

Notice of annual general meeting and explanatory notes to shareholders

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your shares in Breedon Group plc (the 'Company' and the 'Group'), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice of the Annual General Meeting of the Company which will take place at Pinnacle House, Breedon Quarry, Breedon on the Hill, DE73 8AP (what3words: hood.looks.statement) on Wednesday 24 April 2024 at 2.00pm, is set out on pages 3 to 5 of this document.

Whether or not you intend to attend the Annual General Meeting, please complete and submit an online form of proxy in accordance with the instructions set out in this document. Alternatively, you may request a hard copy form of proxy from the Company's Registrar, Link Group, which should be completed in accordance with the instructions printed on the form.

If you are an institutional investor, you may also be able to appoint a proxy electronically via the Proximity platform or if you hold shares in CREST, by using the CREST electronic proxy appointment service.

All proxy appointments must be received by the Company's Registrar, Link Group, no later than 2.00pm on Monday 22 April 2024. Appointment of a proxy will not preclude shareholders from attending and voting at the Annual General Meeting should they choose to do so.

Further instructions relating to proxy appointments are set out on pages 10 to 12 of this document.

Incorporated in England and Wales under the Companies Act 2006 with registered number: 14739556



BREEDON
MAKING A MATERIAL
DIFFERENCE





Breedon Group plc

Breedon Group plc
(Incorporated and
registered in England and
Wales
No. 14739556)
18 March 2024

Registered office:
Pinnacle House
Breedon Quarry
Main Street
Breedon on the Hill
Derby
DE73 8AP

Dear Shareholder

Notice of Annual General Meeting

I am pleased to be writing to you with details of the Annual General Meeting of the Company ('AGM' or the 'Meeting') which will be held as a physical meeting at Pinnacle House, Breedon Quarry, Breedon on the Hill, DE73 8AP (what3words: hood.looks.statement) on Wednesday 24 April 2024 at 2.00pm.

During 2023 we presided over our move from AIM to the Main Market, a transition which the Board believes more appropriately reflects the scale and maturity we have achieved. Being a member of the AIM market since 2008 has served us very well and, for over a decade, it has provided us with access to diverse and engaged investors within a supportive community that understands the needs of an entrepreneurial business such as ours. We thank them wholeheartedly for their enduring support.

I would like to thank the shareholders who took the time to engage with the Board and myself during the year and the constructive feedback given during these meetings.

Details of the resolutions to be proposed at the AGM are set out in the Notice of AGM on pages 3 to 5 of this document, with Resolutions 1 to 16 being ordinary resolutions and Resolutions 17 to 20 being special resolutions. In addition to our usual items of business, you will see that included in the Meeting business is the first triennial approval of the Directors' Remuneration Policy in accordance with the Companies Act 2006 (the 'Act') section 439A.

An explanation of these items and of all the resolutions can be found on pages 6 to 9 of this document.

The purpose of the AGM is to seek shareholders' approval of the resolutions set out in the Notice of AGM. It is also an opportunity for shareholders to express their views and to ask questions of the Directors of the Company (the 'Board'). The Board is committed to open dialogue with its shareholders and the AGM is an excellent means for the Board to engage with you directly.

As we appreciate some shareholders may prefer not to attend, or may be unable to attend, in person, shareholders are also encouraged to submit any questions they may have for the Board in connection with the AGM in advance. A designated questions and answers facility has been created, which can be accessed through our AGM webpage www.breedongroup.com/agm. Questions must be submitted by 9.00am on Monday 22 April 2024 and the Board will endeavour to respond to relevant questions either at the AGM or by return email. Where deemed appropriate by the Board, responses will also be provided on the AGM webpage following the AGM. If shareholders require a response to a question prior to the proxy voting deadline, please ensure that the question is received by the Company by 9.00am on Thursday 11 April 2024, in which case the Board will endeavour to respond to the shareholder by Thursday 18 April 2024 to provide shareholders with time to consider the response ahead of the proxy voting deadline on Monday 22 April 2024.

2023 Annual Report and Accounts

If you have not asked to be sent a copy of the 2023 Annual Report and Accounts ('Annual Report and Accounts') by post, you can find it on our website at www.breedongroup.com/investors. The majority of our shareholders now receive shareholder information electronically and I would encourage shareholders who have elected to receive information from the Company in hard copy to consider opting to receive publications, including the Annual Report and Accounts, in electronic form. You can register for electronic communications at www.breedonshares.com or contact our Registrar.

Voting

It is important to the Company that shareholders have the opportunity to vote on the AGM resolutions, even if they are unable to attend in person. Shareholders can submit proxies for the 2024 AGM electronically by logging on to www.breedonshares.com, via the Link Group shareholder app LinkVote+, or, if you hold shares in CREST, by using the CREST electronic proxy appointment service. If attending in person, please ensure that you bring your ID to gain entry or your proxy brings their ID.

The Company is committed to reducing paper and improving efficiency in its shareholder communications and therefore, you will not receive a hard copy form of proxy for the 2024 AGM. You may request a hard copy form of proxy directly from the Company's Registrar, Link Group. Full details on how to vote online, use LinkVote+ and to request and complete a hard copy form of proxy are set out on pages 10 and 11 of this document.

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to www.proxymity.io.

All proxy instructions must be received by the Company's Registrar by no later than 2.00pm on Monday 22 April 2024 (or not less than 48 hours before the time fixed for any adjourned meeting).

Recommendation

The Board considers that each of the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole and would promote the success of the Company. Your Board will be voting in favour of them in respect of their own shareholdings currently amounting to 0.15% of the issued share capital of the Company and unanimously recommends that you do so as well.

