

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART ONE OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH ARTICLE 126 OF THE JERSEY COMPANIES LAW. If you are in any doubt as to the contents of this Document or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA if you are taking advice in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

If you sell, have sold or otherwise transferred all of your Breedon Shares, please forward this Document and the accompanying documents (other than documents or forms personal to you) including the Forms of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

If you sell, have sold or transferred only part of your holding of Breedon Shares, you should retain these documents and should contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired Breedon Shares, notwithstanding receipt of this Document and any accompanying documents from the transferor, you should contact Breedon's Registrars, on the telephone number set out below to obtain personalised Forms of Proxy.

The release, publication or distribution of this Document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom and Jersey may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. **This Document does not constitute an invitation or offer to sell or exchange, or the solicitation of an invitation to offer or buy or exchange, any security or to become a member of Breedon or of New Breedon. None of the securities referred to in this Document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.**

**Recommended proposals for the introduction of a new England and Wales incorporated holding company for the Group by means of a Scheme of Arrangement under Article 125 of the Jersey Companies Law and notice of the Jersey Court Meeting and Scheme General Meeting**



## **Breedon Group plc**

*(a public company incorporated in Jersey with registered number 98465)*

**You should read carefully the whole of this Document, any information incorporated by reference into this Document and the accompanying Forms of Proxy. Your attention is drawn to the letter from the Chair of Breedon in Part 1 (*Letter from the Chair of Breedon*) of this Document which contains the unanimous recommendation of the Breedon Directors that you vote in favour of the Scheme at the Jersey Court Meeting and vote in favour of the Special Resolution to be proposed at the Scheme General Meeting.**

Notices of the Jersey Court Meeting and the Scheme General Meeting, both of which will be held at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP on 26 April 2023, are set out in Part 7 (*Notice of Jersey Court Meeting*) and Part 8 (*Notice of Scheme General Meeting*) of this Document respectively. The Jersey Court Meeting will start at 2:15 p.m. (or, if later, as soon as the Annual General Meeting has been concluded or adjourned) and the Scheme General Meeting will start at 2:30 p.m. (or, if later, as soon as the Jersey Court Meeting has been concluded or adjourned).

The action to be taken by Breedon Shareholders in respect of the Meetings is set out in paragraph 19 of Part 1 (*Letter from the Chair of Breedon*) of this Document. You will find enclosed with this Document a BLUE Form of Proxy for use in connection with the Jersey Court Meeting and a WHITE Form of Proxy for use in connection with the Scheme General Meeting. **Whether or not you intend to attend both or either of the Meetings in person, please complete and sign both of the enclosed Forms of Proxy and return them in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Breedon's Registrars at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL, at least 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the relevant Meeting.** The Forms of Proxy have a pre-paid address for your convenience for use in the UK only. If the BLUE Form of Proxy for use at the Jersey Court Meeting is not returned by the above time, it may be handed to Breedon's Registrars (on behalf of the Chair of the Jersey Court Meeting) or to the Chair of the Jersey Court Meeting before the start of the Jersey Court Meeting and it will be valid. However, in the case of the Scheme General Meeting, unless the WHITE Form of Proxy is returned by the time noted above, it will be invalid.

Alternatively, you can submit your proxy electronically at <https://www.breedonshares.com/> or via the Link Group shareholder app, LinkVote+ by following the instructions set out on the enclosed Forms of Proxy. Electronic proxy appointments must be received by 2:15 p.m. on 24 April 2023 in the case of the Jersey Court Meeting and by 2:30 p.m. on 24 April 2023 in the case of the Scheme General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours (excluding any part of such 48-hour period falling on a non-working day) prior to the time and date set for the adjourned Meeting).

If you hold your Breedon Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out at the end of this Document).

Proxies submitted via CREST (under CREST participant RA10) must be received by Breedon's Registrars not later than 2:15 p.m. on 24 April 2023 in the case of the Jersey Court Meeting and by not later than 2:30 p.m. on 24 April 2023 in the case of the Scheme General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours (excluding any part of such 48-hour period falling on a non-working day) prior to the time and date set for the adjourned Meeting).

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by no later than 2:15 p.m. on 24 April 2023 for the Jersey Court Meeting and 2:30 p.m. on 24 April 2023 for the Scheme General Meeting in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting (excluding any part of such 48-hour period falling on a non-working day). Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

The completion and return of the Forms of Proxy or the appointment of a proxy or proxies electronically, using CREST or using Proxymity will not prevent you from attending and voting in person at either of the Meetings, or any adjournment thereof, should you wish to do so.

If you have any questions relating to this Document or the completion and return of your Forms of Proxy, please contact the Shareholder Helpline on 0371 664 0300 (or +44 (0) 371 664 0300 if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Shareholder Helpline cannot provide advice on the merits of the Scheme nor give any financial, investment, legal or tax advice.

A prospectus relating to the New Breedon Shares (the "**Prospectus**") is expected to be made available in electronic form on the Group's website at ([www.breedongroup.com/aim-to-main](http://www.breedongroup.com/aim-to-main)) prior to the Effective Date. Application will be made for the New Breedon Shares to be admitted to listing on

the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in the Breedon Shares on AIM will continue until the close of business on 16 May 2023 and that Admission will become effective and trading in New Breedon Shares will commence at 8:00 a.m. on 17 May 2023.

**THE NEW BREEDON SHARES HAVE NEITHER BEEN MARKETED TO, NOR ARE AVAILABLE FOR PURCHASE OR EXCHANGE, IN WHOLE OR IN PART, BY THE PUBLIC IN THE UK OR ELSEWHERE IN CONNECTION WITH THE INTRODUCTION OF THE NEW BREEDON SHARES TO LISTING ON THE PREMIUM LISTING SEGMENT OF THE OFFICIAL LIST AND TO TRADING ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES. THIS DOCUMENT IS NOT A PROSPECTUS BUT A COURT APPROVED SCHEME CIRCULAR AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.**

Securities may not be offered or sold in the United States unless they are registered under the US Securities Act of 1933, as amended (the "**US Securities Act**") or are exempt from such registration. The New Breedon Shares will not be, and are not required to be, registered with the United States Securities and Exchange Commission (the "**SEC**") under the US Securities Act, in reliance upon the exemption from the registration requirements provided by Section 3(a)(10) of the Securities Act.

