

Notice of Annual General Meeting
To be held on 18 November 2008



BARRATT
DEVELOPMENTS PLC





BARRATT

DEVELOPMENTS PLC

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other professional advisor under the Financial Services and Markets Act 2000 as soon as possible.

If you have sold or otherwise transferred all of your shares, please pass this document to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass this document to the person who now holds the shares.

7 October 2008

To the holders of ordinary shares in Barratt Developments PLC (the 'Company').

Dear Shareholder,

Annual General Meeting 2008

I am pleased to enclose the notice for the fiftieth Annual General Meeting ('AGM') of the Company. The AGM will be held at 2.30 p.m. on Tuesday 18 November 2008 at the Barber-Surgeons' Hall, Monkswell Square, Wood Street, London EC2Y 5BL.

If you will not be attending you may wish to appoint a proxy (or proxies) by following the notes to the notice convening the AGM (the 'Notice') and the instructions in the enclosed form of proxy and returning such form so as to be received by the Company's registrar no later than 8.30 a.m. on Monday 17 November 2008. CREST members may also choose to utilise the CREST voting service in accordance with the procedures set out in the notes to the Notice.

The Annual Report and Accounts for the year ended 30 June 2008 are enclosed. A resolution to receive and adopt the reports of the auditors and directors and the accounts for the year ended 30 June 2008 is included in the business of the AGM.

Our Articles of Association require that any director appointed by the Board must retire at the first annual general meeting following their appointment and that every year a proportion of our current directors must retire by rotation. I therefore ask you to support the election of myself and Mr M E Rolfe, each being a director appointed by the Board since the last annual general meeting, and the re-election of Mr C Fenton and Mr R MacEachrane, who will each retire in accordance with the Articles of Association at the AGM. Each of these Directors has confirmed his intention to offer himself for election or re-election, as the case may be, at the AGM.

In response to the phased implementation of the Companies Act 2006, the Company is seeking to change the Company's Articles of Association, primarily to reflect changes to the law in relation to directors' conflicts of interests and certain other changes which recently came into force. Further information on these proposed changes can be found in the explanatory notes to the Notice.

At the AGM we will be seeking your approval for two new share plans: a new executive share scheme and an all-employee savings-related share option scheme. Details can be found in the explanatory notes and in appendices A and B to the Notice. We believe that these schemes support the alignment of the interests of executives and employees with those of shareholders, in wishing to see an increase in the Company's share price.

Explanatory notes for all the business of the AGM are set out on pages 5 to 7 of the Notice.

Recommendation

Your Board believes that the resolutions contained in the Notice are in the best interests of the Company and its shareholders as a whole and recommends you to vote in favour of them, as your directors intend to do in respect of their own beneficial shareholdings.

Yours sincerely,

Bob Lawson
Chairman
Barratt Developments PLC

Registered Office:
Barratt House, Cartwright Way
Forest Business Park, Bardonia Hill, Coalville
Leicestershire LE67 1UF
(incorporated and registered in England and Wales under number 00604574)

Notice of Annual General Meeting

Notice is hereby given that the fiftieth Annual General Meeting ('AGM') of Barratt Developments PLC (the 'Company') will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Tuesday 18 November 2008 at 2.30 p.m. for the following purposes:

1. To receive and adopt the reports of the auditors and directors and the accounts for the year ended 30 June 2008.

To elect the following directors who have been appointed by the Board since the last annual general meeting:

2. Mr R A Lawson.
3. Mr M E Rolfe.

To re-elect the following directors retiring by rotation in accordance with the Company's Articles of Association:

4. Mr C Fenton.
5. Mr R MacEachrane.
6. To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the directors to fix their remuneration.
7. To approve the Revised Directors' Remuneration Report for the year ended 30 June 2007 which was posted to shareholders on 5 December 2007.
8. To approve the Directors' Remuneration Report for the year ended 30 June 2008.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

9. That, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be and are hereby authorised:

- (a) to make political donations (as defined in section 364 of the said Act) to political parties (as defined in section 363 of the said Act), not exceeding £50,000 in total;
- (b) to make political donations (as defined in section 364 of the said Act) to political organisations other than political parties (as defined in section 363 of the said Act), not exceeding £50,000 in total; and
- (c) to incur political expenditure (as defined in section 365 of the said Act), not exceeding £50,000 in total,

in each case during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next annual general meeting of the Company or, if earlier, 17 February 2010. In any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £150,000.

