

ADDITIONAL DISCLOSURE RELATING TO THE PROPOSED REMUNERATION POLICY

This notice is intended to provide additional information in relation to the Remuneration Report, which is being proposed on an advisory basis under Resolution 5 at the AGM to be held on 30 April 2021. The notice aims to clarify elements of disclosure in the 2020 Annual Report to provide a clearer understanding of the Company's position regarding the implementation of the remuneration policy in respect of Peter Wilson's leaving arrangements.

In determining the treatment of his outstanding PSP awards, the Committee reviewed a number of key factors, including:

- Length of service, contribution and performance;
- The established rules of the PSP;
- The reduction in bonus to zero for 2020;
- The absence of any finding of wrongdoing, implied or actual, in relation to the Grenfell Inquiry.

In line with the [Investment Association Principles of Remuneration](#), the Committee also ensures that all shares remain subject to performance and were reduced pro rata, in line with the Principles.

As announced by the Company, following 39 years with Kingspan, which has seen the Insulation Boards business transformed from a small UK & Ireland business to a truly global player, Peter Wilson decided to retire early from his role at year end, recognising that this was the right time to hand over to new leadership at the Insulation Boards business at an important juncture for the division.

The Committee determined that the circumstances for Mr. Wilson's eligibility in respect to the outstanding PSP awards would apply in line with the rules of the plan and our Remuneration Policy, as disclosed in the 2020 Annual Report. As set out in our [2018 Annual Report](#) (page 74) and the [Notice of Meeting](#) of the 2017 AGM (page 16) to approve the PSP, the rules set out the following:

"As a general rule, an award will lapse immediately if a participant ceases to be employed within the Group before the vesting of the award. However, if a participant ceases employment due to...retirement...the Committee will determine the number of Shares which vest according to the extent that the performance conditions have been met. This number of shares will then be reduced on a pro rata basis to reflect the proportion of the vesting period which has not elapsed at the date of cessation of employment."

As noted in the 2020 Annual Report, all awards under the Company's incentive schemes are subject to formal clawback and malus provisions ensuring protection for the Company and its shareholders. The Committee may also make adjustments to the incentive awards payable if it considers the formulaic outcome is not representative of the underlying performance of the Company, investor experience or employee reward outcome. While the Committee reduced bonus pay-outs for all Executives to zero for the year under review, it retains the ability to reduce or recover pay-outs or vested awards in the future if any situation triggering malus/clawback arises. At each vesting point in the future, the Committee will evaluate the level of vesting to ensure appropriateness when reviewed against individual and company performance.