The New Breedon Shares have not been approved or disapproved by the SEC, any state's securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Breedon Shares or the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

## **IMPORTANT NOTICES**

### **Overseas jurisdictions**

The availability of the Scheme to Breedon Shareholders who are not resident or ordinarily resident in Jersey or the United Kingdom and the release, publication or distribution of this Document in or into certain jurisdictions other than Jersey or the United Kingdom may be restricted by law and therefore any persons into whose possession this Document comes should inform themselves of, and observe, such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws and regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person. **Scheme Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.**

The Transaction shall be subject to the applicable requirements of the London Stock Exchange, the FCA, the AIM Rules and the Jersey Companies Law.

Details in relation to Overseas Shareholders are contained in paragraph 15 of Part 1 (*Letter from the Chair of Breedon*) of this Document.

### **Additional information for US investors**

In the United States, this Document is being furnished to Scheme Shareholders solely in connection with the Scheme and the proposed Transaction. This Document does not constitute an offer to subscribe for or otherwise acquire New Breedon Shares in the United States or any other jurisdiction. The New Breedon Shares to be issued to Scheme Shareholders in connection with the Scheme will not be, and are not required to be, registered with the SEC under the US Securities Act, in reliance upon the exemption from registration provided by Section 3(a)(10) of the US Securities Act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Breedon Shares issued pursuant to the Scheme, Breedon will advise the Court that it will rely on the Section 3(a)(10) exemption based on the Court's sanctioning of the Scheme, which Breedon will rely upon as an approval of the Scheme following a hearing on its fairness to Scheme Shareholders. Breedon has given or will give notice to all Scheme Shareholders of such hearing pursuant to this Document, and all such Scheme Shareholders will be entitled to attend in person or through counsel

to support or oppose the sanctioning of the Scheme. Scheme Shareholders who will be affiliates of New Breedon after the Effective Date will be subject to certain US transfer restrictions relating to the New Breedon Shares received pursuant to the Scheme.

In addition, Scheme Shareholders in the United States should note that the Transaction relates to the securities of a Jersey company and is proposed to be effected by means of a scheme of arrangement under the Jersey Companies Law. This Document and certain other documents relating to the Transaction have been or will be prepared in accordance with Jersey law disclosure requirements, format and style, all of which differ from the disclosure and other requirements of United States securities laws. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Transaction is subject to the disclosure requirements of and practices applicable in Jersey to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Breedon and New Breedon are located in countries other than the US, and all of their officers and directors are residents of countries other than the US. US holders may not be able to claim against a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Scheme Shareholders who are citizens or residents of the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Transaction in their particular circumstances.

### **Forward looking statements**

This Document (including information incorporated by reference in this Document), oral statements made regarding the Transaction, and other information published by Breedon, New Breedon, or any member of the Group may contain statements which are, or may be deemed to be, "forward looking statements". Forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements.

The forward looking statements contained in this Document include statements relating to the expected effects of the Transaction on Breedon, any member of the Group (including their future prospects, developments and strategies), the expected timing and scope of the Transaction and other statements other than historical facts. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "strategy", "scheduled", "goal", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Breedon's or any member of the Group's operations; and (iii) the effects of global economic conditions and governmental regulation on Breedon's or any member of the Group's business.

Although Breedon believes that the expectations reflected in such forward looking statements are reasonable, Breedon and the Group can give no assurance that such expectations will prove to be correct. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements.

These factors include, but are not limited to: the ability to complete the Transaction; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the

behaviour of other market participants; the anticipated benefits from the proposed transaction not being realised; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Breedon and/or the Group operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

Neither Breedon, New Breedon, nor any member of the Group, nor any of their respective associates or directors, officers or advisers, provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Document will actually occur. Given these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward looking statements.

Other than in accordance with their legal or regulatory obligations, neither Breedon, New Breedon nor any member of the Group is under any obligation, and each such person expressly disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

### **No profit forecasts, estimates or quantified benefits statements**

No statement in this Document, or incorporated by reference in this Document, is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Document should be interpreted to mean that earnings or earnings per share for New Breedon or Breedon for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Breedon.

### **Rounding**

Certain figures included in this Document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Publication on website**

A copy of this Document, together with all information incorporated by reference into this Document, will be, available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Breedon's website at [www.breedongroup.com/aim-to-main](http://www.breedongroup.com/aim-to-main). Save as expressly referred to in this Document, the content of Breedon's website is not incorporated into, nor forms part of, this Document.

### **Request to receive documents in hard copy form**

A hard copy of this Document may be requested by contacting Breedon's Registrars on 0371 664 0300 (or +44 (0) 371 664 0300 if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Shareholder Helpline cannot provide advice on the merits of the Scheme nor give any financial, investment, legal or tax advice.

For persons who receive a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested. Breedon Shareholders may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form.

### **Date**

The date of publication of this Document is 29 March 2023.

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## ACTION TO BE TAKEN

**The Breedon Directors unanimously recommend that you vote in favour of the Scheme at the Jersey Court Meeting and vote in favour of the Special Resolution at the Scheme General Meeting as they intend to do in respect of their own holdings, and further recommend that you take the action described below.**

This part of this Document should be read in conjunction with the rest of this Document, and in particular, Part 1 (*Letter from the Chair of Breedon*) of this Document and the notices of the Jersey Court Meeting and the Scheme General Meeting set out in Part 7 (*Notice of Jersey Court Meeting*) and Part 8 (*Notice of Scheme General Meeting*) of this Document respectively.

### 1. Documents

Please check that you have received the following:

- (a) a BLUE Form of Proxy for use in respect of the Jersey Court Meeting on 26 April 2023;
- (b) a WHITE Form of Proxy for use in respect of the Scheme General Meeting on 26 April 2023; and
- (c) a pre-paid envelope (for use in the UK only) for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you have not received all of these documents, please contact the Shareholder Helpline on the number indicated in paragraph 3 below.

This communication has also been sent to certain beneficial owners of shares who have been nominated by their registered holders of shares to receive information. Such persons are advised that, in order to vote at the forthcoming Jersey Court Meeting or Scheme General Meeting, they must issue an instruction to the registered holder of their shares. Breedon can only accept instructions from registered holders of its shares and it would therefore be unable to act upon any instructions received from nominated persons.

### 2. Voting at the Jersey Court Meeting and the Scheme General Meeting

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held Pinnacle House, Breedon on the Hill, Derby, DE73 8AP at 2:15 p.m. on 26 April 2023 or, if later, as soon as the Annual General Meeting concludes or is adjourned. Implementation of the Scheme will also require the approval of Breedon Shareholders of the Special Resolution at the Scheme General Meeting. The Scheme General Meeting will be held at the same place as the Jersey Court Meeting, at 2:30 p.m. (or, if later, as soon thereafter as the Jersey Court Meeting concludes or is adjourned). Notice of the Jersey Court Meeting and the Scheme General Meeting are set out in Part 7 (*Notice of Jersey Court Meeting*) and Part 8 (*Notice of Scheme General Meeting*) of this Document respectively.

