

Kier Group plc (the “Company”)

Board of Directors (the “Board”)

Schedule of Matters Reserved for Approval by the Board of Directors

Strategy

- Approval of the Group’s strategy and monitoring the delivery of this strategy.

Structure and capital

- Approval of all acquisitions of businesses (whether corporate entities or assets).
- Approval of all disposals of corporate entities or assets which are material in the context of the Group.
- Approval of material issues of debt or equity to be undertaken by the Company.
- Approval of material changes relating to the Company’s capital structure.
- Approval of material changes to the Group’s corporate structure.
- Recommendations to shareholders for approval of any changes to the Company’s Articles of Association.
- Approval of all circulars and prospectuses issued by the Company.

Financial reporting and risk management/controls

- Approval of interim and final results (including preliminary statements).
- Approval of the annual report and financial statements.
- Recommendation of the final dividend and declaration of the interim dividend.
- Approval of any significant change in accounting policies or practices, upon the recommendation of the Risk Management and Audit Committee.
- Monitoring the decisions and processes designed to ensure the integrity of financial reporting and sound systems of risk management and internal control.
- Assessing the Board’s risk appetite.
- Approval of the annual operating budget and monitoring performance against budget.
- Appointment or removal of the external and internal auditors and determination of the external and internal auditors’ remuneration, upon the recommendation of the Risk Management and Audit Committee.

Governance

- Determine the size, structure and composition of the Board, on the recommendation from the Nomination Committee.
- Appointment and removal of any director of the Company, on the recommendation from the Nomination Committee.
- Executive succession planning, on the recommendation from the Nomination Committee.
- Approval of the membership of the Board committees, on the recommendation of the Nomination Committee.
- Approval of the terms of reference of the Board committees.
- Oversight of the annual Board and committee performance evaluation.
- Appointment and removal of the Company Secretary of Kier Group plc.

Policies

- Approval of the Group’s code of conduct.
- Approval of material Group-wide policies relating to:
 - safety, health and environmental issues relating to the Group;
 - anti-bribery and corruption;
 - competition law;
 - whistleblowing;
 - share dealings; and
 - the business ethics by which the Group expects to conduct itself.

Material tenders, potential contract awards and investments

The following table provides details of material tenders or potential contract awards and investments which will be subject to a review by the Board:

Business	Category 1 Contracts ^{1,2}	Category 2 Contracts ^{2,3,4}	Other
Infrastructure (Major Projects), Building and Living (Construction)	£150m	£100m	n/a
International (Middle East)	£75m	£75m	n/a
Utilities, Rail and Highways	£75m p.a. or £500m TCV ⁵	£50m p.a. or £300m TCV ⁵	n/a
Specialist Services (Facilities Management, Housing Maintenance and Environmental Services)	£75m p.a. or £500m TCV ⁵	£50m p.a. or £300m TCV ⁵	n/a
Property and Living (Investment)	n/a	n/a	Investment: £50m Purchase or sale of assets ⁶ : £75m
Consulting business	£15m	£15m	n/a

¹ “Category 1 Contracts” are those contracts which are “two-stage” tendered, target cost or cost reimbursable or under which the Group provides either construction management or managed contract services.

² Joint ventures: the full value of the joint venture is to be taken into account when assessing the requirement for a review by the Board (i.e. not merely the value of Kier’s share).

³ “Category 2 Contracts” are “single-stage” tendered contracts (D&B or otherwise), PPI/PFI contracts and those contracts under which the Group assumes process risk. A contract awarded under a framework shall not, for these purposes, be treated as a “single-stage” contract and will be treated as a Category 1 Contract (unless it otherwise has the characteristics of a Category 2 Contract).

⁴ When the forecast aggregate revenue of all Contract 2 Contracts at any one time is in excess of an amount which is equal to 25% of the Group’s consolidated revenue for the prior financial year, all Category 2 Contracts, irrespective of value, will be reviewed by the Board.

⁵ “TCV” means “total contract value”, which includes any potential extensions.

⁶ In the case of a sale, whether to a JV or otherwise.

Other matters

- Notification and, where required, oversight of matters with significant safety, financial, operational, commercial, reputational, legal, social or environmental implications.
- Notification and, where required, oversight of significant issues affecting the Group's pension scheme.
- Notification and, where required, oversight of the prosecution, defence or settlement of litigation which is material in the context of the Group.
- Notification of insurance claims made or received which may be material in the context of the Group.
- Routinely review the means by which the workforce may raise concerns in confidence or anonymously (ensuring that arrangements are in place for the proportionate and independent investigation of any such matters and for follow-up action).
- Any change to the matters included in this schedule.

Notes:

- (a) *The above schedule indicates those matters which the Board specifically reserves to itself for approval. The schedule is not, however, exclusive and does not derogate from the Board's overall duties and responsibilities; and*
- (b) *The Board may, at its discretion, delegate consideration and/or approval of any of the above matters to a committee of the Board specifically constituted for that purpose. Furthermore, the principal Board Committees, namely the Risk Management and Audit Committee, the Nomination Committee, the Remuneration Committee and the Safety, Health and Environment Committee, shall consider and determine such matters for which they are responsible in accordance with their terms of reference in force from time to time.*

Key:

“**Board**” means the board of directors of Kier Group plc

“**Company**” means Kier Group plc

“**Group**” means Kier Group plc and its subsidiaries and subsidiary undertakings.

Last updated: May 2019