

The Board

The Board is committed to high standards of corporate governance and aims to embed our core values of honesty, integrity and compliance in everything we do.

Non-Executive Chairman

Jost Massenberg Jost Massenberg was appointed to the Board in February 2018, and was appointed as Non-Executive Chairman of Kingspan in 2021.

(Age 65)
Germany
Independent
N

Relevant skills & experience: Jost is the former Chief Executive Officer of Benteler Distribution International GmbH, and prior to that he was the Chief Sales Officer and a member of the executive board of ThyssenKrupp Steel Europe AG. As Chairman, he brings to bear more than 30 years' industry experience in European steel and major manufacturing businesses, as well as his broad leadership experience as a chairman and non-executive director of other companies.

Qualifications: PhD Business Admin.

External appointments: Chairman of VTG Aktiengesellschaft, and a non-executive director in a number of large private companies.

Chief Executive Officer

Gene M. Murtagh Gene Murtagh is the Group Chief Executive Officer. He was appointed to the Board in November 1999.

(Age 50)
Ireland

Relevant skills & experience: Gene joined the Group in 1993, and was appointed CEO in 2005. He was previously the Chief Operating Officer from 2003 to 2005, and prior to that he was managing director of the Group's Insulated Panels business and of the Water & Energy business. He leads the development of the Group's strategy and has a deep knowledge of all of the Group's businesses and the wider construction materials industry.

Executive directors

Geoff Doherty Geoff Doherty is the Group Chief Financial Officer. He joined the Group and was appointed to the Board in January 2011.

(Age 50)
Ireland

Relevant skills & experience: Prior to joining Kingspan, Geoff was the Chief Financial Officer of Greencore Group plc and Chief Executive of its property and agribusiness activities. He is a qualified chartered accountant, with extensive experience of capital markets and financial management in an international manufacturing environment.

External appointments: Non-executive director of Ryanair Holdings plc.

Russell Shiels Russell Shiels is President of Kingspan's Insulated Panels business in the Americas as well as Kingspan's global Data & Flooring business. He joined the Board in December 1996.

(Age 60)
United States of America

Relevant skills & experience: Russell has experience in many of the Group's key businesses, and was previously Managing Director of the Group's Building Components and Raised Access Floors businesses in Europe. He brings to the Board his particular knowledge of the building envelope market in the Americas, as well as his understanding of the office and data centre market globally.

Gilbert McCarthy Gilbert McCarthy is Managing Director of the Group's Insulated Panels businesses in the UK, Ireland, Western Europe, Middle East and Australasia. He was appointed to the Board in September 2011.

(Age 50)
Ireland

Relevant skills & experience: Gilbert joined the Group in 1998, and has held a number of senior management positions including managing director of the Off-Site division and general manager of the Insulation business. He brings to the Board his extensive knowledge of the building envelope industry, in particular in Western Europe and Australasia.

Non-executive directors

Linda Hickey Linda Hickey was appointed to the Board in June 2013, and is appointed as the Senior Independent Director and the Workforce Engagement Director.

(Age 60)
Ireland
Independent
R N

Relevant skills & experience: Linda was previously the Head of Corporate Broking at Goodbody Capital Markets where she worked closely with multi-national corporates and the investor community. Prior to that Linda worked at NCB Stockbrokers in Dublin and Merrill Lynch in New York. Her considerable knowledge and experience of capital markets and corporate governance provide important insights to the Board.

Qualifications: B.B.S.

External appointments: Non-executive director of Cairn Homes plc and Greencore Group Plc.

Michael Cawley Michael Cawley was appointed to the Board in May 2014.

(Age 67)
Ireland
Independent
A R

Relevant skills & experience: Michael is a chartered accountant, and was formerly Chief Operating Officer & Deputy Chief Executive of Ryanair. His extensive international financial and business experience as well as his role on other audit committees are an asset to the Board and to the Audit & Compliance Committee.

Qualifications: B. Comm., F.C.A.

External appointments: Chairman of Hostelworld Group plc, and non-executive director of Flutter Entertainment plc and Ryanair Holdings plc.

John Cronin John Cronin was appointed to the Board in May 2014.

(Age 62)
Ireland
Independent
N

Relevant skills & experience: John is a qualified solicitor, and formerly partner and chairman of McCann FitzGerald. He has more than 30 years' experience in corporate, banking, structured finance and capital markets matters. He is a member of the International Bar Association and is a past President of the British Irish Chamber of Commerce. His valuable legal, corporate governance and capital markets experience brings a unique perspective to the Board.

Qualifications: B.A. (Mod) Legal Science; Solicitor in Ireland and England & Wales.

External appointments: Non-executive director of the Dublin Theatre Festival Limited.

Anne Heraty Anne Heraty was appointed to the Board in August 2019.

(Age 61)
Ireland
Independent
A R

Relevant skills & experience: Anne is the founder and former Chief Executive Officer of Cpl Resources plc. She has over 20 years' experience running an international recruitment and outsourcing business and is currently on the board of IBEC, having previously held a number of other public and private non-executive directorships, and brings this broad business and entrepreneurial experience to the Board.

Qualifications: B.A. in Mathematics & Economics.

External appointments: Non-executive director of Cpl Resources plc.

Éimear Moloney Éimear Moloney was appointed to the Board in April 2021.

(Age 51)
Ireland
Independent
A

Relevant skills & experience: Éimear was previously a senior investment manager in Zurich Life Assurance (Irl) plc and has excellent knowledge and experience of capital markets and asset management. She is a fellow of the Institute of Chartered Accountants in Ireland, and a member of the Institute of Directors in Ireland. In addition to her business and financial expertise, Éimear also brings valued compliance experience from the pharmaceutical manufacturing environment to the Board and the Audit & Compliance Committee.

Qualifications: B.A. Accounting & Finance; MSc. Investment and Treasury.

External appointments: Non-executive director of Hostelworld Group plc, Yew Grove REIT plc, and Chanelle Pharmaceuticals Group.

Paul Murtagh Paul Murtagh was appointed to the Board in April 2021.

(Age 48)
United States of America

Relevant skills & experience: Paul is the chairman and CEO of Tibidabo Scientific Industries Ltd, and was formerly the chairman and CEO of Faxitron Bioptics LLC and chairman of Deerland Probiotics & Enzymes Inc. Previously he worked in investment banking at Merrill Lynch & Co. in New York and Sydney. He brings to the Board his excellent understanding of the US market and his significant experience in building successful global businesses.

Qualifications: B. Comm International.

External appointments: Non-executive director of a number of private companies.

Company Secretary

Lorcan Dowd Lorcan Dowd was appointed Head of Legal and Group Company Secretary in July 2005.

(Age 53)
Ireland

Relevant skills & experience: Lorcan qualified as a solicitor in 1992. Before joining Kingspan he was Director of Corporate Legal Services in PwC in Belfast, having previously worked as a solicitor in private practice.

Report of the Nominations & Governance Committee

Jost Massenberg

The Kingspan Board recognises that the values, integrity and behaviours that shape our culture and corporate governance are the foundation of long-term success.

As a Board, we strive to continue to enhance our corporate governance practice and disclosure to ensure we not only meet the standards expected of us but, more importantly, we promote the success of the business for all of our stakeholders. At the heart of those efforts is an entrepreneurial Board that adheres to high standards of governance.

Throughout 2021, the Board continued to refine and improve our corporate governance practice in line with the principles of the 2018 UK Corporate Governance Code (the 'Code'). We consistently strive to ensure that our reporting continues to be meaningful in detailing how we integrate the Code's principles within our decision making. We continue to make enhancements to our governance processes and this translates to less governance risk, based on our purpose, values, strategy, business and outlook. We are committed to ensuring that our long-term ambitions go hand in hand with high standards of corporate governance, as well as a Board equipped with an abundance of diversity, experience and expertise.

One significant change during 2021 was the retirement of the Company's founder, Eugene Murtagh, as Chairman and non-executive director of the Board after 55 years at its helm. I was honoured to succeed him as independent non-executive Chairman, and I look forward to working with my fellow directors to shape the Board for the future. Part of this reshaping of the Board included the appointment of two new non-executive directors, Éimear Moloney and Paul Murtagh, who bring fresh thinking and challenge to the Board. Further details of this refreshment process are set out in this Report of the Nominations & Governance Committee. Also, as part of planning for the future, we are currently carrying out the external evaluation of the Board, its committees and structures, and I will report on the key outcomes of this review in next year's Annual Report.

During the year, we had the pleasure of engaging with major shareholders and stakeholders on a number of occasions and I would like to thank all of those who provided their views on governance, remuneration and strategy to the Board during our various engagements. We look forward to continuing these conversations both in the run up to and following our Annual General Meeting this year.

Jost Massenberg
Chairman

Medical Centre
Orly, France
Insulated Panels
JI Sonora, Brise
and Albe

This statement outlines how Kingspan has applied the principles and complied with the provisions set out in the UK Corporate Governance Code (July 2018) (the 'Code') and the Irish Corporate Governance Annex (the 'Annex').

Both the Code and the Annex can be obtained from the following websites respectively: www.frc.org.uk and www.euronext.com

Statement of compliance

The directors confirm that the Company has throughout the accounting period ended 31 December 2021 complied with the provisions of the UK Corporate Governance Code (July 2018) and the Irish Corporate Governance Annex, as set out below.

Stakeholder views

The Board notes the importance of the principle underpinning Provision 5 of the Code, which asks Boards to have regard for engagement mechanisms with stakeholders. The Board recognises its responsibilities in this respect and other sections in this Annual Report set out clearly the long-lasting partnerships we have developed with customers, suppliers and communities. We are also aware of the importance of engagement with the workforce to the development of strategy as well as uncovering of risk and promoting new opportunities. Linda Hickey has been appointed as the director responsible for workforce engagement to facilitate the channelling of employee views to Board discussions. During the year, she had the opportunity to hear employee views on a range of topics

through participation in our graduate and management development programmes, although site visits and further face-to-face meetings remained restricted. In addition, in 2021 we commenced a programme, working with external advisers, to develop wider employee engagement across the Group which will in time develop a deeper dialogue on a broad range of issues including culture, vision, health & well-being, and training & development. This process of engagement will allow the Board to consistently assess and monitor the evolution of the Company's corporate culture, while promoting the ability of the workforce to raise concerns.

Board committees

The Board has established three standing committees: Audit & Compliance, Nominations &

Governance, and Remuneration. All committees of the Board have written terms of reference setting out their authorities and duties - these terms are available on the Group's website www.kingspan.com. The

members of each committee as at the date hereof, and the date of their first appointment to the committee, are set out in the table below. The details of each committee's activities during the year are detailed in their

respective reports as set out in this Annual Report.

Attendance at Board and Committee meetings are set out in the table below.

Audit & Compliance Committee		
Michael Cawley (Chair)	Appointed 2014	Independent
Anne Heraty	Appointed 2019	Independent
Éimear Moloney	Appointed 2021	Independent
Nominations & Governance Committee		
Jost Massenberg (Chair)	Appointed 2019	Independent
John Cronin	Appointed 2014	Independent
Linda Hickey	Appointed 2021	Independent
Remuneration Committee		
Linda Hickey (Chair)	Appointed 2015	Independent
Michael Cawley	Appointed 2014	Independent
Anne Heraty	Appointed 2021	Independent

Attendance at Board and Committee meetings during the year ended 31 December 2021								
	Board		Audit & Compliance		Nominations & Governance		Remuneration	
	A	B	A	B	A	B	A	B
Eugene Murtagh*	1	1			1	1		
Jost Massenberg	6	6			3	3		
Gene M. Murtagh	6	6			3	3		
Geoff Doherty	6	6						
Russell Shiels	6	6						
Gilbert McCarthy	6	6						
Linda Hickey	6	6			2	2	4	4
Michael Cawley	6	6	4	4			4	3
John Cronin	6	6			3	3		
Anne Heraty	6	6	4	4			3	3
Bruce McLennan*	1	1	1	1	1	1	1	1
Éimear Moloney**	5	5	3	3				
Paul Murtagh**	5	5						

Column A - indicates the number of meetings held during the period the director was a member of the Board and/or Committee.
Column B - indicates the number of meetings attended during the period the director was a member of the Board and/or Committee.

* Retired as a director as of 30 April 2021

** Appointed as a director as of 30 April 2021



Board composition and responsibilities

There is a clear division of responsibilities within the Group between the Board and executive management, with the Board retaining control of strategic and other major decisions. The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. One of the key roles for the Chairman in doing so is promoting a culture of objectivity, openness and debate. In addition, the Chairman facilitates constructive Board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

The balance of skills, background and diversity of the Board contributes to the effective leadership of the business and the development of strategy. The Board's composition is central to ensuring all directors contribute to discussions. As outlined below, the Board continues to review its composition to ensure appropriate refreshment and renewal which is essential to bringing fresh thinking to Board discussions and constructive challenge to the Board's decision making.

As a means of fostering challenge and director engagement, the non-executive directors, led by the senior independent director, meet without the Chairman present at least annually. Likewise, the Chairman holds meetings with the non-executive directors without the executives present. In each of these settings, there is a collegiate atmosphere that also lends itself to a level of scrutiny, discussion and challenge.

All directors have access to the advice and services of the Company Secretary. Where necessary or requested, directors can also avail of independent third-party advice on Company issues or relevant Board matters – including, but not limited to matters such as

remuneration, succession etc. The Company has procedures whereby directors (including non-executive directors) receive formal induction and familiarisation with Kingspan's business operations and systems on appointment, including trips to manufacturing sites with in-depth explanations of the processes involved at the site.

Board changes

During the past year, we continued to deliver on the objective of continuous refreshment and renewal at Board level, which we believe brings fresh thinking and constructive challenge to the Board.

In 2021, the Company was pleased to announce two new appointments to the Board: Éimear Moloney joined as an independent non-executive director and Paul Murtagh as a non-executive director. These appointments broaden the skillset and diversity of the Board while reflecting our increasingly global footprint as a business. A breakdown of the background and skillset of all of the non-executive directors, a central tenet of promoting Board effectiveness, is provided in the table later in the report.

Following the conclusion of last year's Annual General Meeting, Eugene Murtagh, Kingspan's founder and Chairman, retired after leading the Group for more than 55 years. The Board as a whole expressed its deep gratitude to Mr Murtagh for his vision and leadership over those years, and awarded him the honorary title of President Emeritus. Following a comprehensive and considered process, the Nominations & Governance Committee recommended the Board appoint Jost Massenberg as independent non-executive Chairman, to succeed Mr Murtagh. Mr Massenberg has more than 30 years' industry experience in European steel and international manufacturing businesses, and since his appointment to the Board in 2018, he has gained a valuable

understanding of the Board and the Kingspan Group, providing continuity and stability of Board leadership for the period ahead.

Also, at the conclusion of last year's Annual General Meeting, Bruce McLennan retired as a non-executive director of the Board and the Board thanked him for his contribution to the Group over the previous six years.

Shareholders' meetings and rights

The Company operates under the Irish Companies Act 2014 (the 'Act'). This Act provides for two types of shareholder meetings: the Annual General Meeting ('AGM') with all other meetings being called Extraordinary General Meetings ('EGM').

The Company must hold an AGM each year in addition to any other shareholder meeting in that year. The AGM is an important forum for shareholders to meet with and hear from Company directors. The ordinary business of an AGM is to receive and consider the Company's Annual Report and statutory financial statements, to review the affairs of the Group, to elect directors, to declare dividends, to appoint or reappoint auditors and to fix the remuneration of auditors and directors. At the 2021 AGM, shareholders were provided with the facility to fully participate on-line using the latest technology platforms. The Board is committed to using technology solutions which offer shareholders the opportunity to attend and vote on-line, as well as in person, which in line with developing trends elsewhere, would facilitate a wider global participation by our shareholders at our AGM, whilst still providing them with equivalent rights to vote and ask questions.

