

Report of the Remuneration Committee

Linda Hickey

Dear Shareholder
On behalf of the Remuneration Committee, I am pleased to present the 2022 Report on Directors' Remuneration.

Remuneration philosophy and policy

Kingspan's philosophy is to pay for performance and delivery of strategy, based on simple straightforward metrics, aligned with the interests of shareholders and wider stakeholders' interests.

During 2022, I reached out to over 70% of our shareholder register, and was very pleased to have the opportunity to meet with many of our most significant shareholders, to discuss with you Kingspan's remuneration philosophy and our policy proposals as we worked towards the triennial renewal of our policy at our 2022 Annual General Meeting ('AGM'). Many of you shared your feedback with us, both in writing and in discussion with the Company, and this has been very helpful in formulating the final shape of our updated Remuneration Policy.

During our extensive consultations with shareholders both before and again after the AGM, we highlighted the significant increase in scale and complexity of the business over the three years since our last Remuneration Policy was approved in 2019. Shareholders were, in general, supportive of our proposed policy changes, although some expressed concerns about including the flexibility to grant restricted shares in our recruitment policy, as well as the quantum and timing of the changes to the LTIP limits. The committee was very grateful for these shareholder responses and has incorporated that feedback into its decision-making as explained below.

The committee considered the feedback received, as well as its responsibility to develop a remuneration policy that is appropriate for the strategic development of the entire Kingspan Group, whilst also balancing the expectations of shareholders. In

response to the feedback received, the committee:

- did not include the proposed restricted share units (which had been considered as a potential recruitment tool) as part of the updated Remuneration Policy;
- granted PSP awards to the CEO at 225% of base salary, and at 200% of base salary for the other executive directors, as proposed in last year's Report of the Remuneration Committee;
- confirmed that there is no current intention for any further step-change increases in PSP award levels; and
- agreed to engage with shareholders and consider their feedback before implementing any increase above 250% of salary during the current term of the Remuneration Policy.

As shareholders will know, Kingspan has delivered significant year on year earnings per share growth and long term shareholder returns. An important part of the committee's policy review was to ensure that our executive directors continued to be incentivised and fairly rewarded for this growth and the returns delivered to shareholders. The committee, as part of the policy review, looked carefully at both the levels and structure of remuneration. Our remuneration packages are weighted significantly towards variable pay with particular focus on the long-term as demonstrated by our CEO's maximum annual bonus opportunity of 150% of salary and long-term PSP award of 225% of salary. Incentivising longer term sustainable performance was very much the committee's objective in the review of our remuneration policy and the increase in PSP award levels. The committee's policy review took a prudent approach to increasing pay

levels, whilst noting that the executive directors' remuneration packages remain below those in comparable Irish and UK listed businesses.

We were pleased that our updated Remuneration Policy was supported by almost 80% of shareholders who voted at last year's AGM, and at the same time the committee received 97% support for the Report of the Remuneration Committee at our AGM. Further details of our shareholder engagements during the year are set out later in this report.

2022 business performance and pay outcomes

2022 was another record year for Kingspan, despite challenging market conditions. Management delivered significant progress across its key strategic pillars, increasing geographic expansion and market penetration both organically and through acquisition, completing the envelope through the establishment of the new Roofing + Waterproofing division, and continued new product development introducing new and innovative building solutions. The result was that Group revenues increased to €8.3bn (up 28%), and trading profit was €833m (up 10%). Earnings Per Share ('EPS'), a key performance measure used to determine the executives' performance-related pay, increased to 329.5 cent (up 8% over prior year), a new record for Kingspan.

For 2022, all of our executive directors received basic salary increases of 4.5% which was in line with the general workforce increases for the markets in which they are based, except for Russell Shiels. 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 agreed to incrementally adjust Mr Shiels' package over the period 2021/2022, and for 2022 awarded Mr Shiels a 4% increase in salary above US inflation (giving a total increase of 10%) to reflect his increased responsibilities in the Americas. The committee is satisfied that these changes have properly aligned Mr Shiels' package with his

increased responsibilities and no further adjustment is required.

Annual bonus payments to the executive directors for 2022 of between 82% and 86% of maximum reflect the Group's strong financial performance in the year, combined with the results of the non-financial measure of the Net Promoter Score (NPS). Details of the targets set and performance against them are set out later in this report.

At the same time a combination of external factors, including the war in Ukraine and increased inflation leading to general market uncertainty, have taken a toll on Kingspan's share price, with Total Shareholder Return ('TSR') for the 2020 PSP awards over the three-year performance period to 31 December 2022 being broadly flat at 1.4%. This resulted in a below median TSR performance against our selected peer group. As a result the TSR portion of the PSP awards did not vest, while the strong long-term EPS growth of 61% over the three-year period resulted in 50% of the total 2020 PSP awards vesting during 2023.

The committee considered business performance during 2022, as well as over the longer three-year performance period for the 2020 PSP awards, and is comfortable that the formulaic outcome of the incentives appropriately reflects Group performance as well as individual contribution and that no discretion to adjust is necessary. In particular, the committee reviewed the share price at the time the 2020 PSP awards were granted (€61.80) to see if market movements had created a windfall gain for the executives over the last three years. Noting that the share price at the time of grant was higher than the three month average prior to grant and also higher than the 31 December 2022 share price (€52.29), the committee concluded that there were no excess gains that required the committee to consider a scale back of the vesting levels.

2023 remuneration

The executive directors will receive basic salary increases of 3% in 2023, which is below general workforce increases of c. 4.5% to 6%, depending on region. In determining the appropriate salaries for the executive directors for 2023, the

committee had regard to the increases awarded to the global workforce, particularly in the UK and Ireland, Western Europe and North America, where the rates of pay for the general workforce are set locally, and in some cases are dictated by local legislation. In some countries the businesses have responded to the widespread cost of living crisis by also making additional one-off payments to the workforce. The committee considers that the 3% increase awarded to the executive directors, which is substantially below general workforce increases, is appropriate in the current high inflationary environment.

Pension benefits continue to fall for all of the executive directors in line with the previously approved plan, to closer align with workforce levels.

