered by no later than 5.00 p.m. on Wednesday, 16 December 2020. Details of how to do so are on the Company's website.

Alternatively, shareholders may dial in to, but not speak at, the AGM. If you are calling from within the UK, please dial 0203 936 2999; the call will be charged at your standard geographic rate. If you are calling from outside the UK, please dial +44 203 936 2999; you will be charged at the applicable international rate. The access code for the telephone call is 739114. There is no need to register if you wish to join the telephone call.

Shareholders may submit questions which the Chairman or another director of the Company will endeavour to answer during the meeting and we may group questions together when doing so. If you have any questions, please send them by no later than 10.00 a.m. on Tuesday, 15 December 2020 to cosec@kier.co.uk, together with your Investor Code (IVC), which can be found on your share certificate. It will not be possible to ask questions during the meeting.

Shareholders are advised to check the Company's website for any changes to these arrangements.

Recommendation

The directors of the Company consider that all the resolutions contained in the notice of the AGM are in the best interests of the Company and its shareholders as a whole and recommend that you vote in favour of each of them, as they intend to do in respect of their beneficial shareholdings.

I would like to thank you, on behalf of the Board of Directors, for your continued support.

Yours sincerely

MATTHEW LESTER
Chairman

Kier Group plc

Notice is hereby given that the annual general meeting (the ‘Meeting’ or the ‘AGM’) of Kier Group plc (the ‘Company’) will be held at 10.00 a.m. on Thursday, 17 December 2020 at 6 Cavendish Place, London W1G 0QA for the following purposes:

Ordinary business

Resolution 1

To receive the Company’s annual report and accounts for the year ended 30 June 2020.

Resolution 2

To approve the directors’ remuneration policy set out on pages 105 to 112 (inclusive) of the Company’s annual report and accounts for the year ended 30 June 2020.

[See note 1.](#)

Resolution 3

To approve the directors’ remuneration report set out on pages 101 to 121 (inclusive) of the Company’s annual report and accounts for the year ended 30 June 2020, excluding the directors’ remuneration policy set out on pages 105 to 112 (inclusive).

[See note 1.](#)

Resolution 4

To elect Mr MJ Lester as a director of the Company.

[See note 2.](#)

Resolution 5

To elect Dame HV Rabbatts as a director of the Company.

[See note 2.](#)

Resolution 6

To elect Mr CG Watson as a director of the Company.

[See note 2.](#)

Resolution 7

To elect Ms AJ Atkinson as a director of the Company.

[See note 2.](#)

Resolution 8

To re-elect Mr JR Atkinson as a director of the Company.

[See note 3.](#)

Resolution 9

To re-elect Mr AOB Davies as a director of the Company.

[See note 3.](#)

Resolution 10

To re-elect Mr SJ Kesterton as a director of the Company.

[See note 3.](#)

Resolution 11

To re-appoint PricewaterhouseCoopers LLP as auditor of the Company, to hold office from the conclusion of the Meeting until the conclusion of the next meeting at which accounts are laid before the Company.

[See note 4.](#)

Resolution 12

To authorise the directors of the Company to agree the remuneration of the auditor.

[See note 4.](#)

Resolution 13

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, pursuant to and in accordance with section 551 of the Companies Act 2006 (the ‘2006 Act’), the directors of the Company be and are generally and unconditionally authorised to exercise all powers of the Company:

- a) to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (‘Rights’) up to an aggregate nominal amount of £540,386; and
- b) to allot equity securities (as defined in section 560(1) of the 2006 Act) in connection with an offer by way of a rights issue in favour of ordinary shareholders, where the equity securities respectively attributable to the interests of all ordinary shareholders are in proportion (as nearly as may be practicable) to their respective holdings of ordinary shares, up to an aggregate nominal amount of £1,080,772, after deducting from such amount the nominal amount of any shares or Rights allotted under paragraph (a) of this resolution 13,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on 31 December 2021 (unless renewed, varied or revoked by the Company prior to its expiry), save that, prior to its expiry, the Company may make offers or enter into agreements which would, or might, require shares to be allotted or Rights to be granted after such expiry and the directors of the Company may allot shares and grant Rights under any such offer or agreement as if such authority had not expired. This authority is in substitution for all previous authorities conferred on the directors of the Company in accordance with section 551 of the 2006 Act.