Breedon Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Jersey Court Meeting and/or Scheme General Meeting. A proxy need not be a Breedon Shareholder.

**It is important that, for the Jersey Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of Scheme Shareholders. You are therefore strongly urged to complete and return both of your Forms of Proxy, or to appoint a proxy, electronically or through CREST or via the Proximity platform or electronically as soon as possible. Doing so will not prevent you from attending, speaking and voting in person at the Meetings if you wish and are entitled to do so.**

#### (a) Sending Forms of Proxy by post or by hand

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them either: (i) by post or (ii) during normal business hours only, by hand to Breedon's

Registrars at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL, so as to be received as soon as possible and, in any event, not later than:

- BLUE Forms of Proxy for the Jersey Court Meeting 2:15 p.m. on 24 April 2023
- WHITE Forms of Proxy for the Scheme General Meeting 2:30 p.m. on 24 April 2023

or, in the case of adjournment(s), not later than 48 hours before the time and date set for the adjourned meeting(s) (excluding any part of such 48-hour period falling on a non-working day).

If the BLUE Form of Proxy for the Jersey Court Meeting is not received by the above time, it may be handed to a representative of Breedon's Registrars on behalf of the Chair of the Jersey Court Meeting or to the Chair of the Jersey Court Meeting, before the start of the Jersey Court Meeting and it will be valid. However, in the case of the Scheme General Meeting, the WHITE Form of Proxy must be received by the time mentioned above, or it will be invalid.

Breedon Shareholders are entitled to appoint a proxy in respect of some or all of their Breedon Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Breedon Shareholders who wish to appoint more than one proxy in respect of their holding of Breedon Shares should contact Breedon's Registrars for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at either the Jersey Court Meeting or the Scheme General Meeting, or any adjournment thereof, if you wish and are entitled to do so.

#### **(b) Electronic appointment of proxies through CREST**

If you hold Breedon Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part 7 (*Notice of Jersey Court Meeting*) and Part 8 (*Notice of Scheme General Meeting*) of this Document respectively).

Proxies submitted via CREST (under CREST participant ID RA10) must be received by Breedon's Registrars by no later than 2:15 p.m. on 24 April 2023 in the case of the Jersey Court Meeting and by no later than 2:30 p.m. on 24 April 2023 in the case of the Scheme General Meeting (or, in the case of an adjournment meeting, not less than 48 hours (excluding any part of such 48-hour period falling on a non-working day) prior to the time and date set for the adjourned meeting).

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 the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy), must, in order to be valid, be transmitted so as to be received by Breedon's Registrars (under CREST participant ID RA10) not less than 48 hours before the time fixed for the Jersey Court Meeting or Scheme General Meeting (or adjourned meeting), as applicable (in each case, excluding any non-working day). 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 Applications Host) from which Breedon's Registrars 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.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 any voting service provider(s), to procure that their 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 service providers are referred, in particular, to those sections of the CREST Manual concerning



practical limitations of the CREST system and timings. Breedon may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Jersey Regulations.

In the case of the Jersey Court Meeting only, if you have not appointed a proxy using the CREST proxy voting service by such time you may complete the BLUE Form of Proxy and hand it to a representative of Breedon's Registrars on behalf of the Chair of the Jersey Court Meeting, or to the Chair of the Jersey Court Meeting before the start of the Jersey Court Meeting and it will be valid. In the case of the Scheme General Meeting only, if the proxy appointment is not received by the time mentioned above, it will be invalid.

### **(c) Online appointment of proxies**

As an alternative to completing and returning the printed Forms of Proxy or appointing a proxy through CREST, Breedon Shareholders entitled to attend and vote at the Meetings may appoint a proxy electronically by logging on to <https://www.breedonshares.com/> or registering if they have not previously done so. To register, Breedon Shareholders will need their Investor Code (IVC) which is printed on the Forms of Proxy, on their share certificate or is available from Breedon's Registrars. Alternatively, Breedon Shareholders may appoint a proxy via the Link Group shareholder app, LinkVote+, which is free to download and use, and is available to download on the Apple App Store and Google Play.

For an electronic proxy appointment to be valid, the appointment must be received by Breedon's Registrars no later than 2:15 p.m. on 24 April 2023 for the Jersey Court Meeting and 2:30 p.m. on 24 April 2023 for the Scheme General Meeting (or, in the case of adjournment(s), not later than 48 hours before the time fixed for the adjourned Meeting(s) (excluding any part of such 48-hour period falling on a non-working day)). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

Note in the case of the Jersey Court Meeting only, if you have not appointed a proxy electronically or online by such time you may complete the BLUE Form of Proxy and hand it to a representative of Breedon's Registrars on behalf of the Chair of the Jersey Court Meeting, or to the Chair of the Jersey Court Meeting before the start of the Jersey Court Meeting and it will be valid. In the case of the Scheme General Meeting only, if the online proxy appointment is not received by the time mentioned above, it will be invalid.

### **(d) Proximity Voting**

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by Breedon's Registrars. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). Your proxy must be lodged by no later than 2:15 p.m. on 24 April 2023 for the Jersey Court Meeting and 2:30 p.m. on 24 April 2023 for the Scheme General Meeting in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting (excluding any part of such 48-hour period falling on a non-working day). Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

## **3. Shareholder Helpline**

**If you have any questions relating to this Document, the Jersey Court Meeting or the Scheme General Meeting or the completion and return of your Forms of Proxy, please contact the Shareholder Helpline operated by Breedon's Registrars by calling 0371 664 0300 (or +44 (0) 371 664 0300 if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Shareholder Helpline cannot provide advice on the merits of the Transaction or the Scheme nor give any financial, investment, legal or tax advice.**

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on Breedon's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Breedon Shareholders by announcement through a Regulatory Information Service of the London Stock Exchange.