The results of the voting on all resolutions will be announced via the Regulatory News Service and published on our website www.breedongroup.com/investors as soon as practicable following the conclusion of the AGM.

Yours faithfully

Amit Bhatia
Chair

Notice of Annual General Meeting

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Breedon Group plc (the 'Company') will be held as a physical meeting at Pinnacle House, Breedon Quarry, Breedon on the Hill, Derby, DE73 8AP at 2.00pm on Wednesday 24 April 2024. You will be asked to consider and vote on the resolutions below.

Resolutions 1 to 16 will be proposed as ordinary resolutions and Resolutions 17 to 20 will be proposed as special resolutions.

For further information on all of the resolutions, please refer to the Explanatory Notes, which can be found on pages 6 to 9.

Ordinary Resolutions

1. To receive the reports of the Directors and Auditor and the audited accounts for the financial year ended 31 December 2023.
2. To re-appoint KPMG LLP as the Auditor of the Company to hold office from the conclusion of this Meeting until the conclusion of the next meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the Auditor's remuneration.
4. To approve the Directors' Remuneration Report set out on pages 145 to 168 of the Annual Report and Accounts for the year ended 31 December 2023 (other than the part containing the Directors' Remuneration Policy).
5. To approve the Directors' Remuneration Policy set out on pages 149 to 159 of the Annual Report and Accounts for the year ended 31 December 2023.
6. That the rules of the Breedon Group Deferred Share Bonus Plan ('DSBP'), which is produced in draft to this meeting, (and for the purposes of identification, initialled by the Chair) and the terms of which are summarised in the Appendix to this Notice of Meeting, be and are hereby approved and the Directors be authorised to:
 - (a) make any modifications or amendments and to do all such acts and things which they may consider necessary, desirable and/or expedient for the purposes of adopting the DSBP; and
 - (b) establish further plans based on the DSBP but modified to take account of local tax, exchange control and/or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the individual and overall limit on the number of value of shares that may be subject to awards granted under the DSBP.
7. That the final dividend recommended by the Directors of 9.5 pence per ordinary share for the financial year ended 31 December 2023 be declared payable on 17 May 2024 to all members whose names appear on the Company's register of members at 6.00pm on 5 April 2024.
8. To re-elect Amit Bhatia as a Director of the Company.
9. To re-elect James Brotherton as a Director of the Company.
10. To re-elect Carol Hui, OBE, as a Director of the Company.
11. To re-elect Pauline Lafferty as a Director of the Company.
12. To re-elect Helen Miles as a Director of the Company.
13. To re-elect Clive Watson as a Director of the Company.
14. To re-elect Rob Wood as a Director of the Company.
15. That, in accordance with sections 366 and 367 of the Companies Act 2006 (the 'Act'), during the period beginning on the date of the passing of this Resolution and ending at the conclusion of the Company's annual general meeting to be held in 2025 or at 6.00pm on 23 July 2025, whichever is sooner, the Company and any company which at any time during the period for which this resolution has effect, is or becomes a subsidiary of the Company, be authorised to:
 - (a) make political donations to political parties, political organisations other than political parties and/or independent election candidates not exceeding £100,000;
 - (b) make political donations to political organisations other than political parties not exceeding £100,000; and
 - (c) incur political expenditure not exceeding £100,000,

provided that the aggregate amount of such political donations and political expenditure shall not exceed £100,000. For the purposes of this Resolution, the expressions 'political donations', 'political party', 'political organisations', 'independent election candidate' and 'political expenditure' have the meanings set out in Part 14 of the Act.

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16. That the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or to convert any security into shares in the Company:

- (a) up to a nominal amount of £1,132,685.69; and
- (b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £1,132,685.69 in connection with a fully pre-emptive offer to:
 - (i) holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) holders of other equity securities as required by the rights of those securities or, subject to such rights as the Directors otherwise consider necessary.

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

The authorities conferred on the Directors to allot securities under paragraphs (a) and (b) shall, unless renewed, varied or revoked by the Company at a general meeting, expire at the conclusion of the annual general meeting of the Company to be held in 2025 or at 6.00pm on 23 July 2025, whichever is sooner. The Company may, before such expiry, make an offer or enter into an agreement which would or might require such securities to be allotted after such expiry and the Directors may allot such securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

Special Resolutions

17. That, subject to the passing of Resolution 16, the Directors be authorised to allot equity securities (as defined in section 560(1) of the Companies Act 2006 (the 'Act') for cash pursuant to the general authority granted by the Resolution 16 and/or sell ordinary shares held by the Company as treasury shares for cash, as if section 561 of the Act did not apply to that allotment or sale. This power is limited to:

- (a) the allotment of equity securities or sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 16 above, by way of a fully pre-emptive offer only) to:
 - (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) holders of other equity securities as required by the rights of those securities or, subject to such rights as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £339,805.70; and

- (c) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or (b) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in November 2022,

such authorities to expire (unless previously renewed, varied or revoked by the Company at a general meeting) at the conclusion of the Company's annual general meeting to be held in 2025 or at 6.00pm on 23 July 2025, whichever is sooner. The Company may, before these authorities expire, make an offer or enter into an agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the Directors may allot equity securities (and sell treasury shares) in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

18. That, subject to the passing of Resolution 16, the Directors be authorised in addition to any authority granted under Resolution 17, to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by Resolution 16 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 did not apply to any such allotment or sale, provided that such power be:

Notice of Annual General Meeting

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £339,805.70, used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group in November 2022; and
- (b) limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in November 2022,

such authorities to expire (unless previously renewed, varied or revoked by the Company at a general meeting) at the conclusion of the Company's annual general meeting to be held in 2025 or at 6.00pm on 23 July 2025, whichever is sooner. The Company may, before this authority expires, make an offer or enter into an agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the Directors may allot equity securities (and sell treasury shares) in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

- 19. That the Company be and is hereby unconditionally and generally authorised for the purpose of section 701 of the Companies Act 2006 (the 'Act'), to make market purchases (as defined in section 693 of the Act) of ordinary shares in the capital of the Company on such terms and in such manner as the Directors may determine, provided that:
 - (a) the maximum number of ordinary shares which may be purchased is 33,980,570;
 - (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is its nominal value;
 - (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not be more than the higher of: (i) an amount equal to 105% of the average middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the ordinary share is purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System;
 - (d) this authority shall expire (unless previously renewed, varied or revoked) at the conclusion of the Company's annual general meeting to be held in 2025 or at 6.00pm on 23 July 2025, whichever is sooner; and

- (e) the Company may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of its own ordinary shares in pursuance of any such contract.

- 20. That, as permitted by section 307A of the Companies Act 2006, a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board
James Atherton-Ham
 Company Secretary

Registered office:
 Pinnacle House
 Breedon Quarry
 Main Street
 Breedon on the Hill
 Derby
 DE73 8AP

Registered No: 14739556

18 March 2024

Explanatory Notes

EXPLANATORY NOTES

Resolutions 1 – 16 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the relevant resolution. Resolutions 17 to 20 are proposed as special resolutions. For each of these to be passed, at least three quarters of the votes cast must be in favour of the relevant resolution. An explanation of each of the resolutions is set out below.

ORDINARY RESOLUTIONS

RESOLUTION 1: Annual Report and Accounts

The Directors are required to present to the AGM the audited accounts and the Directors' and Auditors' Reports of the Company before the shareholders for the financial year ended 31 December 2023.

RESOLUTIONS 2 AND 3: Re-appointment of Auditor and Auditor's Remuneration

The Company is required to appoint an auditor at each general meeting at which accounts are laid to serve until the next such meeting. The current appointment of KPMG LLP as the Company's auditor will end at the conclusion of the AGM and it has indicated its willingness to continue in office. The Board proposes as Resolution 2 that KPMG LLP be re-appointed as auditor of the Company. The Audit & Risk Committee confirm that KPMG's Audit Partner has been succeeded following the last incumbent being in place for five years. Please see further details on page 129 of the Annual Report and Accounts.

It is normal practice for a company's directors to be authorised to agree how much the Auditors should be paid and Resolution 3 authorises the Directors to negotiate and agree the remuneration of the auditor.

RESOLUTION 4: Directors' Remuneration Report

The Directors' Remuneration Report (excluding the Directors' Remuneration Policy), which can be found on pages 145 to 168 of the Annual Report and Accounts comprises the Annual Statement to shareholders by the Remuneration Committee Chair and the Annual Report on Remuneration. The Annual Report on Remuneration sets out details of Directors' remuneration for the year ended 31 December 2023 and proposed implementation of Directors' Remuneration Policy for 2024. The Company's auditor has audited those parts of the Directors' Remuneration Report required to be audited and their report may be found on pages 174 to 183 of the Annual Report and Accounts.

In accordance with section 439 of the Act, shareholders are requested to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy set out on pages 149 to 159 of the Annual Report and Accounts). The vote is advisory and the Directors' entitlement to receive remuneration is not conditional on it.

RESOLUTION 5: Directors' Remuneration Policy

The Company seeks the approval of shareholders for the new Directors' Remuneration Policy (the 'Policy'), which can be found on pages 149 to 159 of the Annual Report and Accounts. The Directors' Remuneration Policy must be approved by a binding vote of shareholders (by a separate resolution) at least once every three years. The Policy will formally apply for three years from the date of the 2024 AGM unless a new policy is presented to shareholders before then as required under the Act. Following approval, all payments to Directors will be consistent with the approved Policy (unless an amendment to the Policy is approved by a resolution of the members of the Company).

RESOLUTION 6: Approval of the Breedon Group Deferred Share Bonus Plan

Resolution 6 is a resolution seeking authority from shareholders to approve the Breedon Group Deferred Share Bonus Plan ('DSBP').

As further described in the Directors' Remuneration Report, this will enable the deferral of annual bonuses otherwise payable to an Executive Director, into awards over shares that will vest after a two year deferral period.

The rules of the DSBP will be on display at the place of the AGM from at least 15 minutes before the Annual General Meeting until it ends, and on the National Storage Mechanism from the date of this Notice.

A summary of the principal terms of the DSBP is set out at the Appendix to this Notice.

RESOLUTION 7: Final Dividend

A final dividend of 9.5 pence per ordinary share of 1.0 pence in the Company for the year ended 31 December 2023 is recommended by the Directors. If approved, the recommended final dividend will be paid on 17 May 2024 to all shareholders whose names appear on the Company's Register of Members at 6.00pm on 5 April 2024.

RESOLUTIONS 8 TO 14: Re-election of Directors

In accordance with the UK Corporate Governance Code, all of the Directors are subject to annual re-election by shareholders at the AGM irrespective of their date of appointment and length of service on the Board. Separate resolutions will be proposed for each of these re-elections.