[See note 5.](#)

Resolution 14

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, subject to the passing of resolution 13, pursuant to and in accordance with section 570 of the 2006 Act, the directors of the Company be and are generally and unconditionally authorised to allot equity securities (as defined in section 560(1) of the 2006 Act) wholly for cash under the authority given by resolution 13 as if section 561(1) of the 2006 Act did not apply to any such allotment, such authority to be limited to the allotment of equity securities:

- a) in connection with an offer of such securities by way of rights issue, open offer or other pre-emptive offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or any legal or practical issues under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- b) otherwise than pursuant under paragraph (a) of this resolution 14, up to an aggregate nominal amount of £81,057,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on 31 December 2021 (unless renewed, varied or revoked by the Company prior to its expiry), save that, prior to its expiry, the Company may make offers or enter into agreements which would, or might, require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities under any such offer or agreement as if such authority had not expired.

[See note 6.](#)

Resolution 15

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, subject to the passing of resolution 13, the directors of the Company be and are generally and unconditionally authorised, in addition to any authority granted under resolution 14, to allot equity securities (as defined in section 560(1) of the 2006 Act) wholly for cash under the authority given by resolution 12 as if section 561(1) of the 2006 Act did not apply to any such allotment, such authority to be:

- a) limited to the allotment of equity securities up to an aggregate nominal amount of £81,057; and
- b) used solely for the purposes of financing (or refinancing, if the authority is to be used within six months of the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on 31 December 2021 (unless renewed, varied or revoked by the Company prior to its expiry), save that, prior to its expiry, the Company may make offers or enter into agreements which would, or might, require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities under any such offer or agreement as if such authority had not expired.

[See note 6.](#)

Special business

Resolution 16

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, the Kier Group plc 2020 Long-Term Incentive Plan (the 'LTIP'), the principal terms of which are summarised in the Appendix to this notice and the draft rules of which are available for inspection in accordance with this notice of meeting and signed for the purposes of identification by the Chairman, be and is hereby approved, and the directors of the Company be and are hereby authorised to:

- a) make such modifications to the LTIP as they consider appropriate to take account of any regulatory requirements and best practice, adopt the LTIP as so modified and do all acts and things as they consider appropriate to carry the LTIP into effect; and
- b) as may be required, establish further plans for the benefit of employees outside the UK, based on the LTIP but modified to take account of local tax, exchange control or securities laws, provided that any shares of the Company made available under such further plans are treated as counting against the limits on individual participation and overall participation contained in the LTIP.

[See note 7.](#)

Resolution 17

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, as permitted by section 307A of the 2006 Act, a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice, such authority to expire at the end of the next annual general meeting of the Company.

[See note 8.](#)

By order of the Board

H E E RAVEN
General Counsel and Company Secretary

16 October 2020

Registered office:
81 Fountain Street
Manchester
M2 2EE

Registered number: 2708030
www.kier.co.uk

1. Resolution 2 and 3 – directors’ remuneration policy and directors’ remuneration report

The Company is required to seek shareholder approval of the directors’ remuneration policy at least every three years. The previous directors’ remuneration policy was approved by shareholders at the 2017 AGM. The new directors’ remuneration policy is set out on pages 105 to 112 (inclusive) of the 2020 Annual Report. The vote on the directors’ remuneration policy is binding and, if resolution 2 is passed, the policy will take effect immediately and all payments made by the Company to current and former directors of the Company (in their capacity as directors of the Company) will be made in accordance with the policy. If resolution 2 is not passed, the remuneration policy approved by shareholders at the 2017 AGM will continue to apply.

Resolution 3 relates to the remainder of the directors’ remuneration report, which is set out on pages 101 to 104 (inclusive) and 113 to 121 (inclusive) of the 2020 Annual Report and, amongst other matters, provides details of the remuneration received by each of the directors of the Company for the year ended 30 June 2020.

The Remuneration Committee recognises that a significant number of shareholders voted against the directors’ remuneration report at the 2019 AGM. Details of how the Remuneration Committee has taken into account shareholders’ feedback following this vote are provided in the directors’ remuneration report in the 2020 Annual Report.

2. Resolutions 4 to 7 (inclusive) – election of directors

Matthew Lester was appointed to the board of directors of the Company (the ‘Board’) as Chairman on 1 January 2020. Heather Rabbatts and Clive Watson were appointed to the Board on 30 March 2020. As announced on 7 September 2020 Alison Atkinson was appointed to the Board with effect from 15 December 2020. Under the Company’s articles of association, directors of the Company hold office until the conclusion of the annual general meeting following their appointment and, accordingly, these individuals are required to be elected as directors of the Company at the Meeting.