The Chairman of the Board of Directors shall preside as chairman of every general meeting and in his absence, one of the directors present will act in the capacity of chairman. The quorum for a general meeting

shall be not less than three members present in person or by proxy and entitled to vote. All ordinary shares rank pari passu and carry equal voting rights. Every member present in person or by proxy shall upon a show of hands have one vote and every member present in person or by proxy shall upon a poll have one vote for each share of which they are the holder. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, have a casting vote. Further details of shareholders rights with respect to the General Meetings are set out in the Shareholder Information section of this Annual Report.

Internal control and risk management systems

The Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group. This process has been in place for the year under review and up to the date of approval of the financial statements, and it is regularly reviewed by the Board in compliance with 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued by the Financial Reporting Council.

The Board has delegated responsibility to the Audit & Compliance Committee to monitor and review the Group's risk management and internal control processes, including the financial, operational and compliance controls. This is done through detailed discussions with management and the executive directors, the review and approval of the internal audit reports, which focus on the areas of greatest risk to the Group, and the external audit reports, as part of both the year end audit and the half year process, all of which are designed to highlight the key areas of control weakness in the Group. Further details of the work conducted by the Audit & Compliance Committee in this regard is detailed in the Report of the Audit & Compliance Committee contained in this Annual Report.

The main features of the Group's internal control and risk management systems that relate specifically to the Group's financial reporting processes are:

- Budgets and strategic plans are approved annually by the Board and compared to actual performance and forecasts on a monthly basis;
- Sufficiently sized finance teams with appropriate level of experience and qualifications throughout the Group;
- Formal Group Accounting Manual in place which clearly sets out the Group financial policies in addition to the formal controls;
- Formal IT and treasury policies and controls in place;
- Centralised tax and treasury functions;
- Sales are submitted and reviewed on a weekly basis whilst full reporting packs are submitted and reviewed on a monthly basis; and
- Internal audit function review financial controls and report results/findings on a quarterly basis to the Audit & Compliance Committee.

The main features of the Group's internal control and risk management systems that relate specifically to the Group's consolidation process are:

- The review of reporting packages for each entity as part of the year end audit process;
- The reconciliation of reporting packages to monthly management packs as part of the audit process and as part of management review;
- The validation of consolidation journals as part of the management review process and as an integral component of the year end audit process;

- The review and analysis of results by the Chief Financial Officer and the auditors with the management of each division;
- Consideration by the Audit & Compliance Committee of the outcomes from the annual risk assessment of the business;
- The review of internal and external audit management letters by the Chief Financial Officer, Head of Internal Audit & Compliance and the Audit & Compliance Committee; and the follow up of any critical management letter points to ensure issues highlighted are addressed.

In addition, the remit of the Audit & Compliance Committee was extended in 2020 to include reviewing the effectiveness of the controls and processes relating to product compliance by:

- Reviewing reports from the Group Head of Compliance relating to product compliance, certification and accreditation, including implementation status of the Group's ISO 37301 Compliance Management Systems targets;
- Auditing compliance with the Group Marketing Integrity Manual incorporating the CCPI best practice principles;
- Monitoring the culture of compliance across the Group.

Further information on the risks faced by the Group and how they are managed are set out in the Risk & Risk Management section of this Annual Report.

Leadership and Board renewal

The Nominations & Governance Committee (the 'committee'), leads the process for appointments while ensuring plans are in place for orderly succession to both the Board and senior management positions.

In April this year, Éimear Moloney and Paul Murtagh were appointed to the Board on the recommendation of the committee. In considering candidates for appointment as non-executive directors, the committee remains guided by the principle that all appointments will be made based on merit and skills, but having regard, where possible to diversity of gender, age, nationality and ethnicity. The committee considered whether or not to engage a firm of consultants to assist in the process of recruiting new non-executive directors, and agreed that in order to ensure best fit with the Company, it would use the knowledge and contacts of the committee to identify suitable candidates.

The committee maintains a pool of potential candidates, and after considering Ms Moloney's skillset, including her financial and capital markets experience, as well as her strong experience in the manufacturing controls environment, she was considered most suitable. Members of the committee met with Ms Moloney before recommending her appointment to the Board. In considering the appointment of Mr Murtagh, the committee had regard to his deep understanding of the US market and his proven entrepreneurial track record. The committee keeps the on-going refreshment and renewal of the Board, which is essential to bring fresh thinking and constructive challenge to the Board's decision making, under constant review.

It is to be noted that half of the current independent non-executive directors will come to the end of their nine-year terms in the next 15 months, and ordinarily would then retire in accordance with the Company's usual practice. The other half have been on the Board for three years or less. Given the transition to the newly appointed independent Chairman during the year, and the potential for renewing and reshaping the Board in the coming years, the committee agreed to extend the term of Linda Hickey, the Senior Independent Director, for a further period of up to three years (subject to annual re-election at the AGM). It is considered that this will provide continuity and stability to the Board at this important time, and that Ms Hickey's insight and experience will benefit the Board during this period.

Aligning succession planning to Kingspan's wider strategy is a cornerstone of strong Board governance, and has been, and will continue to be, a focus of the committee. A fundamental aspect of overseeing appointments to senior management remains the development of a diverse pipeline. Among Kingspan's senior management team, 27% of employees reporting directly to the CEO are female, and significantly this year 28% and 33% of attendees on Kingspan's senior management and graduate development programmes respectively were female, and 68% and 38% of the participants in the respective programmes were from

an international (non UK/Irish) background, as Kingspan is attracting more and more diversity into senior leadership roles.

The non-executive directors on the Board currently have the mix of skills and experience as set out in the table below.

Performance evaluation

Kingspan has in place formal procedures for the evaluation of its Board, committees and individual directors. The purpose of this formal evaluation is to ensure that the Board of Directors (on a collective and individual basis) is performing effectively and to ensure stakeholder confidence in the Board. The Chairman reviews annually the performance of the Board of Directors, the conduct of Board meetings and committee meetings, and the general corporate governance of the Group.

An external evaluation of the Board's performance was commenced in early 2022. This review, which was due to be carried out last year, was postponed for 12 months to allow for the transition to the new independent Chairman and also for the expanded role of the Audit & Compliance Committee to become established, before being formally reviewed. The review is being undertaken by Better Boards, who also undertook the last external review in 2018. It will follow on from the key themes examined as part of the previous process, as well as also considering:

- The on-going renewal and refreshment of the Board, and its potential reshaping over future years;
- The role of the committees, including in particular the expanded role of the Audit & Compliance Committee;
- The transition to the new independent Chairman;
- Board culture.

Details of the outcome of the evaluation will be provided in next year's Annual Report.

Conflicts of interests

Acknowledging the importance of independent representation to the effective functioning of the Board, as well as the scrutiny and, when necessary, the challenging of management, as part of the evolution of our governance framework, the committee has previously adopted a conflicts of interest policy which guides all decisions of the Board when actual or potential conflicts of interest arise.

The policy stipulates that directors are required to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or may conflict, with the Company's interests. Directors are required to give notice of any potential situational and/or transactional conflicts, which are considered at the following Board meeting and, if appropriate, situational conflicts are authorised. Directors are not allowed to participate in such considerations or to vote regarding their own conflicts.

Effectiveness and independence

The committee has reviewed the size and performance of the Board during the year and this process occurs annually. The Board continues to ensure that each of the non-executive directors, remain impartial and independent in order to meet the challenges of the role. Throughout the year, more than half of the Board (55%), comprised independent non-

executive directors. Linda Hickey is the senior independent director on the Board. The senior independent director provides a sounding board for the Chairman and serves as an intermediary for the other directors and shareholders when necessary. The directors consider that there is strong independent representation on the Board.

The Board has had due regard to various matters which might affect, or appear to affect, the independence of certain of the directors. The Board considers that each of the non-executive directors on the Board, (excluding Paul Murtagh), are independent.

In determining the independence of John Cronin, the committee noted that he was previously a partner of McCann FitzGerald, one of the Company's legal advisors, and took into account the following material factors:

- He had no role in the selection or retention of legal advisors to the Company;
- All work undertaken by McCann FitzGerald for the Company was managed by other employees within the firm, and there were formal arrangements in place, both at McCann FitzGerald and Kingspan, to ensure there were no conflicts of interests;
- Since his appointment to the Board, Mr. Cronin has not had any involvement in advising the Company on any legal matters;
- He is an experienced and accomplished corporate lawyer who adds important legal and regulatory experience to the Board.

Mr. Cronin retired from McCann FitzGerald on 1 March 2021. The total fees paid to McCann FitzGerald during the year were €160,373 (2020: €145,541) and account for substantially less than 1% of McCann FitzGerald's annual revenues.

In addition to these considerations, at the time of Mr Cronin's appointment, we engaged with ISS to discuss the steps we had taken to avoid any potential for a conflict of interests. Both parties were satisfied at the time that the relationship was not likely to impact Mr Cronin's independence as a director, and the Company agreed to disclose annually the fees paid to McCann FitzGerald as a related party transaction.

In these circumstances the Board continues to be satisfied that Mr Cronin remains fully independent, and that there was no material relationship, financial or otherwise, which might either directly or indirectly influence his judgement.

In assessing the independence of Linda Hickey, the Board had due regard to her length of service on the Board, and to her previous position as a senior executive at Goodbody Stockbrokers, (one of the Company's corporate brokers), from which she retired in April 2019. The Board noted that corporate broking fees and expenses paid to Goodbody Stockbrokers during her tenure there were typically in the region of €60,000 per annum. In assessing Ms Hickey's independence, the committee formed the view that she has always expressed a strongly independent voice at the Board and its committee meetings, including the Remuneration Committee of which she is chair, and that she has always exercised her judgement as a non-executive director, and as the Senior Independent Director, independent of any other relationships within the Board. The Board also took into account her unrivalled experience in capital markets and governance, which is hugely valuable to the Company and our shareholders, and concluded that her independence was not affected.

External commitments

Directors may serve on other boards provided they continue

Name	Domicile	International	Financial	Governance	Leadership	Industry	Risk	Legal
Jost Massenberg	German	•	•	•	•	•		
Linda Hickey	Irish	•	•	•	•			
Michael Cawley	Irish	•	•	•	•	•	•	
John Cronin	Irish	•	•	•	•		•	•
Anne Heraty	Irish	•	•	•	•	•		
Éimear Moloney	Irish	•	•	•	•	•	•	
Paul Murtagh	USA	•	•	•	•	•		

to demonstrate the requisite commitment to discharge their duties effectively. The committee reviews the extent of the directors' other interests on an ongoing basis throughout the year. The committee is satisfied that each of the directors commits sufficient time to their duties in relation to the Company. The Chairman and each of the directors have also confirmed they have sufficient time to fulfil their obligations to the Company.

In assessing the time commitments of Board members, the committee had particular regard for the external commitments of Michael Cawley, who is also a non-executive director of Ryanair Holdings plc, and Flutter Entertainment plc, as well as chairman of Hostelworld Group plc. Mr Cawley informed the committee that he will be retiring from the Board of Flutter Entertainment plc in April 2022. The committee reviewed Mr Cawley's attendance and contribution as a non-executive director, as well as his other mandates. It noted that Mr Cawley was a strong contributor to the Board and its committees, and that his attendance at and preparation for meetings during the year abundantly demonstrated his commitment to discharge his duties (including in particular his role as chair of the newly expanded Audit & Compliance Committee). The committee is satisfied that he will continue to devote sufficient time to the Board and its sub-committees.

In October 2021 Geoff Doherty was appointed to the board of Ryanair Holdings plc. The committee was satisfied that this appointment would not impinge on Mr Doherty's duties as an executive director of Kingspan, and considered that the appointment would give Mr Doherty a fresh perspective of a global industry leader in a different sector with a similar entrepreneurial high growth culture and a particular focus on compliance and safety.

The committee will continue to keep under review the external commitments of all directors.



The Eversheds Sutherland Review

Last year Kingspan announced a review, conducted by Eversheds Sutherland, of compliance and governance in the UK Insulation business. Kingspan committed to implementing in full the recommendations.

We are pleased to set out on the following page a summary of the actions which the Board has taken in response to those recommendations. Full details are published on our microsite: inquiry.kingspan.com

School Upgrade
Toronto, Canada
Insulated Panels
KS Micro-Rib & MF
Panels

Recommendation	Response
Develop a renewed compliance and leadership strategy.	<ul style="list-style-type: none"> → Clear corporate mission statement and statement of purpose established – as published on www.kingspan.com and as the foreword to the Group Code of Conduct introduced in October 2020. → Clear accountability for risk management in respect of testing, accreditation and marketing material (the “Three Functions”) established through the creation of: <ul style="list-style-type: none"> - The Group Head of Compliance (“GHC”); - Product Compliance Officers (“PCO”) in each business; - Group Compliance Manual; and - Group Marketing Integrity Manual.
Appoint a third party expert to audit and advise on best practice on product fire testing, accreditation and marketing material.	<ul style="list-style-type: none"> → External consultants appointed by UK Insulation business to audit and advise on best practice regarding the Three Functions and assist with design and implementation of world class change management system. → Accreditation for the ISO 37301 Compliance Management Systems has been achieved by the Group function and by nine manufacturing locations across four of the five divisions. Work to secure ISO 37301 accreditation for all manufacturing locations is underway.
Take steps to implement consistent, well-documented and effective controls in respect of product testing. Develop failsafe systems for the Three Functions to implement the best practice procedures, as may be advised by the External Expert.	<ul style="list-style-type: none"> → The Group Compliance Manual documents the best practice procedures and controls to be followed to secure ISO 37301 accreditation. → Implementation of a group-wide Product Information Management (PIM) infrastructure to ensure control and accuracy of all product information is underway.
Implement controls in respect of the Three Functions, ensure there is communication training to promote transparency around product capabilities in the sale process and also in respect of engagement with third party accreditation. Increase awareness in risk accountability across the organisation.	<ul style="list-style-type: none"> → The Group Marketing Integrity Manual introduces mandatory rules to ensure the accuracy and transparency of marketing materials across the Group. → Awareness in risk accountability concerning compliance with the Three Functions underpinned by the principles in the Group Code of Conduct, by the appointment of the GHC, the PCOs and by the implementation of ISO standards and on-going training across the Three Functions.
Review and enhance the system and process for retaining customer observations and data.	<ul style="list-style-type: none"> → Customer observations and data concerning a complaint or non-conformance are reviewed in accordance with the process recommended in ISO 37301, and any necessary corrective action is taken to prevent recurrence. → Net Promoter Score surveys undertaken annually, and the customer trends and feedback are shared with each business unit.
Establish a sub-committee of the Kingspan Group Plc Board to include non-executive directors, to monitor compliance and the Three Functions.	<ul style="list-style-type: none"> → The role of the Audit Committee has been expanded into an Audit & Compliance Committee, with responsibility to monitor compliance in the Three Functions. → The GHC and the Head of Internal Audit & Compliance report regularly to the Audit & Compliance Committee – with the role of the Group Internal Audit function being expanded to incorporate product compliance.
The Company should undertake a review of the composition of the boards of directors of subsidiaries and the conduct and reporting of meetings.	<ul style="list-style-type: none"> → The composition, conduct and reporting of the board of directors of subsidiaries is governed by the updated Group Accounting Manual. → The composition of the board of directors of the subsidiaries will be reviewed annually.
Prepare a bespoke directors' duties manual for directors' of Kingspan subsidiaries.	<ul style="list-style-type: none"> → A director's duties manual has been issued together with training on the same being rolled out in Q1 2022. → Training on the manual will form part of every new statutory director's induction on appointment.

Report of the Remuneration Committee

Linda Hickey

On behalf of the Remuneration Committee (the 'committee'), I am pleased to present the 2021 Report on Directors' Remuneration.