<u>Event</u>	<u>Time and/or date</u>
Publication of this Document . . . . .	29 March 2023
Latest time for lodging Forms of Proxy for the:	
Jersey Court Meeting (BLUE form) . . . . .	2:15 p.m. on 24 April 2023 <sup>(1)</sup>
Scheme General Meeting (WHITE form) . . . . .	2:30 p.m. on 24 April 2023 <sup>(2)</sup>
Voting Record Time . . . . .	6:30 p.m. on 24 April 2023 <sup>(3)</sup>
<b>Jersey Court Meeting</b> . . . . .	2:15 p.m. on 26 April 2023
<b>Scheme General Meeting</b> . . . . .	2:30 p.m. on 26 April 2023 <sup>(4)</sup>
<b>The following dates are indicative only and are subject to change<sup>(5)</sup></b>	
Expected date of publication of the Prospectus by New Breedon . . . . .	11 May 2023
Sanction Hearing (to sanction the Scheme) . . . . .	9.00 a.m. on 16 May 2023
Scheme Record Time . . . . .	6.00 p.m. on 16 May 2023
Last day of dealings in, and for the registration of transfers of, and disablement in CREST of, Breedon Shares on AIM . . . . .	16 May 2023
Effective Date . . . . .	16 May 2023 <sup>(6)</sup>
Cancellation of admission to trading of Breedon Shares on AIM . . . . .	by 7.00 a.m. on 17 May 2023
Admission of New Breedon Shares to listing on the premium listing segment of the Official List and to trading on the Main Market and commencement of dealings . . . . .	8.00 a.m. on 17 May 2023
Crediting of New Breedon Shares to CREST accounts . . . . .	8.00 a.m. on 17 May 2023
Share certificates for New Breedon Shares expected to be despatched within 10 Business Days of Admission . . . . .	by 1 June 2023
Long Stop Date . . . . .	30 June 2023 <sup>(7)</sup>

### Notes

- (1) It is requested that BLUE Forms of Proxy for the Jersey Court Meeting be lodged not later than 2:15 p.m. on 24 April 2023 or, if the Jersey Court Meeting is adjourned, 48 hours prior to the time and date set for any adjourned Jersey Court Meeting (excluding any part of such 48-hour period falling on a non-working day). If the BLUE Form of Proxy for the Jersey Court Meeting is not returned by such time, it may be handed to a representative of Breedon's Registrars, on behalf of the Chair of the Jersey Court Meeting, or to the Chair of the Jersey Court Meeting before the start of the Jersey Court Meeting (or any adjournment of it) and it will be valid.
- (2) In order to be valid, the WHITE Forms of Proxy for the Scheme General Meeting must be lodged not later than 2:30 p.m. on 24 April 2023 or, if the Scheme General Meeting is adjourned, 48 hours prior to the time and date set for any adjourned Scheme General Meeting (excluding any part of such 48-hour period falling on a non-working day).
- (3) If either the Jersey Court Meeting or the Scheme General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the date which is two days (excluding non-working days) prior to the date set for such adjourned Meeting.
- (4) To commence at 2:30 p.m. or, if later, as soon thereafter as the Jersey Court Meeting shall have concluded or adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Jersey Registrar of Companies. Participants in Breedon Share Plans will be contacted separately to inform them of the effect of the Scheme on their rights under Breedon Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.
- (6) Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Jersey Registrar of Companies. This is presently expected to occur on 16 May 2023, subject to satisfaction or (where capable of waiver), waiver of the Conditions.
- (7) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as Breedon and New Breedon may agree (and as the Court may allow, should such approval be required).

**PART 1**  
**LETTER FROM THE CHAIR OF BREEDON**



**BREEDON GROUP PLC**

*(a public company incorporated in Jersey with registered number 98465)*

Directors:  
Amit Bhatia (*Chair*)  
Rob Wood (*Chief Executive Officer*)  
James Brotherton (*Chief Financial Officer*)  
Clive Watson (*Senior Independent Non-Executive Director*)  
Carol Hui (*Independent Non-Executive Director*)  
Pauline Lafferty (*Independent Non-Executive Director*)  
Helen Miles (*Independent Non-Executive Director*)

Registered office:  
28 Esplanade  
St Helier  
Jersey  
JE2 3QA

29 March 2023

*To Breedon Shareholders and, for information only, to holders of awards and options under Breedon Share Plans and persons with information rights*

Dear all

**Recommended proposals for the introduction of a new England and Wales incorporated holding company by means of a Scheme of Arrangement under Article 125 of the Jersey Companies Law and notice of a Jersey Court Meeting and Scheme General Meeting**

**Executive Summary**

- On 8 March 2023, Breedon announced that it intended to move from trading on the AIM market to the premium listing segment of the Official List and to trading on the Main Market (“**Admission**”, as defined in Part 6 below). In connection with this, it would establish a new holding company for the Group incorporated in England being New Breedon, as defined in Part 6 below. A share consolidation would also take place to reduce the absolute number of shares in issue.
- Subject to the necessary conditions and regulatory approvals being met, the admission of the Breedon Shares to trading on AIM would be cancelled and New Breedon would apply for the New Breedon Shares to be admitted to listing on the premium listing segment of the Official List and to trading on the Main Market.
- This Document sets out the recommended proposals for the introduction of New Breedon as the new holding company of the Group by means of the Scheme, in accordance with the resolutions to be proposed at the Jersey Court Meeting and the Scheme General Meeting.
- As an established business, with a track record for growth and cash generation, robust corporate governance and ambitions for further expansion, the Breedon Directors believe the Main Market now offers the appropriate listing for a group of Breedon’s scale and heritage. The Breedon Directors consider that Admission would further enhance the Group’s corporate profile and recognition, as well as extending the opportunity to invest in the Group to index tracker funds and a broader group of international institutional shareholders.
- Breedon’s status as a non-English company means that it incurs duplicated costs in Jersey to order to comply with local corporate requirements. A new company incorporated in England and Wales, being New Breedon, will be introduced as the new holding company of the Group.
- Accordingly, the Breedon Board, after detailed consideration, believes that the proposed new corporate structure is the most appropriate structure for the Group and, together with the move to the Main Market, would best support its long term strategy and growth prospects. The Breedon

Directors unanimously recommend that Breedon Shareholders vote in favour of the Scheme at the Jersey Court Meeting and the Special Resolution at the Scheme General Meeting.

- The Scheme is a formal procedure under the Jersey Companies Law which is used to carry out corporate reorganisations. The Scheme requires the approval by a majority in number representing not less than 75 per cent. of the voting rights of the Scheme Shareholders present and voting (in person or by proxy) at the Jersey Court Meeting, as well as sanction by the Court. If the relevant approvals are obtained and the Conditions are satisfied or waived, all Breedon Shareholders will be bound by the Scheme regardless of whether or how they voted.
- The Prospectus relating to the New Breedon Shares, which will contain prescribed information relating to New Breedon, the Group and Admission, is expected to be made available prior to the Effective Date on the Group's website ([www.breedongroup.com/aim-to-main](http://www.breedongroup.com/aim-to-main)) following approval and filing with the FCA in accordance with the Prospectus Regulation Rules.
- Once the Scheme has become Effective, you will hold one New Breedon Share for every five Scheme Shares that you held at the Scheme Record Time (which is expected to be 6:00 p.m. on 16 May 2023). Any fractional entitlements to New Breedon Shares will not be allotted or issued to Scheme Shareholders and will be disregarded.
- All New Breedon Shares arising as a result of the Scheme are being issued to Breedon Shareholders in return for their existing Breedon Shares. No additional payment is being made to Breedon Shareholders in connection with the Scheme other than in accordance with the arrangements set out in paragraph 15 of this Part 1.
- Subject to approval at the Annual General Meeting, Breedon's final dividend of 1.4 pence per Breedon Share relating to the financial year ended 31 December 2022 will be paid on 5 May 2023 and will be unaffected by the Scheme.
- A summary of certain UK tax consequences of the Transaction for UK tax resident Breedon Shareholders is set out in Part 4 (United Kingdom Taxation) of this Document. This summary is intended as a general guide and only relates to certain limited aspects of the UK tax treatment of the Transaction.