The Directors believe that the Board offers an appropriate balance of knowledge and skills and that the Non-executive Directors are independent in character and judgement. The Chair confirms that the Non-executive Directors continue to demonstrate effective performance and commitment to the role and have sufficient time to

Explanatory Notes

meet their responsibilities. The continued effectiveness of the Board, its Committees and the Directors was assessed through an external evaluation process in 2023, as further detailed on pages 123 and 124 of the Annual Report and Accounts. Following this evaluation, the Board recommends the re-election of all Directors. The biographical details of all Directors are set out below, on pages 112 and 113 of the Annual Report and Accounts and on the Group's website at www.breedongroup.com/directors. In the Board's view, these illustrate why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success.

RESOLUTION 8 to re-elect Amit Bhatia, Non-executive Chair. Amit has over 20 years' corporate finance and private equity experience. He is a founding Partner at Summix Capital, a strategic land and property fund. He was Executive Chairman of Hope Construction Materials until it was acquired by Breedon Group in August 2016 when he joined the Board as a non-executive. Amit has a strong strategic and entrepreneurial approach which he brings to the Board together with his governance and stewardship experience which, as Chair, continues to ensure the long-term success of the Group.

RESOLUTION 9 to re-elect James Brotherton, Chief Financial Officer. James joined Breedon in January 2021. Previously he was CFO of Tyman Plc between 2010 and 2019, prior to which he was Director of Corporate Development. Earlier in his career, James worked in investment banking roles at Citi and HSBC, after qualifying as a chartered accountant at Ernst & Young. James has considerable international construction sector and corporate experience in the areas of finance, strategy, operational efficiency, systems development, mergers and acquisitions and business integration and has contributed significantly to the financial longevity and strategic success of the Group.

RESOLUTION 10 to re-elect Carol Hui, OBE Non-executive Director. Carol was the Non-executive Chairman at Robert Walters plc, an Executive Board Director at Heathrow Airport Limited and held senior positions at large companies including Amey plc and British Gas plc. Previously she was a corporate finance lawyer with Slaughter and May. Carol is an experienced non-executive director having served on varied boards in major infrastructure, real estate, tourism, charities, consultancy and education. She has received numerous legal and business awards throughout her career. Carol received an OBE in the 2024 New Year's Honours List for her services to tourism. Carol brings a diverse perspective to the Board and provides it with valuable insight from her extensive strategic, commercial, legal and sustainability expertise.

RESOLUTION 11 to re-elect Pauline Lafferty, Non-executive Director. Pauline brings significant experience from an international career spanning manufacturing and supply, executive search and human resources. Since retiring from her role as Chief People Officer at Weir Group plc, where she was responsible for progressing the Group's agenda on all aspects of strategic HR, she has embarked on a non-executive portfolio that includes being the Chair of the Remuneration Committee for XP Power Limited and Scottish Events Campus Limited. Prior to Weir Group plc, Pauline was a Partner with The Miles Partnership and an Executive Director at Russell Reynolds Associates in the UK and Australia, and Asia Pacific Director of Materials & Supply at Digital Equipment Corporation in Hong Kong. Pauline brings to the Board significant experience with regards to human resources, particularly in the key areas for the Board of talent, development and retention, employee engagement and cultural change. Pauline is a strong advocate on the Board for both employee engagement and positive culture changes.

RESOLUTION 12 to re-elect Helen Miles, Non-executive Director. Helen brings with her a breadth of operational and commercial experience having worked within regulated businesses together with her broader infrastructure experience developed across Telecoms, Leisure and Banking. As a member of the UK Board, Helen was instrumental in delivering HomeServe's future growth strategy and ensuring a sustainable, customer-focused business. As an experienced finance professional, Helen was previously Chief Financial Officer for Openreach, part of BT Group plc, and has extensive experience of delivering major business transformation across the Group. Prior to BT Group, Helen worked in a variety of sectors and organisations such as Bass Taverns Limited, Barclays Bank plc, and Compass Group plc. Helen's strong expertise in the Board's key areas of growth strategy and sustainability and her customer-focused business and transformation experience, fully supports and complements the Board's skill set. Helen brings skills associated with her current appointment as an executive on a FTSE 100 Board.

RESOLUTION 13 to re-elect Clive Watson, Non-executive Director. Clive has considerable finance experience, having previously been the Group Finance Director of Spectris plc, Chief Financial Officer and Executive Vice President for business support at Borealis, Group Finance Director at Thorn Lighting Group and held a variety of finance roles at Black & Decker. In 2019, Clive retired as a Non-executive Director of Spirax Sarco Engineering plc, where he was Chair of the Audit Committee and Senior Independent Director. Clive is both a Chartered Accountant and member of the Chartered Institute of Tax with significant finance experience in a variety of industries which allows him to continue to support the Board with its long-term success.

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RESOLUTION 14 to re-elect Rob Wood, Chief Executive Officer. Rob has 20 years' experience in the international building materials industry. He qualified as a Chartered Accountant with Ernst & Young and subsequently joined Hanson PLC where he held a number of senior positions including Finance Director Brick Continental Europe, Finance Director Building Products UK and Chief Financial Officer Australia and Asia Pacific. Following the acquisition of Hanson PLC by HeidelbergCement AG, Rob returned to the UK and joined Drax Group plc as Group Financial Controller. During his time at Drax he also spent a period of time as Head of Mergers & Acquisitions. Rob has held an executive position on the Board for a number of years bringing solid and invaluable operational leadership, as both Group Finance Director and Chief Executive Officer and fully understands the challenges and opportunities for the Group.

RESOLUTION 15: Authority to make political donations

Resolution 15 is to approve the limit of financial political contributions that the Company can make. It is not the Company's policy to make donations to, or incur expenditure on behalf of, political parties, other political organisations or independent election candidates and the Directors have no intention of using the authority for that purpose. However, it is possible that certain routine activities undertaken by the Company and its subsidiaries might unintentionally fall within the wide definition of matters constituting political donations and expenditure in the Act.

