

BARRATT DEVELOPMENTS PLC
ANNUAL GENERAL MEETING
WEDNESDAY 14 OCTOBER 2020 AT 12 NOON

Q&A's

The following questions were received by the Company prior to the 2020 AGM:

- 1. The trading update issued this morning was immensely encouraging in terms of sales and demand for new houses. Will this enable a prompt return to payment of dividends, on which so many of us rely?**

The Board continues to recognise the importance of dividends to all of its shareholders and is keeping the position under review. The Board believes that a long term predictable dividend income stream is in the best interests of all shareholders which will be best achieved through an ordinary dividend policy with a defined level of ordinary dividend cover. Accordingly, when the Board believes the time is right it will implement a dividend policy based on 2.5 times.

- 2. Have there been incidences of Covid on our sites? Has it been necessary to cease work anywhere as a consequence?**

Like all businesses ours is susceptible to COVID-19. We have put in place various health and safety practices and protocols to mitigate against COVID-19 and protect our employees and others who work on, or visit, our sites. Where a positive case of COVID-19 has been identified, we ensure that the individual, and all those that they have been in contact with, self-isolate in accordance with Government guidelines. To limit the time that an affected site remains closed, we ensure that a deep clean is undertaken immediately and have a back-up team on standby to begin work on that site once this process has been completed and it is safe to return. On conclusion of the self-isolation period the original team will return to the site and continue to work.

- 3. As part of the Planning Application submitted for the St Michaels Gate development in Cwmbran you included documents that stated the site will be registered with the Considerate Constructors Scheme. You did not do this and you did not operate as a considerate constructor. Please explain why the site was not registered as part of this scheme and how much did you save by not registering this 4 year development within the scheme?**

Up until 2015 it was a requirement in South Wales for developments to register with the Considerate Constructors Scheme in accordance with the Code for Sustainable Homes. From 2015 this requirement was incorporated into the Building Regulations and therefore separate registration with the Considerate Constructors Scheme was no longer required. The St Michaels Gate development in Cwmbran received reserved matters approval in 2016 and therefore was not required to register for the Considerate Constructors Scheme. There were no savings for the business as the requirements that would normally have been fulfilled under the Considerate Constructors Scheme are now included in the Construction Environment Management plan and therefore still need to be completed.

4. Why is the Annual Report and Accounts so big?

We are obligated to prepare and publish an annual report and accounts under current legislation and statutory requirements, which unfortunately do make the document quite lengthy. This has been exacerbated this year by the requirement to explain the impact of COVID-19 on our business and how we responded to this.

5. Having spent a large amount on the preparation and posting of the Annual Report and Accounts, why can't you pay out a dividend?

The decision to not pay a final ordinary dividend or a special dividend for FY20 was not taken lightly by the Board. This decision was taken to mitigate against the uncertainties caused by the unprecedented impact of COVID-19 and to support the resilience of the Group's balance sheet.

6. Have you paid back to the Government the furlough amount?

The continued financial resilience of the Group enabled the Board to make the decision in July 2020 to repay the furlough funds in full. The funds have subsequently been repaid. As the decision to repay the funds was made after the year end (30 June 2020), from an accounting perspective we need to include the receipt of the funds in our accounts for FY20 and will include the repayment of the funds in our FY21 accounts. This is all set out on page 23 of the 2020 Annual Report and Accounts.