The annual bonus maximum opportunity and PSP award levels remain unchanged from prior year for 2023. As the performance measures remain aligned with the Group's strategy, they are also unchanged. The targets we have set reflect stretching performance goals in an uncertain and challenging period ahead. Under the policy approved by shareholders at last year's AGM, the committee may adjust the 2023 PSP awards that vest if it considers the formulaic outcome is not representative of the underlying performance of the Company, investor experience or employee reward outcome.

Conclusion

Kingspan's strong performance in a challenging trading environment is reflected in the incentive outcomes for 2022. The decisions that the committee has made, both in respect of our remuneration policy and the operation of that policy for 2023, are in line with our commitment to ensure that our remuneration framework drives superior performance and reflects the evolving needs of stakeholders.

I hope that you will join the Board in approving the resolution on the Report of the Remuneration Committee at the AGM on 28 April 2023.

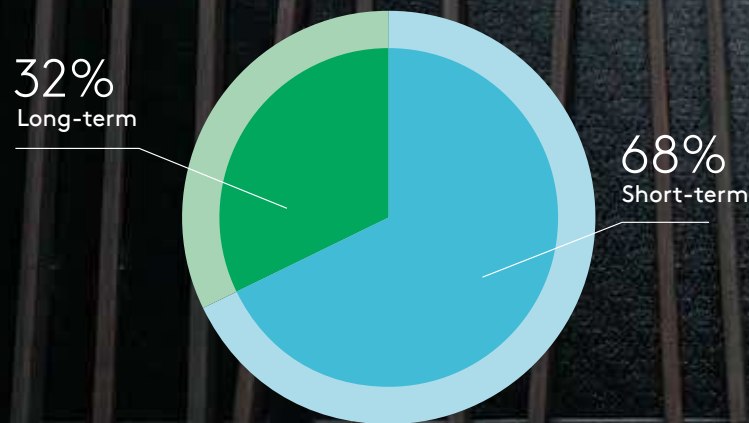
Linda Hickey
Chair of the Remuneration Committee

Hilton Canopy Hotel
Florida, USA
Insulated Panels
Dri-Design

Fixed Pay v Variable Pay



Variable Pay Short-term v Long-term



Remuneration at a Glance

Salary

Implemented for year ended 31 December 2022

As outlined in last year's Annual Report, Russell Shiels received a base salary increase of 10% to reflect his increased responsibilities, with the other executives receiving a base salary increase of 4.5% in line with those awarded to the general workforce.

Planned for year ending 31 December 2023

The executive directors will receive basic increases of 3% which is substantially below general workforce rates of c. 4.5% to 6%, depending on markets.

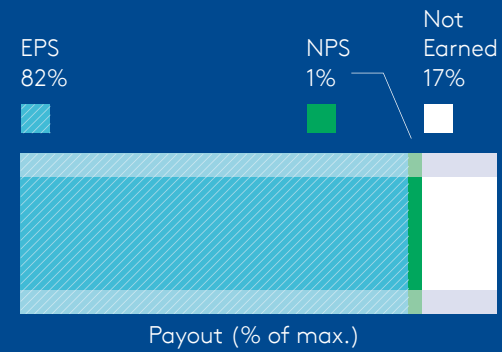
Rationale: These increases take account of the wider inflationary pressures that the business is experiencing in almost all markets.

Annual incentive

As provided by the approved remuneration policy, the maximum annual bonus potential for the executive directors is 150% of base salary, which remains unchanged. The CEO and CFO's annual bonus is based on the achievement of Group EPS performance targets and, additional non-financial NPS 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 and, additional non-financial NPS targets.

The 2022 targets and final outturns of the annual performance bonuses are detailed on page 99.

Annual Bonus CEO:



The committee has determined that there will be no material changes to the bonus framework for 2023. The measures will remain unchanged and maximum bonuses will be capped at 150% of salary.

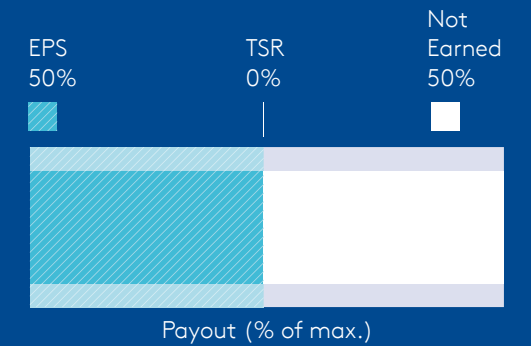
Rationale: The bonus scheme has proven effective at driving a relentless focus on profitability, while extending the measures to include NPS, a core part of sustainable value creation.

Long-term incentives

The Performance Share Plan ('PSP') awards vesting in February 2023, relate to awards granted in 2020. These awards were subject to EPS growth and relative TSR performance targets measured over the three year period from 2020 to 2022. Target and actual outturns are set out on page 100.

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 2022.

PSP:



As approved at the AGM in 2022, awards will be made at 225% of base salary to the CEO and 200% of base salary for the other executive directors.

Rationale: As the business continues to grow at an exceptional rate, it is important to continue to drive superior returns and remain competitive.

Directors' Remuneration Policy

This section of the report outlines the current policy for the remuneration of the Company's directors. The current remuneration policy was approved by shareholders at the AGM on 29 April 2022 and is set out in full in the 2021 Annual Report, and can be found on the Company's website at www.kingspan.com.

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** 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.

This approach cascades through the organisation and has played a key role in driving the growth of the business and significant value creation for stakeholders over the years.

The committee has considered the key parameters set out by the 2018 UK Corporate Governance Code (the 'Code'), which we believe our principles are 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 an appropriate balance between short-term and long-term incentive plans and the introduction of non-financial metrics, with clawback and 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 payouts.
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.

At Kingspan, we have developed a clear philosophy around remunerating and incentivising employees at all levels of the organisation.