Shareholder approval is therefore being sought on a precautionary basis only, to ensure that neither the Company nor any company, which at any time during the period for which this resolution has effect, is a subsidiary of the Company, commits a technical breach of the Act when carrying out activities in furtherance of its legitimate business interests.

The Directors are therefore seeking authority to make political donations to political parties, other political organisations, and independent election candidates not exceeding £100,000 in total. In line with guidance published by the Investment Association, this resolution is put to shareholders annually rather than every four years as required by the Act. This authority will expire at the conclusion of the Company's next annual general meeting or at 6.00 p.m. on 23 July 2025, whichever is sooner.

RESOLUTION 16: Directors' authority to allot shares

Resolution 16 is proposed to renew the Directors' power to allot shares. Resolution 16(a) seeks to grant the Directors authority to allot, pursuant to section 551 of the Act, shares and grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £1,132,685.69. This represents 113,268,569 ordinary shares of 1.0 pence each, which is approximately one third of the Company's issued ordinary share capital as at 8 March 2024, (being the latest practicable date prior to the publication of this Notice).

In accordance with The Investment Association's Share Capital Management Guidelines (the 'Guidelines'), Resolution 16(b) seeks to grant the Directors authority to allot ordinary shares in connection with a fully pre-emptive offer in favour of ordinary shareholders up to an aggregate nominal value of £1,132,685.69. This represents 113,268,569 ordinary shares of 1.0 pence each, which is approximately one third of the Company's issued ordinary share capital as at 8 March 2024, (being the latest practicable date prior to the publication of this Notice).

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the Company's next annual general meeting or at 6.00pm on 23 July 2025, whichever is sooner. The Directors have no present intention of exercising either of the authorities under this resolution, but the Board wishes to ensure that the

Company has maximum flexibility in managing the financial resources of the Company.

As at close of business on 8 March 2024, the Company did not hold any treasury shares.

SPECIAL RESOLUTIONS

RESOLUTIONS 17 AND 18: Directors' authority to disapply pre-emption rights

Resolutions 17 and 18 are to approve the disapplication of pre-emption rights. The passing of these resolutions would allow the Directors to allot shares for cash under the authority given by Resolution 16 and/or sell treasury shares without first having to offer such shares to existing shareholders in proportion to their existing holdings.

The authority under Resolution 17 would be limited to:

- (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board considers necessary;
- (b) allotments or sales (otherwise than pursuant to (a) above) up to an aggregate nominal amount of £339,805.70, which represents approximately 10% of the Company's issued ordinary share capital as at 8 March 2024 (being the latest practicable date prior to the publication of this Notice); and
- (c) allotments or sales (otherwise than under paragraphs (a) and (b) above) up to an aggregate nominal amount of £67,961.14, which represents approximately 2% of the Company's issued ordinary share capital as at 8 March 2024 (being the latest practicable date prior to the publication of this Notice) to be used only for the purposes of making a follow-on offer to retail investors or existing investors not allocated shares in the offer.

Explanatory Notes

Resolution 18 would give the Directors authority to (i) allot a further 10 % of the issued ordinary share capital of the Company as at 8 March 2024 (being the latest practicable date prior to the publication of this Notice) for the purposes of financing a transaction which the Directors determine to be an acquisition or other capital investment contemplated by the Statement of Principles on Disapplying of Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice (the 'Statement of Principles') and (ii) allot or sell shares (otherwise than under paragraph (i)) up to an aggregate nominal amount of £67,961.14, which represents approximately 2% of the Company's issued ordinary share capital as at 8 March 2024 (being the latest practicable date prior to the publication of this Notice) to be used only for the purposes of making a follow-on offer to retail investors or existing investors not allocated shares in the offer.

The disapplication authorities under Resolutions 17 and 18 are in line with the guidance set out in the Statement of Principles. The Statement of Principles allow a board to allot shares for cash otherwise than in connection with a pre-emptive offer (i) up to 10% of a company's issued share capital for use on an unrestricted basis, (ii) up to a further 10% of a company's issued share capital for use in connection with an acquisition or specified capital investment announced either contemporaneously with the issue, or which has taken place in the preceding twelve-month period and is disclosed in the announcement of the issue and (iii) in the case of both (i) or (ii), up to an additional 2% in connection with a follow-on offer to retail investors or existing investors not allocated shares in the offer. The Directors confirm that, in considering the exercise of the authority under Resolutions 17 and 18, they intend to follow the shareholder protections set out in Part 2B of the Pre-emption Group's Statement of Principles to the extent reasonably practicable.

The authorities contained in Resolutions 17 and 18 will expire at the conclusion of the Company's next annual general meeting or at 6.00pm on 23 July 2025, whichever is sooner.

RESOLUTION 19: Authority to make market purchases of own shares

This resolution seeks authority for the Company to make market purchases of its own ordinary shares as permitted by the Act. If passed, the authority limits the number of shares that could be purchased to a maximum of 33,980,570 ordinary shares (equivalent to 10% of the Company's issued ordinary share capital as at 8 March 2024 (being the latest practicable date prior to the publication of this Notice) and sets a minimum and maximum price. The authority will expire at the conclusion of the Company's next annual general meeting or at 6.00pm on 23 July 2025, whichever is sooner.

