

DIRECTORS' REPORT

CHAIRMAN'S INTRODUCTION

On behalf of the Board, I am pleased to present this report to the shareholders of Kingspan Group plc.

Kingspan has implemented a strong governance framework which supports the effective and prudent management of the business, and helps drive the long-term success of the Group.

During the year the Board committees have continued to work effectively. The report of the Audit and Remuneration Committees are set out in this Annual Report, and provide details of each committee's membership and activities during the year.

The Audit Committee has focused in particular on the management and control of risks throughout the business, which is of particular significance in an expanding Group. At the same time, the Remuneration Committee has ensured that the executive directors' pay is properly aligned with the Company's

performance, shareholders' interests and the long-term success of the company. The Nominations Committee has continued to assess the mix of the skills and experience on the Board.

The Board as a whole has reviewed the Annual Report and Financial Statements, and is pleased to confirm that they consider the report and financial statements, taken as a whole, are fair, balanced and understandable.

This report describes how Kingspan has applied the principles of good governance of the UK Corporate Governance Code (September 2014), and the Irish Corporate Governance Annex, throughout 2016.

Eugene Murtagh
Chairman

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