The policy for the key elements of an executive director's remuneration is set out in the table below:

Key element	Operation	Opportunity and measures
Fixed remuneration		
Base Salary To attract and retain the best global talent of the calibre required to deliver the Group's strategy.	Base salaries are reviewed annually by the Remuneration Committee in the last quarter of each year. A broad assessment of individual and business performance is used by the committee as part of the salary review. 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.	Any increase will typically be in line with those awarded to the broader employee pay environment. The committee has discretion to award higher increases in circumstances that it considers appropriate, such as a change in role or responsibility.
Benefits To provide benefits which are competitive with the market.	In addition to their base salaries, executive directors' benefits include but are not limited to life and health insurance, 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.	Benefits are set at a level which the committee considers appropriate in light of the market and depending on the role and an individual's circumstances.
Pensions To provide a retirement benefit which is competitive with the market.	Kingspan operates a defined contribution pension scheme for executive directors. Pension contributions are calculated on base salary only. Alternatively, Kingspan may pay a cash amount subject to all applicable employee and employer payroll taxes and social security.	Incumbent executive director 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.
Variable remuneration		
Annual performance bonus To reward the delivery of short-term performance targets and business strategy, satisfied in cash and deferred share awards, aligning management interests with shareholders and the longer term performance of the Group.	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 Code.	The maximum potential bonus for the executive directors is 150% of base salary. The committee selects stretching performance targets each year, which are based on a mix of: → Group profit targets; → Divisional financial performance; → Net Promoter Score (Customer NPS). Bonus payment for financial targets is 0% at threshold. Bonus is paid on a straight line basis for achieving each point on the NPS target scale.

Key element	Operation	Opportunity and measures
Variable remuneration (continued)		
Long-term incentive plan (LTIP) To reward the sustained strong performance and delivery of Group strategic objectives over the longer term. Aligns the interests of executive directors and senior managers with those of the Group's shareholders and recognises and rewards value creation over the longer term.	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 ESG targets are achieved over the performance period. The awards are subject to a two-year post vesting holding period.	<p>The maximum award level under the policy is 300% of salary. The committee will not increase awards above 250% of salary in the current policy period without first engaging with its largest investors and considering the feedback received.</p> <p>For 2023 the CEO will receive a maximum annual 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.</p> <p>Prior to granting an award, the Committee sets performance conditions which it considers to be appropriately stretching. The performance conditions for the PSP awards to be granted in 2023 are based on a mix of:</p> <ul style="list-style-type: none"> → EPS growth; → TSR outperformance; and → Achievement of the Group's Planet Passionate targets. <p>On achieving the threshold performance level for the EPS and TSR measures, 25% of the relevant element of the award will vest, 0% of the Planet Passionate award vests on threshold. Vesting is on a straight-line basis between threshold and maximum levels of performance.</p>

The policy on non-executive directors' remuneration is as follows:

Key element	Operation	Opportunity
Non-executive director fees To reflect time commitment, experience and responsibilities, and to attract and retain high calibre non-executive directors by offering a market competitive fee level.	<p>Non-executive director fee levels are reviewed annually.</p> <p>The Chairman receives a single fee for all their responsibilities.</p> <p>Other non-executive directors receive a basic board membership fee. The Chair of Board committees and the Senior Independent Director receive an additional fee for this role.</p> <p>Non-executive directors are entitled to the reimbursement of reasonable business expenses including any tax (grossed up) that may be payable on those expenses.</p>	<p>Fees for non-executive directors are within the limits set by the shareholders from time to time, with a current aggregate limit of €975,000.</p>

The following are key structural aspects of the remuneration policy in relation to the directors' remuneration contracts:

Clawback and malus Ensures an appropriate balance between risk and reward.	<p>Covers material misstatement of financial results, material breach of executive's employment contract, error in contract, 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.</p> <p>The period within which clawback and malus can be operated is 2 years from payment of annual bonus and/or vesting of LTIP awards.</p>
Shareholding guideline Ensures alignment between the interests of executive directors and shareholders.	<p>200% of salary to be achieved through the retention of at least 50% of all vested variable pay awards (subject to sales to meet taxes). Achievement of guideline is measured through beneficially owned shares only.</p> <p>For new appointees, the committee may consider it appropriate to require a percentage of the annual bonus paid to be deferred into shares (rather than just bonus in excess of 100% of salary), in order to achieve this guideline.</p>
Post cessation of employment and general shareholding requirements Ensures alignment between the interests of executive directors and shareholders.	<p>All executive directors are 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.</p> <p>Achievement is measured through beneficially owned shares, and the retention of vested deferred share and LTIP awards (subject to sales to meet taxes).</p>
Approach to recruitment To attract an executive director of the calibre required to shape and deliver the Group's business strategy.	<p>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.</p>
Termination - Notice Periods	<p>Each of the executive directors has a service contract with the Company which provides for 12 months' notice of termination by the Company (or, at the discretion of the Company, payment for all or part thereof) and 6 or 12 months by the director and it is the Company's policy that notice periods will not exceed 12 months. The service contracts do not include any provision for compensation for loss of office, other than the notice period provisions set out above. There are no enhanced provisions on a change of control and there are no specific severance arrangements.</p> <p>The committee's policy in relation to termination of service contracts is to deal with each case on its merits having regard to the circumstances of the individual, the termination of employment, any legal advice received and what is in the best interests of the Company and its shareholders.</p>
Termination - Annual Incentive Bonus and Long Term Incentive Plans	<p>Annual bonuses and PSP awards are dealt with in accordance with the rules of the relevant plans. At the discretion of the committee (and normally where the individual has served a minimum of 6 months of the bonus year), a pro-rata bonus may become payable at the normal payment date for the period of service subject to full year performance targets being met.</p> <p>The default treatment for share based awards is that any unvested award will lapse on termination of employment. However, under the rules of the Performance Share Plan, in certain prescribed circumstances (e.g. "good leaver"), awards are eligible to vest subject to the performance conditions being met over the normal performance period (or a shorter period at the Committee's discretion) and with the award being reduced by an amount to reflect the proportion of the vesting period not actually served.</p>