Our remuneration philosophy

At Kingspan, we have developed a clear philosophy around remunerating and incentivising employees at all levels of the organisation. As detailed in prior reports, the principles against which we determine our approach to remuneration, and make decisions, are:

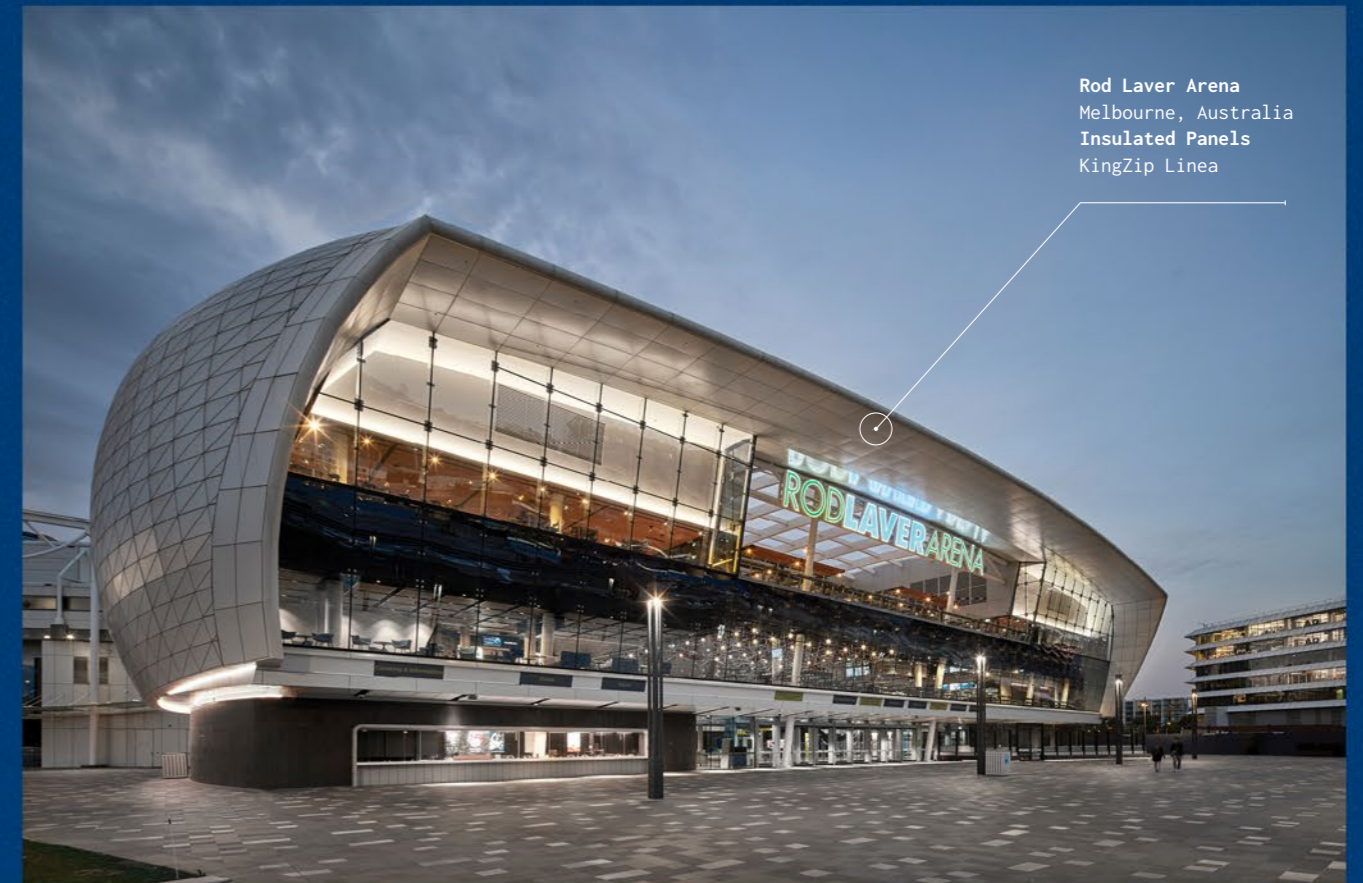
- Pay for performance;
- Simplicity;
- Transparency;
- Alignment with shareholders.

Variable remuneration is only paid for strong performance and maximum pay-outs will only be realised for truly exceptional performance under simple measures that are key to the delivery of strategy. A significant portion of remuneration is delivered through equity, ensuring strong levels of alignment between the interests of management and shareholders. This approach cascades through the organisation and promotes transparency and simplicity for participants and our shareholders.

We are confident that our focus on simplicity and a high-performance culture has played a key role in driving the growth of the business and significant value creation for stakeholders over the years. €1,000 invested in Kingspan in 2011 would have been worth €15,710 at the end of 2021.

The 2021 AGM

At our 2021 AGM, 37% of votes were against Resolution 5, the approval of our 2020 Remuneration Report. In advance of the AGM, we had conducted an extensive consultation, and there was general support for many of the committee decisions made during the year, including the decision to reduce all bonus awards for executive directors to zero to reflect the broader stakeholder experience in 2020.



Rod Laver Arena
Melbourne, Australia
Insulated Panels
KingZip Linea

The committee received feedback from a number of shareholders concerning Peter Wilson's retirement, in particular regarding whether the committee should have applied clawback provisions to his LTIP awards. The committee acknowledged and reflected on the various views expressed, and wrote to shareholders in October to provide a better understanding of the basis of its decision. In reviewing the arrangements of his departure, the committee had considered Mr Wilson's length of service; contribution and performance over 39 years; the established rules of the PSP; the reduction of his bonus to zero for 2020; and the significant step taken by him in retiring early (despite no finding of wrongdoing against him), reflecting a recognition by him that this was the right time to hand over the Insulation business to new leadership. The committee believes it took a balanced decision that reflected the wider factors detailed above.

I hope that the constructive conversations we have had with shareholders and proxy advisors over the past year have served to enhance respective understandings of how we approached key decisions on pay and governance.

2021 business performance and pay outcomes

Kingspan's business has continued to prosper, notwithstanding another challenging year of raw material inflation, supply chain shortages, and rolling

lockdowns. The past year was one of record performance for Kingspan across a number of measures, including shareholder returns, revenue, trading profit and EPS. TSR and EPS represent key measures in our incentive plans, and outcomes under the short and long-term schemes reflect the strength of underlying and market performance.

The annual performance bonus outcome for the executive directors is underpinned by exceptional growth across the divisions and for the Group as a whole. EPS performance of 305.6 cent (up 48%) resulted in a full pay-out for the CEO and CFO under that component, as well as for that component of the divisional MDs' bonuses. For both Gilbert McCarthy and Russell Shiels, the divisional targets were also achieved at maximum. The strength of financial performance was also aligned with an improvement in the Group Net Promoter Score (NPS), which is particularly satisfying following its inclusion as a metric for the first time last year. In all of these circumstances, the committee was satisfied that pay-outs in 2021 reflected underlying Group performance, individual contributions and wider circumstances.

Similarly, the PSP awards granted in 2019 vested in full on the back of top quartile TSR growth of 180% and EPS growth of 66% over the three-year vesting period.

In terms of long-term incentives, the underlying health of the Group has been reflected in the achievement of top quartile TSR performance among the peer group for the eleventh cycle in a row, together with the achievement of stretching EPS targets over the three-year vesting period, resulting in full vesting.

Review of the remuneration policy

During the second half of 2021, the committee reviewed the existing remuneration policy to ensure it remained fit for purpose, whilst reflecting the change in scale of our business. Since our current remuneration policy was approved there has been substantial growth in the business in terms of market cap (up 182%), financial performance (trading profit €755m, up 70%), average headcount (17,880 employees, up 33%) and operations (198 sites, up 53%).

While the committee does not seek to respond to short-term market-based fluctuations, the structural changes at Kingspan over the past decade have been significant, as a result of which the Company's size is now commensurate with the top half of the FTSE 100. The committee believes that it is important to ensure arrangements continue to evolve with the scale and strategy of the Company, a part of which is ensuring different elements of remuneration for an exceptionally strong management team remain competitive against similarly sized companies.

The committee has determined that any adjustments should be gradual and focused on long-term shareholder alignment, rather than taking a short-term approach and making significant adjustments to base remuneration on the back of sizeable growth. Consequently, the following changes are being proposed:

Post-employment shareholding policy: While the current executives have strong alignment with shareholders through their existing holdings, in order to further augment that alignment with shareholders, it is proposed that the current post-cessation shareholding guidelines, which require newly appointed executive directors to retain the lower of shares or equity interests held on cessation and 200% of salary, for two years post-employment, will be extended to the incumbent executive directors.

LTIP award levels: As part of the policy review, the committee considered how to continue to appropriately incentivise the executive directors, acknowledging their increased roles, and driving continued focus on long-term sustainable growth and shareholder alignment. As a result, the committee proposes that the maximum potential LTIP award levels should be increased to 300% of salary (up from 200%) under the current policy. Recognising that the policy may run for four years, the amendment will provide some additional headroom to adjust remuneration if the scale and complexity of the business continues to grow. The committee considers 300% of base salary as

an appropriate market ceiling for the Kingspan executive directors over the coming four years, particularly noting the exceptional growth of the business over the period since the last policy review. However, there is no current intention to grant awards at the maximum level. For 2022, subject to shareholder approval of the new remuneration policy, the committee intends to grant awards at up to 225% of salary to the CEO with corresponding increases to the other executive directors.

Non-executive directors' remuneration policy: Finally, we are proposing two small changes to non-executive directors' remuneration. We propose firstly to update the policy to enable a fee to be paid to the Senior Independent Director ("SID") reflecting the increasing time commitment for this role specifically where the SID holds another committee chair role (currently only one fee can be paid if a non-executive director holds both SID and another committee chair role). Secondly, we are proposing a modest increase in the SID and committee chair fees, as set out later in this report.

Shareholder consultation: Following the finalisation of our proposals, I wrote to shareholders representing 70% of the register. The committee was very pleased to virtually meet with 6 of our top shareholders and receive feedback from several others (representing in total 47% of the register), which provided a rounded picture of shareholder views on the proposals outlined above.

While feedback varied in terms of the specifics, there was general support from shareholders for the changes, in particular to reflect the growth of the business, to continue to drive superior performance and to protect against any potential retention issues. One area discussed with shareholders was the committee's initial proposal to extend the recruitment policy to give flexibility to award Restricted Share Units ("RSUs") in exceptional circumstances when recruiting. While there was an acceptance that there are significant differences in pay structures in a number of regions where we operate, there was also a consistent view that awards should be performance-based. As a result of this shareholder feedback, we have removed the mooted proposal relating to RSUs.

As a committee, we are fully aware of the sensitivities around any increase in remuneration potential. In crafting the current proposals, which the committee believes affords the business sufficient headroom to ensure the retention of some of the highest performing executives globally, benchmarking data was referenced, which looked primarily at similarly sized UK and Irish companies (in terms of market cap and revenue). While that exercise identified that the executive directors' remuneration is well below median under each of the fixed, short and long-term elements of pay, the committee has decided to focus any changes on long-term remuneration, as opposed to addressing the shortfall on each.

As such, it has opted to increase potential future grants under one element of pay – the LTIP – which it considers the most appropriate means of continuing to recognise the contribution of executives while aligning any changes in pay to shareholder interests.

Looking ahead

We are confident that the proposed remuneration policy will build on the success of the policy approved in 2019 and continue to serve Kingspan and its shareholders over the coming four years. We have continued to integrate our ambitious sustainability agenda and our customer NPS performance into our pay arrangements. We remain committed to ensuring that our remuneration framework drives superior performance and reflects the evolving needs of stakeholders. At our 2022 AGM, we hope that shareholders agree and support both of our remuneration proposals.

Linda Hickey

Chair of the Remuneration Committee

Corporate Governance

As an Irish listed company, Kingspan reports against the provisions of the UK Corporate Governance Code (July 2018) and the Irish Corporate Governance Annex. Under the Code, the Remuneration Committee is responsible for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management. In addition, we review broader workforce remuneration and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration. The committee has done so and is confident the pay principles and philosophy set out previously are aligned with the Company's approach to pay in general, and the culture and values of the organisation.

In addition, the Shareholder Rights Directive II (SRD II) was transposed into Irish Law in 2020. Under the SRD II, Kingspan is required to put an advisory remuneration policy to shareholders at least once every four years. A remuneration policy is being proposed at the 2022 AGM, having previously been proposed voluntarily in 2019.

2021/2022 Remuneration at a Glance

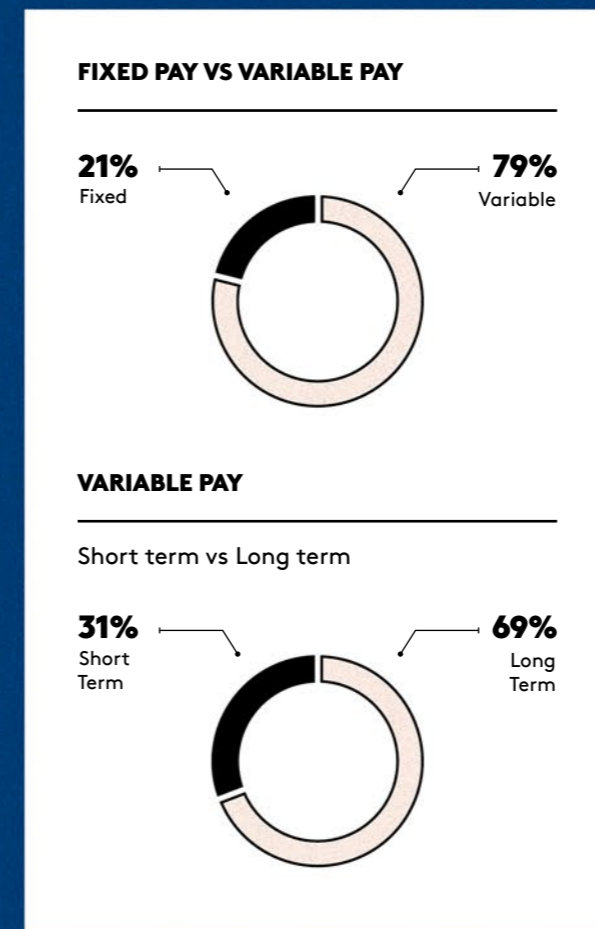
This section provides a snapshot of remuneration received by executive directors during 2021 and the remuneration proposals for the year ahead.

Salary

With the exception of Russell Shiels, there were no increases to executive directors' base salaries in 2021 from the prior year. As outlined in last year's Annual Report, the committee carried out a review of Mr Shiels' role and responsibilities, and noted that this had increased significantly in recent years as a result of recent organic and inorganic expansion particularly in LATAM. The committee awarded Mr Shiels a 3% salary increase in 2021, and agreed to grant a further 4% increase over US inflation (6%) in 2022 to reflect his increased responsibilities. The committee is satisfied that these changes properly align Mr Shiels' package with his increased responsibilities and no further adjustments will be required.

Annual bonus

As provided by the approved remuneration policy, the maximum annual bonus potential for the executive directors is 150% of basic salary, which remains unchanged. The CEO and CFO's annual bonus is based on the achievement of Group EPS performance targets. For Divisional MDs, bonuses are based on a combination of stretching profit targets for their respective divisions, plus an element of Group EPS targets. In addition, in 2021 we introduced an additional non-financial metric, the Net Promoter Score (NPS), for the first time.



	Weighting	Targets	Performance	Payout (% of max.)
CEO/CFO	EPS (93%)	90% - 110% of prior year	148%	100%
	NPS (7%)	NPS in excess of 44	45	100%
Divisional MDs	Divisional profit targets (40%)	90% - 110% of prior year	119% - 142%	100%
	EPS (53%)	90% - 110% of prior year	148%	100%
	NPS (7%)	NPS in excess of 44	45	100%

The 2021 targets and final outturns of the annual performance bonuses are detailed in full above.