10. That the directors' fee limit contained within Article 88 of the Company's Articles of Association be increased from £400,000 to £600,000.

11. That:

- (a) the Barratt Developments 2008 Executive Share Option Scheme (the 'ESO Scheme'), a summary of the principal features of which is set out in Appendix A to this Notice, be and is hereby approved and the directors be and they are hereby authorised to do all acts and things necessary to establish and carry them into effect; and
- (b) the directors be and they are hereby authorised to vote and be counted in the quorum on any matter connected with the ESO Scheme (except that no director may vote or be counted in the quorum in respect of his own participation) and any prohibition on voting contained in the Articles of Association of the Company be and is hereby relaxed accordingly.

12. That:

- (a) the Barratt Developments Savings-Related Share Option Scheme (the 'SRSO Scheme'), a summary of the principal features of which is set out in Appendix B to this Notice, be and is hereby approved and the directors be and they are hereby authorised to do all acts and things necessary to establish and carry them into effect; and
- (b) the directors be and they are hereby authorised to vote and be counted in the quorum on any matter connected with the SRSO Scheme (except that no director may vote or be counted in the quorum in respect of his own participation) and any prohibition on voting contained in the Articles of Association of the Company be and is hereby relaxed accordingly.

13. That the Board be and it is generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £8,604,562 being 24.8% of the nominal value of the existing issued share capital as at 7 October 2008 provided that this authority shall expire on the date of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 17 February 2010 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

To consider and, if thought fit, pass the following resolutions as special resolutions:

14. That the Board be and it is hereby empowered, pursuant to Section 95 of the Companies Act 1985, to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority granted by resolution 13 (subject to the passing of that resolution) and/or to sell treasury shares wholly for cash, as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment or sale of equity securities:

(a) in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (excluding any person holding ordinary shares as treasury shares) where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them provided that the directors may make such arrangements in respect of overseas holders of shares and in respect of fractional entitlements as they consider necessary or convenient; and

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £1,733,590 being 5% of the nominal value of the existing issued share capital as at 7 October 2008,

and shall expire on the date of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 17 February 2010 save that the Company may before such expiry make an offer or agreement which would, or might, require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

15. That the Company be and it is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of its ordinary shares of 10 pence each in the capital of the Company ('Ordinary Shares') provided always that:

(a) this authority is limited to a maximum aggregate number of 34,671,802 Ordinary Shares;

(b) the maximum price, exclusive of expenses, which may be paid for an Ordinary Share contracted to be purchased on any day shall be the higher of (i) an amount equal to 105 per cent of the average of the closing middle market quotation 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 that Ordinary Share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out; and

(c) the minimum price which may be paid for an Ordinary Share is 10p (exclusive of expenses).

The authority hereby conferred shall, unless renewed prior to such time, expire on the conclusion of the Company's next annual general meeting, or if earlier on 17 February 2010, save that the Company may before such expiry enter into a new contract under which a purchase of Ordinary Shares may be completed or executed wholly or partly after such expiry and the Company may purchase Ordinary Shares in pursuance of such contract as if the authority conferred hereby had not expired.

16. That the amended form of the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be and is hereby adopted as the Articles of Association of the Company.

By Order of the Board

L. Dent

Company Secretary

7 October 2008

Registered Office

Barratt House, Cartwright Way

Forest Business Park, Bardon Hill, Coalville

Leicestershire LE67 1UF

(incorporated and registered in England and Wales under number 00604574)

