

KINGSPAN GROUP PLC

Remuneration Committee terms of reference

1. Composition and functioning

- 1.1 The Remuneration Committee (“**the Committee**”) is a sub-committee of the Board, consisting of at least three members, appointed by the Board from the non-executive directors only.
- 1.2 The Board shall periodically review the membership of the Committee. The Group Chief Executive Officer will attend all meetings, but will absent himself when his own performance and remuneration is being considered.
- 1.3 Appointments to the Committee shall be for such period as the Board may determine, and shall automatically terminate upon the member ceasing to be a director of the Board.
- 1.4 The Board shall appoint the chair of the Committee.
- 1.5 The Secretary of the Group, or their nominee, shall be the secretary of the Committee, who, if also a Director, will absent himself when his own performance and remuneration is being considered.

2 Quorum

- 2.1 The quorum necessary for the transaction of business shall be three. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 2.2 Any member may join in a meeting of the Committee by telephone, and any meeting of the Committee may be held by means of telephone or other similar communication whereby all persons participating in the meeting can hear each other speak; and participation in a meeting in this manner shall constitute presence in person at such meeting.
- 2.3 A resolution signed or approved in writing (or by e-mail) by all the members of the Committee shall be as effective for all purposes as a resolution passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form each signed or approved by one or more of the Directors.

3 Notice of Meetings

- 3.1 The Committee shall meet at least once a year and otherwise as required for the proper performance of its functions.
- 3.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members, or at the request external or internal auditors if they consider it necessary.
- 3.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed together with supporting papers as appropriate, shall be forwarded to each member of the Committee, no later than 3 working days before the date of the meeting.

4 Minutes of Meetings

- 4.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

4.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.

5 Duties

The Committee shall:

- 5.1 Determine the remuneration of the Company's Executive Directors (and such other directors of subsidiary companies as the Board may determine), such remuneration to include, where appropriate, bonuses, other incentive payments, pension contributions and share options.
- 5.2 In determining such remuneration, seek specialist independent advice and take into account all factors which it deems necessary to ensure that the Executive Directors are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.
- 5.3 Agree a reference group of appropriate peer organisations in Ireland and elsewhere against whom to benchmark the nature and level of remuneration on an ongoing basis.
- 5.4 Set performance objectives for the Group Chief Executive Officer, and such other Executive Directors as approved by the Board reviewing performance annually, agreeing basic rate of pay and the nature and level of any bonuses due.
- 5.5 Determine the policy and scope of pension arrangements for the Executive Directors.
- 5.6 Recommend to the Board, for approval by the members at the AGM, the appropriate level of fees for non-executive directors. In doing so, they may seek independent external specialist advice.
- 5.7 Recommend to the Board, for approval by the members at an EGM where necessary, the adoption of any new share option or long-term incentive scheme or the variation or termination of any existing such scheme.
- 5.8 Approve the grant of options and/or long-term incentives to the Company's Executive Directors (and such other directors of subsidiary companies as the Board may determine) pursuant to any such approved scheme.
- 5.9 Ensure that provisions regarding disclosure of remuneration, in accordance with current best practice, are fulfilled.
- 5.10 The Group Chief Executive Officer shall have the power to grant options and/or long-term incentives to the senior executives and employees of the Group (excluding the Executive Directors) pursuant to any such scheme in accordance with any policy or grant criteria (whether as to number, value or otherwise) as the Committee may from time to time set out.

6 Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

7 Authority

- 7.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Group in order to perform its duties.
- 7.2 In connection with its duties, the Committee is authorised by the Board to obtain, at the Group's expense, any outside legal or other professional advice including the advice of independent remuneration consultants. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

Reference to "the Board" shall mean the Board of Directors of Kingspan Group plc.

Reference to "the Committee" shall mean the Remuneration Committee.

Reference to "the Company" shall mean Kingspan Group plc

Reference to "Executive Directors" shall mean executive directors of Kingspan Group plc.

Reference to "the Group" shall mean the Kingspan Group plc and its subsidiaries.

Adopted by the Board on the 30 March 2007.