

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:

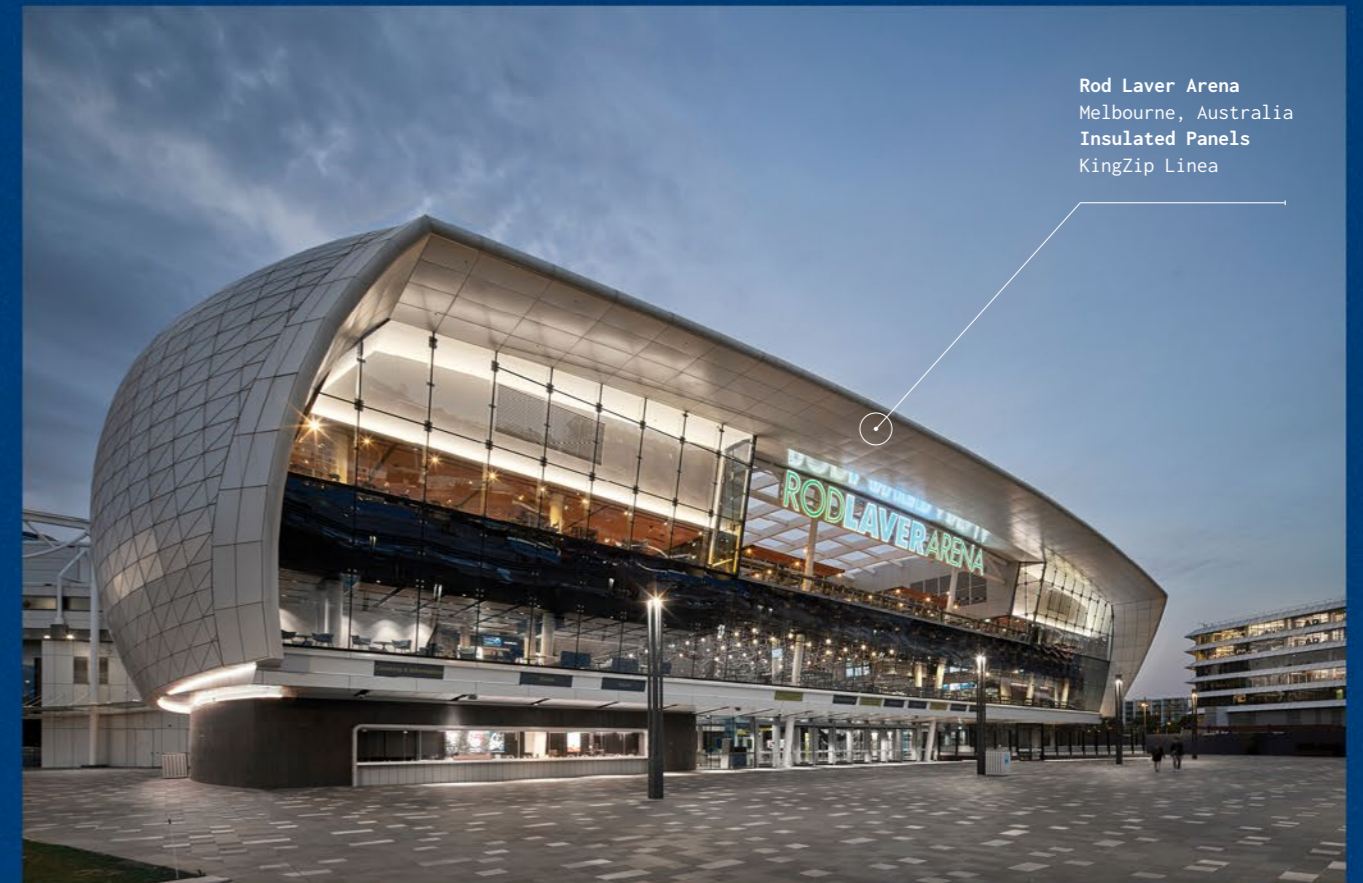
- Pay for performance;
- Simplicity;
- Transparency;
- Alignment with shareholders.