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting whether by show of hands or on a poll. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy please follow the notes contained in the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0870 162 3131.
2. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by the Company's registrars before 8.30 a.m. on Monday 17 November 2008, either in hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or via www.capitashareportal.com.
3. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 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. 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.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders included in the Register of Members as at 6.00 p.m. on Monday 17 November 2008 or, in the event that the AGM is adjourned, in the Register of Members 48 hours before the time of any adjourned AGM, shall be entitled to attend and vote at the meeting (or any adjourned meeting) in respect of the numbers of shares registered in their names at that time. Changes to the Register of Members after 6.00 p.m. on Monday 17 November 2008 or, in the event that the AGM is adjourned, in the Register of Members 48 hours before the time of any adjourned AGM, shall be disregarded in determining the rights of any person to attend or vote at the AGM.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Reference 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.
8. 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 authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 issuer's agent (ID RA10) by 8.30 a.m. on Monday 17 November 2008. 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 issuer'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.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that EUI 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 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 this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. 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.
11. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for the same corporate shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above. These arrangements will, however, be amended (if necessary) in order to reflect any developments in best practice prior to the AGM.
12. Copies of the Company's Articles of Association marked to show the proposed amendments to be adopted at the AGM, together with copies of the draft rules of the Barratt Developments 2008 Executive Share Option Scheme and the Barratt Developments Savings-Related Share Option Scheme, are available for inspection at the Company's registered office and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during normal business hours on any business day until the close of the AGM and will be available at the place of the meeting from 2.15 p.m. until the conclusion of the meeting.
13. Copies of the contracts of service of the Executive Directors and the letters of appointment of the Non-Executive Directors and the Chairman will be available for inspection at the place of the meeting from 2.15 p.m. until the conclusion of the meeting.

Explanatory Notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 13 are proposed as ordinary resolutions.

Resolution 1 – To receive and adopt the Directors' Report and the Financial Statements for 2008

For each financial year, the directors must present the Directors' Report, the audited accounts and the independent auditors' report to shareholders at a general meeting. Those to be presented at the AGM are in respect of the year ended 30 June 2008.

Resolutions 2 – 5 – Election and Re-Election of Directors

The Company's Articles of Association require any director appointed by the Board to retire at the first annual general meeting following his appointment. You are therefore asked to elect as directors Mr R A Lawson (Chairman) and Mr M E Rolfe (Non-Executive Director), who were appointed to the Board on 1 June 2008 and 1 May 2008 respectively. Statements to support the election of Mr R A Lawson and Mr M E Rolfe can be found in the Annual Report and Accounts for the year ended 30 June 2008 on page 28.

The Company's Articles of Association also require one-third of the current directors to retire at each annual general meeting. Accordingly, Mr C Fenton and Mr R MacEachrane will both retire by rotation at the AGM in accordance with the relevant provisions of the Articles. Mr C Fenton joined the Board in 2003 and Mr R MacEachrane joined the Board in 2006. Mr C Fenton and Mr R MacEachrane each offer themselves for re-election at the AGM. Following a formal evaluation process, the Company believes that the performance of Mr R MacEachrane as a Non-Executive Director continues to be effective and that he demonstrates commitment to his role.

Biographical information relating to each of the directors proposed for election or re-election to the Board appear on pages 20 and 21 of the Company's Annual Report and Accounts for the year ended 30 June 2008.

Resolution 6 – To authorise the Board to appoint Deloitte & Touche LLP as Auditors to the Company and to determine their remuneration

At every general meeting at which accounts are presented to shareholders the Company is required to appoint auditors to serve until the next such meeting. Deloitte & Touche LLP have indicated that they are willing to continue as the Company's auditors for another year. You are asked to approve their re-appointment and, following normal practice, to authorise the Board to determine their remuneration.

Resolution 7 – To approve the Revised Directors' Remuneration Report for 2007

At around the time of the 2007 annual general meeting, it was drawn to the Company's attention that certain share price and other technical information in respect of the Long Term Performance Plan awards which vested during the financial year ended on 30 June 2007 had been omitted in error from the Directors' Remuneration Report in respect of that year (the 'Original Report') contained at pages 42 to 49 of the Annual Report and Accounts for that year. A supplemental note was prepared pursuant to section 245 of the Companies Act 1985 and regulations made pursuant thereto and posted to shareholders on 5 December 2007 (the 'Revised Report'). As mentioned in that note, a copy of the Revised Report and the supplemental auditors' report of PricewaterhouseCoopers LLP (the Company's auditors at the time of the Original Report who, accordingly, audited, to the relevant extent, the Revised Report) is required to be laid before shareholders at the AGM, and accordingly, shareholders are being invited to vote upon it. Copies of the Revised Report are available on the Company's website (www.barrattdevelopments.co.uk) and hard copies will be available at the AGM.