The Board believes that each of these individuals brings a range of skills and experience that makes them ideally suited to the role and to be able to contribute to the Company’s long-term sustainable success and, accordingly, recommends their election as directors of the Company.

3. Resolutions 8 to 10 (inclusive) – re-election of directors

Biographical information relating to each of the directors of the Company standing for re-election is set out on pages 6 and 7 of this notice.

The Board considers that each director of the Company who is proposed for re-election has the appropriate and relevant skills, experience and knowledge to enable him to continue to discharge the duties and responsibilities of a director of the Company effectively. The Chairman of the Board considers that the performance of each of these individuals continues to be effective and that each continues to demonstrate appropriate commitment to the role. Accordingly, the Board recommends their re-election as directors of the Company.

4. Resolutions 11 and 12 – re-appointment and remuneration of auditor

The Company is required to re-appoint its auditor at each general meeting at which accounts are laid, which will normally be at each annual general meeting. Resolution 11 proposes the auditor’s re-appointment. Resolution 12 proposes that the directors of the Company be authorised to determine the level of the auditor’s remuneration.

5. Resolution 13 – directors’ authority to allot new shares

Section 549 of the Companies Act 2006 (the ‘2006 Act’) requires directors to obtain shareholders’ approval to enable them to allot securities. Paragraph (a) of this resolution will, if approved, give the directors of the Company a general authority to allot additional share capital, within certain constraints. It will permit the directors of the Company to allot shares in the Company, or to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £540,386, representing approximately one-third of the total issued ordinary share capital of the Company as at 15 October 2020, the latest practicable date before publication of this notice.

In line with guidance issued by The Investment Association, paragraph (b) of this resolution will, if approved, give the directors of the Company additional authority in the case of a rights issue to allot ordinary shares in favour of shareholders up to an aggregate nominal amount of £1,080,772, less the nominal amount of any shares or rights issued under paragraph (a) of the resolution. This amount (before any such reduction) is approximately two-thirds of the total issued ordinary share capital of the Company as at 15 October 2020, the latest practicable date before publication of this notice.

It is the Company’s policy to seek renewal of these authorities annually. The directors of the Company have no present plans to allot shares, other than in connection with employee share schemes. If the additional authority in paragraph (b) of this resolution is used, the directors of the Company intend to follow The Investment Association guidance that all of the directors of the Company will stand for re-election at the next annual general meeting. The Company does not hold any of its equity securities in treasury.

6. Resolutions 14 and 15 – disapplication of pre-emption rights

Section 561(1) of the 2006 Act provides that 'equity securities' (including shares) must not normally be issued for cash without first offering them to existing shareholders in proportion to their existing shareholdings at the time of the offer. Resolution 14 will, if approved, enable the directors of the Company to overcome certain practical difficulties that could arise in the context of a pre-emptive offering where it is in the interests of the Company for the directors of the Company to issue shares otherwise than strictly in compliance with those requirements.

If resolution 14 is approved, it will provide the directors of the Company with an authority consistent with section 570 of the 2006 Act to disapply section 561(1) of the 2006 Act and, therefore, a limited authority to issue equity securities for cash without first offering them to existing shareholders up to an aggregate nominal amount of £81,057, representing approximately 5% of the existing issued ordinary share capital of the Company as at 15 October 2020, the latest practicable date before publication of this notice.

Resolution 15 is in line with the Pre-Emption Group's Statement of Principles which were revised in March 2015 (the 'Principles'). The Principles indicate that investors will support an increased authority to issue shares for cash (otherwise than in connection with a pre-emptive offer) from 5% to 10%, provided that the additional 5% authority is used in connection with an acquisition or 'specified capital investment' (as described in the Principles). In such circumstances, resolution 15, if approved, will enable the directors of the Company to allot additional equity securities for cash up to an aggregate nominal amount of £81,057, representing approximately 5% of the existing issued ordinary share capital of the Company as at 15 October 2020, the latest practicable date before publication of this notice.