2022 Remuneration Outturn

Directors' Remuneration for year ended 31 December 2022										
Executive directors	Gene Murtagh EUR'000		Geoff Doherty EUR'000		Russell Shiels ⁽¹⁾ EUR'000		Gilbert McCarthy EUR'000		Total EUR'000	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Fixed Remuneration										
Salary and Fees	928	888	599	573	642	520	554	530	2,723	2,511
Pension Contributions ⁽²⁾	148	161	120	140	154	169	94	106	516	576
Benefits ⁽³⁾	37	35	35	34	73	53	40	43	185	165
Total Fixed Remuneration	1,113	1,084	754	747	869	742	688	679	3,424	3,252
Performance Pay										
Annual Incentives ⁽⁴⁾										
Cash Element	928	888	599	573	642	520	554	530	2,723	2,511
Deferred Share Awards	225	444	145	287	181	260	125	265	676	1,256
<i>Long Term Incentives ⁽⁵⁾</i>										
LTI - Value at Grant ^{(6) (7)}	750	1,499	415	830	384	768	384	768	1,933	3,865
LTI - Share Price Growth ^{(6) (7)}	(115)	1,811	(64)	1,003	(59)	928	(59)	928	(297)	4,670
Total Performance Pay	1,788	4,642	1,095	2,693	1,148	2,476	1,004	2,491	5,035	12,302
Total Remuneration	2,901	5,726	1,849	3,440	2,017	3,218	1,692	3,170	8,459	15,554
Non-executive directors ⁽⁸⁾									2022	2021
Jost Massenberg									350	258
Linda Hickey									105	85
Michael Cawley									90	85
John Cronin									75	75
Anne Heraty									75	75
Éimear Moloney									75	50
Paul Murtagh									75	50
Senan Murphy ⁽⁹⁾									19	-
Bruce McLennan ⁽¹⁰⁾									-	25
Eugene Murtagh ⁽¹⁰⁾									-	64
Total non-executive pay									864	767
Total Directors' remuneration									9,323	16,321

(1) Russell Shiels' remuneration is denominated in USD, and has been converted to Euro at the following average rates USD:1.0544 (2021: 1.1828).

(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 page 98 of the Report of the Remuneration Committee.

(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 page 100 of the Report of the Remuneration Committee.

(6) The value of the 2020 LTIP award that will vest in 2023 has been calculated using the average share price for December 2022, being €52.29. The calculation for this award will be adjusted in next years' annual report to reflect the share price on the date of vesting (24/02/2023). The share price decreased from the date of grant (share price: €61.80) to the share price used to determine the vesting value (share price: €52.29).

(7) The value of the 2019 LTIP award that vested in 2022 has been calculated using the share price at the date of vesting (25/02/2022) of €85.66. The share price increased from the date of grant (share price: €38.80) to the date of vesting (share price: €85.66).

(8) Non-executive directors receive a base fee of €75,000 per annum, plus an additional fee of €15,000 for chairmanship of Board committees, as well as for the Senior Independent Director. They do not receive any pension benefit, or any performance or share based remuneration.

(9) Senan Murphy was appointed as a non-executive director on 1 October 2022.

(10) Bruce McLennan and Eugene Murtagh both retired as non-executive directors on 30 April 2021.

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 (200% of Salary)	Executive directors' minimum shareholding requirement				



Base salary

All of the executive directors, except for Russell Shiels, received basic salary increases for 2022 of 4.5% which was in line with the general workforce increases for the markets in which they are based and within the overall global workforce range of c.3% to 6%. As outlined in last year's Annual Report, in 2020 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 agreed

to incrementally adjust Mr Shiels' package over the period 2021/2022, and awarded Mr Shiels a 4% increase over US inflation in 2022 (giving a total increase of 10%) to reflect his increased responsibilities in the Americas. The committee is satisfied that these changes have properly aligned Mr Shiels' package with his increased responsibilities and no further adjustment is required.

Pension

As outlined in previous Annual Reports, all executive directors' contractual pension contributions

will be reduced to 10% of base salary by the end of 2024. This approach was adopted by the committee and subsequently supported by shareholders following feedback on the 2019 Remuneration Policy. While recognising that certain shareholders may have differing expectations on the timing of the pension reductions, 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.

Executive Director	Pension Contribution				
	2021	2022	2023	2024	2025
Gene Murtagh	18%	16%	14%	12%	10%
Geoff Doherty	24%	20%	16%	13%	10%
Gilbert McCarthy	20%	17%	14%	12%	10%
Russell Shiels	33%	24%	18%	14%	10%

2022 performance related bonus

In 2022 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 based principally (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 of the global market conditions that were evident from the end of the prior year. The achievement of record EPS growth in such a challenging environment was an excellent result both individually and by the organisation as a whole, and resulted in the CEO and CFO achieving 87.5% of their maximum bonus opportunity against this metric.

For each of the Divisional MDs, up to 46.5% of their total bonus opportunity was based on achieving stretching divisional profit targets, with maximum bonus being payable on the achievement of 5% divisional

profit growth. Strong divisional performance resulted in 100% of the maximum bonus opportunity being achieved by the Divisional MDs in respect of these financial metrics. Additional commentary on each of the divisions' performance is set out in the Chief Executive's Review. A further 46.5% of the Divisional MDs' total bonus opportunity was payable on the achievement of the same stretching Group EPS targets as for the CEO and CFO, ensuring a healthy balance between incentivising divisional and Group growth.

Up to 7% of each of the executive directors' total bonus opportunity (i.e. 10% of base salary) was based on achieving Group or divisional Net Promoter Score® ("NPS") targets. NPS is a measure of both brand loyalty and brand advocacy and is one of many metrics we use to measure customer experience as part of the global Voice of the Customer programme. As the programme has scaled, an external review by an independent third party has been introduced who validates the NPS scores and underlying methodology. The overall Group NPS score for the

year was 41, which was somewhat behind prior year and at the lower end of target, whilst at a divisional level NPS scores varied with some showing improvements but others falling below target. This reflects in part the impacts experienced by supply chain shortages, the difficulties of passing on high raw material cost inflation during the year, and the ambitious targets set by the committee for this important metric of strategic performance.

Each executive's performance against targets, and bonus achieved, is set out in the table adjacent. The committee was satisfied that the formulaic outturn of the bonus plan for 2022 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 Group, and the substantial growth in headcount and operational footprint.

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.