Resolution 8 – To approve the Directors' Remuneration Report for 2008

In accordance with Section 241A of the Companies Act 1985, as inserted by the Directors' Remuneration Report Regulations 2002, shareholders are invited to vote on the Remuneration Report for the year ended 30 June 2008, which may be found on pages 37 to 44 of the Annual Report and Accounts for the year ended 30 June 2008. The vote is advisory only, however, and the directors' entitlement to remuneration is not conditional on the resolution being passed.

Resolution 9 – Donations to EU Political Organisations and EU Political Expenditure

Section 366 of the Companies Act 2006 requires companies to seek shareholder approval for donations to organisations within the European Community which are, or could be, categorised as EU political organisations. Although the Company does not make, and does not intend to make, donations to political parties within the normal meaning of that expression, the legislation is very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities. Therefore, in accordance with corporate governance best practice, the Board has again decided to seek shareholders authority for political donations and political expenditure, in case any of the Company's normal activities are caught by the legislation, capped at £150,000. Please note, however, that the authority granted at the last annual general meeting has not been utilised.

Resolution 10 – Directors' fee limit resolution

This resolution seeks to increase the annual aggregate limit upon the amount of fees payable to directors under the Company's Articles of Association from £400,000 to £600,000. This increase reflects the general increase in the level of directors' fees over the period since the last increase in 2005.

Resolution 11 – Approval of the Barratt Developments 2008 Executive Share Option Scheme

This resolution seeks approval for the introduction of the Barratt Developments 2008 Executive Share Option Scheme (the 'ESO Scheme'). A full summary of the principal terms of the ESO Scheme is set out in Appendix A to the Notice, but key points to note are:

- The Remuneration Committee is of the view that at this time it is better to grant market value share options under this new ESO Scheme rather than nil cost share options under the Long Term Performance Plan. This does mean that the executive directors' expected remuneration will be less than in previous years.
- Vesting of options granted in 2008 will be subject to a return on capital employed ('ROCE') performance condition. The Remuneration Committee considers that ROCE is the most rounded measure of financial performance for a house builder at this time and is satisfied that the proposed ROCE range (see below) represents a stretching target considering the outlook for the house building market;
- For these purposes, ROCE will be defined as operating profit (measured across the whole year to 30 June 2011) divided by shareholder funds plus net debt (less any intangible assets) (being the average of the twelve month end figures during the same year). As such this performance condition will measure the operating efficiency of the business. Goodwill and intangible assets will be excluded from the capital employed figure (except from any future acquisitions) to ensure that the target cannot be met through accounting write-downs;
- None of the 2008 options will vest if the Company's 2010/11 ROCE is less than 10.5%. 25% of these options will vest at this level of ROCE with full vesting if ROCE of 14.5%, is achieved and straight line vesting between these levels.
- Notwithstanding that the Remuneration Committee is satisfied that this is a demanding target, the 2008 ROCE performance condition (and any subsequent performance condition) will be underpinned by the requirement that the Remuneration Committee must be satisfied that the vesting determined by the performance condition is such that it accurately reflects the underlying financial performance of the Company over the performance period.

Resolution 12 – Approval of the Barratt Developments Savings-Related Share Option Scheme

This resolution seeks shareholder approval to establish an all-employee savings-related share option scheme (the 'SRSO Scheme'). This will promote share ownership amongst all employees of the Company. A full summary of the principal terms of the SRSO Scheme is set out in Appendix B to the Notice.

Resolution 13 – Authority to Allot Shares

This resolution seeks to renew for a further year the directors' general authority to allot unissued share capital given at the 2007 AGM. The new authority would give the directors authority to allot shares with a nominal value of up to £8,604,562 which, as at 7 October 2008, being the last practicable date prior to the publication of this Notice, represented 24.8% of the issued share capital of the Company. The Board intends to continue to seek renewal of this authority at each AGM, in accordance with current best practice. The directors consider that the Company should maintain an adequate margin of unissued shares for use, for example, in connection with a future acquisition, although they have no present intention of issuing any shares except to satisfy options under the Company's share option schemes.

Resolutions 14 to 16 are proposed as special resolutions.