The directors of the Company confirm that shares representing more than 5% of the issued ordinary share capital of the Company will only be allotted for cash pursuant to the authority referred to in paragraph (b) of resolution 15 where that allotment is either in connection with an acquisition or a specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

It is the Company's policy to seek renewal of the authorities referred to in resolutions 13 to 15 annually. The directors of the Company currently have no intention to allot shares other than in connection with employee share schemes. The directors of the Company also confirm that, in line with the Principles, the Company does not intend to issue more than 7.5% of its total issued share capital on a non-pre-emptive basis over a three-year rolling period without prior consultation with its shareholders, other than in connection with an acquisition or specified capital investment in the circumstances described above.

7. Resolution 16 – Kier Group plc 2020 Long-Term Incentive Plan

The Company's existing long-term incentive plan expires in November 2020, 10 years after its adoption. Shareholders are therefore asked to approve a replacement plan, the Kier Group plc 2020 Long-Term Incentive Plan (the 'LTIP'). The principal terms of the LTIP are set out in the Appendix to this notice.

8. Resolution 17 – notice of general meetings

Under the 2006 Act, the notice period required for general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period for meetings other than an annual general meeting, which cannot be less than 14 clear days, and the Company offers a facility for shareholders to vote by electronic means. Annual general meetings will continue to be held on at least 21 clear days' notice.

The Company would like to be able to call general meetings other than an annual general meeting on 14 clear days' notice and this resolution seeks the approval of shareholders to do so. If granted, the approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. Electronic voting is provided by the Company's Registrars via www.kier.co.uk/vote.

Recommendation

The directors of the Company believe that all the resolutions to be proposed at the Meeting are in the best interests of the Company's shareholders as a whole and unanimously recommend that all shareholders vote in favour of such resolutions, as they intend to do in respect of their aggregate beneficial holdings of ordinary shares in the capital of the Company (amounting to approximately 0.06% of the issued share capital of the Company as at 15 October 2020, the latest practicable date before publication of this notice).

Matthew Lester (57)

Chairman

Tenure on Board: 9 months

Independent: Yes (on appointment)

Relevant skills and experience:

A chartered accountant, having trained and qualified at Arthur Andersen

Substantial strategic and financial experience, through senior finance roles at Diageo and as Group Finance Director of ICAP (from 2006 to 2010) and Chief Financial Officer of Royal Mail (from 2010 to 2017)

Significant non-executive director experience at Man Group (from 2011 to 2020) and Barclays (from 2017 to 2020)

Principal current external appointments:

Non-Executive Director of Capita (since 2017)

Andrew Davies (57)

Chief Executive

Tenure on Board: 1 year, 6 months

Independent: No

Relevant skills and experience:

Strong track record of business leadership across a number of sectors

Significant experience of mergers and acquisitions and strategy development and implementation

Significant operational and corporate experience through senior roles and over 28 years with BAE Systems

Formerly Chief Executive Officer of Wates Group (from 2014 to 2018)

Principal current external appointments:

Non-Executive Director of Chemring (since 17 May 2016) and Senior Independent Director)

Simon Kesterton (46)

Chief Financial Officer

Tenure on Board: 1 year, 1 month

Independent: No

Relevant skills and experience:

A member of the Chartered Institute of Management Accountants
Broad range of financial leadership experience in his former senior roles in the engineering and manufacturing industries

Formerly Chief Financial Officer, Europe and Chief Strategic Officer at IAC Group and Group Finance Director of RPC Group (from 2013 to 2019)

Significant experience in the implementation of cost reduction and profitability improvement programmes

Principal current external appointments:

None

Justin Atkinson (59)

Senior Independent Director

Tenure on Board: 5 years

Relevant skills and experience:

A chartered accountant, having trained and qualified at a predecessor firm of PwC

Formerly Chief Executive of Keller (from 2004 to 2015) and previously Keller's Group Finance Director and Chief Operating Officer

Significant operational, financial and strategic experience

In-depth knowledge of the construction sector, both in the UK and internationally

Principal current external appointments:

Chairman of Forterra (since May 2019 and formerly the Senior

Independent Director and Chair of the Audit Committee from April 2016)

Non-Executive Director of James Fisher (since May 2018)

Member of the Audit Committee of the National Trust (since June 2015)

Clive Watson (62)

Non-Executive Director

Tenure on Board: 6 months

Independent: Yes

Relevant skills and experience:

Significant experience in financial matters, through senior finance positions both in the UK and overseas, latterly as the Group Finance

Director of Spectris (from 2006 to 2019)