Based on the measures above, all targets were significantly exceeded, and each of the directors achieved 100% of maximum pay-out, which is the equivalent of 150% of salary for each executive.

Performance Share Plan

The Performance Share Plan ('PSP') awards vesting in February 2022, relate to awards granted in 2019. These awards were subject to EPS growth and relative TSR performance targets measured over the three year period from 2019 to 2021. Target and actual outturns are set out in the table below.

Prior to confirming the pay-outs, the committee undertook an evaluation of whether vesting levels reflected Group performance, individual contribution and any wider circumstances over the three-year period to December 2021.

Measure	Weighting	Targets	Performance	Payout (% of max.)
EPS	50%	6%-12% CAGR	18.4% CAGR	100%
TSR	50%	Median to Upper quartile	93rd percentile	100%

Remuneration for the year ahead

Element of Remuneration	Committee Decisions	Rationale
Salary increases	The executive directors will receive basic increases of 4.5% which is in line with the general workforce increases of c. 3% to 6%, depending on markets. As previously flagged in last year's annual report, Mr Shiels will receive an additional incremental adjustment to reflect his increased responsibilities in the Americas giving him a total increase of 10%.	With the exception of Mr Shiels, these increases reflect the wider inflationary increases that the business is experiencing in almost all markets.
2022 bonus	The committee has determined that there will be no material changes to the bonus framework for 2022. The measures will remain unchanged and maximum bonuses will be capped at 150% of salary.	The bonus scheme has proven effective at driving a relentless focus on profitability, while extending the measures to include a customer lens – a core part of sustainable value creation and a great success in 2021.
2022 LTIP	Subject to shareholder approval of the proposed changes to the policy at the AGM in 2022, awards will be made at 225% of base salary for the CEO and 200% of base salary for the other executive directors.	As the business continues to grow at an exceptional rate, it is important to make efforts to drive superior returns and remain competitive. Overall maximum performance incentive opportunity of 375% of salary remains below arrangements at similarly sized UK and Irish businesses.

Remuneration Policy Review

Under the Shareholders' Rights Directive, which was transposed into Irish Law in March 2020, Kingspan is obliged to submit its remuneration policy to shareholders for a non-binding advisory vote at least every four years. In light of the proposed changes to the policy approved in 2019, a new policy will be brought to shareholders at the 2022 AGM.

As an Irish company, the UK Companies (Miscellaneous Reporting) Regulations 2018 are not directly applicable, but Kingspan follows these requirements as a matter of best practice unless they conflict with Irish or other legal requirements, or there are other reasons where it is considered not practicable to do so.

The following section sets out the remuneration policy to be proposed at the 2022 AGM, as well as the key changes where relevant. The design of the policy is guided by the following overarching principles:

- **Pay for performance** ensuring that variable remuneration is only paid for strong performance and maximum payouts will only be realised for truly exceptional performance.
- **Simplicity** so that executives and shareholders can understand our pay arrangements without overly complex rules.
- **Transparency** so that it is objectively transparent with high levels of disclosure in the Annual Report.
- **Alignment** with shareholders by delivering a significant proportion of remuneration through equity, and by setting executive share ownership guidelines.

In addition, the committee also considered the key parameters set out by the UK Code, which we believe our principles are broadly aligned to:

Matters	Explanation
Clarity	The policy is clear, uncomplicated and well understood by the executive directors. It is based on measures aligned to strategy.
Simplicity	Aligned with our existing principle of simplicity, with clear and focused incentive plans that do not incorporate excessive measures.
Risk	The policy is designed to discourage inappropriate risk taking and to ensure that it is not rewarded. This is achieved by balance between short-term and long-term incentive plans and the introduction of non-financial metrics, with recovery provisions and the ability of the committee to utilise discretion to adjust formulaic outcomes.
Predictability	Incentive plans are subject to established limits, with objective targets and straight line vesting dictating pay-outs.
Proportionality	Aligned with our principle of pay-for-performance, so that any pay is fully proportional to performance and stakeholder experience.
Alignment to culture	Our high performance culture is designed to drive superior returns for shareholders, whilst the introduction of sustainability measures embeds our Planet Passionate goals throughout the business.

Total Pay over 5 Years	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Pay	Salary				
	Benefits, Pension				
Annual Bonus (Malus and clawback provisions apply)	Up to 100% of salary in cash	Excess bonus in shares Two year deferral period No further performance conditions			
LTIP (Malus and clawback provisions apply)	Three-year performance period			Two-year post-vesting holding period No further performance conditions	
Shareholding Requirement (Not a monetary requirement)	Executive directors' minimum shareholding requirement				

Since our remuneration policy was first approved in 2019, we have continued to engage extensively with shareholders and to review best practice. This feedback has played a key role in the design of our remuneration framework, including the following changes previously made and detailed in our Annual Reports in 2019 and 2020:

a. The inclusion of a two-year post vesting holding period under the LTIP;

b. The introduction of post-cessation shareholding guidelines for all new executive directors;
 c. Pension contributions for new executive directors in line with the workforce rate in the relevant market;
 d. A reduction in pension contributions for incumbent executive directors to 10% of base salary by the end of 2024;

e. The introduction of non-financial measures into both the annual bonus and long-term incentive plans.

We will be formally including the above changes into the new policy. We set out below a detailed summary of the changes to current policy which will be proposed for shareholder approval at the 2022 AGM.

Element of pay	Current Policy	Proposed Policy	Rationale
Base salary	Base salaries are reviewed annually by the Remuneration Committee in the last quarter of each year. Increases will generally be in line with increases across the Group, but may be higher or lower in certain circumstances to reflect performance, changes in remit, roles and responsibilities, or to allow newly appointed executives to move progressively towards market norms.	No change to current policy	No prescribed maximum.
Benefits	In addition to their base salaries, executive directors' benefits include, but are not limited to, life and health insurance and the use by the executive directors of company cars (or a taxable car allowance) and relocation or similar allowances on recruitment, each in line with typical market practice.	No change to current policy	No prescribed maximum.
Pensions	Kingspan operates a defined contribution pension scheme for executive directors. Pension contributions are calculated on base salary only. Incumbent executive directors' pensions will be reduced to 10% of salary by the end of 2024. Newly appointed executive directors will be capped at the rate applicable in the relevant market. Alternatively, Kingspan may pay a cash amount subject to all applicable employee and employer payroll taxes and social security.	No change to current policy	10% from end of 2024.
Annual performance bonus	Executive directors receive an annual performance related bonus based on the attainment of financial and non-financial targets set prior to the start of each year. Bonuses are paid on a sliding scale if the targets are met. Maximum bonus is only achieved if ambitious incremental growth targets are achieved. No more than 100% of salary can be delivered in cash through the bonus plan. Any performance related bonus achieved in excess of the cash amount is satisfied by the grant of share awards, which are deferred for two years. The committee has discretion to adjust formulaic bonus outcomes in line with the Corporate Governance Code.	No change to current policy	Drives focus on profitability, while also including a customer lens. 150% of base salary. (Threshold payment 0% of salary).

Element of pay	Current Policy	Proposed Policy	Rationale
Long-term incentive plan	Executive directors are entitled to participate in Kingspan's Performance Share Plan (PSP). Under the terms of the PSP, performance shares are awarded to the executive directors and the senior management team. The performance shares will vest after three years only if the Group's underlying performance has improved during the 3-year performance period, and if certain financial and non-financial performance criteria are achieved over the performance period. The awards are subject to a two-year post vesting holding period.	Proposed change to maximum potential award level to 300%, with 225% grant to CEO in current year.	Delivers long-term sustainable growth, incorporating Planet Passionate goals. Maximum award to be increased to 300% of base salary to provide scope for further adjustment if required. (Threshold vesting 25% of maximum).
Clawback and malus	Covers material misstatement of financial results, material breach of executive's employment contract, error in calculation, failure of risk management, corporate failure, wilful misconduct, recklessness and or fraud resulting in serious damage to the financial condition or business reputation of the company. The period within which clawback can be operated is 2 years from payment of annual bonus and/or vesting of LTIP awards.	No change to current policy	Alignment with best practice and the Code.
Shareholding guideline	200% of salary to be achieved through the retention of at least 50% of all vested variable pay awards. Achievement of guideline is measured through beneficially owned shares only. For new appointees, the committee may consider it appropriate to require a percentage of the annual bonus paid to be deferred into shares, in order to achieve this guideline.	No change to current policy	Alignment with best practice and the Code.
Post cessation of employment and general shareholding requirements	All executive directors (both incumbent and newly appointed) will be subject to a post-employment shareholding requirement of the lower of (i) shares or equity interests held on cessation, and (ii) 200% of salary, for 2 years post-employment. Achievement is measured through beneficially owned shares, and the retention of vested deferred share and LTIP awards.	Proposed change to current policy	Alignment with best practice and the Code.
Recruitment	In exceptional circumstances, such as to facilitate recruitment, the committee may exercise its discretion and grant LTIPs up to a maximum of 400% of salary.	No change to current policy	To allow flexibility on appointment of a new executive director.
Non-executive director fees	The Chairman receives a single fee for all of his or her responsibilities. Other non-executive directors receive a basic board membership fee. The chairs of board committees and the Senior Independent Director receive an additional fee for this role. Where a non-executive director holds more than one role a separate fee is payable for each role reflecting the additional time commitments and responsibilities of each.	Proposed change to current policy	To reflect the increased responsibilities of these roles.

The following are key structural aspects of the remuneration policy:

Executive director shareholding guidelines

The committee recognises that share ownership is important in aligning the interests of management with those of shareholders. The new policy extends the application of the existing shareholding guidelines, whereby all executive directors are now required to acquire a holding of shares in the Company equal to 200% of salary and to retain these for a period of two years post cessation of employment. The executive directors in practice have holdings significantly in excess of this requirement, and details of these shareholdings are provided in the Report of the Directors contained in this Annual Report.

Clawback and malus

The committee recognises that there could potentially be circumstances in which performance related pay (either annual performance related bonuses and/or PSP Awards) is paid out and where certain circumstances later arise which bring the committee to conclude that the payment should not have been made in full or in part. The clawback of performance related pay, and malus provisions (where awards are reduced to nil before they have vested) would apply in certain circumstances including:

- a material misstatement of the Company's financial results;
- a material breach of an executive's contract of employment;
- error in calculation;
- failure of risk management;
- corporate failure;
- any wilful misconduct, recklessness, and/or fraud resulting in serious damage to the financial condition or business reputation of the Company.

The committee may also adjust the bonus and PSP that is payable if it considers the formulaic outcome is

not representative of the underlying performance of the Company, investor experience or employee reward outcome.

2021 Remuneration Outturn

Pension

Following a thorough review of remuneration during the course of 2020 and incorporating both evolving best-practice and the perspectives of shareholders, all contractual pension contributions will be reduced to 10% of base salary by the end of 2024. While recognising that certain shareholders have differing expectations on the timing and level of pension, the committee believes this approach fairly and appropriately balances the legacy contractual entitlement of each of the executive directors with the general expectations of shareholders and wider stakeholders.

2021 performance related bonus

In 2021 all executive directors were eligible for a maximum performance related bonus opportunity of up to 150% of base salary. The CEO and CFO's annual performance related bonuses were principally based (93% of total opportunity) on Group EPS growth targets over prior year, with the maximum annual performance related bonus being payable on the achievement of 110% Group EPS growth over prior year. The committee considered this to be a stretching target, particularly in light

Executive Director	Pension Contribution			Annual Percentage Point Reduction
	2021	2022	2025	
Gene Murtagh	18%	16%	10%	2% annually
Geoff Doherty	24%	20%	10%	4% in year 1 and 2 3% in year 3 and 4
Gilbert McCarthy	20%	17%	10%	3% in year 1 and 2 2% in year 3 and 4
Russell Shiels	33%	23%	10%	10% in year 1 5% in year 2 4% in year 3 and 4

of the global pandemic and market volatility that was evident from the end of the prior year. The ability for the executives to continue to drive EPS growth in such a challenging environment is testament to their performance and that of the organisation as a whole.

For each of the Divisional MDs, up to 40% of their total bonus opportunity was based on achieving stretching divisional profit targets, with maximum bonus being payable on the achievement of 10% divisional profit growth. A further 53% of the Divisional MDs' total bonus opportunity was payable on the achievement of the same Group EPS targets as for the CEO and CFO, ensuring a healthy balance between incentivising divisional and Group growth.

The committee also introduced an additional non-financial measure, based on the Net Promoter Score (NPS), for the first time in 2021. The NPS programme was launched by Kingspan in 2019 across the Group and has become embedded as part of our business strategy. NPS is a rigorous measure of customer experience across a range of touch points in the business, and as such it closely aligns our strategy with the experience of a key stakeholder group. In 2021 up to 7% of each of the executive directors' total bonus opportunity (ie 10% of base salary) was based on achieving progression of the Group NPS score.

Directors' Remuneration for year ended 31 December 2021 (EUR'000)

Executive Directors	Gene Murtagh		Geoff Doherty		Russell Shiels ⁽¹⁾		Gilbert McCarthy		Peter Wilson ⁽¹⁰⁾		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Fixed Remuneration												
Salary and Fees	888	888	573	573	520	523	530	530	-	512	2,511	3,026
Pension Contributions ⁽²⁾	161	161	140	140	169	173	106	106	-	198	576	778
Benefits ⁽³⁾	35	33	34	31	53	48	43	43	-	20	165	175
Total Fixed Remuneration	1,084	1,082	747	744	742	744	679	679	-	730	3,252	3,979
Performance Pay												
<i>Annual Incentives⁽⁴⁾</i>												
Cash Element	888	-	573	-	520	-	530	-	-	-	2,511	-
Deferred Share Awards	444	-	287	-	260	-	265	-	-	-	1,256	-
<i>Long Term Incentives⁽⁵⁾</i>												
LTI - Grant Value ^{(6) (7)}	1,499	1,308	830	740	768	620	768	684	-	586	3,865	3,938
LTI - Share Price Growth ^{(6) (7)}	1,826	900	1,011	509	936	427	936	470	-	403	4,709	2,709
Total Performance Pay	4,657	2,208	2,701	1,249	2,484	1,047	2,499	1,154	-	989	12,341	6,647
Total Remuneration	5,741	3,290	3,448	1,993	3,226	1,791	3,178	1,833	-	1,719	15,593	10,626

Non Executive Directors⁽⁸⁾

Jost Massenberg	258	75
Linda Hickey	85	85
Michael Cawley	85	85
John Cronin	75	75
Anne Heraty	75	75
Éimear Moloney ⁽⁹⁾	50	-
Paul Murtagh ⁽⁹⁾	50	-
Bruce McLennan ⁽¹⁰⁾	25	75
Eugene Murtagh ⁽¹⁰⁾	64	191
Total non-executive pay	767	661
Total Directors' remuneration	16,360	11,287

(1) Russell Shiels' remuneration is denominated in USD, and has been converted to Euro at the following average rates USD: 1.1828 (2020: 1.142).

(2) The Group operates a defined contribution pension scheme for executive directors. Certain executives have elected to receive part of their prospective pension entitlement as a non-pensionable cash allowance in lieu of the pension benefit foregone, subject to all applicable employee and employer payroll taxes.

(3) Benefits principally relate to health insurance premiums and company cars/car allowances. In the case of Russell Shiels the cost of life insurance and permanent health benefit is also included.

(4) The annual incentive amount is earned for meeting clearly defined EPS growth, divisional profit and NPS targets. Details of the bonus plan and targets are set out on pages 88 to 91 of the Remuneration Report.

(5) Long Term Incentives are granted annually pursuant to the Kingspan Group Performance Share Plan (PSP). Details of the PSP scheme and targets are set out on pages 88 to 91 of the Remuneration Report.