Resolution 14 – Disapplication of pre-emption rights

This resolution, which again renews an authority granted at last year's AGM, gives the Board authority to allot ordinary shares (or sell any ordinary shares which the Company may purchase and elect to hold as treasury shares) for cash without first offering them to existing shareholders in proportion to their existing shareholdings and is limited to allotments or sales in connection with rights issues or other pre-emptive issues, or otherwise up to a maximum nominal amount of £1,733,590 representing 5% of the Company's issued share capital as at 7 October 2008. This authority is granted under section 95 of the Companies Act 1985 and is a standard resolution for most UK listed companies each year.

Resolution 15 – Purchase of own shares by the Company

This resolution seeks to renew the authority for the Company to make market purchases of its own ordinary shares. Purchases of the Company's own shares will be made only after considering the effects on earnings per share and the benefits for shareholders generally. You are asked to consent to the purchase by the Company of up to a maximum of 34,671,802 ordinary shares, which represents 10% of the Company's issued share capital as at 7 October 2008.

The Company may either retain any of its own shares which it has purchased as treasury shares with a view to possible re-issue at a future date, or cancel them. The Company would consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively, including pursuant to the authority under resolution 14 above and would provide the Company with additional flexibility in the management of its capital base.

The total number of options to subscribe for ordinary shares outstanding as at 7 October 2008, being the last practicable date prior to the publication of this Notice, was approximately 6,696,358 representing approximately 1.9% of the issued share capital as at 7 October 2008. If the authority to buy back shares under this resolution and the authority granted at the 2007 AGM were exercised in full, the total number of options to subscribe for Ordinary Shares outstanding as at 7 October 2008 would, assuming no further Ordinary Shares are issued, represent 2.4% of the issued share capital as at 7 October 2008.

Resolution 16 – Amendments to the Articles of Association

The Companies Act 2006 (the 'Act') was enacted on 8 November 2006 and is being implemented in stages. Since a number of significant changes arising from the Act will not come into force until October 2009, the Company has decided at this stage to make only a small number of changes to the Articles of Association (the 'Articles') primarily to reflect provisions of the Act which will already be in force when this year's AGM is held, the main one of which relates to directors conflict of interests. The principal changes in the Articles proposed to be adopted at this year's AGM (the 'New Articles') can be summarised as follows:

Conflicts of interest

The Act sets out directors' general duties which largely codify the existing law but with some changes. Under the Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Notice of Board Meetings

Under the Articles, when a director is abroad he can request that notice of directors' meetings is sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed, as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

Directors' Expenses

The Articles already permit the Company to fund a director's expenditure on defending proceedings and to do anything to enable a director to avoid incurring such expenditure in accordance with relevant provisions of the Companies (Audit, Investigations and Community Enterprise) Act 2004. This wording in the New Articles has been adjusted to reflect minor amendments to the position made by the Act, including to cover directors of holding companies.

Indemnity of Directors

Consistent with the provisions in the New Articles regarding directors' conflicts of interest, the New Articles also amend the existing provisions relating to indemnification of directors in order to provide that directors are not accountable for any benefit provided by virtue of any insurance taken out for the benefit of directors already permitted by the Articles and that the receipt of such benefit does not disqualify any person from being a director of the Company.

Retirement of Directors by Rotation

Under the Articles, one third of the directors of the Company are required to retire from their office at each annual general meeting. This concept has been replaced in the New Articles by revised wording providing that each director must offer himself for re-election at least every three years, so as to be more consistent with the requirements of the Combined Code.

General

Generally, the opportunity has been taken to make changes which are of a minor, technical or clarifying nature or which reflect changes made by the Act which will be in force at the date of the AGM. Certain provisions in the Articles which replicate provisions contained in the Act are removed in the New Articles in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. The opportunity has also been taken in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

Issued share capital

All references to the Company's 'issued share capital' in the explanatory notes above are to the Company's issued share capital as at 7 October 2008, which was 346,718,019 ordinary shares. As at 7 October 2008, the Company held no ordinary shares as treasury shares. The total voting rights in the Company as at 7 October 2008 were 346,718,019.