Experience of the engineering sector through his roles at Borealis and as a Non-executive Director at Spirax-Sarco Engineering

Detailed knowledge of systems of risk management and internal control

Principal current external appointments:

Senior Independent Director and Chairman of the Audit Committee of Breedon Group (since 1 April 2020)

Chair of the Audit and Risk Committee of discoverIE Group (since 2 September 2019)

Senior Independent Director and Chairman of the Audit and Risk Committee of Trifast (since 30 July 2020)

Alison Atkinson (50)

Non-Executive Director

Tenure on Board: n/a

Independent: Yes

Relevant skills and experience:

Significant operational experience in large scale national infrastructure

Senior experience of oversight of civil engineering and contracting through her roles at AWE plc, latterly as Chief Executive and previously at Halcrow

Significant experience of leadership and infrastructure project risk management and delivery

Principal current external appointments:

Chief Executive of AWE plc

Heather Rabbatts (64)

Non-Executive Director

Tenure on Board: 6 months

Independent: Yes

Relevant skills and experience:

Significant operational experience in the local government and the entertainment and sports sectors, in particular

Experience of the contracting sector through her previous role as a Non-Executive Director of Crossrail

Significant experience of remuneration matters, having served on a number of Remuneration Committees

Experience of risk management through her previous role as the Chair of the Audit Committee of Grosvenor Great Britain & Ireland

Principal current external appointments:

Chair of Soho Theatre Company

General notes

1. The 2020 Annual General Meeting (the 'AGM' or the 'meeting') is to be held as a 'closed' meeting and shareholders will not be able to attend the meeting in person. The outcome of the resolutions to be proposed at the AGM will be determined by the proxy votes received ahead of the meeting. We therefore strongly encourage all shareholders either to vote in advance of the meeting or to appoint the Chairman of the AGM as their proxy to vote on their behalf at the meeting. Please do not appoint any other person as your proxy, as (s)he will not be able to attend the AGM or vote on your behalf.
2. Only those shareholders entered in the register of members of the Company at the close of business on Tuesday, 15 December 2020 may vote in relation to the AGM in respect of the shares registered in their name at that time or, if the AGM is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting. Changes to entries in the register of members after such time shall be disregarded in determining the rights of any person to vote in relation to the AGM.
3. In order to be valid, a completed and signed form of proxy must be lodged with the Company's Registrars, Link Asset Services, by no later than 10.00 a.m. on Tuesday, 15 December 2020, or not less than 48 hours before the time appointed for holding any adjourned meeting, along with any power of attorney under or pursuant to which the proxy is appointed. The form of proxy can be lodged by post (please complete the enclosed Form of Proxy and return it in accordance with its instructions), electronically (see note 5 below) or, for CREST members, via the CREST electronic proxy appointment service (see note 6 below).
4. If you require a paper proxy, please contact Link Asset Services by calling them on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. You can also contact Link by email at enquiries@linkgroup.co.uk.
5. Shareholders may submit their proxy vote or their voting instructions electronically via www.kier.co.uk/vote. Enter 'Kier Group plc' into the search box, click 'Search' and click on the Company's name to be taken to the login page. From there, shareholders can log into their Link share portal account or register for the Link share portal by following the on-screen instructions. Shareholders will need their Investor Code (IVC), which can be found on their share certificate. To be valid, the proxy vote or voting instructions must be received by no later than 10.00 a.m. on Tuesday, 15 December 2020.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST manual. The CREST manual can be found at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST proxy instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specification and must contain the information required for such instructions, as described in the CREST manual. All messages regarding the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Link Asset Services (ID RA10) by no later than 10.00 a.m. on Tuesday, 15 December 2020. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply in relation to the input of CREST proxy instructions. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.
7. In the case of joint shareholders, where more than one of the joint shareholders purports to appoint a proxy, only the appointment submitted by the most senior shareholder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members, the first-named being the most senior.
8. Shareholders may change their proxy instructions by submitting a new proxy appointment using the methods set out or referred to above. The cut-off times for receipt of proxy appointments set out above also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where a shareholder has appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, they should contact the Company's Registrars, Link Asset Services.

If more than one valid proxy appointment is submitted, the appointment received last before the latest time for the receipt of proxies will take precedence.