(6) The vesting value of the 2019 LTIP award (vesting in 2022) has been calculated using the average share price for the 30 days ending on 16/02/2022 being €86.06. The calculation for this award will be adjusted in next years' Annual Report to reflect the share price on the date of vesting (25/02/2022). The share price increased from the date of grant (share price: €38.80) to the share price used to determine the vesting value (share price: €86.06).

(7) The vesting value of the 2018 LTIP award (that vested in 2021) has been calculated using the share price at the date of vesting (26/02/2021) of €60.25. The share price increased from the date of grant (share price: €35.70) to the date of vesting (share price: €60.25).

(8) Non-executive directors receive a base fee of €75,000 per annum, plus an additional fee of between €7,500 and €10,000 for chairmanship of board committees. They do not receive any pension benefit, or any performance or share based remuneration.

(9) Éimear Moloney and Paul Murtagh were appointed as non-executive directors on 30 April 2021.

(10) Peter Wilson retired as an executive director on 31 December 2020. Bruce McLennan and Eugene Murtagh both retired as non-executive directors on 30 April 2021.

The table below sets out the performance against targets for each of the executive directors in respect of the year ended 31 December 2021.

	Max opportunity as % salary	Weighting	Threshold target	Target for maximum	Performance	Payout (% of max.)
Chief Executive	150%	EPS (93%)	185.6 cent	226.8 cent	305.6 cent	100%
		NPS (7%)	NPS in excess of 44		45	100%
Chief Financial Officer	150%	EPS (93%)	185.6 cent	226.8 cent	305.6 cent	100%
		NPS (7%)	NPS in excess of 44		45	100%
Russell Shiels	150%	Divisional profit (40%)	90% of prior year	110% of prior year	119%	100%
		EPS (53%)	185.6 cent	226.8 cent	305.6 cent	100%
		NPS (7%)	NPS in excess of 44		45	100%
Gilbert McCarthy	150%	Divisional profit (40%)	90% of prior year	110% of prior year	142%	100%
		EPS (53%)	185.6 cent	226.8 cent	305.6 cent	100%
		NPS (7%)	NPS in excess of 44		45	100%

Following a reduction in bonus payments to zero in 2020, in light of stakeholder experiences, the committee was satisfied that the formulaic outturn of the bonus plan for 2021 was an accurate reflection of underlying company performance, individual contribution and a holistic evaluation of wider circumstances. In particular, the committee considered the record financial performance of the business, the continued generation of superior returns to shareholders, and the substantial growth in headcount and operational footprint. The committee recognised the overall progression in Group NPS in this, the first year of implementing the metric, and noted the continued development in methodology and survey size, which it intends to have externally validated from 2022.

We do not disclose the specific financial targets for the Divisional MDs, or performance against them, as these

are commercially sensitive figures, which would provide information that would not otherwise be available to competitors.

All bonuses earned in excess of 100% of base salary will be satisfied by the grant of share awards, which are deferred for two years.

Performance Share Plan

In 2020, the committee reviewed the level of awards being granted to the executive directors, and determined that an increase in level was merited and would be within the overall limits contained in the PSP rules. The committee proposed to increase grant levels from 175% to 200% for the CEO and from 150% to 175% for the other executive directors. However in February 2021, the committee considered that it would be appropriate to maintain the grant of PSP awards at the same level as prior year, and to postpone the proposed increased grant pending

an update on the implementation of the Eversheds Sutherland recommendations. In August 2021, following an update to the committee of progress against the Eversheds Sutherland's recommendations and having considered the detailed actions taken at both Group and within the UK Insulation business, the committee approved an additional grant of 25% to each of the executives in line with the prior year's decision resulting in total grants for the year of 200% and 175% of salary for the CEO and other executive directors, respectively.

The committee reviewed the extent to which the vesting targets in respect of the PSP Awards granted in 2019 had been met by reference to EPS and TSR targets over the three-year performance period to 31 December 2021. In 2019, the committee granted PSP Awards that were 50% based on EPS growth targets and 50% based on TSR targets:

Measure	Weighting	Threshold target	Maximum Target	Performance	Payout (% of max.)
EPS	50%	6% CAGR	12% CAGR	18.4% CAGR	100%
TSR	50%	Median	Upper quartile	93rd percentile	100%

The peer group against which TSR performance was measured was as follows:

Armstrong World Industries Inc	Holcim Ltd	Sika AG
Boral Ltd	NCI Building Systems Inc	Travis Perkins plc
CRH plc	Owens Corning Inc	Wienerberger AG
Geberit AG	Rockwool Intl. A/S	
Grafton Group plc	SIG plc	

In addition, and in line with the approach to reviewing bonus payouts, the committee reviewed overall performance and stakeholder experience during the three-year period up to December 2021. Following a review of the vesting levels, the committee was satisfied that they reflected company and individual performance over the three-year period.

Performance Share Plan									
Director		At 31 Dec 2020	Granted during year	Vested during year	Exercised or lapsed during year	At 31 Dec 2021	Option price €	Earliest exercise date	Latest expiry date
Gene M. Murtagh									
	Unvested	103,498	27,078	(36,578)	(4,010) ¹	89,988	0.13	25/02/2022	23/08/2028
	Vested	-	-	36,578	-	36,578	0.13	26/02/2021	26/02/2025
		103,498	27,078	-	(4,010)	126,566	0.13		
Geoff Doherty									
	Unvested	57,767	15,198	(20,674)	(2,267) ¹	50,024	0.13	25/02/2022	23/08/2028
	Vested	-	-	20,674	(20,674) ²	-	0.13	-	-
		57,767	15,198	-	(22,941)	50,024	0.13		
Russell Shiels									
	Unvested	51,461	14,057	(17,341)	(1,901)	46,276	0.13	25/02/2022	23/08/2028
	Vested	-	-	17,341	(17,341) ³	-	0.13	-	-
		51,461	14,057	-	(19,242)	46,276	0.13		
Gilbert McCarthy									
	Unvested	53,437	14,057	(19,122)	(2,096) ¹	46,276	0.13	25/02/2022	23/08/2028
	Vested	69,671	-	19,122	-	88,793	0.13	24/02/2018	26/02/2025
		123,108	14,057	-	(2,096)	135,069	0.13		
Company Secretary									
Lorcan Dowd									
	Unvested	13,160	2,806	(4,317)	(305) ¹	11,344	0.13	25/02/2022	24/02/2028
	Vested	13,940	-	4,317	-	18,257	0.13	24/02/2018	26/02/2025
		27,100	2,806	-	(305)	29,601	0.13		

(1) Performance adjustment on 26/02/2021.

(2) Exercised on 02/03/2021. Market value on day of exercise €60.85.

(3) Exercised on 07/09/2021. Market value on day of exercise €94.94.

Deferred Share Awards						
Director		At 31 Dec 2020	Granted during year	Vested & transferred during year	At 31 Dec 2021	Earliest vesting/transfer date
Gene M. Murtagh	Unvested	4,822	-	(4,009)	813	31/03/2022
Geoff Doherty	Unvested	3,169	-	(2,644)	525	31/03/2022
Russell Shiels	Unvested	2,912	-	(2,424)	488	31/03/2022
Gilbert McCarthy	Unvested	2,445	-	(2,445)	-	-

Executive retirement

Following his retirement at the end of 2020, Peter Wilson's unvested PSP awards were reduced pro rata by an amount to reflect the proportion of the vesting period not actually served, in line with the scheme rules and remuneration policy as approved by shareholders in 2019. Mr Wilson did not receive any other compensation or payment on his retirement.

Non-executive directors

The non-executive directors each received fees which are approved by the Board as a whole. Following the appointment of Jost Massenbergh as the new independent non-executive Chairman at the 2021 AGM, the committee carried out a review of the appropriate level of fees for the role. Following advice from its remuneration consultants, the committee determined to set the Chairman's fee at €350,000 per annum, to properly reflect the role and duties of an independent chairman.

The basic non-executive director fee is €75,000. An additional fee of €7,500 is paid for chairing the Remuneration Committee, and a fee of €10,000 for chairmanship of the Audit Committee and for the Senior Independent Director, to reflect their additional role and responsibilities (only one additional fee is paid if a director has dual roles). The remuneration policy being put to shareholders for approval at this year's AGM, proposes to make modest adjustments to these non-executive fees.

Implementation of Remuneration Policy for 2022

The core principles of our remuneration philosophy as outlined earlier, frame our approach to 2022, namely reward for high-performance, simplicity, transparency and alignment with shareholders.

Base salary and pension

The executive directors will receive basic increases of 4.5% which is in line with the general workforce increases of c. 3% to 6%, depending on markets. As outlined in last year's Annual Report, in 2020 the committee carried out a review of Russell Shiels' role and responsibilities, and noted that this had increased significantly in recent years as a result of recent organic and inorganic expansion particularly in LATAM. The committee awarded Mr Shiels a 3% salary increase in 2021, and agreed to grant a further 4% increase over US inflation in 2022 to reflect his increased responsibilities in the Americas. Mr Shiels will therefore receive an additional incremental adjustment in 2022 giving a total increase of 10%. The committee is satisfied that these changes properly align Mr Shiels' package with his increased responsibilities and no further adjustments will be required.

As outlined previously, the committee has made a significant change to the company's policy on pensions, with the pension contributions of new executive directors limited to the levels applicable to the wider workforce in the market in which they

work. The pension contributions of all incumbent executives are being reduced in instalments to 10% over the four-year period to December 2024 as outlined on page 88.

Annual bonus

The maximum bonus opportunity for all the executive directors is 150% of salary (unchanged from 2021) with up to 100% of salary earned through the bonus plan delivered in cash and up to 50% of salary being deferred into shares in the Company for two years. For 2022, the committee decided that the performance measures should remain unchanged from 2021, with 93% based on Group and divisional financial measures, although the committee determined to increase the overall weighting of divisional performance (versus Group performance) for the divisional MDs. 7% of overall bonus will be based on NPS as before. The bonus targets, and performance against them, will be disclosed in the 2022 Report of the Remuneration Committee.

Performance share awards

Subject to shareholder approval, for 2022 it is proposed that the CEO will receive an award over shares with a market value of 225% of base salary, and the other executive directors will receive awards over shares with a market value of 200% of base salary. These grant levels represent an increase on previous years, in line with the proposed amendments to our remuneration policy if approved, but remain significantly below the proposed scheme ceiling.

Overall, the annual and long-term performance incentive opportunity, at up to 375% of salary, remains below arrangements at similarly sized UK and Irish businesses.

The committee also reviewed the performance framework of the PSP scheme. For the 2022 PSP Awards, the committee has selected the same financial performance measures based on EPS growth and relative TSR. The peer group against which TSR performance will be measured for PSP grants made in 2022 is set out adjacently.

The committee also reviewed the EPS targets to ensure they include significant stretch over the performance period ahead and are aligned with our principles of alignment and pay-for-performance. While the targets are unchanged in absolute terms, coming from a high base which includes record levels of EPS, the committee considers that these targets include significant stretch and are appropriately aligned with our risk appetite as well as internal and external forecasts. In order for maximum vesting, truly exceptional performance is required.

There are no changes to the ESG measures included in the LTIP, which draws a clear focus on growing sustainability. Details of our achievements against our ESG targets will be published in Kingspan's 2021 Planet Passionate Sustainability Report.

Non-executive director fees

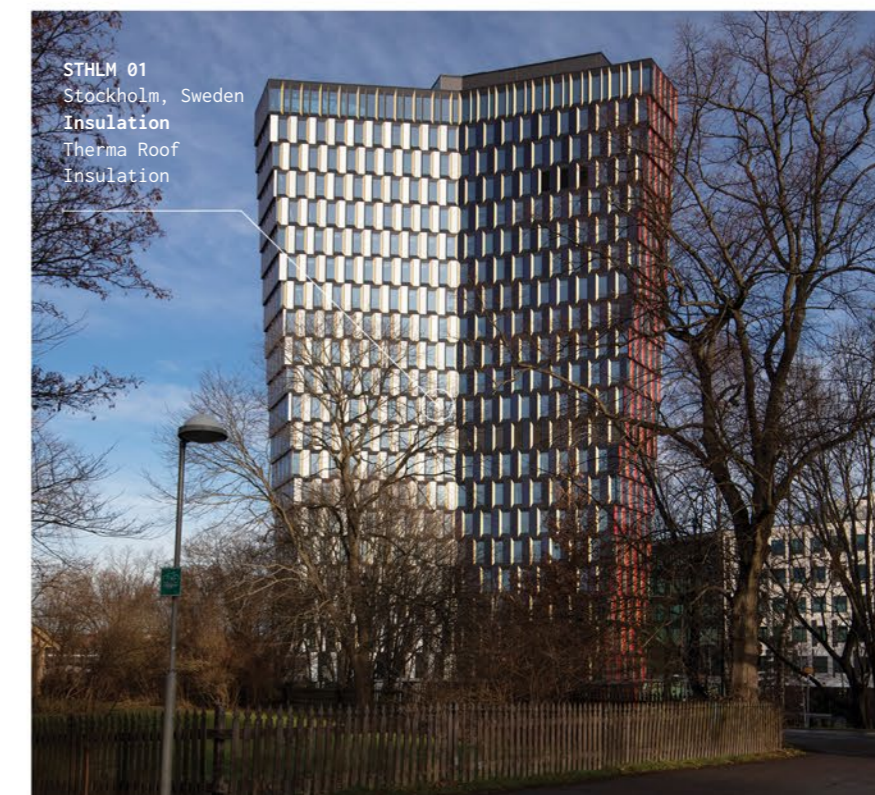
As outlined above, the independent non-executive Chairman's fee has been set at €350,000 for the year ahead. There is no change from prior year to the basic non-executive fees of €75,000. Subject to approval of the new remuneration policy, an additional fee of €15,000 will be paid to the chairs of the Remuneration Committee and the Audit & Compliance Committee, as well as for the Senior Independent Director, to reflect their additional roles and responsibilities.

Peer group for 2022 grant for PSP awards:

Armstrong World Industries Inc	Holcim Ltd
Boral Ltd	Mohawk Industries Inc
Compagnie de Saint Gobain SA	Owens Corning Inc
Cornerstone Building Brands Inc	Rockwool Intl. AS
CRH plc	Sika AG
Geberit AG	Travis Perkins plc
Grafton Group plc	Wienerberger AG

Performance Measures	Weighting	Percentage vesting at threshold	Threshold vesting target	Maximum vesting target*
EPS	45%	22.5%	6% p.a.	12% p.a.
TSR	45%	22.5%	Median	Upper quartile
Planet Passionate	10%	0%	Various	Various

*Straight line vesting between threshold and maximum vesting



Committee Governance

The Remuneration Committee comprises three independent non-executive directors, Linda Hickey (Chair), Michael Cawley and Anne Heraty. The Company Secretary acts as the secretary to the committee. The Chief Executive does not normally

attend meetings but provides input where relevant, to the committee Chair prior to the meeting. No individual is present at a meeting when the terms of his or her own remuneration are discussed. The terms of reference are available on the Company's website: www.kingspan.com

The Remuneration Committee met four times during the year. Each meeting was attended by all the members of the committee, and an overview of the workings of the committee is set out below.