## Introduction

I am writing to you on behalf of the Breedon Directors to explain the background to and terms of the Transaction, to encourage Breedon Shareholders to vote at the Jersey Court Meeting and Scheme General Meeting, and to explain why the Breedon Directors are unanimously recommending that (i) Scheme Shareholders vote in favour of the Scheme at the Jersey Court Meeting and (ii) Scheme Shareholders vote in favour of the Special Resolution at the Scheme General Meeting, as the Breedon Directors intend to do in respect of their own holdings of Breedon Shares.

**It is important that, for the Jersey Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinions. I therefore strongly urge you to complete, sign and return your Forms of Proxy, appoint a proxy online by visiting <https://www.breedonshares.com/>, via the Link Group shareholder app, LinkVote+, through the CREST electronic proxy appointment service or via the Proximity platform as soon as possible.**

### 1. Summary of the Transaction

It is proposed that the Transaction be implemented by means of a Jersey Court-sanctioned scheme of arrangement under Article 125 of the Jersey Companies Law, which requires (i) that Scheme Shareholders vote in favour of the Scheme at the Jersey Court Meeting by the requisite majority; (ii) that Scheme Shareholders vote in favour of the Special Resolution at the Scheme General Meeting by the requisite majority; and (iii) the sanction of the Court. Upon the Scheme becoming Effective, Breedon will become a direct wholly-owned subsidiary of New Breedon.

Under the Scheme, all the Scheme Shares will be acquired by New Breedon at the Transfer Time in consideration for Scheme Shareholders receiving in respect of any Scheme Shares held as at the Scheme Record Time:

**one New Breedon Share for every five Scheme Shares**

With effect from the Transfer Time, the rights attaching to the New Breedon Shares will be, for all practical purposes, the same as those attaching to the existing Breedon Shares.

In particular, upon the Scheme becoming Effective, a New Breedon Shareholder will have the same proportionate interest in the profits, net assets and dividends of New Breedon as they had in Breedon immediately prior to the Transfer Time (save in respect of the impact of fractional entitlements being rounded down to the nearest whole number of New Breedon Shares).

Following the transfer of Scheme Shares at the Transfer Time, New Breedon will become the holding company of Breedon and the Group. The Group will have the same business and operations immediately after the Transfer Time as it had immediately before the Transfer Time. The assets and liabilities of the Group immediately after the Transfer Time will not differ from the assets and liabilities the Group had before the Transfer Time, save that New Breedon will hold all of the Breedon Shares then in issue.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted and, if they voted, whether they voted for or against the Scheme, at the Jersey Court Meeting or the Scheme General Meeting.

## **2. Background to and reasons for the Transaction**

### *Step-up to Main Market*

On 8 March 2023, Breedon announced that it intended to undertake the Scheme and, subject to meeting eligibility criteria, cancel the admission of the Breedon Shares to trading on AIM and apply for the New Breedon Shares to be admitted to listing on the premium listing segment of the Official List and to trading on the Main Market. As an established business, with a track record for growth and cash generation, robust corporate governance and ambitions for further expansion, the Directors believe the Main Market now offers the appropriate listing for a group of Breedon's scale and heritage. The Breedon Directors consider that Admission would further enhance the Group's corporate profile and recognition, as well as extending the opportunity to invest in the Group to index tracker funds and a broader group of international institutional shareholders.

### *Re-domiciliation to the UK*

For legal and commercial reasons, and in common with many listings on the Main Market, a clean new company (New Breedon) will be used as the vehicle in which the Main Market listing takes place. Breedon's current status as a non-English company means it incurs duplicated costs in Jersey to order to comply with local corporate requirements.

Accordingly, the Breedon Board, after detailed consideration, believes the proposed new corporate structure is the most appropriate structure for the Group and, together with the move to the Main Market, would best support its long term strategy and growth prospects. The Breedon Directors unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Jersey Court Meeting and the Special Resolution at the Scheme General Meeting. Further details about the Meetings are set out in paragraph 12 below.

## **3. Principal Features of the Scheme**

The introduction of New Breedon as the new ultimate holding company of the Group will be implemented by way of the Scheme. The principal steps involved in the Scheme are as follows:

- (a) the Scheme requires the approval of Scheme Shareholders at the Jersey Court Meeting and the Special Resolution requires approval at the Scheme General Meeting in each case by the requisite majority. If the resolutions are passed at the Jersey Court Meeting and the Scheme General Meeting then an application will be made to the Court to sanction the Scheme at the Sanction Hearing;
- (b) immediately after the Scheme General Meeting, a general meeting of New Breedon will take place where the sole shareholder of New Breedon (which, at that time, will be Breedon) intends to pass certain resolutions to, among other matters, authorise New Breedon to carry out the Transaction and to replicate certain shareholder authorities in line with those granted to the Breedon Directors at the Annual General Meeting, as set out in more detail in paragraph 2(e) of Part 5;

- (c) if the Scheme is sanctioned at the Sanction Hearing and the Conditions to the Scheme have been satisfied, the Scheme is expected to become Effective pursuant to its terms;
- (d) at the Transfer Time, all the Scheme Shares will be acquired by New Breedon in consideration for each Scheme Shareholder receiving one New Breedon Share in respect of every five Scheme Shares held as at the Scheme Record Time; and
- (e) with effect from the Transfer Time, the rights attaching to the New Breedon Shares will be the same as those attaching to the Breedon Shares for all practical purposes. A summary of the rights attaching to the New Breedon Shares is set out at paragraph 7 of Part 5.

If the Scheme has not become effective by the Long Stop Date, it will lapse, in which event there will not be a new ultimate holding company of Breedon, Breedon Shareholders will remain shareholders of Breedon and the Breedon Shares will continue to be traded on AIM.

