

BREEDON GROUP PLC

(the "Company")

DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIR OF THE BOARD, CHIEF EXECUTIVE OFFICER AND SENIOR INDEPENDENT DIRECTOR

The division of responsibilities between the non-executive Chair of the Board (the "Chair"), the Chief Executive Officer (the "CEO") and the Senior Independent Director (the "SID") is key to the Company's governance structures in accordance with Provision 14 of the UK Corporate Governance Code.

The primary role of the Chair is to oversee the operation of the Board and the Company's governance structures. They are also responsible for ensuring that the Company maintains an appropriate level of dialogue with its shareholders. The role of the CEO is to oversee the operational management of the Group's businesses, and the role of the SID is to act as a sounding board for the Chair and other members of the Board and to be an alternative point of access for shareholders for matters that they do not wish to raise through other channels.

You can find out more about each of these roles below. Only the Board may change any of these provisions. In this document 'Group' means the Company, its subsidiaries and its subsidiary undertakings.

1. NON-EXECUTIVE CHAIR

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

In doing so the Chair 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 by drawing on their skills, experience and knowledge;
- Develop a productive working relationship with the CEO, providing support and advice, while respecting executive responsibility;
- Ensure a dialogue is maintained with the CEO and the Board on important and strategic issues facing the Group;
- In conjunction with the CEO and the Company Secretary (or its nominee), set the Board's agenda and the regularity, frequency and timing of meetings;
- Ensure that the agenda is forward looking whilst allowing evaluation of current business performance and is primarily focused on strategy, performance, value creation, culture, stakeholders and accountability, and ensuring that issues relevant to these areas are reserved for Board decision;
- Ensure that adequate time is available for full and open discussions, in particular for strategic, complex or contentious issues and for directors (particularly non-executive directors) to consider critical issues and obtain answers to any questions or concerns they have and not to be faced with unrealistic deadlines for decision-making;

- 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 they are provided with all such information from management that they require in order to carry out their 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;
- Shape and 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;
- Foster relationships based on trust, mutual respect and open communication – both in and outside the boardroom – between non-executive directors and the executive team;
- 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 CEO's performance, set objectives and undertake the CEO's performance appraisal;
- Ensure that all board committees (the "**Committees**") operate effectively with appropriate Terms of Reference, which should be published on the Company's website, that Committee membership is periodically refreshed, that individual independent non-executive directors are not over-burdened when deciding the chairs and membership of Committees 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 aware of and 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;
- Provide guidance and mentoring to new directors as appropriate;
- Lead a formal and rigorous annual evaluation of the performance of the CEO, the Board, its committees and each director, with support from the SID as appropriate, and ensure that appropriate action plans are put in place and implemented as a result of such evaluations;

- Ensure that the Board gets the most from a periodic externally-facilitated board evaluation and that it is not approached as a compliance exercise;
- Hold meetings with the non-executive directors, where the executive directors are not present (or participating by video or telephone) at least once per year;
- Ensure effective communication by the Group with its workforce and other stakeholders, including discussing governance, remuneration and performance against the strategy with major shareholders, and that their views are conveyed to the Board as a whole;
- Ensure that the Board listens to and considers the views of shareholders, the workforce, customers and other key stakeholders;
- Represent the Group externally with key stakeholders and ensure an appropriate balance is maintained between the interests of shareholders and other stakeholders;
- Ensure that shareholders' views are communicated to the Board as a whole so that all directors develop a clear understanding of their views;
- 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;
- Uphold the highest standards of integrity, diversity and probity and set clear expectations in respect of the Group's culture, values and behaviours; and
- with the assistance of the Company Secretary, ensure that high standards of corporate governance, in compliance with the UK Corporate Governance Code, are promoted (or where compliance with the UK Corporate Governance Code is not possible, ensure the reasons are fully understood and explained to stakeholders).

2. CHIEF EXECUTIVE OFFICER

The CEO 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. The CEO 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 CEO should:

- Devise the strategy and long-term objectives of the Group, in line with the agreed risk appetite, for recommendation to the Board, having regard to the Company's responsibilities to its shareholders and the Group's responsibilities to, and interests of, its suppliers, clients, customers, employees and other stakeholders, and, following approval, implement the budgets, risk profiles, strategy and objectives through the leadership of the executive team (the "**Executive Team**") with guidance or direction given where appropriate;
- 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;

- Manage 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 that management fulfils its obligation to provide the Board with (i) accurate, timely and clear information in a form and of a quality and comprehensiveness that will enable it to discharge its duties; (ii) the necessary resources for developing and updating their knowledge and capabilities; and (iii) appropriate knowledge of the Company, including access to Company operations and members of the workforce;
- 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 management of the Group to pursue the Group's commercial objectives and execute and deliver Group strategy, as approved by the Board, and oversight of Executive Team meetings, providing periodic updates to the Board accordingly;
- 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 Chair, 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 Board is made aware of views gathered via engagement between management and the workforce;
- Ensure that the Chair is appropriately informed of the CEO's current areas of activities and work closely together with the Chair as a team to promote the long-term success of the Group;
- Ensure that the Board knows the views of the Executive Team on business issues in order to improve the standard of discussion in the boardroom and, prior to a final decision on an issue, explain in a balanced way any divergence of view;
- Uphold the highest standards of integrity, diversity and probity and set clear expectations in respect of the Group's culture, values and behaviours, including setting an example to the Company's

workforce, communicating to them the expectations in respect of the Company's culture, and ensuring that operational policies and practices drive appropriate behaviour;

- 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 and support the Chair to make certain that appropriate standards of governance permeate through all parts of the organisation.

3. SENIOR INDEPENDENT DIRECTOR

The Board will appoint one of the independent non-executive directors to be the SID, to provide a sounding board for the non-executive Chair and to serve as an intermediary for the other directors where necessary.

The SID, in common with all non-executive directors, has the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for promoting the success of the company. In addition, the SID will:

- Assist in the maintenance of the stability of the Board and Company, particularly during periods of stress. This will involve working with the Chair, directors and shareholders to resolve significant issues, for example:
 - in the event of a dispute between the Chair and the CEO;
 - where the shareholders or non-executive directors have expressed concerns that are not being addressed by the Chair or the CEO;
 - where the strategy being followed by the Chair and the CEO is not supported unanimously by the Board;
 - where the relationship between the Chair and the CEO is particularly close;
 - where decisions are being made without the approval of the full Board; or
 - where succession planning is being ignored;

Shareholders

- Be available to shareholders if they have concerns which contact through the normal channels of Chair, CEO or Chief Financial Officer has failed to resolve, or for which such contact is inappropriate;
- The SID will attend sufficient meetings with major shareholders and financial analysts, as appropriate, to obtain a balanced understanding of the issues and concerns of such shareholders;

Chair

- Act as a deputy for the Chair;

- Be responsible for an orderly succession process for the Chair, working closely with the Nomination Committee and chairing the Nomination Committee when it is considering succession to the role of Chair of the Board;
- Meet with the non-executive directors at least once a year to appraise the Chair's performance and on such other occasions as are deemed appropriate; and
- Lead the performance evaluation of the Chair on behalf of the other directors.

Approved by the Board with effect from 17 May 2023.