

BARRATT REDROW PLC

TERMS OF REFERENCE FOR THE CHAIR, CHIEF EXECUTIVE AND SENIOR INDEPENDENT DIRECTOR

1 Relationship of the chair and the chief executive – guiding principles

- 1.1 The two roles must be complementary and should not be exercised by the same individual. The chair is responsible for the leadership of the board and ensuring its effectiveness on all aspects of its role whilst the chief executive is responsible for the day-to-day management of the business. The chair and the chief executive must ensure that each is appropriately informed of the other's current areas of activities. They must be seen to work closely together as a team.
- 1.2 Their relationship must be based on mutual respect and trust. It must be frank and open, with problem areas being addressed openly.
- 1.3 The chair should be independent on appointment when assessed against the circumstances set out in the UK Corporate Governance Code.
- 1.4 The chair has direct access to senior executives, as he/she deems necessary.
- 1.5 The chair and the chief executive must agree on their respective roles in setting major tasks and in taking new initiatives in particular where there are areas of overlap.
- 1.6 There should be shared vision to promote the long-term success of the group.
- 1.7 These guiding principles will only be modified by mutual agreement between the chair and the chief executive and with the prior approval of the board.

2 Terms of reference for the chair

The duties of the chair, which is a non-executive role, arise from their position as the senior officer of the company and their responsibility for presiding over the official business of the company and the board.

The chair's duties include, but are not limited to:

- 2.1 leadership of the board and ensuring its overall effectiveness in directing the company and on all aspects of its role including regularity and frequency of meetings;
- 2.2 managing the business of the board and chairing its meetings;
- 2.3 setting the agenda for discussion at board meetings and ensuring that adequate time is available for discussion of agenda items, particularly those of a strategic or critical nature, and that debate is not truncated;
- 2.4 shaping the culture in the boardroom;
- 2.5 encouraging all board members to engage in board committee meetings by drawing on their skills, experience and knowledge;
- 2.6 ensuring that board committees are properly structured with appropriate terms of reference, that membership is periodically refreshed and that independent non-executive directors are not over-burdened when deciding the chairs and membership of the committees;
- 2.7 ensuring that there is appropriate delegation of authority from the board to executive management;
- 2.8 facilitating constructive board relations generally, and in particular resolution of any differences of opinion or approach between directors and to work to prevent any differing factions emerging and dividing the board. In the event factions amongst the board do develop, the chair should deal with them in the best interests of the company and promoting its long term sustainable success;
- 2.9 promoting a culture of openness and debate by facilitating the effective contribution of all directors by drawing on their skills, experience and knowledge,
- 2.10 fostering relationships based on trust, mutual respect and open communication – both inside and outside the boardroom - between executive and non-executive directors;
- 2.11 ensuring that all directors are aware of and able to discharge their statutory duties;
- 2.12 ensuring that all directors receive the information that is required for the proper performance of their duties in a timely manner and that such information is accurate, high quality and clear;
- 2.13 ensuring that the board determines the nature, and extent, of the significant risks the company is willing to embrace in the implementation of its strategy;
- 2.14 developing a productive working relationship with the chief executive, providing support and advice, while respecting executive responsibility;

- 2.15 participating with the chief executive, as appropriate, in corporate relations, including relations with the company's shareholders, customers, government, other public organisations, other companies, the media and stakeholders generally;
- 2.16 ensuring that the board has a clear understanding of the views of shareholders;
- 2.17 meeting with major shareholders to understand, their views on governance and performance against the Group's strategy and to engage on significant matters related to his/her areas of responsibilities;
- 2.18 leading the annual internal or external performance review of the board, its committees and individual directors, including obtaining feedback from the workforce and other stakeholders, and acting on the results of such performance review by recognising the strengths and addressing the weaknesses of the board;
- 2.19 ensuring that new directors participate in a full, formal and tailored induction programme;
- 2.20 providing guidance and mentoring to new directors as appropriate;
- 2.21 ensuring that the training and development needs of the directors and the board as a whole are identified and met and that the directors continue to regularly update and refresh their skills, knowledge and familiarity with the company to fulfil their role both on the board and committees;
- 2.22 chairing the meetings of the Nomination Committee, except where the appointment of his/her own successor is to be discussed;
- 2.23 hold meetings with the non-executive directors without the executive directors being present;
- 2.24 providing direction to the Company Secretary in terms of good, accurate, high-quality and clear information flows on a timely basis within the board and its committees and between senior management and non-executive directors; the facilitation of induction, board training and professional development of directors;
- 2.25 ensuring that the chair of each of the board's committees are available to attend the Annual General Meeting and answer any questions from shareholders and encouraging them to make statements on the activities and achievements of their respective committees on an annual basis;
- 2.26 representing the Company to its key stakeholders and ensuring that the board understands the views of these key stakeholders; and
- 2.27 considering ways in which the board can reach out to increase its visibility with the workforce and gain insights into the culture and concerns at different levels of the business.