	Bonus measure	Max. opportunity/ weighting (as % salary)	Threshold target	Target for maximum	Performance	Outcome (% of weighted measure)	Total payout (% max. opportunity)
Chief Executive	EPS	140%	275.04 cent	336.16 cent	329.5 cent	87.5%	82.8%
	NPS	10%	NPS of 41 to 46		41	16.7%	
Chief Financial Officer	EPS	140%	275.04 cent	336.16 cent	329.5 cent	87.5%	82.8%
	NPS	10%	NPS of 41 to 46		41	16.7%	
Russell Shiels	Divisional profit	70%	90% of prior year	105% of prior year	138%	100%	85.5%
	EPS	70%	275.04 cent	336.16 cent	329.5 cent	75.1%	
	NPS	10%	Divisional NPS range not disclosed			57.1%	
Gilbert McCarthy	Divisional profit	70%	90% of prior year	105% of prior year	112%	100%	81.7%
	EPS	70%	275.04 cent	336.16 cent	329.5 cent	75.1%	
	NPS	10%	Divisional NPS range not disclosed			0.0%	



Performance Share Plan

In 2020, the committee granted PSP Awards that were 50% based on EPS growth targets and 50% based on TSR targets as outlined below.

	Weighting	Targets	Performance	Payout (% of max.)
EPS	50%	6% -12% CAGR	17.2% CAGR	100%
TSR	50%	Median to Upper Quartile	43 rd percentile	0%

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

Armstrong World Industries Inc	LafargeHolcim Ltd
Boral Ltd	Mowhawk Industries Inc
Compagnie de Saint Gobain S.A.	Owens Corning Inc.
Cornerstone Building Brands Inc	Rockwood Intl. A/S
CRH plc	Sika AG
Geberit AG	Travis Perkins plc
Grafton Group plc	Wienerberger AG



The committee reviewed the extent to which the vesting targets in respect of the PSP Awards granted in 2020 had been met by reference to the EPS and TSR targets over the three-year performance period to 31 December 2022. The committee noted that a combination of external factors, including the war in Ukraine and increased inflation leading to general market uncertainty had impacted Kingspan's share price, with TSR over the three-year performance period being broadly flat at 1.4%. This resulted in a below median TSR performance against the selected peer group. As a result the TSR portion of the 2020 PSP awards did not vest. At

the same time, strong long-term EPS growth of 61% over the three-year period resulted in the EPS targets being exceeded and 50% of the total 2020 PSP awards vesting. 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 31 December 2022. Following a review of the vesting levels, the committee was satisfied that they reflected company and individual performance over the three-year period.

In respect of PSP awards granted during the year, the committee

implemented the increase in the level of awards as flagged in last year's Remuneration Policy and Report as approved at the 2022 AGM. The committee granted awards to the CEO equivalent to 225% of base salary, and 200% of base salary for the other executive directors (increased from 200% and 175% of salary respectively). There are no increases to award levels for 2023 and following shareholder engagement and feedback, the committee has agreed not to increase PSP award levels above 250% of salary during the current policy period without first engaging with shareholders and considering their feedback.

The table below sets out the total number of PSPs held by the directors and the Company Secretary during the year:

Director	At 31 Dec 2021	Granted during year	Vested during year	Exercised or lapsed during year	At 31 Dec 2022	Option price €	Earliest exercise date	Latest expiry date
Gene M. Murtagh								
Unvested	89,988	24,803	(38,642)	-	76,149	0.13	24/02/2023	22/08/2029
Vested	36,578	-	38,642	-	75,220	0.13	26/02/2021	25/02/2026
	126,566	24,803	-	-	151,369	0.13		
Geoff Doherty								
Unvested	50,024	14,316	(21,396)	-	42,944	0.13	24/02/2023	22/08/2029
Vested	-	-	21,396	(21,396) ³	-	0.13	-	-
	50,024	14,316	-	(21,396)	42,944	0.13		
Russell Shiels								
Unvested	46,276	14,677	(19,797)	-	41,156	0.13	24/02/2023	22/08/2029
Vested	-	-	19,797	(19,797) ⁴	-	0.13	-	-
	46,276	14,677	-	(19,797)	41,156	0.13		
Gilbert McCarthy								
Unvested	46,276	13,240	(19,797)	-	39,719	0.13	24/02/2023	22/08/2029
Vested	88,793	-	19,797	(24,812) ²	83,778	0.13	23/02/2019	25/02/2026
	135,069	13,240	-	(24,812)	123,497	0.13		
Company Secretary								
Lorcan Dowd								
Unvested	11,344	2,266	(4,378)	-	9,232	0.13	24/03/2023	23/02/2029
Vested	18,257	-	4,378	(5,230) ¹	17,405	0.13	23/02/2019	25/02/2026
	29,601	2,266	-	(5,230)	26,637	0.13		

- 1 Exercised on 18/02/2022. Market value on day of exercise €89.69.
- 2 Exercised on 22/02/2022. Market value on day of exercise €85.10.
- 3 Exercised on 05/05/2022. Market value on day of exercise €83.50.
- 4 Exercised on 08/11/2022. Market value on day of exercise €53.72.

Massé Charpente
Serrurerie
Rochetroux, France
Insulated Panels
JI Wall 1000SF;
JI 42-252-1010;
JI 60-160-800

Deferred Share Plan

Director		At 31 Dec 2021	Granted during year	Vested & transferred during year	At 31 Dec 2022	Earliest vesting/ transfer date
Gene M. Murtagh	Unvested	813	5,021	(813)	5,021	31/03/2024
Geoff Doherty	Unvested	525	3,242	(525)	3,242	31/03/2024
Russell Shiels	Unvested	488	3,107	(488)	3,107	31/03/2024
Gilbert McCarthy	Unvested	-	2,998	-	2,998	31/03/2024

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:

	31 Dec 2022	31 Dec 2021	Shareholding at 31 Dec 2022 ¹ (% Salary)	Shareholding requirement met (200% salary)
Executive directors				
Gene M. Murtagh	1,080,020	1,079,207	6,086%	Yes
Geoff Doherty	256,635	240,039	2,240%	Yes
Russell Shiels	219,797	200,000	1,790%	Yes
Gilbert McCarthy	282,833	258,021	2,670%	Yes
Non-executive directors				
Jost Massenber (Chairman)	-	-		
Linda Hickey	5,000	5,000		
Michael Cawley	30,600	30,600		
John Cronin	8,000	8,000		
Anne Heraty	2,250	2,250		
Éimear Moloney	2,000	-		
Paul Murtagh	-	-		
Senan Murphy ²	-	-		
Company Secretary				
Lorcan Dowd	3,457	3,318		

(1) Expressed as a percentage of base salary on 31 December 2022 and calculated using the average share price for December 2022.