General notes (continued)

9. In order to revoke a proxy instruction, a shareholder will need to inform the Company by sending a signed hard copy notice clearly stating its intention to revoke its proxy appointment to the Company's Registrars, Link Asset Services. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by no later than 10.00 a.m. on Tuesday, 15 December 2020. If a shareholder attempts to revoke its proxy appointment but the revocation is received after the time specified then the original proxy appointment will remain valid.

Termination of proxy appointments made through CREST must be made in accordance with the procedures described in the CREST manual.

10. CREST members and, where applicable, their CREST sponsors or voting service providers, are directed to those sections of the CREST manual concerning the practical limitations of the CREST systems and timings. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. As at 15 October 2020 (the latest practicable date before publication of this notice), the total number of ordinary shares of 1p in the capital of the Company in issue was 162,115,870 shares, with each share carrying the right to one vote. The total number of voting rights in the Company as at such date was therefore 162,115,870. There are no shares held in treasury.
12. Copies of the following documents are available for inspection (subject to appropriate Government guidelines then in force) at the Company's registered office during normal business hours on any weekday (public holidays excluded) from the date of this notice until the close of the Meeting and at the place of the Meeting from at least 15 minutes prior to, and until the conclusion of, the Meeting:
- the service contracts of the executive directors of the Company;
 - the letters of appointment of the non-executive directors of the Company;
 - this notice; and
 - the draft rules of the Kier Group plc 2020 Long-Term Incentive Plan.

If you would like to inspect any of the above documents, please send your request to cosec@kier.co.uk and we will make suitable arrangements.

13. For a period of two years from the date of this notice, the following information will be available on the Company's website (www.kier.co.uk) and can be accessed via the Investor Relations section of such website:
- this notice;
 - the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the Meeting; and
 - the total of the voting rights that members are entitled to exercise at the Meeting.

Any members' statements, members' resolutions and members' matters of business received by the Company after the date of this notice will be added to the information already available on the website as soon as reasonably practicable and will also be made available for the following two years.

14. The Company will hold a live webcast of the AGM for shareholders on its website at www.kier.co.uk/investors. To be able to attend the webcast, shareholders will need to have registered by no later than 5.00 p.m. on Wednesday, 16 December 2020. Details of how to do so are on the Company's website.
- Alternatively, shareholders may dial in to, but not speak at, the AGM. If you are calling from within the UK, please dial 0203 936 2999; the call will be charged at your standard geographic rate. If you are calling from outside the UK, please dial +44 203 936 2999; you will be charged at the applicable international rate. The access code for the telephone call is 739114. There is no need to register if you wish to join the telephone call.

Shareholders are advised to check the Company's website for any changes to these arrangements.

15. **The Company will answer questions which are submitted by shareholders in advance of the meeting. If you have any questions, please send them by no later than 10.00 a.m. on Tuesday, 15 December 2020 to cosec@kier.co.uk, together with your Investor Code (IVC), which can be found on your share certificate. It will not be possible to ask questions during the meeting. We will endeavour to answer questions received from shareholders in advance of the meeting during the webcast and we may group questions together when doing so.** The Company must answer any such question relating to the business being dealt with at the Meeting, but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

16. Under section 338 of the 2006 Act, a shareholder or shareholders meeting the threshold requirements set out in that section, may, subject to conditions, require the Company to give to shareholders notice of a resolution which may properly be moved and is intended to be moved at that meeting.

The conditions are that:

- › The resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); and
- › The resolution must not be defamatory of any person, frivolous or vexatious.

The request:

- › Must be in hard copy form or in electronic form (please see below);
- › Must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another shareholder, clearly identifying the resolution which is being supported;
- › Must be authenticated by the person or persons making it (please see below); and
- › Must be received by the Company not later than close of business on Wednesday, 4 November 2020, which is at least six weeks before the meeting.

Such request must be:

- › Authenticated by signing, dating and providing the registered address of the shareholder; and
- › Sent to the Registrar, Link Asset Services.

17. Under section 338A of the 2006 Act, a shareholder or shareholders meeting the threshold requirements set out in that section, may, subject to conditions, require the Company to include in the business to be dealt with at the meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The matter of business must not be defamatory of any person, frivolous or vexatious.

The request:

- › Must be in hard copy form or in electronic form;
- › Must identify the matter of business by either setting it out in full or, if supporting a statement sent by another shareholder, clearly identifying the matter of business which is being supported;
- › Must be accompanied by a statement setting out the grounds for the request;
- › Must be authenticated by the person or persons making it; and
- › Must be received by the Company not later than close of business on Wednesday, 4 November 2020, which is at least six weeks before the meeting.

