

As at 20 November 2018

Breedon Group plc

Schedule of Matters Reserved to the Board

1. Strategy and Management

The Board shall be responsible for:

- 1.1 establishing the Group's long-term strategy and objectives;
- 1.2 approval of the annual operating and capital expenditure budgets and any material changes to them;
- 1.3 monitoring and advising on:
 - the competence and prudence of executive management
 - the adequacy of the system of internal controls
 - the maintenance of adequate accounting and other records
 - compliance with statutory and regulatory obligations;
- 1.4 Reviewing the Group's performance in the light of its strategy, objectives, business plans and budgets;
- 1.5 The agreement of any major decision which would lead to a cessation of operation of all or any material part of the Group's business; and
- 1.6 the agreement of all major acquisitions or disposals.

2. Structure and capital

Board approval shall be required for:

- 2.1 any changes relating to the Group's capital structure including, but not limited to, reduction of capital, issues of shares or other securities, and share buy backs;
- 2.2 any major changes to the Group's overall corporate structure; and
- 2.3 any changes to the Company's listing status.

3. Financial reporting and controls

The Board shall be required to give:

- 3.1 preliminary approval to preliminary announcements of interim and final results. The final approval will generally be delegated to an appropriate formal committee of the Board;
- 3.2 preliminary approval of the annual report and accounts. The final approval will generally be delegated to an appropriate formal committee of the Board;
- 3.3 *approval of the dividend policy;
- 3.4 *declaration of any interim dividend and recommendation of any final dividend;
- 3.5 *approval of any significant changes in accounting policies or practices; and
- 3.6 approval of major treasury policies including foreign currency exposure and the use of financial derivatives.

4. *Internal controls

The Board shall be responsible for ensuring maintenance of a sound system of internal control and risk management including, but not limited to:

- receiving annual reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- undertaking regular assessments of these processes;
- regular contact with the subsidiary management teams to assess their performance against their objectives;
- approving an appropriate statement for inclusion in the Company's annual report.

5. Contracts

The Board shall be responsible for approval of:

- 5.1 major capital projects (including capitalised leases), being those with a capitalised value in excess of £5.0 million;
- 5.2 major asset disposals, being those generating proceeds of more than £5.0 million;
- 5.3 contracts which are material strategically or by reason of size entered into by the Company or any subsidiary in the ordinary course of business. Such contracts include, but are not limited to, contracts with a value
 - (a) in excess of £5.0 million for supply of materials or for Contracting services, or
 - (b) in excess of £5.0 million for purchases of goods or services;
- 5.4 material contracts of the Company or any subsidiary not in the ordinary course of business;
- 5.5 major acquisitions or disposals of businesses (in excess of £5.0 million);
- 5.6 any contracts between a Group company and a director or senior executive; and
- 5.7 any guarantee, bond, surety or similar instrument that might be required to be entered into pursuant to any contract that would itself require Board approval in accordance with this Schedule.

6. Communication

The Board shall be responsible for approval of:

- 6.1 all resolutions and corresponding documentation to be put forward to shareholders at general meetings;
- 6.2 *all circulars and listing particulars (or similar documents); and
- 6.3 all press releases concerning matters of materiality as decided by the Board.

7. Board membership and other appointments

7.1 The Board shall be required to;

7.1.1 *approve all changes to the structure, size and composition of the Board; and

7.1.2 *ensure adequate succession planning of the Board and senior management.

The Board shall also be responsible for:

7.2 *any proposed selection of the Chairman of the Board and the Chief Executive;

7.3 *the appointment of the Senior Independent Director;

7.4 *membership and Chairmanship of board committees;

7.5 *the appointment or removal of the Company Secretary.

7.6 *the appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee; and

7.7 the appointment or removal of the Company's financial advisers, stockbrokers and legal advisers.

8. Remuneration

The Board, on the recommendation of the Remuneration Committee as appropriate, is responsible for:

8.1 *Determining the remuneration policy for the executive directors and any other members of the Group's senior executive management.

8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

8.3 *The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. Corporate Governance Matters

The Board is responsible for

- 9.1 *regularly undertaking a formal and rigorous review of its own performance, that of its committees and individual directors and acting on the outcomes of such review;
- 9.2 *determining the independence of directors;
- 9.3 *considering the balance of interests between shareholders, employees, customers, the communities in which the Group operates, the environment and the Group's other stakeholders and its wider social responsibilities;
- 9.4 keeping the Group's overall corporate governance arrangements under review; and
- 9.5 *ensuring that it is kept informed of the views of the Company's shareholders.

10. Corporate Policies

- 10.1 The Board should approve such Group policies as might be required, which might include (but not be limited to):
 - Share dealing code
 - Health and safety policy
 - Environmental policy
 - Corporate social responsibility policy
 - Charitable donations policy
 - Tax strategy and policy

11. Other

If required, the Board shall also be responsible for

- 11.1 The making of any political donations;
- 11.2 The prosecution, defence or settlement of any litigation being material to the interests of the Group;

- 11.3 The approval of the overall levels of insurance for the Group including Directors' & Officers' liability insurance;
- 11.4 Any major changes to the rules of the Group's pension schemes, or changes of trustees thereof; and
- 11.5 A regular review of this schedule of matters reserved for board decisions.

In addition, the board will consider reports and recommendations from time to time on any matter which it considers of material significance to the Group's overall performance.

Delegation

Although it is often helpful for the Board, in the interests of efficiency, to elect to delegate certain matters to a committee of its members, items marked * above are not generally considered suitable for complete delegation to a committee of the Board, for example because of Companies (Jersey) Law requirements or because, under the recommendations of the QCA Corporate Governance Code, they should initially be considered by an Audit, Nomination or Remuneration Committee, with the final decision required to be taken by the Board as a whole.

Original adoption date	September 2010
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	April 2016
	April 2015
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	January 2014
	January 2012