

Kier Group plc (the “Company”)

Board of Directors (the “Board”)

Schedule of Matters Reserved for Approval by the Board of Directors

Strategy and risk management

- Approval of the Group’s strategy and monitoring the delivery of this strategy.
- Approval of the Group’s risk management and internal control framework.

Structure and capital

- Acquisition or disposal of corporate entities or assets which are material in the context of the Group.
- Issues of debt or equity to be undertaken by the Company.
- Material changes relating to the Company’s capital structure.
- Material changes to the Group’s corporate structure.
- Recommendation 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 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 internal control and risk management.
- 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.
- Approval of material changes to the Group Standing Orders.
- Approval of material changes to the terms of reference of the Investment Committee.
- Approval of material changes to the terms of reference of the Risk Review Committee.

Governance

- Determine the size, structure and composition of the Board.
- Appointment and removal of any director of the Company, upon the recommendation from the Nomination Committee.
- Executive succession planning.
- 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 dealing code; and
 - the business ethics by which the Group expects to conduct itself.

Material tenders or potential contract awards

The following paragraphs provide details of material tenders or potential contract awards (each a "contract") which will be subject to a review of the Board.

Construction

Construction - UK (Building and Infrastructure)

- Contracts with a total award value to Kier of equal to or greater than £150m, whether on a stand alone basis or via a joint venture share; and
- Any other "high profile" contract (for example, a national infrastructure project or a contract with a potentially high reputational risk).

Construction - International

- Contracts with a total award value to Kier of equal to or greater than £100m, whether on a stand alone basis or via a joint venture share;
- Any contract in a new jurisdiction or country; and
- Any other "high profile" contract (for example, a project for a high profile client and/or with a potentially high reputational risk).

Services

- Contracts with total annual revenue to Kier of equal to or greater than £50m;
- Contracts with total award value (excluding potential extensions) of equal to or greater than £300m; and
- Any other "high profile" contract (for example, the FM at a well-known location and/or with a potentially high reputational risk).

Investments

Property and Living

- An investment by Kier, using the Group's cash, of equal to or greater than £30m;
- The purchase or sale (whether to a JV or otherwise) of multiple assets in aggregate value of equal to or greater than £50m; and
- A "high profile" investment (for example, the acquisition of a well-known property or site).

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.
- 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.*
- (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: June 2017