APPENDIX A

Summary of the main provisions of the Barratt Developments 2008 Executive Share Option Scheme (the 'ESO Scheme')

1. Administration

Overall responsibility for the operation and administration of the ESO Scheme will be vested in the remuneration committee of the Board (the 'Committee').

2. The sub-schemes

The ESO Scheme is divided into two sub-schemes:

- a scheme which has been designed to qualify for approval by HM Revenue & Customs ('HMRC') under the Income Tax (Earnings and Pensions) Act 2003; and
- a scheme which is not so designed and which therefore allows options to be granted above the limit imposed by that Act.

The Committee may set up further sub-schemes, including ones for employees working overseas. In particular, the Committee may set up a sub-scheme under which participants will be granted cash based awards which will entitle them to a cash payment calculated by reference to the growth in value of the shares. For the purposes of the limits on an individual's participation, such awards will be treated as options.

3. Eligibility

Participants in the ESO Scheme will be selected by the Committee. Participants will be limited to employees and directors of the Company and its subsidiaries (the 'Group'). In relation to the initial operation of the ESO Scheme in 2008, it is envisaged that options will only be granted to the executive directors and the most senior executives of the Company (a total of approximately 15).

Participants will not be eligible to receive options under the ESO Scheme and awards under the Company's Long Term Performance Plan in the same financial year.

4. Options

Options will entitle the holder to acquire ordinary shares in the Company ('Shares'). Options may be satisfied by the issue of new Shares, the transfer of Shares held in treasury or the purchase of Shares held in the market.

Options will be personal to the participant and may not be transferred. No payment will be required for the grant of an option.

5. Timing

Options may be granted within six weeks of the date on which the ESO Scheme is approved by shareholders. Thereafter, options may be granted in the six weeks following the announcement of the results of the Company for any period, when or shortly after an executive becomes eligible to participate in the ESO Scheme and at other times when the Committee considers that exceptional circumstances exist.

No further options may be granted after 18 November 2018.

6. Exercise price

The exercise price may not be less than an amount equal to the average of the closing middle-market quotations of a Share, as derived from the Daily Official List of the London Stock Exchange (the 'Official List'), over such number of days (not exceeding 30) immediately preceding the date of grant (or, where options are granted pursuant to an invitation, the date of the invitation) as the Committee may decide.

7. Individual limit

In relation to the operation of the ESO Scheme in 2008, the Chief Executive will be granted an option over 1,050,000 Shares with other participants receiving options over a smaller number of Shares.

In subsequent years, the maximum number of Shares over which an employee may be granted options in any financial year under the ESO Scheme will be limited so that the aggregate cost of exercise does not exceed 200% of his annual salary.

8. ESO Scheme limit

On any date, the aggregate nominal amount of Shares in respect of which options may be granted may not, when added to the nominal amount of any Shares allocated in the previous 10 years under all employee share schemes of the Group, exceed 10% of the equity share capital of the Company.

For these purposes, Shares are allocated when rights to acquire or obtain them are granted and otherwise when they are issued or transferred. Rights which lapse, by reason of non-exercise or otherwise, cease to count. No account is taken of Shares which are (or are to be) acquired by purchase in the market (rather than by subscription) or (except and for so long as required by the guidelines issued by the Association of British Insurers) by the transfer of Shares held in treasury and no account is taken of Shares which an employee purchases at market value using his own funds.

9. Performance targets

Options granted in 2008 will be subject to a return on capital employed ('ROCE') performance target which, in normal circumstances, will be measured over a period of not less than three years. The performance target will be measured on one occasion only; there will be no re-testing.

The initial ROCE performance target is summarised on page 5 of this document. The Committee may set different targets for subsequent awards but, having regard to the circumstances at the time, the targets must not, in the opinion of the Committee, be materially less challenging than the target summarised on page 5 of this document.

The Committee may change the performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target, in the opinion of the Committee, materially easier or more difficult to satisfy than it was when the option was first granted. A deterioration in the housing market will not, however, be an event which justifies the adjustment of an existing performance target.

10. Exercise of options

Options will normally be exercisable in whole or in part during such period as the Committee may have specified at the time of grant. Such period may start not earlier than three years nor end later than 10 years after grant. Options may normally only be exercised if and to the extent that they have vested (that is, the performance target has been met).