External advisors

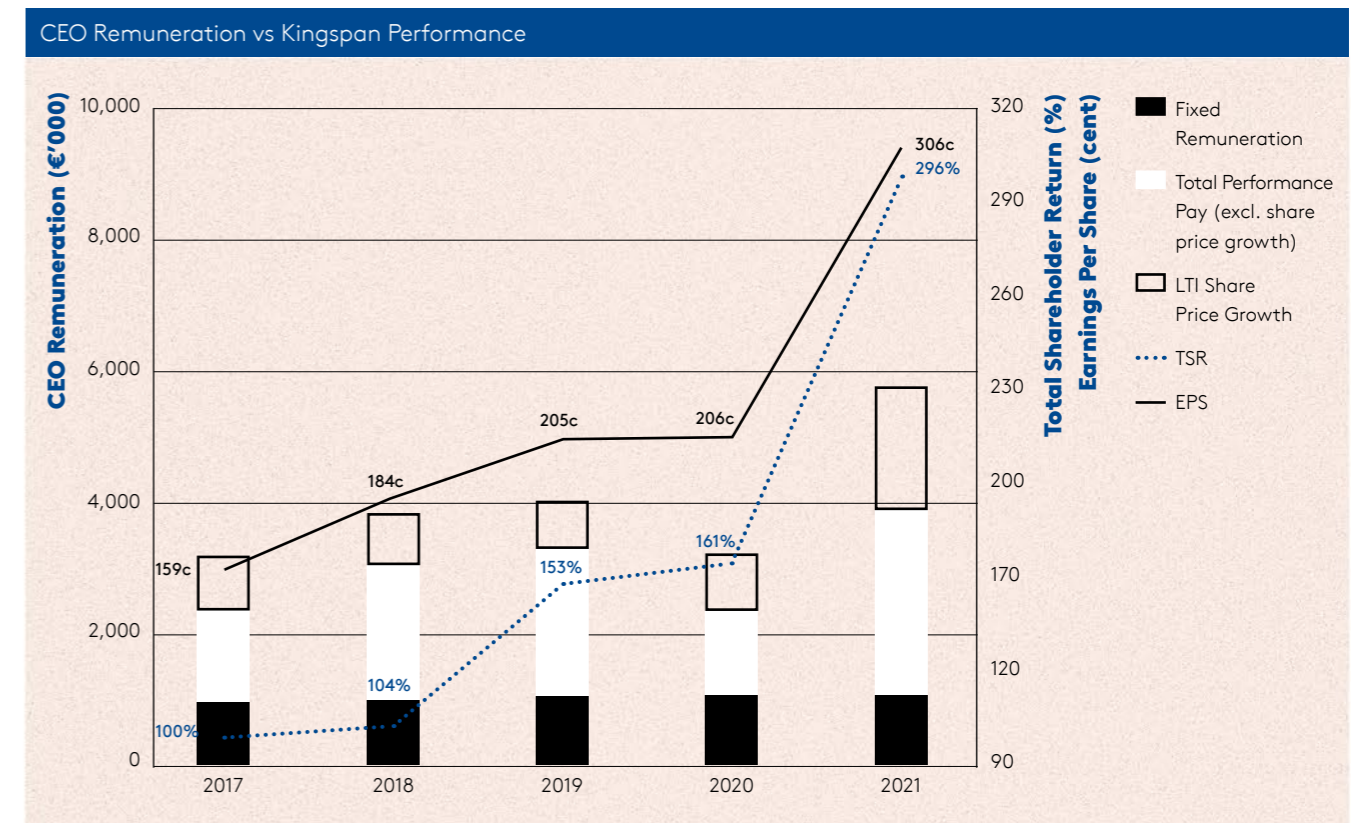
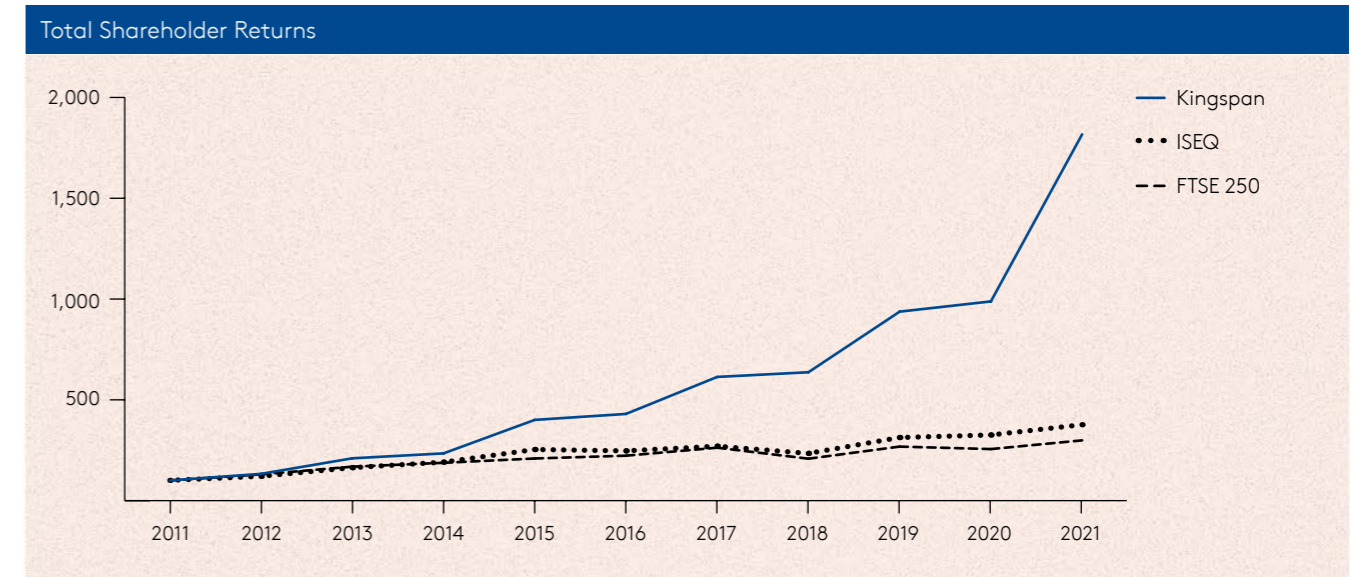
The Remuneration Committee obtained advice during the year from independent remuneration consultants Korn Ferry. Korn Ferry is a member of the Remuneration Consultants Group and a signatory to its Code of Conduct,

and all advice is provided in accordance with this code. Korn Ferry did not provide any other services to Kingspan during the year. Accordingly, the committee is satisfied that the advice obtained was objective and independent.

Performance graph

The graph below shows the Company's TSR performance against the performance of the ISEQ and FTSE 250 indices over the 10-year period to 31 December 2021:

Remuneration Committee activities	FEB	JUL	AUG	DEC
Salary and fees				
Engage independent consultants for policy and benchmark review		•		
Review implementation of overall remuneration policy				•
Review and approve executives' salary, role and responsibilities for 2022				•
Review and approve non-executives' fees for 2022				•
Review and determine executive directors' pension alignment	•	•		•
Review remuneration benchmark				•
Review and approve Chairman's fee		•		
Performance pay				
Assess Group and individual performance against targets for 2020	•			
Exercise discretion to reduce bonus achieved for 2020 to zero	•			
Review executive bonus measures and weighting for 2022				•
Agree Group and individual performance targets for 2022				•
PSP Awards				
Assess performance of 2018/2020 PSP Awards against targets	•			
Determine percentage of 2018/2020 PSP Awards which vest	•			
Review performance measures for grants of PSP Awards for 2021	•			
Agree targets and level for grants of PSP Awards for 2021	•		•	
Introduce non-financial Planet Passionate measures for 2021	•			
Governance				
Review and approve Remuneration Report for Annual Report 2020	•			
Update on governance and remuneration trends generally	•	•		•
Consider shareholder votes and feedback from AGM 2021		•		
Engage with shareholders post AGM			•	•
Review of progress against Eversheds Sutherland's recommendations			•	
Review and update of remuneration policy				•
Engage with shareholders on remuneration policy				•



Report of the Audit & Compliance Committee

Michael Cawley

As chairman of the Audit & Compliance Committee ('the committee') I am pleased to present the report of the committee for the year ended 31 December 2021 to stakeholders and wider society.

This report details how the Audit & Compliance Committee has met its responsibilities under its Terms of Reference, the Irish Companies Act 2014 and under the UK Corporate Governance Code (July 2018) in the last twelve months.

The Audit & Compliance Committee focused particularly on the appropriateness of the Group's financial statements. The committee has satisfied itself, and has advised the Board accordingly, that the 2021 Annual Report and financial statements are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The significant issues that the committee considered in relation to the financial statements and how these issues were addressed are set out in this report.

The Audit & Compliance Committee note the requirements under section 225 of the Companies Act 2014 and has ensured that the directors are aware of their responsibilities and comply fully with this provision.

One of the Audit & Compliance Committee's key responsibilities is to review the Group's risk management and internal controls systems, including in particular internal financial controls. During the year, the committee carried out a robust assessment of the principal risks facing the Company and monitored the risk management and internal control system on an ongoing basis. Further details regarding these matters are also set out in this report on page 48.

The Audit & Compliance Committee also reviewed the effectiveness of both the external audit process and the internal audit function as part of the continuous improvement of financial reporting and risk management across the Group.

The Audit & Compliance Committee recently assumed responsibility for reviewing the effectiveness of the controls and processes relating to product compliance and monitoring the culture of compliance across the Group.

Michael Cawley
Chairman, Audit & Compliance Committee

Role and Responsibilities

The Board has established an Audit & Compliance Committee to monitor the integrity of the Company's financial statements and the effectiveness of the Group's internal financial controls. The committee's role and responsibilities are set out in the committee's Terms of Reference which are available from the Company and are displayed on the Group's website (www.kingspan.com). The Terms of Reference are reviewed annually and amended where appropriate. During the year the committee worked with management, the external auditors, Group Internal Audit, and other members of the senior management team in fulfilling these responsibilities.

In December 2020, the Terms of Reference of the committee were updated to include oversight of product compliance.

The Audit & Compliance Committee report deals with the key areas in which the Audit & Compliance Committee plays an active role and has responsibility. These areas are as follows:

1. Financial reporting and related primary areas of judgement;
2. The external audit process;
3. The Group's internal audit function and risk management controls;
4. The Group's product compliance and certification function; and
5. Governance.

Committee membership

As at 31 December 2021, the Audit & Compliance Committee comprised of three independent non-executive directors who are Michael Cawley (chairman), Anne Heraty and Éimear Moloney. Éimear Moloney joined the committee in April 2021. The biographies of each can be found on pages 68 to 69.



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The Board considers that the committee as a whole has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to fulfil its duties, and that the committee chairman, Michael Cawley B.COMM., F.C.A., has appropriate recent and relevant financial experience.

Meetings

The committee met four times during the year ended 31 December 2021 and attendance at the meetings is noted below. Activities of the Audit & Compliance Committee in each meeting is noted overleaf.

Committee Member	Attended	Eligible	Appointment Date
Michael Cawley	4	4	2014
Anne Heraty	4	4	2019
Éimear Moloney	3	3	2021

Audit & Compliance Committee Activities	FEB	JUN	AUG	NOV
Financial Reporting				
Review and approve preliminary & half-year results	•		•	
Consider key audit and accounting issues and judgements	•	•	•	•
Approve going concern and viability statements	•		•	
Consider accounting policies and the impact of new accounting standards	•	•	•	
Review management letter from auditors	•			
Review of any related party matters and intended disclosures	•		•	
Review Annual Report, and confirm if fair, balanced and understandable	•			
External Auditor				
Ongoing assessment of auditor performance	•	•	•	•
Approval of external audit plan				•
Review reports and correspondence from the auditor (EY) to the Audit & Compliance Committee	•		•	•
Confirm auditor independence and consider non-audit services and materiality of related fees	•			•
Approval of audit engagement letter and audit fees				•
Internal Audit and Risk Management Controls				
Review of internal audit reports and monitor progress on open actions	•	•	•	•
Approve internal audit plan and resources, taking account of risk management	•	•	•	•
Review of financial, IT and general controls	•	•	•	•
Review details of global fraud attempts and management response	•	•	•	•
Monitor Group whistleblowing procedures and reports	•	•	•	•
Assessment of compliance with Group Global Sanctions policy		•		
Review of impact of pandemic on financial control environment	•	•		
Review of Group liquidity position	•	•	•	
Assessment of the principal risks and effectiveness of internal control systems				•
Product Compliance & Certification				
Review and approve product compliance and certification internal audit plan and monitor progress on open actions	•	•	•	•
Review and consider the structure and expertise of the product compliance and certification team		•	•	•
Receive updates from Group Head of Compliance & Certification		•		•
Review and approve Marketing Integrity Manual				•
Governance				
Review accounting regulator correspondence		•	•	
Evaluation of external and internal audit functions	•	•	•	•

Each committee meeting was attended by the Group Chief Financial Officer and the Head of Internal Audit & Compliance. The external auditor also attended these meetings as required. The Company Secretary is the secretary of the Audit & Compliance Committee. Other directors can attend the meetings as required.

The chairman of the Audit & Compliance Committee also met with both the Head of Internal Audit & Compliance and the external audit lead partner outside of committee meetings as required throughout the year.

Committee Evaluation

As outlined on page 70 within the Corporate Governance Statement, the performance of the Board also includes a review of the committees. Any recommendations raised in relation to the Audit & Compliance Committee are acted upon in a formal and structured manner. No issues were identified for the year ended 31 December 2021.

Financial Reporting

The committee is responsible for monitoring the integrity of the Group's financial statements and reviewing the financial reporting judgements contained therein. The financial statements are prepared by a finance team with the appropriate qualifications and expertise.

The committee confirmed to the Board that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

In respect of the year to 31 December 2021, the committee reviewed:

- the Group's Trading Updates issued in June and November 2021;
- the Group's Interim Report for the six months to 30 June 2021; and
- the Preliminary Announcement and Annual Report to 31 December 2021.

In carrying out these reviews, the committee:

- reviewed the appropriateness of Group accounting policies and monitored changes to and compliance with accounting standards on an ongoing basis;
- discussed with management and the external auditor the critical accounting policies and judgements that had been applied;
- compared the results with management accounts and budgets, and reviewed reconciliations between these and the final results;
- discussed a report from the external auditor at that meeting identifying the significant accounting and judgemental issues that arose in the course of the audit;
- considered the management representation letter requested by the external auditor for any non-standard issues and monitored action taken by management as a result of any recommendations;
- discussed with management future accounting developments which are likely to affect the financial statements;

- reviewed the budgets and strategic plans of the Group to ensure that all forward looking statements made within the Annual Report reflect the actual position of the Group; and
- considered key areas in which estimates and judgement had been applied in preparation of the financial statements including, but not limited to, a review of fair values on acquisition, the carrying amount of goodwill, intangible assets and property, plant and equipment, litigation and warranty provisions, recoverability of trade receivables, valuation of inventory, hedge accounting treatments, treasury matters and tax matters.

The primary areas of judgement considered by the committee in relation to the Group's 2021 financial statements, and how they were addressed by the committee are set out overleaf.

Each of these areas received particular focus from the external auditor, who provided detailed analysis and assessment of the matter in their report to the committee.

In addition, the Internal Audit team reviews the businesses covered in its annual Internal Audit Plan, as agreed by the committee, and report its findings to the Audit & Compliance Committee throughout the year. These internal audit reviews are focused on areas of judgement such as warranty provisions, trade receivables and inventory, and provide the committee with information on the adequacy and appropriateness of provisions in these areas.