(2) Appointed as a director as of 1 October 2022.

As at 16 February 2023, there have been no changes in the directors' and secretary's interests in shares since 31 December 2022.

Non-executive directors

The non-executive directors each received fees which are approved by the Board as a whole. The Chairman's fee is €350,000. The basic non-executive director fee is €75,000. An additional fee of

€15,000 is paid for chairing the Remuneration Committee and the Audit & Compliance Committee, as well as for the Senior Independent Director to reflect the additional role and responsibilities.

Implementation of Remuneration Policy for 2023

The core principles of our remuneration philosophy as outlined earlier, frame our approach to 2023, namely reward for high-performance, simplicity, transparency and alignment with shareholders.

Base salary and pension

Notwithstanding the highly inflationary environment, the executive directors will receive basic salary increases of 3% in 2023, which compares with general workforce increases of c.4.5% to 6%, depending on region. In determining the appropriate salaries for the executive directors for 2023, the committee had regard to the rates awarded to the global workforce, particularly in the UK and Ireland, Western Europe and North America, where the rates of pay for the general workforce are set locally, and in some cases are dictated by local legislation. In some countries the businesses have responded to the widespread cost of living crisis by also making additional one-off payments to the workforce. The committee

considers that the 3% increase awarded to the executive directors, which is substantially below general workforce rates, is appropriate in the current high inflationary environment.

As outlined previously, pension contributions of all incumbent executives are being reduced incrementally to 10% by December 2024 with rates applicable for 2023 set out in the table on page 98.

Annual bonus

The maximum bonus opportunity for all the executive directors remains at 150% of salary (unchanged from 2022). Up to 100% of salary earned through the bonus plan is delivered in cash, and any bonus earned in excess of that amount is deferred into shares in the Company for two years. For 2023, the committee has set stretching targets based on the budget for the year and market expectations, noting the continuing backdrop of high inflation rates impacting the construction market sentiment globally. Targets are commercially sensitive and will be disclosed retrospectively with performance against them in the 2023 Report of the Remuneration Committee.

Performance share awards

For 2023, the CEO will receive a PSP award over shares with a market value of 225% of base salary, and the other executive directors will receive PSP awards over shares with a market value of 200% of base salary. These grant levels are unchanged from prior year. As outlined above, following shareholder engagement and feedback, the committee has agreed not to increase PSP award levels above 250% of salary during the current policy period without first engaging with shareholders and considering their feedback. Overall, the annual bonus and long-term performance incentive opportunity, at up to 375% of salary in aggregate, remains below arrangements at similarly sized UK and Irish businesses.

The committee reviews annually the performance framework for the PSP scheme. For the 2023 PSP Awards, the committee has selected the same performance measures as the 2022 awards based 45% on EPS growth, 45% on relative TSR and 10% on our ESG Planet Passionate goals. The peer group against which TSR performance will be measured is set out in the below table.

Peer group for 2023 grant for PSP awards:

Armstrong World Industries Inc	Masco Corporation
Boral Ltd	Mohawk Industries Inc
Builders Firstsource Inc	Owens Corning Inc
Carlisle Construction Materials LLC	Recticel NV
Compagnie de Saint Gobain SA	Rockwool Intl. AS
CRH plc	Sika AG
Grafton Group plc	Wienerberger AG
Lafarge Holcim Ltd	

The committee reviewed the suitability of the constituent members of the PSP peer group, and noted that Cornerstone Building Brands Inc had delisted during the year, and also agreed to remove Geberit AG and Travis Perkins plc as they were no longer considered best fit as peers. The committee then considered potential replacements to add to the TSR peer group, having regard to market sector, size and geography

and agreed to select Builders Firstsource Inc, Carlisle Construction Materials LLC, Masco Corporation and Recticel NV as replacements with effect for all future PSP grants.

The committee also reviewed the EPS targets to ensure they included significant stretch over the performance period ahead and are aligned with our principles of alignment and pay-for-performance.





Having regard to the uncertain macro environment affecting our end-markets globally, and the record level of EPS achieved in prior year, the committee considered that target EPS growth of 3% to 6% compound over the three-year performance period was a proper stretch target and appropriately aligned with our risk appetite as well as internal and external forecasts.

There are no changes to the ESG measures included in the LTIP, which are measured against Kingspan's ambitious Planet Passionate goals, drawing a clear focus on achieving one of our core strategic pillars. Details of our achievements against our Planet Passionate targets are given in the below table.

PSP Performance Measure

	Performance Measure	Weighting	Percentage vesting at threshold	Threshold vesting target	Maximum vesting target*
Financial targets	EPS	45%	25%	3% p.a.	6% p.a.
	TSR	45%	25%	Median	Upper quartile

*Straight line vesting between threshold and maximum vesting

	Performance Measure	Weighting	Percentage vesting at threshold	2020 Base Year	2021 Actual	2022 Actual	2025 Target	2030 Target
Planet Passionate Annual Targets	 Carbon Net Zero Carbon Manufacturing (scope 1 & 2 GHG emissions - tCO2e)	1%	0%	410,224	389,299	242,734	-	0
		1%	0%	11	29	60	100	-
	 Energy 60% Direct Renewable Energy Use (%)	1%	0%	19.5	25.8	34.3	-	60
		1%	0%	4.9	4.9	7.2	-	20
		1%	0%	21.7	28.4	41.5	-	100
	 Circularity Zero company waste to landfill (tonnes)	1%	0%	18,642	16,359	9,081	-	0
		1%	0%	573	843	803	1,000	-
		1%	0%	1	1	3	19	-
	 Water Harvest 100 million litres of rainwater annually (million litres)	1%	0%	20.1	20.5	26.3	-	100

For further details on the Planet Passionate targets please see page 65.