On the exercise of an option (other than an HMRC approved option), a participant's rights will normally be settled by Shares to the value of the gain realised on the exercise of the option.

11. Termination of employment

If a participant ceases to be employed within the Group for any reason (except one justifying summary dismissal), he may exercise any vested option, if at all, in the 12 months (or within such shorter period as the Committee may decide) following the later of the date on which his employment ends and the third anniversary of grant.

If the participant ceases to be employed within the Group for a permitted reason, the performance target will be measured over the normal period or, in the case of death and such other exceptional circumstances as the Committee may decide, or such shorter period as the Committee may select. Unless the Committee decides otherwise, the option will be reduced having regard to the time elapsed since the beginning of the performance period or the date of grant. A permitted reason is death, injury, ill-health, disability, redundancy, retirement at or after age 65, the sale outside the Group of the company or business in which the participant works and such other reason as the Committee may decide. Where an option becomes exercisable in these circumstances, it may be exercised within such period (not exceeding 12 months) as the Committee may decide.

Except as set out above, a participant's option will lapse on his ceasing to be employed within the Group.

For these purposes, the Committee may decide to treat as a member of the Group any company of which the Company, directly or indirectly, beneficially owns at least 20% of the equity share capital.

12. Change of control

In the event of a change of control, a scheme of arrangement under section 899 of the Companies Act 2006 or a voluntary winding up of the Company, unvested options will vest by reference to the achievement of the performance target up to the date of the relevant event (or such other convenient date as the Committee may decide) or to such greater or lesser extent as the Committee may decide, having regard to such factors as the Committee considers relevant. Such factors may include total shareholder return over the curtailed performance period, cash generation against budget, ROCE and the performance of the management during the takeover process. The number of Shares that vest will be pro-rated having regard to the number of days (increased by up to 365 if the Committee considers that such increase is fair and reasonable in all the circumstances) elapsed since the beginning of the performance period.

In the event of a change of control, participants may exchange their options for substitute options over shares in the acquiring company or another company. If, immediately following the change of control, not less than 75 per cent of the shareholders of the acquiring company are the same as the shareholders of the Company and the participants are offered substitute options, the Committee may decide that unvested options will not vest.

13. Listing

The Company will apply for admission to the Official List of new Shares issued under the ESO Scheme and for permission to trade in those Shares. Shares issued on the exercise of options will rank equally in all respects with existing Shares except for rights attaching to Shares by reference to a record date prior to the date of allotment. The Company will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe for Shares.

14. Variation of capital

In the event of a variation in the share capital of the Company or in such other circumstances as the Committee considers appropriate, it may adjust options in such manner as it determines to be appropriate.

15. Benefits non-pensionable

Benefits under the ESO Scheme will not form part of a participant's remuneration for pension purposes.

16. Amendments

The Committee may amend the ESO Scheme, or the terms of options, to take account of changes to any applicable legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group.

Except as described above or for amendments designed to ease the administration of the ESO Scheme or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, individual or ESO Scheme limits, the terms of options or the adjustment of options or the power of amendment without the prior approval of the Company in general meeting.

APPENDIX B

Summary of the main provisions of the Barratt Developments Savings-Related Share Option Scheme (the 'SRSO Scheme')

1. Administration

The SRSO Scheme will be operated and administered by the Board.

2. Eligibility

All U.K. resident and ordinarily resident employees (including executive directors working 25 hours or more per week) who have five or more years of continuous service with the Company, or any subsidiary in the Group nominated to join in the SRSO Scheme, will be eligible to participate in any invitation. The Board has the discretion to reduce or eliminate the period of qualifying service and/or to invite other employees of the Group to participate.

3. Options

Options will entitle the holder to acquire Shares. Options may be satisfied by the issue of new Shares, the transfer of Shares held in treasury or the purchase of Shares in the market.

Options will be personal to the participant and may not be transferred. No payment will be required for the grant of an option.

4. Timing

Invitations to participate may be issued, in the case of the first invitation, in the six weeks following approval of the SRSO Scheme by HMRC. Thereafter, invitations may be issued in the period beginning three weeks before and ending six weeks after the announcement of the results of the Company for any period and at other times when the Board considers that exceptional circumstances exist.

No further options may be granted after 18 November 2018.