Although the Directors do not currently have any intention of exercising the authority granted by this resolution, this resolution provides the flexibility to allow them to do so in the future. In considering whether to use this authority, the directors will take into account market conditions, appropriate gearing levels, the Company's share price, other investment opportunities and the overall financial position of the Company. The Directors will only exercise the authority to purchase ordinary shares where they consider that such purchases will be in the best interests of shareholders generally and could be expected to result in an increase in earnings per ordinary share of the Company. Any shares purchased in the market under this authority may be either cancelled or held as treasury shares, which may then be cancelled, sold for cash or used to satisfy obligations under its employee share schemes. No dividends are paid on shares while they are in treasury and no voting rights attach to treasury shares. The Directors believe that it

is desirable for the Company to have this choice as holding the purchased shares as treasury shares would give the Company the ability to re-sell or transfer them in the future and so provide the Company with additional flexibility in the management of its capital base.

As at 8 March 2024 (being the latest practicable date prior to the publication of this Notice), the total number of options to subscribe for ordinary shares in the Company amounted to 6,591,935 ordinary shares, representing 1.9% of the Company's issued ordinary share capital. If the authority granted by this resolution were exercised in full, the options would represent 2.2% of the issued ordinary share capital as at 8 March 2024.

RESOLUTION 20: Notice period for general meetings, other than an annual general meeting

This resolution is to approve the calling of general meetings of the Company (other than an annual general meeting) on 14 clear days' notice. The notice period required by the Act for general meetings of the Company is 21 clear days unless (i) shareholders agree to a shorter notice period and (ii) the Company has met the requirements for electronic voting under the Companies (Shareholders' Rights) Regulations 2009. Annual general meetings must always be held on at least 21 clear days' notice.

The Directors confirm that the shorter notice period would not be used as a matter of routine, but only where flexibility is merited by the business of the meeting, the proposals are time-sensitive and it is thought to be to the advantage of shareholders as a whole. An electronic voting facility will be made available to all shareholders for any meeting held on such notice. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.


 Notes

NOTES TO NOTICE OF ANNUAL GENERAL MEETING

Entitlement to attend and voting

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and section 360B(2) of the Act, only those shareholders registered in the Company's Register of Members at 6.00pm on Monday 22 April 2024 (or not less than 48 hours before the time fixed for any adjourned meeting) shall be entitled to attend and vote at the AGM. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.
2. Persons who are not shareholders of the Company (or duly appointed proxies or corporate representatives) will not be admitted to the AGM unless prior arrangements are made with the Company.
3. If you wish to attend the AGM in person, registration for the AGM opens at 1.30pm on 24 April 2024. You may find it useful to bring this Notice and the Annual Report and Accounts so that you can refer to them at the AGM. Please ensure that you bring ID.
4. It is proposed that all votes on the resolutions at the AGM will be taken by way of a poll rather than on a show of hands. The Company considers that a poll is more representative of shareholders' voting intentions because votes are counted according to the number of shares held and all votes tendered are taken into account. The results of the voting on all resolutions will be announced via the Regulatory News Service and published on our website www.breedongroup.com/investors as soon as practicable following the conclusion of the AGM.

Appointment of proxies

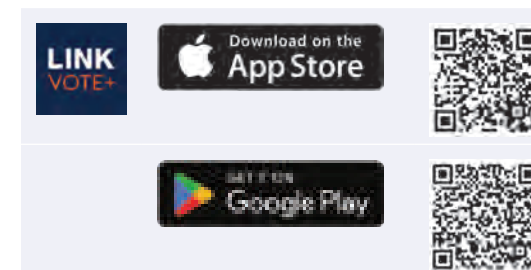
5. A member entitled to attend and vote at the Meeting convened by this Notice is also entitled to appoint one or more proxies to exercise all and any of their rights to attend and vote on their behalf at the Meeting. Where a member appoints more than one proxy in relation to the Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company but must attend the Meeting in person.
6. If you are not a member of the Company but have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this 'Appointment of proxies' section. Please read the section 'Nominated Persons' below.
7. Shareholders can:
 - (a) register their proxy appointment electronically (see note 12 below);
 - (b) appoint a proxy and give proxy instructions by requesting and returning a hard copy form of proxy (see notes 13 to 17 below);
 - (c) if they hold shares in CREST, register their proxy appointment by utilising the CREST electronic proxy appointment service (see notes 18 to 21 below); or
 - (d) if they are an institutional investor, register their proxy appointment via the Proximity platform (see note 22 below).
8. To be valid, your proxy appointment and instructions must be received by Link Group no later than 2.00pm on Monday 22 April 2024. The return of a completed form of proxy, other such instrument or any CREST

Proxy Instruction (as described in note 19 below) will not prevent a shareholder attending the AGM and voting in person if they wish to do so.

9. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
10. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy will be accepted to the exclusion of the votes of any other joint holders and for this purpose seniority will be determined by the order in which the names are recorded in the Register of Members.
11. The Directors of the Company will interpret any ambiguous proxy appointments. The Chair of the Meeting will, in their capacity as proxy, interpret any voting instructions received. Their respective determinations shall be final.

Appointment of proxies electronically

12. A member may appoint a proxy online by visiting www.breedonshares.com or via the Link Group shareholder app, LinkVote+. The app is free to download and use and gives shareholders the ability to access their records at any time. The app is available to download on the Apple App Store and Google Play:



Notes

Appointment of proxies by hard copy proxy form

13. You may request a hard copy form of proxy directly from the Company's Registrar, Link Group, on Tel: 0371 664 0300 (or +44371 664 0300 for overseas holders) or by emailing shareholderenquiries@linkgroup.co.uk. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open between 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales.
14. To be effective the completed and signed hard copy form of proxy must be received by post or (during normal business hours) by hand at the offices of PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS14DL (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) by no later than the deadline set out in note 8 above.
15. In the case of a shareholder which is a corporation, the form of proxy must be executed under its common seal or under the hand of some officer or attorney or other person duly authorised in that behalf.
16. To appoint more than one proxy using a hard copy form of proxy you may photocopy the form of proxy.
17. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If possible, all forms should be returned together in the same envelope.