#### **4. Cancellation of admission to trading on AIM and applications for listing on the Official List and to trading on the London Stock Exchange**

Applications will be made: (i) to the London Stock Exchange in respect of the cancellation of the admission of the Breedon Shares to trading on AIM; (ii) to the FCA in respect of the admission of the New Breedon Shares to listing on the premium listing segment of the Official List; and (iii) to the London Stock Exchange in respect of the admission of the New Breedon Shares to trading on the Main Market.

The last day of dealings in Breedon Shares is expected to be 16 May 2023. The last time for registration of transfers of Scheme Shares is expected to be 6:00 p.m. on 16 May 2023. It is expected that Admission will become effective and that dealings in the New Breedon Shares will commence at 8.00 a.m. on 17 May 2023. The admission to trading of the Breedon Shares on AIM will be cancelled at 7.00 a.m. on 17 May 2023.

#### **5. New Breedon Board**

On the Effective Date, the Breedon Board and the New Breedon Board will be the same.

It is intended that each of the Executive Directors will enter into new service agreements and each of the Non-Executive Directors will enter into new letters of appointment with New Breedon prior to the Effective Date.

The new service agreements and letters of appointment are intended to be entered into so that the terms on which the New Breedon Board is employed or engaged will reflect: (i) the requirements of the UK Corporate Governance Code which New Breedon intends to comply with post-Admission in all material respects; and (ii) the admission of the entire issued share capital of New Breedon to listing on the premium listing segment of the Official List and to trading on the Main Market (rather than AIM).

#### **6. Breedon Directors and the effect of the Scheme on their interests**

Details of the interests of the Breedon Directors in the share capital of Breedon, and their options and awards in respect of such share capital, are set out in paragraph 4(b) of Part 5 (*Additional Information*) of this Document. Scheme Shares held by the Breedon Directors at the Scheme Record Time will be subject to the Scheme. Breedon Directors who hold awards and/or options granted under the Breedon Share Plans will be treated as set out in paragraph 11 of this Part 1 (*Breedon Share Plans*), in common with the other participants in Breedon Share Plans.

The effect of the Scheme on the interests of the Breedon Directors does not differ from the effect of the Scheme on the like interests of any other persons.

#### **7. Breedon's current trading and prospects**

The Group has begun 2023 positively and is in a strong position despite the UK economic backdrop remaining uncertain, particularly with regard to residential housebuilding. UK infrastructure and industrial construction end-markets are still expected to grow in 2023, underpinned by large ongoing projects. The Group's Ireland operations are expected to benefit from a strong macroeconomic backdrop, coupled with the structural need for housing and infrastructure investment. The Group's successful dynamic pricing strategy, forward hedging programme and careful approach to cost management remain in place. Further, the Group's strong balance sheet and thoughtful approach to

capital allocation provides strategic optionality with scope for investment and acquisition activity focused in the UK and Ireland. Overall, the Breedon Board's expectations for 2023 remain unchanged.

## **8. Corporate governance and applicable law**

Similar shareholder rights and protections will apply to New Breedon as currently apply to Breedon. In particular, the Takeover Code will apply to New Breedon. New Breedon will also be required to comply with the Listing Rules and intends to comply with the UK Corporate Governance Code in all material respects. A summary of the differences between English law and Jersey Law, and a summary of the New Breedon Articles are included at paragraphs 6 to 7 of Part 5 (*Additional Information*).

## **9. Amendments to Breedon Articles**

In order to facilitate the Scheme, it is proposed that the Breedon Articles are amended by way of the Special Resolution. This amendment is intended to ensure that: (i) any Breedon Shares that are allotted, issued or transferred to any person other than New Breedon (or its nominee(s)) before the Scheme Record Time (but after the Voting Record Time) are allotted, issued or transferred subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and (ii) any Breedon Shares that are allotted, issued or transferred at or after the Scheme Record Time will be immediately transferred to New Breedon in exchange for the allotment or transfer to the relevant allottees of one New Breedon Share for every five Breedon Shares transferred, as if each such Breedon Share had been a Scheme Share (provided that any such fraction of a New Breedon Share shall be disregarded).

These changes are necessary because, in some cases, Breedon Shares may need to be allotted before the Scheme Record Time (for example, because of the exercise of rights granted by Breedon under Breedon Share Plans) but the timing of their allotment and issue could mean that they are not classified as Scheme Shares and are therefore outside the scope of the Scheme. In addition, Breedon Shares may be issued (again, for example, under Breedon Share Plans) after the Scheme Record Time, which would also put them outside the scope of the Scheme.

This amendment is proposed to be passed by way of the Special Resolution and is contained in the notice of the Scheme General Meeting in Part 8 of this Document. It will avoid any person other than New Breedon being left with Breedon Shares after dealings in Breedon Shares have ceased on AIM.

## **10. Dividends**

Payment by Breedon of its final dividend of 1.4 pence per Breedon Share on 5 May 2023 (which is subject to approval at the Annual General Meeting) will be unaffected by the Scheme. Similarly, the Scheme will not affect the declaration of future dividends and the New Breedon Shares will rank equally for dividends after Admission. Breedon Shareholders' present dividend instructions will be continued in relation to New Breedon after the Transfer Time, unless and until they amend or revoke such instructions.

## **11. Breedon Share Plans**

Details of the effect of the Scheme on outstanding options and awards granted under the Breedon Share Plans and the arrangements proposed to be implemented in relation to the Breedon Share Plans in connection with the Scheme are set out in paragraphs 8 and 9 of Part 5 of this Document.

The Scheme will apply to any Breedon Shares which are unconditionally allotted, issued or transferred to satisfy the exercise of options and/or the vesting of awards granted under the Breedon Share Plans before the Scheme Record Time.

Further, any Breedon Shares allotted, issued or transferred out of treasury to satisfy the exercise of options and/or the vesting of awards under the Breedon Share Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the proposed amendments to the Breedon Articles being approved at the Scheme General Meeting, be transferred to New Breedon in exchange for the issue or transfer to the relevant participants of one New Breedon Share for every five Breedon Shares transferred as if each such Breedon Share had been a Scheme Share (provided that any such fraction of a New Breedon Share shall be disregarded).

## 12. Description of the Scheme and the Meetings

### (a) The Scheme

The Transaction is to be implemented by means of a Jersey Court-sanctioned scheme of arrangement between Breedon and the Scheme Shareholders who are on the register of members at the Scheme Record Time, under Article 125 of the Jersey Companies Law. The procedure requires approval by Scheme Shareholders at the Jersey Court Meeting, approval by Breedon Shareholders at the Scheme General Meeting, and the sanction of the Scheme by the Court. The Scheme is set out in full in Part 3 (*The Scheme*) of this Document.