5. Exercise price

The exercise price may not be less than an amount equal to 80% of the average of the closing middle-market quotations, as derived from the Official List, of a Share for such five consecutive dealing days as the Board may select in the 30 day period (or 42 day period if applications have to be scaled down) immediately preceding the date of grant.

6. Savings Contract

As a condition of the grant of an option, an eligible employee must agree to enter into an HM Treasury approved savings contract with a bank or building society under which the employee agrees to pay monthly contributions over a three or five-year period and on the maturity of which a tax-free bonus is payable. The aggregate maximum monthly contribution payable by an employee under all savings contracts linked to the SRSO Scheme may not exceed such sum as the Board may determine, being not more than the amount from time to time permitted by the Income Tax (Earnings and Pensions) Act 2003 (currently, £250).

7. Individual limit

An option will be over such number of Shares as has a total exercise price as nearly as possible equal to, but not exceeding, the amount repayable under the relevant savings contract on its maturity.

8. SRSO Scheme limit

On any date, the aggregate nominal amount of Shares in respect of which options may be granted may not, when added to the nominal amount of any Shares allocated in the previous 10 years under all employee share schemes of the Group, exceed 10% of the equity share capital of the Company.

For these purposes, Shares are allocated when rights to acquire or obtain them are granted and otherwise when they are issued or transferred. Rights which lapse, by reason of non-exercise or otherwise, cease to count. No account is taken of Shares which are (or are to be) acquired by purchase in the market (rather than by subscription) or (except and for so long as required by the guidelines issued by the Association of British Insurers) by the transfer of Shares held in treasury and no account is taken of Shares which an employee purchases at market value using his own funds.

9. Exercise of options

Options will normally be exercisable in whole or in part during the period of six months starting on the maturity date of the related savings contract; this will be the third, fifth or seventh anniversary of the starting date of the SRSO contract and will depend (where the Board offers a choice) upon the election made by the participant at the time of grant.

A participant may also exercise his options within six months of reaching age 60.

Whenever an option is exercised, it may only be exercised to the extent of the amounts then paid under the related savings contract and any interest or bonus payable under the contract.

10. Termination of employment

If the participant dies, his personal representatives may exercise his options in the 12 months following his death or, if earlier, the maturity date of the related savings contract. If a participant ceases to be employed within the Group for a permitted reason, the participant may exercise his options in the six months following the termination of his employment. A permitted reason is injury, disability, redundancy, retirement at age 60 or at the age at which he is bound to retire in accordance with the terms of his employment, the sale outside the Group of the company or business in which the participant works or, in the case of any option which the participant has held for at least three years, any other reason except misconduct or impropriety on his part. If a participant ceases to be employed for any other reason, his option will lapse.

11. Change of control

The exercise of options will also be permitted in the event of a change in control, a scheme of arrangement under section 899 of the Companies Act 2006 or a voluntary winding-up of the Company. In the event of a change in control, participants may exchange their options for substitute options over shares in the acquiring company or some other company. If, immediately following the change of control, not less than 75 per cent of the shareholders of the acquiring company are the same as the shareholders of the Company and participants are offered substitute options, the Board may decide that unvested options may not be exercised.

12. Listing

The Company will apply for admission to the Official List of new Shares issued under the SRSO Scheme and for permission to trade in those Shares. Shares issued on the exercise of options will rank equally in all respects with existing Shares except for rights attaching to Shares by reference to a record date prior to the date of allotment. The Company will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe for Shares.

13. Variation of capital

If there is a variation in the share capital of the Company, the Board may adjust options in such manner as it determines to be appropriate.

14. Benefits non-pensionable

Benefits under the SRSO Scheme will not form part of a participant's remuneration for pension purposes.

15. Amendments

The Board may make such amendments to the SRSO Scheme either as are necessary or desirable to obtain or retain the approval of HMRC under the Income Tax (Earnings and Pensions) Act 2003 or to take account of changes to that Act or other applicable legislation. The Board may also make such amendments to the SRSO Scheme and to any option as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group.

Except as described above or for amendments designed to ease the administration of the SRSO Scheme or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, individual or SRSO Scheme limits, the terms of options, the adjustment of options or the power of amendment without the prior approval of the Company in general meeting.



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