Appointment of proxies through CREST

18. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
19. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly (under CREST participant ID RA10) authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Link Group, by 2.00pm on Monday 22 April 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
20. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will

therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In connection with this, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

21. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001 (as amended).

Proxymity

22. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 2.00pm on Monday 22 April 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.


 Notes

Changing proxy instructions

23. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above.
24. Note that the cut-off time for receipt of proxy appointments (see note 8 above) also applies in relation to amended instruction. Any amended proxy appointment received after the relevant cut-off time will be disregarded.
25. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.

Revoking your proxy appointment

26. In order to revoke a proxy instruction, you will need to inform the Company in writing by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL or by registering the revocation of your proxy appointment at www.breedonshares.com or via the Link Group shareholder app, LinkVote+.
27. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

28. The revocation notice must be received by Link Group no later than 2.00pm on Monday 22 April 2024. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then your proxy appointment will remain valid unless you attend the AGM and vote in person.

Corporate representatives

29. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Nominated Persons

30. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. Nominated Persons are advised to contact the shareholder who nominated them for further information on this and the procedure for appointing any such proxy.
31. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the shareholders who nominated them for further information on this.

Right to ask questions

32. Under section 319A of the Act, any member attending the AGM has the right to ask questions at the AGM relating to the business of the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
33. Please keep your questions and statements short and relevant to the business of the AGM to allow everyone who wishes to speak the chance to do so. It would be helpful if you could state your name before you ask your question. The Chair may nominate a representative to answer a specific question after the AGM or refer the question to the Company's website.

Total voting rights

34. As at 8 March 2024 (being the latest practicable date before publication of this Notice), the total number of ordinary shares of 1.0 pence each in the capital of the Company in issue was 339,805,707 ordinary shares, with each ordinary share carrying the right to one vote. The total number of voting rights in the Company as at such date was therefore 339,805,707. There are no shares held in treasury.

Notes

Documents available for inspection

35. Copies of the following documents are available for inspection at the Company's registered office during normal business hours on any weekday (public holidays excluded) from the date of this Notice until the close of the meeting and at the place of the meeting from at least 15 minutes prior to, and until the conclusion of, the meeting:

- (a) the service contracts of the Executive Directors of the Company;
- (b) the letters of appointment of the Non-executive Directors of the Company; and
- (c) the Rules of the DSBP.

If you would like to inspect any of the above documents, please send your request to companysecretariat@breedongroup.com and we will make suitable arrangements.

36. The rules of the 2024 Deferred Share Bonus Plan will be available for inspection at the place of the Meeting for at least 15 minutes prior to and during the Meeting and on the National Storage Mechanism from the date of sending this Notice.

Conduct at the AGM

37. Unacceptable behaviour will not be tolerated at the AGM and it will be dealt with appropriately by the Chair.

Website publication of audit concerns

38. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected

with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.

39. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Availability of information on the website

40. In accordance with section 311A of the Act, for a period of two years from the date of this Notice, the following information will be available on the Company's website (www.breedongroup.com):

- (a) this Notice;
- (b) the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting; and
- (c) the total of the voting rights that members are entitled to exercise at the meeting.

Any members' statements, members' resolutions and members' matters of business received by the Company after the date of this Notice will be added to the information already available on the website as soon as reasonably practicable and will also be made available for the following two years.

Communication with the Company

41. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

- (a) calling our Registrar on 0371 664 0300 (or +44371 664 0300 for overseas holders); or
- (b) email: investors@breedongroup.com.

42. You may not use any electronic address provided either:

- (a) in this Notice; or
- (b) in any related documents (including the Annual Report and Accounts and proxy form)

to communicate with the Company for any purposes other than those expressly stated.

Data protection

43. The Company may process personal data of attendees at the meeting. This may include webcasts, photos, recordings and audio and video links, as well as other forms of personal data, including your name, contact details and the votes you cast. The Company shall process such personal data in accordance with its privacy policy, which can be found at www.breedongroup.com/policies.

Appendix

DEFERRED SHARE BONUS PLAN

Summary of the principal terms of Breedon Group Deferred Share Bonus Plan ('DSBP').

Operation

The Remuneration Committee of the Board of directors of the Company (the 'Committee') will supervise the operation of the DSBP.

Eligibility

Any current or former employee (including an Executive Director) of the Company and any of its subsidiaries will be eligible to participate in the DSBP, at the discretion of the Committee. However, the Committee will make awards under the DSBP only to individuals who may be entitled to receive an annual bonus payment for the preceding financial year of the Company.

Grant of awards

Awards made under the DSBP will be in the form of a deferred right to receive ordinary shares in the Company ('Shares').

The Committee may grant an award in one of two forms:

- a) a conditional award, where a participant will receive Shares on the vesting of his/her award; or
- b) nil or nominal cost options, where a participant can decide when to exercise his/her award over Shares during a limited period of time after it has vested.

The Committee may normally grant awards within the period of six weeks following: (i) the date of adoption of the DSBP; (ii) the Company's announcement of its results for any period; (iii) determination by the Committee of a bonus in respect of an eligible employee; or (iv) the lifting of restrictions on dealing in Shares that prevented grant of awards under (i) or (ii). The Committee may also grant

awards when there are exceptional circumstances which it considers justifies the granting of awards.