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

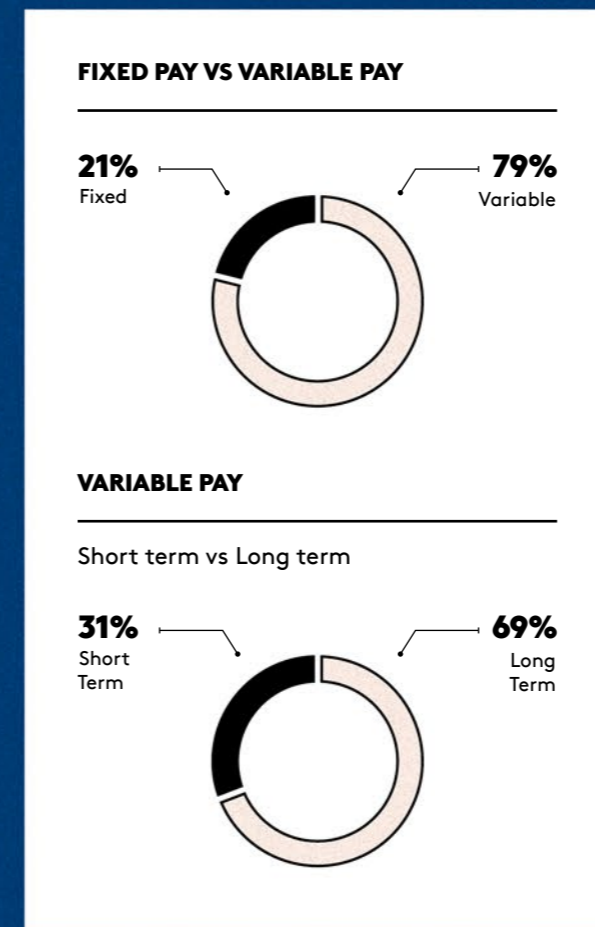
This section provides a snapshot of remuneration received by executive directors during 2021 and the remuneration proposals for the year ahead.

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

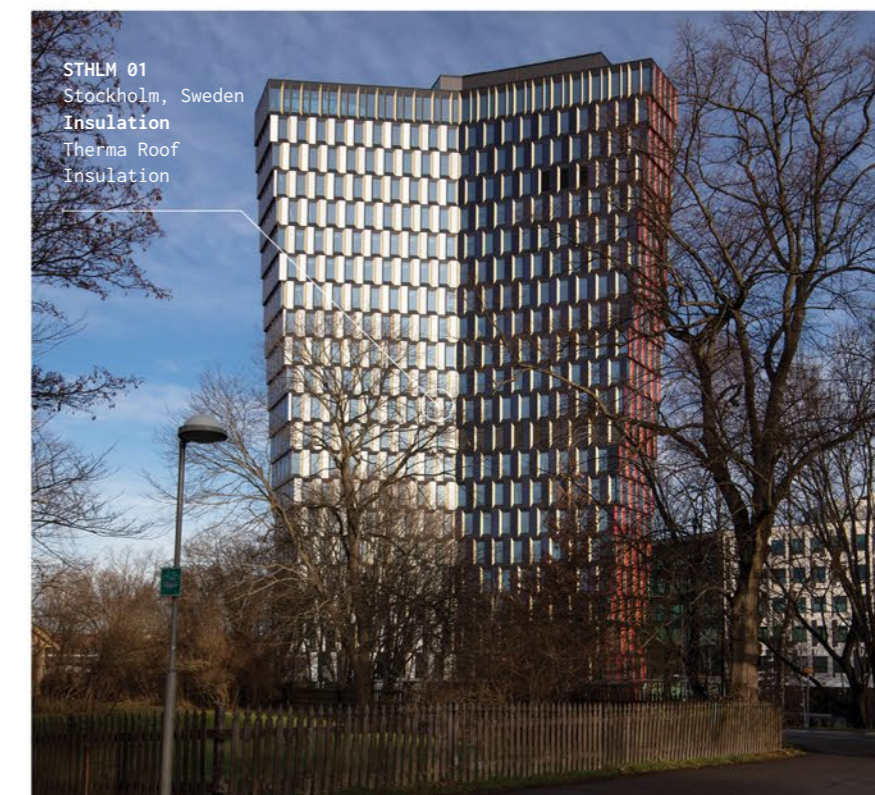
As outlined above, the independent non-executive Chairman's fee has been set at €350,000 for the year ahead. There is no change from prior year to the basic non-executive fees of €75,000. Subject to approval of the new remuneration policy, an additional fee of €15,000 will be paid to the chairs of the 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				•