18. Pursuant to Chapter 5 of Part 16 of the 2006 Act, where requested by either a member or members meeting the threshold requirements set out in section 527 of that Chapter 5, the Company must publish on its website a statement setting out any matter that such member or members propose(s) to raise at the Meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting.

Where the Company is required to publish such a statement on its website, it may not require the members making the request to pay any expenses incurred by the Company in complying with the request. It must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the Meeting.

19. A member may not use any electronic address provided either in this notice or in any related documents to communicate with the Company for any purpose other than those expressly stated in this notice or in such other related documents.

Summary of the principal terms of the Kier Group plc 2020 Long Term Incentive Plan (the 'LTIP')

The following is a summary (only) of the principal terms of the LTIP. In the event of any conflict or inconsistency between the following summary and the terms of the LTIP, the latter shall prevail. The rules of the LTIP are available for inspection in accordance with the Notice of AGM of which this Appendix forms a part.

1.1 Operation

The remuneration committee of the board of directors of the Company (the 'Remuneration Committee') will supervise the operation of the LTIP. Awards under the LTIP will be in the form of conditional rights to acquire ordinary shares in the Company ('Shares').

1.2 Eligibility

Any employee of the Company and its subsidiaries will be eligible to participate in the LTIP at the discretion of the Remuneration Committee.

1.3 Awards

The Remuneration Committee may make awards under the LTIP (a 'grant of awards') within 42 days following: (a) shareholder approval of the LTIP; (b) any amendments to the LTIP having been adopted; (c) the Company's announcement of its results for any period; (d) the date following an eligible employee's commencement of employment; (e) the date on which a directors' remuneration policy approved by shareholders takes effect; or (f) the occurrence of an event which the Remuneration Committee considers to be an exceptional event relating to or affecting the Company. No awards may be granted after the tenth anniversary of the LTIP's approval by shareholders.

1.4 Individual and Plan Limits

The maximum number of shares in respect of awards granted to an employee (normally valued by reference to their market value at the date of the grant of the award) in any financial year must not exceed the higher of (i) 200 per cent. of his/her annual base salary and (ii) the limit set out in the directors' remuneration policy in force at the date of the grant.

In any 10 year period, the Company may not issue new Shares or transfer treasury Shares (or grant rights to issue new Shares or to transfer treasury Shares) in respect of more than:

- › 10 per cent. of the issued ordinary share capital of the Company under the LTIP and/or any other share plan or scheme operated by the Company; and
- › 5 per cent. of the issued ordinary share capital of the Company under the LTIP and/or any other discretionary share plan or scheme for employees other than a scheme operated for the majority of employees.

Treasury shares will cease to count towards these limits if the guidelines of the Investment Association or any successor similar entity decide that they need not count.

1.5 Dividend Equivalents

The Remuneration Committee may decide on or before the grant of an award that the award will include a right to receive additional Shares based on the value of any dividends which would have been paid in respect of any vested Shares over the period from the grant of an award to the date on which the participant can first acquire vested shares. The Remuneration Committee shall determine the basis on which the value of such dividends shall be calculated, which may assume the reinvestment of dividends.

1.6 Vesting of Awards

The vesting of awards will be subject to performance conditions and/or any other conditions set by the Remuneration Committee. The Remuneration Committee may adjust (including by reducing to nil) the extent of vesting of an award 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: (a) the performance of the Company or any subsidiary of the Company; and/or (b) the conduct or performance of the participant and/or (c) any circumstances or events which have occurred since the date of grant.

The Remuneration Committee may modify the performance conditions applying to awards if the Remuneration Committee, in its absolute discretion, considers it fair and reasonable to do so and provided that the amended conditions are not materially easier or materially more difficult to satisfy than the original conditions were when those were first set.

Awards will usually vest on the third anniversary of the date of grant (or such other date as the Remuneration Committee may have decided at the time of grant).

Following vesting, Shares received by participants may be subject to a two-year holding period during which they are prevented from disposing of the Shares, other than to satisfy tax liabilities relating to the relevant award.

Awards may be satisfied using new issue Shares, treasury Shares or Shares purchased in the market. The Remuneration Committee may also decide to satisfy an award in whole or in part with cash equal to the value of the Shares which the participant would otherwise have received.

