

Schedule of Matters Reserved to the Board for Ibstock plc

The following matters are reserved to the board of Ibstock plc ('Company' or 'Group'):

1. Strategy and Management

- 1.1 Responsibility for the overall management of the Group.
- 1.2 Approval of the Group's long-term objectives, values, standards and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group's operations ensuring:
 - (a) competent and prudent management;
 - (b) sound planning;
 - (c) an adequate system of internal control;
 - (d) adequate accounting and other records; and
 - (e) compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Extension of the Group's activities into new business or geographic areas.
- 1.7 The expansion, development or evolution of the business of the Group or the Company otherwise than through the Group.
- 1.8 Any decision to cease to operate all or any material part of the Group's business.

2. Structure and Capital

- 2.1 Changes relating to the Group's capital structure including reduction, consolidation, sub-division or conversion of share capital or the amendments of rights accruing thereto, share issues (except under employee share plans), conversion of outstanding convertible instruments and/or share buy-backs (including the use of treasury shares).
- 2.2 The exercise of any discretion, power or authority or the giving of any consent in connection with the transfer of shares of any Group company (excluding, for these purposes, transfers of shares in accordance with the terms of this Schedule or the articles of association of the Company).
- 2.3 The subscription or other acquisition by any Group company of any interest (whether on its behalf or as nominee) in the share capital or instruments convertible into the share capital of any other company or body corporate (except a wholly-owned subsidiary of the Company).

- 2.4 Issue of any debt instruments, outside the ordinary course of business, including bond issues, debenture issues and loan stock instruments.
- 2.5 Major changes to the Group's corporate structure.
- 2.6 Major changes to the Group's management and control structure.
- 2.7 Approval of any proposed alteration to the articles of association of the Company.
- 2.8 Approval of any proposed alteration of the registered office and the name of the Company.
- 2.9 Any changes to the Company's listing or its status as a plc.
- 2.10 Approval of any major restructuring or reorganisation of the Group (including the formation or winding-up of subsidiaries).
- 2.11 Except as required by law, the giving of notice of any resolution to wind-up any company in the Group, or the filing of any petition for the appointment of a liquidator or the taking of any step by any company in the Group or any of their directors or other officers to appoint an administrator (or the local law equivalent thereof), of the making of an invitation to any person to appoint an administrative receiver or an administrator (or the local law equivalent thereof).

3. Financial Reporting and Controls

- 3.1 Approval of the Group's business model and strategy for delivering the Group's objectives.
- 3.2 Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.
- 3.3 Approval of the annual report and accounts (including the corporate governance statement and remuneration report).
- 3.4 Approval of the dividend policy.
- 3.5 Declaration of the interim dividend and recommendation of the final dividend.
- 3.6 Approval of any significant changes in accounting policies and practices.
- 3.7 Approval of treasury policies (including foreign currency exposure, the use of financial derivatives and other hedging strategies).
- 3.8 The altering of the accounting reference date of any company in the Group.

4. Internal Controls

- 4.1 Determining the nature and extent of the significant risks the Company is willing to take in achieving its strategic objectives and setting and maintaining appropriate policies on risk management and internal control so as to ensure the effectiveness of the Group's systems of risk management and internal control. "Internal control" shall comprise all material controls, including financial, operational and compliance controls and risk management systems.

- 4.2 Ensuring maintenance of a sound system of internal control and risk management including:
- (a) approving the Group's risk appetite statements;
 - (b) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
 - (c) approving procedures for the detection of fraud and the prevention of bribery;
 - (d) undertaking an annual assessment of these processes; and
 - (e) approving an appropriate statement for inclusion in the annual report.

5. **Contract and Expenditure**

- 5.1 Transactions of the Group that are material strategically or by reason of size. For these purposes **material** means transactions which fall in the following categories. In the case of items (a) to (d) the terms are as defined in the Listing Rules issued by the Financial Conduct Authority.
- (a) reverse takeovers;
 - (b) class 1 transaction;
 - (c) class 2 transaction;
 - (d) related party transactions;
 - (e) the issue of shares or any class of listed security excluding share options;
 - (f) any transaction involving an activity of a type not previously carried on by the Company; and
 - (g) a takeover bid subject to the Takeover Code.
- 5.2 Material joint ventures or other arrangements with third parties exceeding £2 million.
- 5.3 The surrender or agreement to any material change in the terms of any contract of the Group which is material strategically or by reason of size.
- 5.4 Contracts which are material strategically or by reason of size, entered into by the Group in the ordinary course of business; for example bank borrowings above £2 million and acquisitions or disposals of fixed assets above £2 million.
- 5.5 Contracts of the Company (or any subsidiary) not in the ordinary course of business of a duration of more than 2 years and above £2 million for which the cost is not already allocated to an internal budget.
- 5.6 The entry into by any company in the Group of any hire purchase, rental or leasing agreement, the total capital cost of which (or when aggregated with all other such commitments already entered into by the Group) will be at any time materially in excess of the amount provided for in the annual budget.
- 5.7 The entry into by any company in the Group of any agreement or arrangement for the sale and lease-back of any assets exceeding £2 million in any financial year.