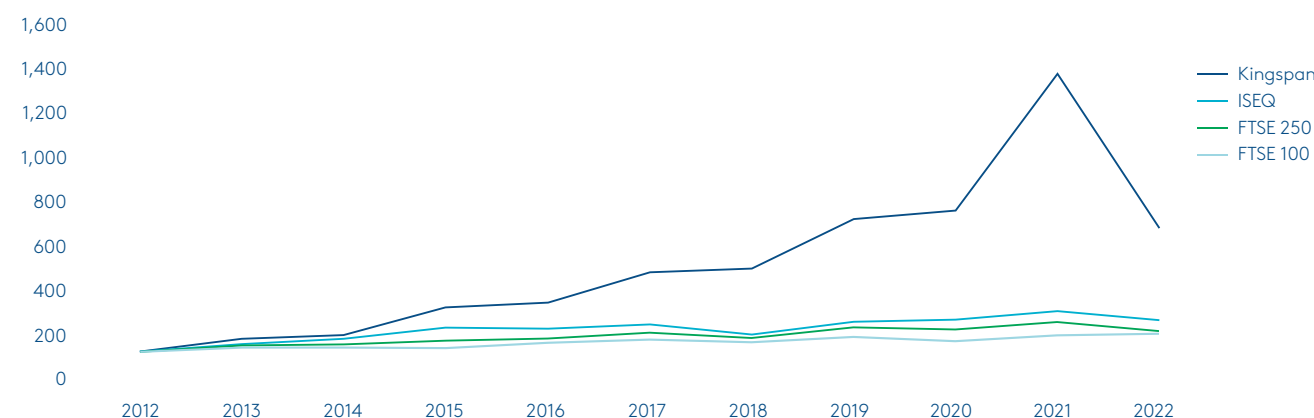
Committee Governance

Non-executive director fees

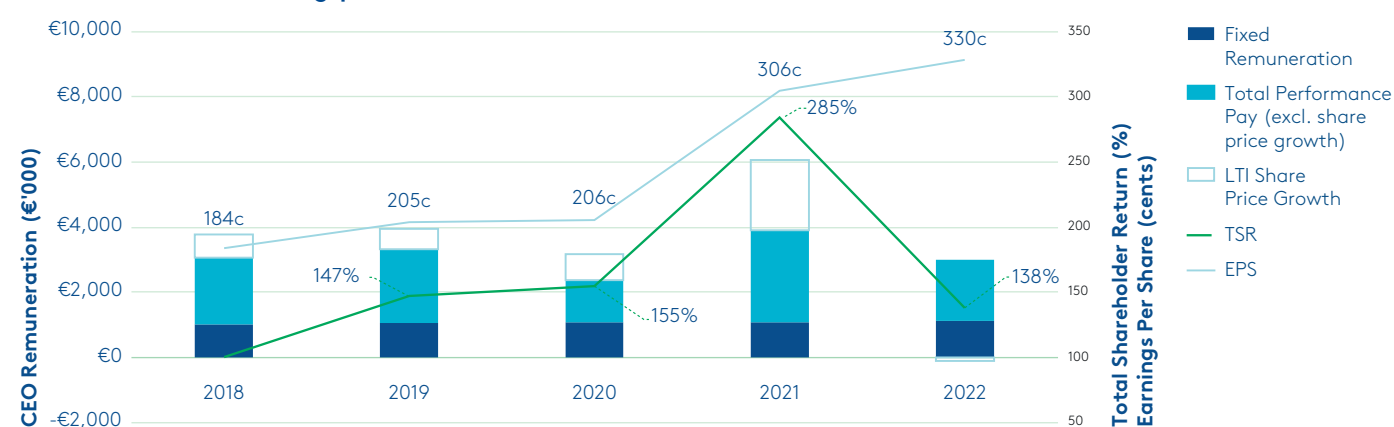
As reported last year, the independent non-executive Chairman's fee has been set at €350,000 for the year ahead. There is also no change from prior year to the basic non-executive fees of €75,000. A separate additional fee of €15,000 is paid to the chairs of the Remuneration Committee and the Audit & Compliance Committee, as well as for the Senior Independent Director.

The graph below shows the Company's TSR performance against the performance of the ISEQ and FTSE indices over the 10-year period to 31 December 2022:

Total Shareholder Returns



CEO Remuneration vs Kingspan Performance



Committee membership and attendance

Name	Number of Meetings Attended	Maximum Possible Meetings
Linda Hickey (Chair)	3	3
Michael Cawley	3	3
Anne Heraty	3	3

Key strengths and relevant experience of each member of the Committee is set out on page 84.

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 Company Secretary acts as the secretary to the committee. The terms of reference are available on the Company's website: www.kingspan.com

Key activities during the year

	FEB	JUN	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 2023			●
Review and approve non-executives' fees for 2023			●
Review remuneration benchmarking report			●
Review non-financial performance measures			●
Review and approve Chairman's fee			●
Performance pay			
Assess Group and individual performance against targets for 2021	●		
Review executive bonus measures and weighting for 2023			●
Agree Group and individual performance targets for 2023			●
PSP Awards			
Assess performance of 2019/2021 PSP Awards against targets	●		
Determine percentage of 2019/2021 PSP Awards which vest	●		
Review performance measures for grants of PSP Awards for 2022	●		
Agree targets and level for grants of PSP Awards for 2022	●	●	
Review non-financial Planet Passionate measures for 2022	●		
Review and approve PSP Sub-Plan		●	
Governance			
Review and approve Report of the Remuneration Committee for Annual Report 2021	●		
Update on governance and remuneration trends generally			●
Consider shareholder votes and feedback from AGM 2022		●	
Engage with shareholders post AGM		●	
Review and update of remuneration policy	●		
Engage with shareholders on remuneration policy	●		
Consider shareholder outreach and feedback			●

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 also provided some leadership and development services to Kingspan during the year. The committee concluded that the associated fee for the provision of this service was not material and would not affect Korn Ferry's independence and objectivity. Accordingly, the committee is satisfied that the advice obtained was objective and independent.

Shareholder Voting

The following table summarises the details of votes cast in respect of the resolutions on the Directors' remuneration policy and the Report of the Remuneration Committee at the 2022 AGM.

Resolution	Votes For		Votes Against		Total Votes		Votes Withheld
	Number	%	Number	%	Number	% Of Total Voting Rights	
Directors' Remuneration Policy	118,371,401	79.85%	29,864,415	20.15%	148,235,816	81.61%	37,146
Report of the Remuneration Committee	144,299,108	97.34%	3,937,125	2.66%	148,236,233	81.61%	36,729

Shareholder engagement

The committee always welcomes shareholder feedback and seeks to incorporate that feedback, where feasible, into its decision making and response.