1.7 Malus and Clawback

Prior to vesting, awards will be subject to any applicable malus provisions which are set out in a participant's award documentation. In addition, any Shares received in respect of the vesting of an award will be subject to clawback for a period of two years from vesting in the event that circumstances set out in a participant's award documentation occur during the clawback period.

1.8 Cessation of Employment

An award will normally lapse where a participant ceases employment with the Company or any subsidiary of the Company unless the employment ceases due to a 'good leaver' reason, being death, ill health, injury, disability, retirement with the agreement of the Company, a sale of the participant's employing business or company, redundancy or any other reason approved by the Remuneration Committee.

If a participant ceases employment for a 'good leaver' reason, then his/her award which is subject to a performance condition will typically continue until the original vesting date. The extent of vesting will then be assessed in the normal way, as described at paragraph 1.6 above, but the number of Shares acquired may, at the Remuneration Committee's discretion, be reduced on a pro rata basis to take account of the proportion of the performance period during which the participant was not in employment.

Alternatively, the Remuneration Committee may decide that awards will vest immediately on cessation of employment, subject to the Remuneration Committee's assessment of: (i) the extent that any performance condition has been satisfied at that time and is expected to be satisfied at the end of the performance period; and (ii) any other factors which the Remuneration Committee considers to be relevant.

1.9 Corporate Events

If there is a change of control (i.e. a takeover, other than in the circumstances described below) or winding up of the Company, all awards will vest early to such extent determined by the Remuneration Committee's assessment of: (i) the extent that any performance condition has been satisfied at that time and is expected to be satisfied at the end of the performance period; (ii) the period of time which has elapsed between grant and normal vesting; and (iii) any other factors which the Remuneration Committee considers to be relevant.

The Remuneration Committee may decide to vest awards early on the same basis as described above in relation to a demerger, distribution or similar corporate event which is expected to materially reduce the value of awards.

If, following a change of control, the acquiring company would have substantially the same shareholders in approximately the same shareholdings as those of the Company prior to the change of control, then awards will not vest early but will be replaced by equivalent awards in the new holding company unless the Remuneration Committee decides otherwise.

1.10 Alteration of the Company's Share Capital

If there is a variation of the Company's share capital (for example, a capitalisation issue, rights issue, open offer, placing, sub division or consolidation), or in the event of a demerger or other corporate event which would materially affect the value of an award, the awards may be adjusted on such basis as the Remuneration Committee considers to be fair and reasonable.

1.11 Amendment of the LTIP

The prior approval of the Company's shareholders in general meeting is required for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired under the LTIP and the adjustment of awards.

The requirement to obtain the prior approval of the Company's shareholders will not, however, apply to any minor amendment made to benefit the administration of the LTIP, to comply with or take account of the provisions of any proposed or existing legislation take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Company or any of its subsidiaries.

No alteration to the LTIP shall operate to affect adversely in a material way any award already granted to a participant except with the participant's consent.

1.12 General

No payment is required for the grant of award under the LTIP. Awards are not pensionable or transferable except on death.

Awards will not confer any shareholder rights to participants until an award has vested and the participant has received the underlying Shares.

Any Shares allotted when an award vests will usually rank equally with Shares then in issue, except for any rights arising by reference to a record date prior to their allotment.

The Remuneration Committee may amend the LTIP to comply with or take account of overseas legal rules, taxation or securities laws.

The shareholder resolution to approve the LTIP will allow the Board, without further shareholder approval, to establish further plans based on the LTIP, but modified to take account of local tax, exchange controls or securities laws. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the LTIP.

In the event of any inconsistency between the following summary and the terms of the LTIP, the latter shall prevail.

Shareholder information

Enquiries

Please contact the Company's Registrars, Link Asset Services, for any questions about the AGM or your shares.

Telephone

If calling from the UK:

0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider).

If calling from outside the UK:

+44 (0)371 664 0300 (calls from outside the UK will be charged at the applicable international rate).

Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.

Email

enquiries@linkgroup.co.uk

Address

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Online

Visit www.signalshares.com

The Signal Shares portal allows you to view and manage your shareholding online. Signal Shares is a secure online site where you can:

- › Sign up for electronic shareholder communication
- › Request to have your dividends paid into your bank account
- › View your holdings and get an indicative valuation
- › Request to have your dividends paid in your local currency
- › Change your personal details.