- 5.8 The making (or the agreement to make) any un-budgeted capital expenditure by any company in the Group in any year (whether in one transaction or a series of related transactions) which is in excess of £2.5 million. Budgeted capital expenditure on a single project (that had been approved by the Board through the Budget approval process) up to a value of £5 million may be approved by the CEO without recourse to the Board.
- 5.9 Approval of any borrowings by the Group in excess of £2 million.
- 5.10 The change to the terms of, replacement, or addition to, any loan or loan facility entered into by any company in the Group in excess of £2 million.
- 5.11 The application for any waiver, release or consent pursuant to the terms of any loan arrangements to which any company in the Group is a party to from time to time.
- 5.12 Approval of any loans to any non-Group companies and the extension of credit significantly beyond contractual terms.
- 5.13 Approval of all guarantees or other security given by the Group in excess of £2 million other than parent company performance guarantees required in the ordinary course of business.
- 5.14 The factoring of book debts of any company in the Group in any financial year.
- 5.15 The sale, leasing, transfer, licensing or other disposal or the purchase, leasing, transfer, licensing or other acquisition by any company in the Group whether by a single transaction or series of transactions, related or not, or the agreement to do the same where either the enterprise value or the asset value of the assets or undertaking acquired or disposed of exceed £2 million and the appointment of any adviser(s) or the undertaking of any discussions or negotiations in connection with such sale, leasing, transfer, licensing, disposal, purchase or other acquisition.
- 5.16 Approval of any agreement with shareholders, including any amendment thereto.

6. Communications

- 6.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 6.2 Convening general meetings and approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.3 Approval of all circulars, prospectuses and listing particulars.
- 6.4 Approval of press releases concerning significant matters decided by the board.

7. Board Membership and Other Appointments

- 7.1 Changes to the structure, size and composition of the board, following recommendations from the nomination committee.
- 7.2 Ensuring adequate succession planning for the board and senior management.
- 7.3 Appointments to the board, following recommendations by the nomination committee.
- 7.4 Selection of the Chairman and the Chief Executive Officer.
- 7.5 Appointment of the senior independent director.

- 7.6 Membership and chairmanship of board committees.
- 7.7 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the annual general meeting and otherwise as appropriate.
- 7.8 Continuation in office of any director at any time, including the suspension or termination of service of any executive director as an employee of the Company, subject to the law of their service contract.
- 7.9 Appointment or removal of the company secretary or other senior management (being an employee who reports directly to the chief executive officer or chief financial officer of the Company).
- 7.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.
- 7.11 Appointments to boards of subsidiaries.
- 7.12 Approval of any conflicts of interest in relation to directors.

8. Remuneration

- 8.1 On the recommendation of the remuneration committee, determining the remuneration policy for the directors, company secretary and other senior managers.
- 8.2 On the recommendation of the executive directors, determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 The payment to any employee or any person connected with such employee of any bonus or commission or sum on account of bonus or commission in any financial year other than pursuant to (and as provided in) any contract of employment of any such employee or other connected person other than as approved by the remuneration committee.
- 8.4 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 8.5 The establishment of, or variation to the terms of, any share option scheme or shadow share option scheme.
- 8.6 The allocation of share options in connection with any company in the Group.

9. Delegation of Authority

- 9.1 The division of responsibilities between the Chairman, Chief Executive Officer and Senior Independent Director, which should be in writing.
- 9.2 Approval of the delegated authority limits for the Chief Executive Officer, the Chief Financial Officer and the other executive directors.
- 9.3 Approval of lists of delegated authority to approve expenditure, investments, and other matters as the board may determine.
- 9.4 Establishing board committees and approval of terms of reference of board committees.
- 9.5 Receiving reports from board committees on their activities.

9.6 Granting powers of attorney.

10. Corporate Governance Matters

10.1 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors.

10.2 Determining the independence of directors.

10.3 Considering the balance of interests between shareholders, employees, customers and the community.

10.4 Material interaction with regulators, including during any investigations.

10.5 Review of the Group's overall corporate governance arrangements.

10.6 Receiving reports on the views of the Company's shareholders.

10.7 Identifying conflicts of interest and authorising these where permitted by the Company's articles of association.

11. Policies

11.1 Approval of policies including the Company's:

(a) Share Dealing Policy; and

(b) Disclosure Policy and Guidelines.

12. Other

12.1 Approval of the appointment of the Group's principal professional advisers.

12.2 Review of the Group's overall environmental, security and health and safety arrangements.

12.3 The making of any political donations.

12.4 Prosecution, defence or settlement of litigation exceeding £1 million or otherwise material to the interests of the Group.

12.5 Approval of the overall levels of insurance for the Group, including directors' and officers' liability insurance and the indemnification of directors.

12.6 Major changes to the rules of the Group's pension scheme, or changes of trustees or in the fund management arrangements.

12.7 Any decision likely to have a material impact on the Company or Group from any perspective including, but not limited to, financial, operational, strategic or reputational.

12.8 This schedule of matters reserved for board decisions.

12.9 Approval of any other matters which are reserved for decision by the Board in accordance with the requirements of applicable law, regulation or pursuant to accepted best practice or under the articles of association of the Company.

12.10 Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders, including, but not limited to, financial, operational, strategic or reputational.

Matters which the board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

Approved by the Board 8 October 2015

Reviewed by the Board 14 December 2016

Reviewed by the Board 13 December 2017

Reviewed by the Board 4 December 2018

Reviewed by the Board 26 February 2020

Reviewed by the Board 8 December 2020

Reviewed by the Board 16 December 2021

Reviewed by the Board 15 December 2022