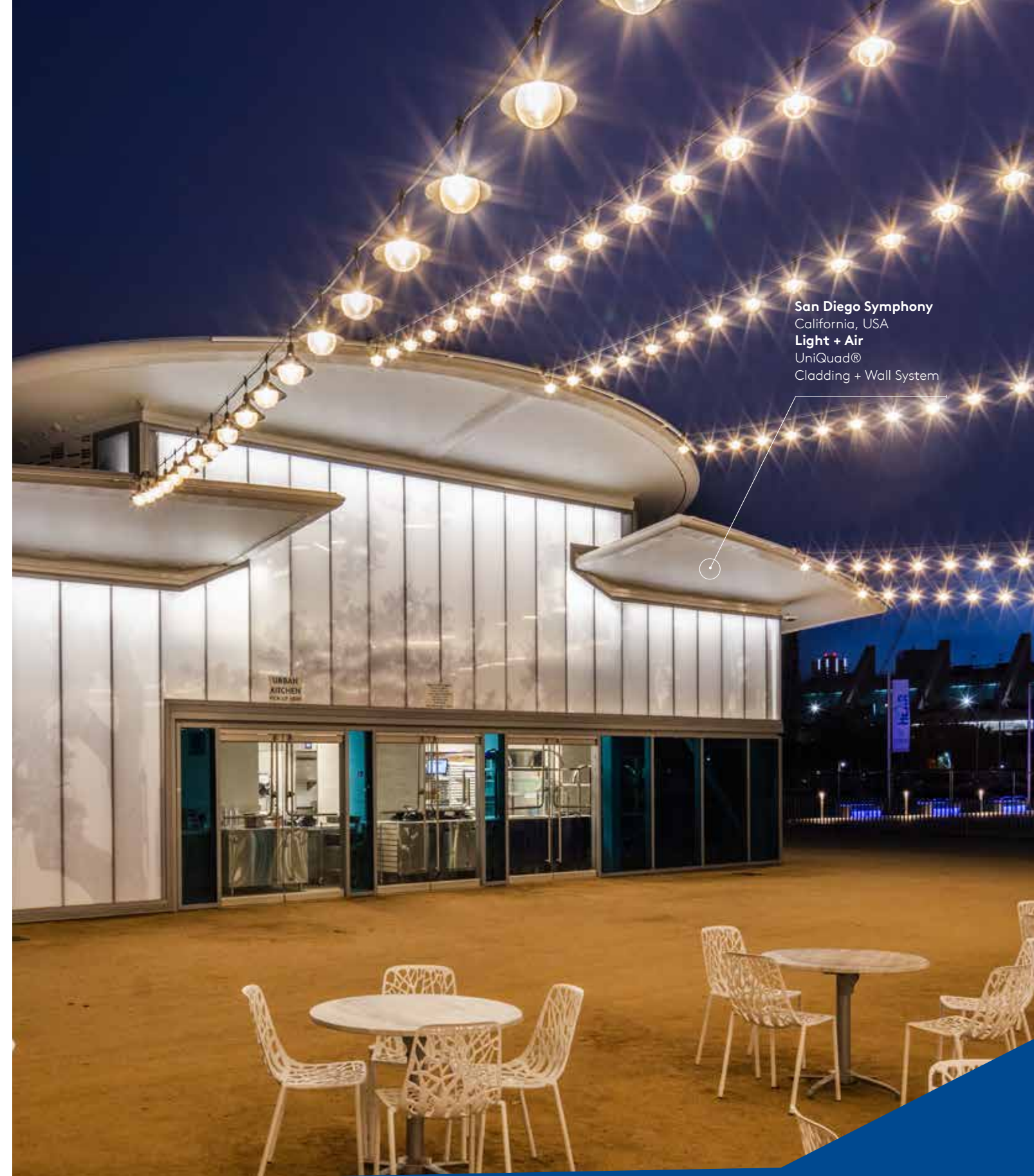
During the year the committee engaged extensively with shareholders. Firstly, in advance of the 2022 AGM we contacted shareholders representing c. 70% of the register and the committee Chair met and spoke the majority of our top 10 shareholders, sharing with them our draft Remuneration Policy proposals. Whilst there was general support from shareholders for the proposed changes, following this engagement the draft policy was amended on the basis of feedback received to omit the proposed restricted share units (which had been considered as a potential recruitment tool), before being put to shareholders for approval. At the AGM, the updated Remuneration Policy was supported by our shareholders, with almost 80% of the votes cast in favour of the Policy, and at the same time the committee was pleased to receive 97% support for the Report of the Remuneration Committee.

Following the AGM the committee engaged once more with our shareholders, writing out to those representing over 70% of the register, and the committee Chair met with several of our most significant shareholders, receiving feedback overall from shareholders representing 45% of the register. In engaging with shareholders around the AGM, we developed a clear understanding of the concerns of those who voted against the updated Remuneration Policy, as

well as those who supported it. While many shareholders acknowledged the significant increase in the scale and complexity of the business during recent years, some shareholders expressed concerns about the increase in the maximum LTIP award level in the policy and timing of the changes. Having considered the feedback, the committee noted its responsibility to develop a remuneration policy that is appropriate for the strategic development of the entire Kingspan Group, whilst also balancing the external expectations of some shareholders.

During the one to one engagements with the Chair, most of the feedback indicated that shareholders were primarily concerned about the maximum award level in the policy and not the actual level of increases proposed for 2022 PSP awards. Therefore, the committee implemented the increase in the level of PSP Awards as proposed for 2022, and will make PSP awards at the same level for 2023, being an award of 225% of base salary for the CEO, and 200% of base salary for the other executive directors (increased from 200% and 175% of salary respectively). As a response to feedback received on the maximum policy limit, the committee has agreed not to increase PSP award levels above 250% of salary during the current policy period without first engaging again with shareholders and considering their feedback. The committee is very grateful to those shareholders who engaged with the Company during the year, and whose feedback has helped shape our current Remuneration Policy.

The committee always welcomes shareholder feedback and seeks to incorporate that feedback, where feasible, into its decision making and response.



San Diego Symphony
California, USA
Light + Air
UniQuad®
Cladding + Wall System