Primary areas of judgement	Committee activity
Adequacy of warranty provisions	The committee reviewed the judgements applied by management in assessing both specific and risk based warranty provisions at 31 December 2021. The committee reviewed and discussed with management the monthly reports presented to the Board which set out, for each of the Group's divisions, warranty provisions and warranty costs and analyse these costs as a percentage of divisional sales. Warranty provisions are reviewed on an ongoing basis throughout the year in conjunction with the internal audit process. The committee was satisfied that such judgements were appropriate and the risk had been adequately addressed.
Recoverability of trade receivables and adequacy of provision	The committee reviewed the judgements applied by management in determining the provision for expected credit loss at 31 December 2021. The committee reviewed and discussed with management the monthly board report which sets out aged analysis of gross debtor balances and associated provisions for expected credit loss and reviewed security (including credit insurance) that is in place. Expected credit loss provisions are reviewed on an ongoing basis throughout the year in conjunction with the internal audit process. The committee was satisfied that such judgements were appropriate and the risk had been adequately addressed.
Accounting for acquisitions	Total acquisition consideration in 2021 amounted to €552.3m. The committee discussed with management and the external auditors the accounting treatment for newly acquired businesses, and the related judgements made by management, and were satisfied that the treatment in the Group's financial statements was appropriate.
Consideration of impairment of goodwill	<p>The committee considered the annual impairment assessment of goodwill prepared by management for each Cash Generating Unit ("CGU") using a discounted cash flow analysis based on the strategic plans approved by the Board, including a sensitivity analysis on key assumptions. The primary judgement areas were the achievability of the long term business plans and the key macroeconomic and business specific assumptions. In considering the matter, the committee discussed with management the judgements made and the sensitivities performed. Further detail of the methodology is set out in Note 9 to the financial statements.</p> <p>EY also provided the Committee with their evaluation of the impairment review process and of the impairment review process.</p> <p>Kingspan completed 17 acquisitions during the financial year. The measurement of goodwill is not yet finalised for all acquisitions but the methodology of the assessments of such items of goodwill was presented to the committee and the results were deemed appropriate.</p>
Valuation of inventory and adequacy of inventory provision	The committee reviewed the valuation and provisioning for inventory at 31 December 2021. The main area of judgement was the level of provisioning required for slow moving and obsolete inventory. The committee reviewed and discussed with management the monthly board report which sets out, for each of the Group's divisions, gross inventory balances and associated obsolescence provision including an analysis by inventory, category and ageing. Inventory provisions are reviewed on an ongoing basis throughout the year in conjunction with the internal audit process. The committee was satisfied that such judgements were appropriate and the risk had been adequately addressed.
Taxation	<p>Provisioning for potential current tax liabilities and the level of deferred tax asset recognition in relation to accumulated tax losses are underpinned by a range of judgements. The committee addresses these issues through a range of reporting from senior management and a process of challenging the appropriateness of management's views including the degree to which these are supported by professional advice from external legal and other advisory firms. This assessment was conducted in line with the provisions of IFRIC 23.</p> <p>The Group's accounting manual sets out detailed policies that prescribe the methodology to be used by management in calculating the above provisions. Each division formally confirms compliance with these policies on an annual basis.</p> <p>The Committee was satisfied that such judgements were appropriate and the risk had been adequately addressed.</p>

External auditor

The Audit & Compliance Committee has responsibility for overseeing the Group's relationship with the external auditor including reviewing the quality and effectiveness of their performance, their external audit plan and process, their independence from the Group, their appointment and their audit fee proposals.

Performance and audit plan

Following the completion of the 2020 year end audit, the committee carried out a review of the effectiveness of the external auditor and the audit process. This review involved discussions with both Group management and internal audit and feedback provided by divisional management. The committee continues to monitor the performance and objectivity of the external auditors and takes this into consideration when making its recommendations to the Board on the remuneration, the terms of engagement and the re-appointment, or otherwise, of the external auditors.

Prior to commencement of the 2021 year end audit, the committee approved the external auditor's work plan and resources and agreed with the auditor's various key areas of focus, including accounting for acquisitions and warranty provisions.

During the year the committee met with the external auditor without management being present. This meeting provided the opportunity for direct dialogue and feedback between the committee and the auditor, where they discussed inter alia some of the key audit management letter points.

EU Audit Reform

The regulatory framework for the Group's statutory audit is governed by EU legislation under Directive 2014/56/EU and Regulation EU No. 537/2014. EU Audit reform legislation is applicable in the Member States of the European Union, including Ireland. Under this legislation, Kingspan Group plc is considered a Public Interest Entity ("PIE"). Key developments falling from the implementation of this legislation are:

- a requirement that the PIE changes its statutory auditor every ten years (following rotation, the statutory audit firm cannot be reappointed for four years);
- a requirement that certain procedures are followed for the selection of the new statutory auditor; and
- restrictions on the entitlement of the statutory auditing firm to provide certain non-audit services.

Kingspan Group plc has fully complied with such EU Audit Reform. With regards audit firm rotation, EY, was selected as the external auditor for the financial year commencing 1 January 2020.

Independence and objectivity

The committee is responsible for ensuring that the external auditor is objective and independent. EY was appointed as the Group's auditor on 1 May 2020, following a formal tender process in which a number of leading global firms submitted written tenders and presentations. The lead audit partner is rotated every five years and is currently Pat O'Neill.

The committee received confirmation from the external auditor that they are independent of the Group under the requirements of the IAASA Ethical

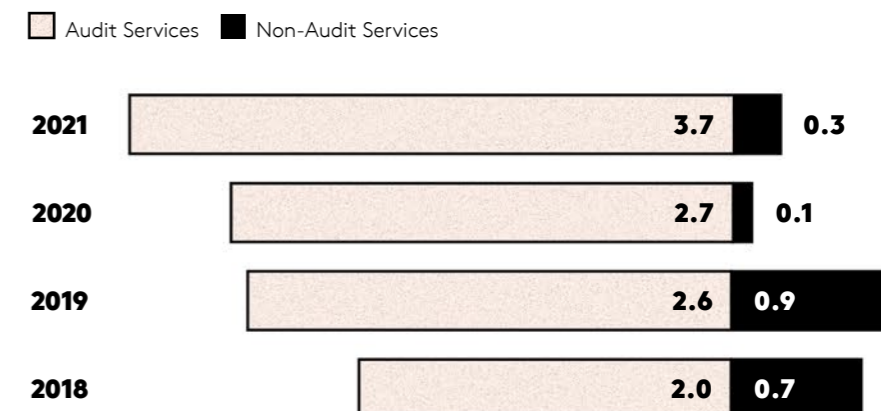
Standard for Auditors (Ireland) 2020. The external auditor also confirmed that they were not aware of any relationships between the Group and the firm or between the firm and any persons in financial reporting oversight roles in the Group that may affect its independence.

Non-audit services

To further ensure independence, the committee has a policy on the provision of non-audit services by the external auditor that seeks to ensure that the services provided by the external auditor are not, or are not perceived to be, in conflict with auditor independence. By obtaining an account of all relationships between the external auditor and the Group, and by reviewing the economic importance of the Group to the external auditor by monitoring the audit fees as a percentage of total income generated from the relationship with the Group, the committee ensured that the independence of the external audit was not compromised. The committee's policy on the provision of non-audit services by the Group's external auditor is fully compliant with EU audit reform legislation.

An analysis of fees paid to the external auditor, including the non-audit fees, is set out in Note 5 and below:

AUDIT V NON-AUDIT SERVICES (€m)



Internal audit & compliance

The committee reviewed and agreed the annual internal audit plan, which the committee believes is appropriate to the scope and nature of the Group. The internal audit plan is risk based, with all divisions audited every year, and all new businesses audited within 12 months of acquisition.

The committee reviewed reports from the Head of Internal Audit & Compliance at its quarterly meetings. These reports enable the committee to monitor the progress of the internal audit plan, to discuss key findings and the plan to address them in addition to status updates of previous key findings.

The committee is responsible for reviewing the effectiveness of the internal audit function and does so based upon discussion with Group management, the Group's external auditor and feedback provided by divisional management. The committee was satisfied that the internal audit function is working effectively, improves risk management throughout the Group and that the internal audit function team is sufficiently resourced in addition to having the adequate level of experience and expertise.

The terms of reference of the Audit & Compliance Committee were extended in December 2020 to include oversight of the processes around product certification. The Head of Internal Audit & Compliance also reports to the committee in this regard.

Risk Management and Internal controls

The Audit & Compliance Committee has been delegated, from the Board, the responsibility for monitoring the effectiveness of the Group's system of risk management and internal control.

The Audit & Compliance Committee monitors the Group's risk management and internal control processes through detailed discussions with management and executive directors, the review

and approval of the internal audit reports, which focus on the areas of greatest risk to the Group, and the external audit reports, as part of both the year end audit and the half year review process, all of which highlight the key areas of control weakness in the Group. All weaknesses identified by either internal or external audit are discussed by the committee with Group management and an implementation plan for the targeted improvements to these systems is put in place. The implementation plan is overseen by the Group Chief Financial Officer and the committee is satisfied that this plan is being properly executed.

As part of its standing schedule of business, the committee carried out an annual risk assessment of the business to formally identify the key risks facing the Group. Full details of this risk assessment and the key risks identified are set out in the Risks & Risk Management section of this Annual Report on pages 48 to 53.

These processes, which are used by the Audit & Compliance Committee to monitor the effectiveness of the Group's system of risk management and internal control, are in place throughout the accounting period and remain in place up to the date of approval of this Annual Report.

The main features of the Group's internal control and risk management systems that specifically relate to the Group's financial reporting and accounts consolidation process are set out in the Corporate Governance Report on page 75.

Product Compliance and Certification

With effect from December 2020, the Audit & Compliance Committee has responsibility for reviewing the effectiveness of the processes and controls associated with product compliance and monitoring the culture of compliance across the Group.

The Audit & Compliance Committee review reports from the Internal Audit function which assess the compliance of the Group's products with respect to:

- i. product specific laws and regulations;
- ii. testing;
- iii. certification and accreditation; and
- iv. accuracy and consistency of marketing materials.

The Group Product Compliance Team, led by the Group Head of Compliance & Certification, supports compliance governance across the Group in implementing policies, processes, and procedures to ensure continued improvement in management systems. The Audit & Compliance Committee meet with the Group Head of Compliance & Certification for updates on the Group's compliance and certification agenda. In particular, the committee receives updates on the implementation of the Group Compliance Management System which is certified to the ISO 37301 standardised global benchmark.

The Audit & Compliance Committee also meet regularly with the Group Head of Internal Audit & Compliance in relation to product compliance matters. The Group Internal Audit Plan includes specific audit procedures with respect to product compliance and certification. The Group Head of Internal Audit & Compliance updates the committee on the findings of all internal audit assignments, with a specific focus on product compliance and certification. Following the adoption of the Group Marketing Integrity Manual in September 2021, the Group Internal Audit Plan also includes specific procedures to validate compliance with the Marketing Integrity Manual across the Group.



The Audit & Compliance Committee noted the following highlights in 2021:

- Group Compliance Management System (CMS) launched with ISO 37301 certification.
- Kingspan Water & Energy's Williton site in the UK was one of the first manufacturing sites in the world to be awarded the ISO 37301 certification. 8 other Group manufacturing sites obtained the ISO 37301 certification in 2021.
- 90 Group compliance audits were completed in 2021.
- Recruitment of additional compliance experts for Group Internal Audit and Group Compliance & Certification teams.
- Rollout of additional internal and external compliance training globally.

- Divisional Compliance Managers reporting to Group Compliance & Certification team on a monthly basis.
- Product compliance registers in place across all divisions.

Whistleblowing procedures

The Group has a Code of Conduct, full details of which are available on the Group's website (www.kingspan.com).

Based on the standards set out in this Code of Conduct, the Group employs a comprehensive, confidential and independent whistleblowing phone service to allow all employees to raise their concerns about their working environment and business practices. This service then allows management and employees to work together to address any instances of fraud, abuse and other misconduct in the workplace.

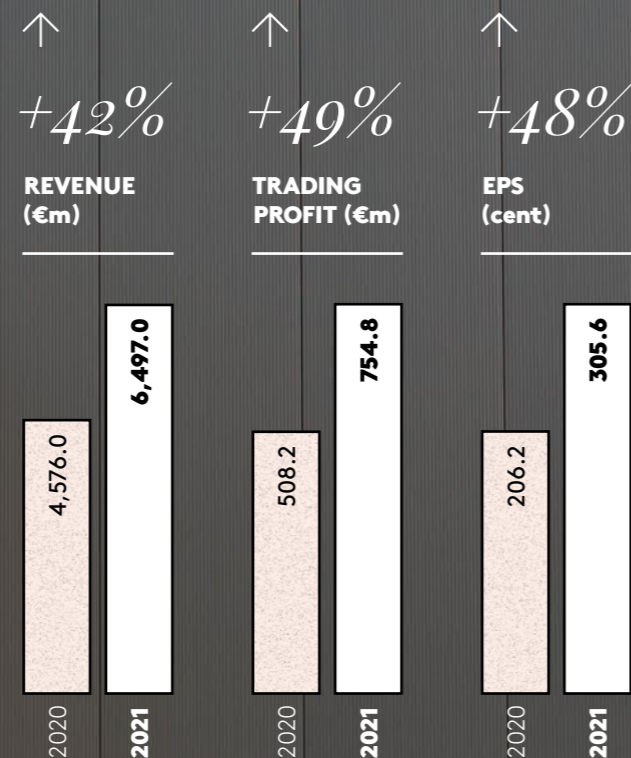
Any instances of fraud, abuse or misconduct reported on the whistleblowing phone service are reported to the Head of Internal Audit & Compliance and the Company Secretary, who ensure each incident is appropriately investigated and then report to the committee details of the incident, key control failures, any financial loss and actions for improvement.

During the year, the committee reviewed the Group's whistleblowing process and were satisfied with the design and operating effectiveness of the process.

Report of the Directors

Gene M. Murtagh
Geoff Doherty

The directors of Kingspan Group plc ("Kingspan") have pleasure in presenting their report with the audited financial statements for the year ended 31 December 2021.



Clean2Day
Tiel, The Netherlands
Insulated Panels
KS1100 with QuadCore™

Principal Activities

Kingspan is the global leader in high-performance insulation and building envelope solutions. Kingspan Group plc is a holding company for the Group's subsidiaries and other entities. The Group's principal activities comprise the manufacture and distribution of the following product suites as part of the complete "Building Envelope":

INSULATED PANELS

Manufacture of insulated panels, structural framing and metal facades.

INSULATION

Manufacture of rigid insulation boards, technical insulation and engineered timber systems.

LIGHT & AIR

Manufacture of daylighting, smoke management and ventilation systems.

WATER & ENERGY

Manufacture of energy and water solutions and all related service activities.

DATA & FLOORING

Manufacture of data centre storage solutions and raised access floors.

Kingspan's five key business divisions offer a suite of complementary building envelope solutions for both the new build and refurbishment markets.

Results And Dividends

Group turnover for the year ended 31 December 2021 was €6,497m (2020: €4,576m), trading profit was €754.8m (2020: €508.2m), and earnings per share were 305.6 cent (2020: 206.2 cent). The Consolidated Income Statement is set out later in this Annual Report and a detailed review of the Group's performance from a financial and operational perspective is contained within the Business & Strategic Report.

The Board has proposed a final dividend, if approved at the Annual General Meeting, of 26.0 cent (2020: 20.6 cent) per ordinary share payable on 6 May 2022 to shareholders registered on the record date of 25 March 2022. An interim dividend of 19.9 cent per ordinary share was declared during the year (2020: nil). The total dividend for 2021 is 45.9 cent compared to 20.6 cent for 2020. This is in line with the previously announced revised shareholder returns policy.

Business Review

The Business & Strategic Report contained in this Annual Report, including the Chief Executive's Review and the Financial Review, sets out management's review of the Group's business during 2021. The key points include:

- Revenue up 42% to €6.5bn, (pre-currency, up 42%).
- Trading profit up 49% to €754.8m, (pre-currency, up 49%).
- Acquisitions contributed 12% to sales growth and 11% to trading profit growth in the year.
- Group trading margin of 11.6% (2020: 11.1%).
- Basic EPS up 48% to 305.6 cent (2020: 206.2 cent).
- Final dividend per share of 26.0 cent (2020: 20.6 cent) giving a total dividend for the year of 45.9 cent (2020: 20.6 cent).
- Year end net debt¹ of €756.1m (2020: €236.2m). Net debt to EBITDA² of 0.88x (2020: 0.40x).
- ROCE of 19.5% (2020: 18.4%).
- Unprecedented raw material inflation with strong price recovery effort.
- Strong underlying volume growth of 13% and 11% in Insulated Panels and Insulation.
- Insulated Panels sales increased by 45%, driven by strong momentum generally in construction activity, raw material led price growth further enhanced by strong demand in high growth sectors. Year end order backlog volume 28% ahead of the same point in 2020. 66% growth in sales value of QuadCore™.
- Insulation sales increased by 50%, reflecting strong demand in key markets and inflation recovery on pricing. Strong development activity during the year including the acquisition of Logstor Group, a leading global supplier of technical insulation solutions.
- Light & Air sales grew by 24%, reflecting the acquisition of Colt Group in Q2 2020 and the acquisition of Skydôme in 2021. Strong backlog at year end.
- Water & Energy sales increased by 29%, reflecting a strong performance across all key markets, with the exception of Australasia.
- Data & Flooring sales increased by 21%, reflecting strong data centre activity and ongoing development of the European operations.
- Invested a total of €714m in acquisitions, capex and financial investments during the period.
- Since period end, approximately €800m committed on three transactions subject to customary approvals.