### (b) Meetings

#### *Jersey Court Meeting*

The Jersey Court Meeting has been convened with the permission of the Court for 2:15 p.m. on 26 April 2023 (or, if later, as soon as the Annual General Meeting has been concluded or adjourned) for Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the Jersey Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Jersey Court Meeting is a majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person or by proxy, representing not less than 75 per cent. of the voting rights of the Scheme Shares voted by such Scheme Shareholders.

You will find the Notice of the Jersey Court Meeting in Part 7 (*Notice of Jersey Court Meeting*) of this Document.

#### *Scheme General Meeting*

In addition, the Special Resolution must be passed at the Scheme General Meeting (which requires the approval of Breedon Shareholders present and voting representing at least two thirds of the votes cast at the Scheme General Meeting (either in person or by proxy)).

The reason for the Special Resolution is because, in some cases, Breedon Shares may need to be allotted (for example, because of the grant of rights granted by Breedon under the Breedon Share Plans) but the timing of their allotment mean that they are not classified as Scheme Shares and are therefore outside of the scope of the Scheme.

This amendment is intended to ensure that: (i) any Breedon Shares that are issued to any person other than New Breedon (or its nominee(s)) before the Scheme Record Time (but after the Voting Record Time) are allotted and issued subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and (ii) any Breedon Shares that are allotted and issued at or after the Scheme Record Time will be immediately transferred to New Breedon in exchange for the issue or transfer to the relevant allottees of one New Breedon Share for every five Breedon Shares transferred, as if each such Breedon Share had been a Scheme Share (provided that any fraction of a New Breedon Share shall be disregarded).

The Special Resolution will avoid any person other than New Breedon being left with Breedon Shares after dealings in Breedon Shares have ceased on AIM.

The Scheme General Meeting has been convened for 2:30 p.m. on 26 April 2023, or as soon after that time as the Jersey Court Meeting has concluded or been adjourned, for Breedon Shareholders to consider and, if thought fit, pass the Special Resolution. Notice of the Scheme General Meeting is set out in Part 8 of this Document respectively.

**It is important that, for the Jersey Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair representation of opinion of the Scheme Shareholders. You are therefore strongly advised to sign and return your Forms of Proxy or to appoint a proxy through CREST or appoint a proxy electronically for both the Jersey Court Meeting and the Scheme General Meeting as soon as possible. Doing so will not prevent you from attending, voting and speaking at the Meetings or any adjournment thereof, if you so wish and are so entitled.**



**(c) Entitlement to vote at the Meetings**

Each Scheme Shareholder who is entered in Breedon's register of members at the Voting Record Time will be entitled to attend and vote on all resolutions to be put to the Jersey Court Meeting and the Scheme General Meeting. If either Meeting is adjourned, only those Scheme Shareholders on the register of members at 6.30 p.m. on the day which is two days before the adjourned Meeting (excluding any non-working days) will be entitled to attend and vote. Each eligible Breedon Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of them. A proxy need not be a shareholder of Breedon but must attend the Meetings.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies electronically or using CREST or Proxymity shall not prevent a Breedon Shareholder from attending and voting in person at either Meeting or any adjournment thereof if such shareholder wishes and is entitled to do so. **Scheme Shareholders are strongly encouraged to appoint the Chair of the Jersey Court Meeting as their proxy rather than any other named person. This will ensure that your vote will be counted if you (or any other proxy you might otherwise appoint) are not able to attend the Jersey Court Meeting.**

Voting at the Meetings will be by poll and each Breedon Shareholder present in person or by proxy will be entitled to one vote for each Breedon Share held as at the Voting Record Time.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please contact the Shareholder Helpline.

Further information on the actions to be taken is set out in paragraphs 12 and 19 of this Part 1 (*Letter from the Chair of Breedon*) of this Document.

**(d) Sanction Hearing**

Under the Jersey Companies Law, the Scheme requires the sanction of the Court. The Sanction Hearing is currently expected to be held on 16 May 2023, subject to the prior satisfaction or waiver of the other Conditions set out in Part 2 (*The Conditions of the Scheme*) of this Document.

The Sanction Hearing is expected to be held at the Royal Court of Jersey, Royal Court Building, Royal Square, St Helier, Jersey JE1 1BA.

**Scheme Shareholders are entitled to attend and be heard at the Scheme Sanction Hearing to support or oppose the sanction of the Scheme, should they wish to do so, in person or be represented by Jersey counsel. Due to a specific requirement of the Court, Scheme Shareholders may also write to the Company's Jersey counsel, Carey Olsen Jersey LLP ("Carey Olsen"), 47 Esplanade, St Helier, Jersey JE1 0BD (for the attention of Guy Coltman) or email [guy.coltman@careyolsen.com](mailto:guy.coltman@careyolsen.com) at least 72 hours before the date of the Sanction Hearing setting out their objections to the Scheme.**

**In the event a Scheme Shareholder writes to Carey Olsen setting out their objections to the Scheme, they should be aware that Carey Olsen is not their appointed legal advisor and will not be advocating on any matter or interest on their behalf. Should Scheme Shareholders wish to object to the Scheme they are strongly advised to do so by instructing Jersey counsel in accordance with Court rules and procedure.**

In any event, should any Scheme Shareholder wish to support or oppose the Scheme at the Sanction Hearing, they are advised to seek appropriate legal advice before doing so.

Following sanction of the Scheme by the Court, the Scheme will become Effective upon a copy of the Court Order being delivered to the Jersey Registrar of Companies. This is presently expected to occur on 16 May 2023, subject to satisfaction (or, where applicable, waiver) of the Conditions.

Breedon will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Jersey Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the Scheme General Meeting.**

### **13. Conditions to the Scheme**

In summary, the implementation of the Scheme is conditional on the following having occurred:

- (a) the Scheme being approved by a majority in number representing not less than 75 per cent. of the voting rights of the Scheme Shareholders present and voting (in person or by proxy) at the Jersey Court Meeting at the Jersey Court Meeting (or at any adjournment of that meeting);
- (b) the Special Resolution (as set out in the notice convening the Scheme General Meeting in Part 8 (*Notice of Scheme General Meeting*) of this Document) having been duly passed at the Scheme General Meeting by a majority of not less than two-thirds of the votes cast;
- (c) the Scheme having been sanctioned by the Court at the Sanction Hearing and the Court Order having been delivered to the Jersey Registrar of Companies and registered by it;
- (d) the FCA having acknowledged to New Breedon that the application for the admission of the New Breedon Shares to listing on the premium listing segment of the Official List has been approved and the London Stock Exchange having acknowledged to New Breedon that the New Breedon Shares will be admitted to trading on the Main Market;
- (e) Breedon not having withdrawn the Scheme, which it shall be entitled to do at any time, and for any reason, prior to the point at which the Court issues the Court Order.

