

**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 purpose, long-term strategy and objectives and satisfy itself that these and its culture and values are aligned;
- 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
  - the Group's performance in the light of its strategy, objectives, business plans and budgets;
- 1.4 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
- 1.5 approval of the Group's principal risks and risk appetite.

**2. Structure and capital**

Board approval shall be required for:

- 2.1 any significant changes relating to the Group's capital structure including, but not limited to, debt facilities, 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 and Articles of Association.

**3. Financial reporting and controls**

The Board shall be required to give:

- 3.1 preliminary approval to 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; and
- approving an appropriate statement for inclusion in the Company's annual report.

#### **5. Contracts/Transactional Approvals**

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 £10.0 million for supply of materials or for Surfacing services, or
  - (b) in excess of £10.0 million in a single year or in excess of £30.0 million for a period of up to 5 years 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, on the recommendation of the Nomination Committee, be required to;
  - 7.1.1 approve all changes to the structure, size and composition of the Board;
  - 7.1.2 ensure adequate succession planning of the Board and senior management;
  - 7.1.2 any proposed selection of the Chair of the Board and the Executive Directors;
- 7.2 the appointment of the Senior Independent Director;
- 7.3 membership and the appointment of the Chair of board committees.

The Board shall also be responsible for:

- 7.4 Approval of the suspension or termination of employment of any executive director, subject to the law and the provisions of their service agreement;
- 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 & Risk 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; and
- 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 including (but not limited to) the division of responsibilities between the Chair and Chief Executive Officer, delegated authorities, and the establishing of Board Committees and approving their terms of reference; 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, or delegate to an appropriate Board Committee such Group policies as might be required, which might include (but not be limited to):
- Sustainability policy
  - Health, safety and wellbeing policy
  - Environment policy
  - Diversity and inclusion policy
  - Energy and carbon policy
  - Social responsibility policy
  - Share dealing code
  - 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***

Matters which the Board considers suitable for delegation are contained in the Terms of Reference of the Board Committees.