3 Terms of reference for the chief executive

The chief executive's duties, amongst other matters, include:

- 3.1 proposing the Company's strategy and delivering the strategy as agreed with the board;
- 3.2 setting an example to the workforce and communicating to them the expectations in respect of the Company's culture;
- 3.3 ensuring that operational policies and practices drive appropriate behaviour;
- 3.4 supporting the chair to make certain that appropriate standards of governance are permeating through all parts of the organisation;
- 3.5 ensuring that the board is made aware of the views gathered via engagement between management and the workforce;
- 3.6 ensuring that the board is aware of the views of senior management on business issues in order to improve the standard of discussion in the boardroom and, prior to any final decision on an issue, explain in a balanced way any divergence of view;
- 3.7 ensuring that management fulfils its obligation to provide board directors with: accurate, timely and clear information in a form and of a quality and comprehensiveness that will enable the board to discharge its duties; the necessary resources for developing and updating their knowledge and capabilities; and appropriate knowledge of the company, including access to company operations and members of the workforce;
- 3.8 exercising executive stewardship of the group's physical, financial and human resources;
- 3.9 being generally responsible to the board for the development of the company and its profitable operation, including the profits, cash and costs of all its businesses;
- 3.10 ensuring that such action is taken as is necessary to secure the timely and effective implementation of the objectives, policies and strategies set by the board and of decisions taken by or on behalf of the board;
- 3.11 ensuring that appropriate objectives, policies and strategies are adopted for each of the businesses or divisions of the company; that appropriate budgets are set for them individually; that their performance is effectively monitored; and that guidance or direction is given where appropriate;
- 3.12 ensuring that the company complies with all relevant legislation and regulatory requirements;
- 3.13 managing the group's risk profile, including health and safety performance of the business, in line with the extent and categories of risk identified as acceptable by the board;
- 3.14 ensuring appropriate internal controls are in place;
- 3.15 after appropriate consultation with the chair, allocating duties to individual directors and assigning ad hoc responsibilities or special tasks to directors or groups of directors;
- 3.16 motivating, reviewing and appraising the performance of the other executive directors, in their capacity as executives and, after reviewing with the chair, as appropriate, making appropriate

- recommendations to the remuneration committee on the remuneration payable to them;
- 3.17 being responsible, with the participation of the chair as appropriate, for corporate relations, relations with the company's shareholders, customers, governments, other public organisations, other companies, the media and any other stakeholders; and
- 3.18 regularly keeping the chair and other non-executive directors informed on all matters that may be of importance to the company and of relevance to them in the performance of their role as non-executive directors, including its current performance and progress.

4 Terms of reference for the senior independent director

The senior independent director should, where appropriate;

- 4.1 act as a sounding board for the chair, providing them with the support in the delivery of their objectives;
- 4.2 lead the performance review of the chair by meeting with the non-executive directors without the chair being present at least annually (taking into account the views of the executive directors) and on such other occasions as are deemed appropriate;
- 4.3 be responsible for the orderly succession process for the chair of the board and chair the Nomination Committee when it is considering succession to the role of chair of the board;
- 4.4 be available to shareholders if they have concerns which contact through the normal channels of chair, chief executive or other executive directors has failed to resolve or for which such contact is inappropriate;
- 4.5 attend sufficient meetings with a range of major shareholders to listen to their views in order to help develop a balanced understanding of their issues and concerns;
- 4.6 when the company or the board are undergoing periods of stress, work with the chair and other directors and/or shareholders, to resolve significant issues;
- 4.7 intervene in circumstances such as where: there is a dispute between the chair and the chief executive; shareholders or non-executive directors have expressed concerns which the chair or chief executive have failed to address; the strategy is not supported by the whole board; the relationship between the chair and the chief executive is particularly close; decisions are being made without the approval of the whole board; and succession

planning is being ignored; to maintain board and company stability; and

- 4.8 have the authority to call a meeting of the non-executive directors if, in his opinion, it is necessary.