No awards will be granted after the tenth anniversary of the date of adoption of the DSBP.

No payment will be required for the grant of an award. Awards are not transferable other than to the participant's personal representatives in the event of death. Awards are not pensionable.

Individual limit

The maximum number of Shares that may be awarded to a participant in any financial year will be limited to a proportion of the individual's total annual bonus outcome for the preceding financial year. The proportion of bonus outcome that is deferred into a DSBP award will be determined by the Committee from time to time.

For the duration of the Directors' remuneration policy proposed for approval at the 2024 AGM, one-third of any annual bonus outcomes for Executive Directors will be deferred into awards granted under the DSBP.

Overall DSBP limit

The DSBP may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten calendar year period the Company may not issue (or have the possibility to issue) more than 10% of the issued ordinary share capital of the Company in respect of awards made in that period under: (i) the DSBP and any other employee share plan adopted and/or operated by the Company; and (ii) any other employee share scheme adopted by the Group's previous Jersey holding company.

Treasury Shares will count as new issue Shares for the purposes of this limit but they will also cease to count towards this limit if institutional investor bodies decide that they need not count.

This limit do not include any rights to Shares which have been released or lapsed.

Vesting of awards

Awards will normally vest at the end of a two-year period and provided the participant is still an employee or a director in the Company's group (as explained further below).

The Committee may allow awards to be settled in cash (in whole or in part) where it is appropriate to do so.

Leaving employment

As a general rule, an unvested award will lapse upon a participant ceasing to hold employment or be a director within the Company's group.

However, if a participant ceases to be an employee or a director within the Company's group because of his death, ill-health, injury, disability, retirement, his employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Committee (i.e. they leave as a 'good leaver'), then his award will normally vest on the date when it would have vested if he had not ceased such employment or office.

If a participant ceases to be an employee or director in the Company's group for one of the 'good leaver' reasons specified above, the Committee may, in exceptional circumstances, allow unvested awards to vest at the time of cessation of employment.

As is normal for deferred bonus plans, DSBP awards held by a leaver are not subject to pro-rata reductions (the rationale being that the awards have already been subject to performance vesting requirements in the annual bonus year, and the DSBP is accordingly a mechanism for the deferral of part of the achieved annual bonus outcomes).

Appendix

If an award vests as a result of one of the 'good leaver' reasons specified above, awards structured as options will normally be exercisable for a period of 12 months from the date of vesting.

Where an individual holding a vested award leaves the Company's employment, the individual will normally be able to exercise that vested award within 12 months of the date of cessation of employment, unless the reason for such cessation is the individual's misconduct in which case the award will lapse.

Where a former employee has been granted an award under the DSBP, the 'good leaver' provisions set out above will not apply, and such award will normally be exercisable for a period of 12 months from the date of vesting.

Corporate events

In the event of a takeover, scheme of arrangement, or winding up of the Company (not being an internal corporate reorganisation), all awards will normally vest early at the time of the event. Awards may also vest on the same basis if a merger, demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of the Shares to a material extent.

In the event of an internal corporate reorganisation, awards may be replaced by equivalent new awards over shares in a new holding company.

Participants' rights

DSBP awards will not confer any shareholder rights on participants until the awards have vested and the participants have received their Shares.

The number of Shares comprised in a DSBP award will be increased in respect of an amount equivalent to the dividends that would have been paid on the Shares vesting under the award between the date of grant and the date the award vests (and may assume reinvestment in Shares on the relevant ex-dividend dates).

In exceptional circumstances only, the Committee may determine that any additional Shares in respect of dividends that would have been paid on the Shares vesting under the awards, can instead be paid in cash.

Rights attaching to Shares

Any Shares allotted when an award vests (or for an award structured as an option, when it is exercised) will rank equally with all other Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital, or in the event of a demerger, special dividend or other similar event having a material impact on the value of the Shares, the Committee may make such adjustments as it considers appropriate to the definition of Shares, number of Shares subject to a DSBP award, or the option price (if any).

Malus and clawback

The Committee retains a power to recoup the value of unvested and previously vested awards from an individual either before vesting or within a period of two years from the date of grant of the award, if it considers it appropriate to do so. The Committee may choose to exercise this power in the following circumstances:

- a material misstatement of financial results of the Company;
- a miscalculation or an assessment of any condition (including any performance condition relating to an annual bonus to which a DSBP award relates) that was based on an error;
- circumstances arose which would have warranted the summary dismissal of the participant (whether or not the participant was dismissed);

- the Company becomes insolvent or otherwise suffers a corporate failure; or
- significant impact on the reputation and potential financial strength of the Company.

The Committee may require the satisfaction of the clawback in a number of ways, including by way of a reduction in the vesting, or size of, any other award or bonus (including future awards or bonus) and/or a requirement to make a cash payment.

Alterations to the DSBP

The Committee may, at any time, alter the provisions of the DSBP (or the terms of a DSBP award) in any respect, provided that the prior approval of shareholders must be obtained for any alterations that are to the advantage of a participant and relate to the rules governing eligibility, limits on participation, the overall limit on the issue of Shares or the transfer of Shares held in treasury, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be provided under the DSBP and the adjustment of awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the DSBP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

If the proposed alterations are to the material disadvantage of participants the Committee must invite participants to indicate if they approve the alterations and if so the alterations must be approved by a majority of the participants that respond.

Breedon Group plc

(Incorporated in England and Wales with registered number: **14739556**)

Registered office

Pinnacle House
Breedon Quarry
Main Street
Breedon on the Hill
Derby
DE73 8AP