¹ Net debt pre-IFRS 16 per banking covenants
² Net debt to EBITDA is pre-IFRS 16 per banking covenants

The Business & Strategic Report contained in this Annual Report sets out the “four pillars” of Kingspan’s strategy which drive conversion from traditional methods of construction to ultra-performance building envelopes, these are:

INNOVATION

Kingspan’s innovation agenda is driven across four key themes - performance, solutions, sustainability, and digitalisation.

PLANET PASSIONATE

Our Planet Passionate agenda is inextricably linked with innovation. Planet Passionate is Kingspan’s 10-year sustainability programme which aims to impact three big global issues – climate change, circularity and protection of our natural world.

COMPLETING THE ENVELOPE

Our strategy of ‘completing the envelope’ aims to take our innovation and sustainability DNA and apply them to a wider portfolio of products which are complementary to our current offering.

GLOBAL

Kingspan is a truly global business, operating in over 70 countries with 198 manufacturing sites across the globe.

Throughout 2021, Kingspan made significant progress in pursuit of this strategy with the result that Kingspan has continued to deliver year on year growth. This strategy will remain the focus of the execution of Kingspan’s strategic plan for the foreseeable future.

Principal Risks And Uncertainties

The principal risks and uncertainties facing the Group, and the actions taken by Kingspan to mitigate them are detailed in the Risk & Risk Management Report contained in this Annual Report. The principal risks are:

- Volatility in the macro environment;
- Product failure;
- Failure to innovate;
- Climate change;
- Business interruption (including IT continuity);
- Credit risks and credit control;
- Employee development & retention;
- Fraud & cybercrime;
- Acquisition and integration of new businesses;

- Health & Safety;
- Laws and regulations.

Key Performance Indicators

The directors are pleased to report on the very positive performance during 2021 against its key performance indicators. A detailed commentary incorporating key performance indicators is contained within the

Financial Review and in the Sustainability Report contained in this Annual Report. A number of the key performance indicators have been included in more detail on page 175 ‘Alternative Performance Measures’. The key performance indicators for Kingspan upon which particular emphasis is placed are listed below:

Financial		
Basic EPS growth	305.6 cent (2020: 206.6 cent)	See page 44
Sales growth	€6.5bn (2020: €4.6bn)	See page 44
Trading margin	11.6% (2020: 11.1%)	See page 44
Free cash flow	€127.1m (2020: €479.7m)	See page 44
Return on capital employed	19.5% (2020: 18.4%)	See page 44
Net debt/EBITDA	0.88x (2020: 0.40x)	See page 44
Non-Financial		
Net Zero Energy	100% (2020: 100%)	See page 61
Health & safety (lost time injury)	1.2 per 100k hours (2020: 1.2)	See page 64
Gender balance	20% female (2020: 19% female)	See page 64
Net Promotor Score	Group NPS 45 (2020: 44)	See page 84
Planet Passionate Goals	12 Targets (2020: 12 Targets)	See page 34

Innovation

At Kingspan, innovation is a core pillar of our strategy and we view it as a key strategic advantage. We believe building industry traditions must be challenged through innovation in advanced materials and digital technologies in order to achieve a net zero emissions future.

We have innovated a portfolio of advanced products and solutions for architects and building owners which enable them to construct buildings that consume less resources. Future proofing their investment, generating returns through enhanced internal space and operational performance, and facilitating efficient construction through thinner, lighter and safer to handle materials. Increasingly we are enhancing our service and solutions through digitisation. By surfacing our products digitally, we’re making it easier to find them, specify them, buy them, build with them and track them.

In the year ended 31 December 2021, the Group’s research and development expenditure amounted to €40.9m (2020: €33.1m). Research and development expenditure is generally expensed in the year in which it is incurred. Kingspan’s continuing investment in research and development involves a number of key projects which include:

- PV solar-integrated PowerPanel™ Wall;
- Fibre-free A1 classified AlphaCore® insulation;
- QuadCore™ 2.0;
- Kooltherm® 200 series;
- Decarbonisation of materials;
- Digitalisation of the construction industry; and
- Translucent insulated solutions.

Corporate Governance

The directors are committed to achieving the highest standards of corporate governance. A statement describing how Kingspan has applied the principles of good governance set out in the UK Corporate Governance Code (July 2018) and the Irish Corporate Governance Annex is

included in the Report of the Nominations & Governance Committee contained in this Annual Report. The Corporate Governance Statement is treated as forming part of this Annual Report.

Code Of Conduct

In October 2020 Kingspan implemented a new Code of Conduct, applicable to all directors, officers and employees, that sets out our aspiration to maintain a culture where our everyday actions are built on five core principles:

- Clear, ethical and honest business communications;
- Compliance with the law;
- Respect for the safety and wellbeing of colleagues;
- Protection of our Group assets;
- Upholding our commitment to a more sustainable future.

<https://www.kingspan.com/group/commitments/people-and-community/our-code-of-conduct>

Kingspan’s commitment to the respect for Human Rights is contained in its Supply Chain Policy, while the Sustainability section of this Annual Report details Kingspan’s approach to social, employee and diversity matters.

Sustainability

Our mission is to accelerate a net zero emissions future built environment with the wellbeing of people and planet at its heart. We do this through enabling high-performance buildings that can save more energy, carbon and water. Aligned with our mission, we aim to make significant advances in the sustainability of both our business operations and our products. In 2020 we achieved our Net Zero goal by matching 100% of our operational energy with renewable energy (on an aggregate basis across the Group). In December 2019 we launched the next phase of our sustainable development, our new 10 year Planet Passionate Programme, setting ourselves challenging targets in the areas of carbon, energy, circularity and water. Learn more at www.kingspan.com under ‘Our Commitments’ and in our upcoming 2021 Planet Passionate Sustainability Report.

Accounting Records

The directors are responsible for ensuring that accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Group. The directors have provided appropriate systems and resources, including the appointment of suitably qualified accounting personnel, to maintain adequate accounting records throughout the Group, in order to ensure that the requirements of Sections 281 to 285 are complied with. The accounting records of the Company are maintained at the principal executive offices located at Dublin Road, Kingscourt, Co. Cavan, A82 XY31, Ireland.

The European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006

Structure of the Company’s share capital

At 31 December 2021, the Company had an authorised share capital comprised of 250,000,000 (2020: 250,000,000) ordinary shares of €0.13 each and the Company’s total issued share capital comprised 183,591,682 (2020: 183,402,238) ordinary shares.

The number of shares held as treasury shares at the beginning of the year was 1,870,284 (1.03% of the then issued share capital (excluding treasury shares)) with a nominal value of €243,136. During the year, the Company repurchased 600,000 shares as part of the Company’s capital management strategy (0.33% of the issued share capital (excluding treasury shares)) with a nominal value of €78,000 which are held in treasury. A total of 216,144 shares (0.12% of the issued share capital (excluding treasury shares)) with a nominal value of €28,099 were re-issued during the year consequent to the exercise of share options under the Kingspan Group Performance Share Plan and the Kingspan Group Employee Benefit Trust, leaving a balance held as treasury shares as at 31 December 2021 of 2,254,140 (1.24% of the issued share capital (excluding treasury shares)) with a nominal value of €293,037.

Shareholding analysis as at 31 December 2021:

Shareholding range	Number of accounts	% of total	Number of shares held	% of total
1 - 1000	1,426	69.25	629,495	0.34
1,001 - 10,000	581	28.22	1,603,969	0.87
10,001 - 100,000	46	2.23	996,019	0.54
100,001 - 1,000,000	3	0.15	392,162	0.21
Over 1,000,000	3	0.15	179,970,037	98.04
	2,059	100.00	183,591,682	100.00

Details of persons with a significant holding of securities in the Company are disclosed below:

Notification Date	Shareholder	Shares held	%
27/01/2021	Eugene Murtagh	27,018,000	14.88%
12/01/2022	The Capital Group Companies Inc.	16,402,352	9.04%
26/01/2022	Blackrock, Inc.	14,603,818	8.05%
08/03/2021	Allianz Global Investors GmbH	9,084,864	5.01%
27/01/2022	FMR LLC	7,221,533	3.98%

Further information required by Regulation 21 of the above Regulations as at 31 December 2021 is set out in the Shareholder Information section of this Annual Report.

Directors and Secretary

The directors and secretary of the Company at the date of this report are as shown in this Annual Report on pages 68 and 69. Ms. Éimear Moloney and Mr. Paul Murtagh were appointed as non-executive directors in April of 2021.

Directors' & Secretary's Interests in Shares

The beneficial interests of the directors and secretary and their spouses and minor children in the shares of the Company at the end of the financial year are as follows:

Details of the directors' and secretary's share options at the end of the financial year are set out in the report of the Remuneration Committee contained in this Annual Report. As at 22 February 2022, there have been no changes in the directors' and secretary's interests in shares since 31 December 2021.

	31-Dec-21	31-Dec-20
Gene Murtagh	1,079,207	1,079,207
Geoff Doherty	240,039	221,721
Russell Shiels	200,000	200,000
Gilbert McCarthy	258,021	255,576
Linda Hickey	5,000	5,000
Michael Cawley	30,600	30,600
John Cronin	8,000	8,000
Jost Massenberg	0	0
Anne Heraty	2,250	2,250
Paul Murtagh	0	N/A
Éimear Moloney	0	N/A
Lorcan Dowd	3,318	3,188
	1,826,435	1,805,542

Conflicts of Interest

None of the directors have any direct or indirect interest in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company or any of its subsidiaries nor in the share capital of the Company or any of its subsidiaries.

Financial Instruments

In the normal course of business, the Group has exposure to a variety of financial risks, including foreign currency risk, interest rate risk, liquidity risk, and credit risk. The Company's financial risk objectives and policies are set out in Note 19 of the Financial Statements.

Political Donations

Neither the Company nor any of its subsidiaries have made any political donations in the year which would be required to be disclosed under the Electoral Act 1997 (2020: €nil).

Subsidiary Companies

The Group operates from 198 manufacturing sites, and has operations in over 70 countries worldwide.

The Company's principal subsidiary undertakings at 31 December 2021, country of incorporation and nature of business are listed on pages 182 to 187 of this Annual Report.

The Company does not have any branches outside of Ireland.

Outlook

The Board fully endorses the outlook ("Looking Ahead") expressed in the Chief Executive's Review on page 41 of this Annual Report.

Significant Events Since Year End

In February 2022, the Group reached agreement, subject to customary approvals, to acquire Ondura Group from Naxicap. Ondura Group, headquartered in France, is a leading global provider of roofing membranes and associated roofing solutions with 14 manufacturing sites and a distribution network in 100 countries worldwide.

The Group has also reached agreement in February 2022, subject to customary approvals, to acquire Troldekt, a leading Danish headquartered manufacturer of low carbon acoustic insulation. In addition, the Group also completed the acquisition of THU Perfil, an architectural and ceilings solutions business in Spain.

There have been no other material events subsequent to 31 December 2021 which would require adjustment to, or disclosure in this report.

Going Concern

The directors have reviewed budgets and projected cash flows for a period of not less than 12 months from the date of this Annual Report, and considered its net debt position and capital commitments, available committed banking facilities and other relevant information including the economic conditions currently affecting the building environment generally and the Group's Strategic Plan. On the basis of this review the directors have concluded that there are no material uncertainties that would cast significant doubt over the Company's and the Group's ability to continue as a going concern. For this reason, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Viability Statement

In accordance with Provision 31 of the 2018 UK Corporate Governance Code, the directors are required to assess the prospects of the Company, explain the period over which we have done so and state whether we have a reasonable expectation that the Company will be able to continue in operation and meet liabilities as they fall due over this period of assessment.

The directors have assessed the prospects of the Group over the three-year period to February 2025.

The directors concluded that three years was an appropriate period for the assessment, having had regard to:

- the Group's rolling Strategic Plan which extends to 2025;
- the Group's long-term funding commitments some of which fall to be repaid during the period;
- the inherent short-cycle nature of the construction market including the Group's order bank and project pipeline; and
- the potential impact of macro-economic events and political uncertainty in some regions.

It is recognised that such future assessments are subject to a level of uncertainty that increases with time, and therefore future outcomes cannot be guaranteed or predicted with certainty.

The Group Strategic Plan is approved by the Board, building upon the several divisional management plans as well as the Group's strategic goals. It is based on a number of cautious assumptions concerning macro growth and stability in our key markets, and continued access to capital to support the Group's ongoing investments. The strategic plan is subject to stress testing which involves flexing a number of the main assumptions underlying the forecast in severe but reasonable scenarios. Such assumptions are rigorously tested by management and the directors. It is reviewed and updated annually and was considered and approved by the Board at its meeting in December 2021.

In making this assessment, the directors have considered the resilience of the Group, taking account of its current position and the principal risks facing the business as outlined in the Risk & Risk Management Report contained in this Annual Report, and the Group's ability to manage those risks. The risks have been identified using a top-down and bottom-up approach, and their potential impact was assessed having regard to the effectiveness of controls in place to manage each risk. In assessing the prospects of the Group such potential impacts have been considered as have the mitigating factors in place.

Based on this assessment the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Directors' Responsibility Statement

Each of the directors whose names and functions are set out in the Board section of this Annual Report confirm their responsibility for preparing the Annual Report and the consolidated and Company financial statements in accordance with applicable Irish law and regulations.

Company law in Ireland requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The directors have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied by the Companies Act 2014. The financial statements are required by law to give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless

it is inappropriate to presume that the Company, and the Group as a whole, will continue in business.

The directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2014 and Article 4 of the IAS Regulation.

They are responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Financial Regulator, the directors confirm that to the best of their knowledge:

- the Group financial statements and the Company financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company; and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal

risks and uncertainties that they face.

They are also satisfied in compliance with Provision 27 of the 2018 UK Corporate Governance Code:

- that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, business model and strategy.

Directors' Compliance Statement

The directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations in accordance with Section 225(2) (a) of the Companies Act 2014 (the "Act") (described below as the "Relevant Obligations").

In accordance with Section 225 (2) (b) of the Act, the directors confirm that they have:

1. drawn up a Compliance Policy Statement setting out the Company's policies (that are, in the opinion of the directors, appropriate to the Company) in respect of the compliance by the Company with its Relevant Obligations;
2. put in place appropriate arrangements or structures that, in the opinion of the directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and
3. during the financial year to which this report relates, conducted a review of the arrangements or structures that the directors have put in place to ensure material compliance with the Company's Relevant Obligations.

Audit Information

Each of the directors have taken all the steps that they should or ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's statutory auditor is aware of that information. So far as the directors are aware, there is no relevant information of

which the Group's statutory auditor is unaware.

Auditor

In accordance with Section 383(2) of the Companies Act 2014, EY were appointed as Group external auditor on 1 May 2020, with effect for the financial year ending 31 December 2020 and will continue in office.

On behalf of the Board

Gene M. Murtagh
Chief Executive Officer

Geoff Doherty
Chief Financial Officer

22 February 2022

