

Breedon Group plc

Division of Responsibility between the non-executive Chairman and the Group Chief Executive

Role of the non-executive Chairman

The Chairman is responsible for the leadership of the Board, and his primary role is to ensure that the Board is effective in setting and implementing the Group's direction and strategy.

In doing so the Chairman should:

- take the chair at general meetings of the Company and at Board meetings and ensure the effectiveness of the Board in all aspects of its role, including the satisfaction of its legal, regulatory and shareholder responsibilities;
- facilitate the effective contribution of the non- executive directors (the ***Non-Executive Directors***) and encourage active engagement and appropriate challenge by Board members;
- in conjunction with the Group Chief Executive and the Company Secretary (or its nominee), set the Board's agenda and the regularity, frequency and timing of meetings, ensuring that the agenda is focused on strategic matters, and is forward looking whilst allowing evaluation of current business performance, and that adequate time is available for full and open discussions, in particular for strategic, complex or contentious issues;
- establish and maintain a proper process to ensure compliance with the Board's policy on matters reserved to it, or its Committees, for consideration, and ensure that there is appropriate delegation of authority from the Board to executive management;
- ensure that he is provided with all such information from management that he requires in order to carry out his role, and ensure that all directors receive accurate, timely and good quality information on which to base sound decisions, monitor effectively and provide advice to management to promote the success of the Company, and that the Non-Executive Directors are kept fully informed of strategic or important developments affecting the Company in a timely manner;
- promote a culture of openness and debate and ensure that all directors have the opportunity, and are encouraged, to participate in open and frank debate and discussion in Board meetings and otherwise;

- build an effective, and diverse Board and, in conjunction with the Company's nomination committee (the **Nomination Committee**), initiate change and consider succession planning (except that of a successor to the Chair) and Board composition;
- keep under review with the Board, the general progress and long-term development of the Company and ensure that effective strategic planning for the Company is undertaken by the CEO and endorsed by the Board after discussion, consistent with creating shareholder value and promoting the long-term success of the Company for the benefit of its stakeholders as a whole;
- ensure that the Board determines the nature and extent of the Group risk appetite and that there are no impediments to the effective oversight of risk;
- lead the Board in monitoring the Group Chief Executive's performance, set objectives and undertake the Group Chief Executive's performance appraisal;
- ensure that all board committees (the **Committees**) operate effectively with appropriate Terms of Reference and that there is sufficient time allowed at Board meetings for discussion of issues considered by the Committees;
- promote and oversee the highest standards of corporate governance, seeking to achieve compliance with all provisions of the Company's chosen corporate governance code where possible and ensure appropriate governance arrangements for the Board and its committee structure;
- ensure that in carrying out their responsibilities, Board members are able to comply with all relevant legislative and regulatory rules applicable to directors;
- ensure, with the assistance of the Company Secretary, that new directors are provided with a comprehensive, formal and tailored induction programme and that on-going training is provided for all directors, taking into account the needs of individual directors and the Board collectively;
- ensure that the performance of the Board, its main Committees and each director are evaluated at least annually, and externally every 3 years and ensure that appropriate action plans are put in place and implemented as a result of such evaluations;
- hold meetings with the Non-Executive Directors, where the Executive Directors are not present (at least once per year);
- ensure effective communication with shareholders and other stakeholders, in order to understand their issues and concerns (in particular discussing governance, strategy and remuneration with them), and communicate their views to the Board;

- represent the Group externally with key stakeholders and ensure an appropriate balance is maintained between the interests of shareholders and other stakeholders;
- arrange for all the directors to attend annual general meetings of the Company and ensure that the chair of each Committee is available to answer questions; and
- uphold the highest standards of integrity, diversity and probity and set clear expectations in respect of the Group's culture, values and behaviours.

Role of the Group Chief Executive

The Group Chief Executive is responsible for the day to day management of the business, in line with the strategy and long-term objectives set out by the Board. He may make decisions in all matters affecting the operations, performance and strategy of the Group's businesses, with the exception of those matters reserved to the Board or its Committees.

In doing so the Group Chief Executive should:

- devise the strategy and long-term objectives of the Group, in line with the agreed risk appetite, for recommendation to the Board and, following approval, implement the budgets, risk profiles, strategy and objectives through the leadership of the executive team with guidance or direction given where appropriate (the ***Executive Team***);
- recommend to the Board an annual budget and operating plan and take responsibility for their implementation and delivery, following Board approval;
- regularly review and monitor the operational performance and strategic direction of the Group's business and report accurately in agreed formats to the Board and the Committees;
- ensure the strategies, objectives and decisions set out by the Board are implemented in a timely and effective manner, including identifying and executing acquisitions and disposals, new business opportunities outside the current core activities and approving major proposals or bids;
- managing the Group's risk profile, including the health and safety performance of the business, in line with the extent and categories of risk identified as acceptable by the board and ensure, with the Board, that appropriate internal controls are in place;

- develop and maintain good, open and transparent regulatory relationships and ensure that the Group's businesses operate in line with all regulatory responsibilities;
- ensure that there is clear articulation of responsibilities amongst members of the Executive Team with a clear organisational design;
- ensure succession plans are put in place for the Executive Team (in conjunction with the Nomination Committee) and arrange appropriate training and development where required;
- approve the appointment and termination of the employment of Executive Team members and make recommendations on remuneration policy, executive remuneration and terms of employment of the Executive Team to the Remuneration Committee;
- provide effective leadership of the Executive Team in the day to day running of the Group's business, and oversight of Executive Committee meetings;
- regularly keep the Chair and other non- executive directors informed on all matters that may be of importance to the Group and of relevance to them in the performance of their roles, including the Group's current performance and progress;
- ensure that appropriate high-level systems and controls are in place to deliver strong financial management, govern the businesses and manage risk;
- ensure that in carrying out his or her responsibilities, he/she acts in accordance with (i) all relevant legislative and regulatory rules applicable to directors; (ii) all Board approved procedures; and (iii) all resolutions of the Board;
- together with the Chairman, ensure effective communication with shareholders, employees and other stakeholders, in order to understand their issues and concerns, and communicate issues to the Board;
- ensure that the Chairman is appropriately informed of the CEO's current areas of activities and work closely together with the Chairman as a team to promote the long-term success of the Group;
- uphold the highest standards of integrity, diversity and probity and set clear expectations in respect of the Group's culture, values and behaviours;
- undertake regular and relevant training in order to maintain an appropriate level of competence;

- create, lead and maintain an effective, motivated and empowered organisation which supports the Group's values and is underpinned by effective communication;
- take lead responsibility for the maintenance and development of the Group's reputation and relationships with the media, regulators, governments, local communities, suppliers, customers, trade bodies and other key stakeholders; and
- promote the highest standard of corporate governance.