Further details in relation to the Conditions for the Scheme are set out in Part 2 (*Conditions to the implementation of the Scheme*).

### **14. Listing, dealing, share certificates and settlement**

#### *Listing and cancellation of admission to AIM*

The last day of dealings in Breedon Shares on AIM is expected to be on the Effective Date. The last time for registration of transfers of Breedon Shares is expected to be 6:00 p.m. on the Effective Date. The London Stock Exchange will be requested to cancel trading in the Scheme Shares on AIM with effect by 7.00 a.m. on 17 May 2023.

Applications will be made: (i) to the London Stock Exchange in respect of the cancellation of the admission to trading on AIM of the Breedon Shares; (ii) to the FCA in respect of the admission of the New Breedon Shares to listing on the premium listing segment of the Official List; and (iii) to the London Stock Exchange in respect of the admission of the New Breedon Shares to trading on the Main Market, subject in each case to the Scheme becoming Effective. It is expected that Admission will become effective and that dealings in New Breedon Shares will commence at 8.00 a.m. 17 May 2023.

These dates may be deferred if it is necessary to adjourn either or both of the Jersey Court Meeting and/or the Scheme General Meeting or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for the cancellation of the admission to trading on AIM of the Breedon Shares will be deferred so that such admission to trading will not be cancelled until immediately prior to Admission.

It is also proposed that, following the Transfer Time and after the Breedon Shares cease trading, Breedon will be re-registered as a private limited company under the relevant provisions of the Jersey Companies Law.

#### *Share certificates*

With effect from the Transfer Time, all share certificates representing the Scheme Shares will cease to be valid and binding in respect of such holdings and should be destroyed.

All documents, certificates or other communications sent by, to, from or on behalf of Scheme Shareholders, or as such persons shall direct, will be sent at the risk of the person(s) entitled thereto and may be sent by post.

#### *Settlement*

An application will be made for the New Breedon Shares to be admitted to CREST for settlement and transfer purposes. Euroclear requires New Breedon to confirm to it that certain conditions imposed by the CREST Regulations are satisfied before Euroclear will admit any security to CREST. It is expected

that these conditions will be satisfied in respect of the New Breedon Shares on Admission. As soon as practicable after satisfaction of the Conditions, New Breedon will confirm this to Euroclear. Share certificates for New Breedon Shares in certificated form are expected to be despatched within 10 Business Days of Admission.

Subject to the satisfaction of the Conditions referred to in Part 2 (*Conditions to the implementation of the Scheme*), the New Breedon Shares to which Scheme Shareholders are entitled under the Scheme (as the case may be) will:

- (a) to the extent the entitlement arises as a result of a holding of Breedon Shares in certificated form at the Scheme Record Time, be despatched in certificated form in the name of the relevant Scheme Shareholder by post, at the relevant Scheme Shareholder's risk, as soon as practicable but in any event by no later than 14 days after Admission; and
- (b) to the extent the entitlement arises as a result of a holding of Breedon Shares in uncertificated form at the Scheme Record Time, be credited to the appropriate CREST accounts (under the same participant and account ID that applied to the Breedon Shares), with corresponding entitlements to New Breedon Shares with effect from the Transfer Time.

Notwithstanding anything above or any other provision of this Document or any other document relating to the New Breedon Shares, Breedon and New Breedon reserve the right to deliver any New Breedon Shares applied for through CREST in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Registrars in connection with CREST. This right may also be exercised if the correct details in respect of bona fide market claims (such as the CREST member account ID and CREST participation ID details) are not provided as requested on any application form relating to the New Breedon Shares.

Scheme Shareholders who are CREST-sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this Document.

None of Breedon nor New Breedon, nor any of their nominees or respective agents will be responsible for any loss or delay in the transmission or settlement of New Breedon Shares and such New Breedon Shares will be sent at the risk of the person(s) entitled to them.

## **15. Overseas Shareholders**

The availability of the Scheme and the Transaction to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are resident. Overseas Shareholders should inform themselves of, and observe, any applicable requirements. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The New Breedon Shares to be issued to Scheme Shareholders in connection with the Scheme will not be, and are not required to be, registered with the SEC under the US Securities Act, in reliance upon the exemption from registration provided by Section 3(a)(10) of the US Securities Act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Breedon Shares issued pursuant to the Scheme, Breedon will advise the Court that it will rely on the Section 3(a)(10) exemption based on the Court's sanctioning of the Scheme, which Breedon will rely upon as an approval of the Scheme following a hearing on its fairness to Scheme Shareholders. Breedon has given notice to all Scheme Shareholders of such hearing pursuant to this Document, and all such Scheme Shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme.

The release, publication or distribution of this Document in jurisdictions other than the United Kingdom and Jersey may be restricted by the laws of those jurisdictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Scheme and the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person.

This Document and any accompanying documents have been prepared for the purposes of complying with Jersey law and the information disclosed may not be the same as that which would have been

disclosed if this Document had been prepared in accordance with the laws of jurisdictions in the United Kingdom or other jurisdictions.

If, in respect of any Overseas Shareholder, New Breedon is advised that the allotment and issue of New Breedon Shares would or might infringe the laws of any jurisdiction outside Jersey or the United Kingdom, or would or might require New Breedon to obtain any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Breedon, it would be unable to comply or which it regards as unduly onerous, the Scheme provides that New Breedon may determine either: (a) that the Scheme Shareholder's entitlement to New Breedon Shares pursuant to the Scheme shall be issued to such Scheme Shareholder and then sold on their behalf as soon as reasonably practicable at the best price which can be reasonably obtained at the time of sale, with the net proceeds of sale being remitted to the Scheme Shareholder; or (b) that the Scheme Shareholder's entitlement to New Breedon Shares shall be issued to a nominee for such Scheme Shareholder appointed by New Breedon and then sold, with the net proceeds being remitted to the Scheme Shareholder concerned. Any remittance of the net proceeds of sale referred to in this paragraph shall be at the risk of the relevant holder.

## 16. United Kingdom taxation

Your attention is drawn to Part 4 (*United Kingdom Taxation*) of this Document, which sets out a summary of certain UK tax consequences of the Transaction for UK tax resident Breedon Shareholders. This summary is intended as a general guide only to certain limited aspects of the UK tax consequences of the Transaction for UK-resident Breedon Shareholders who hold their Breedon Shares as an investment and not by reason of employment. This summary does not constitute legal or tax advice. If you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK or you are an individual who is not resident and domiciled solely in the UK, you should consult an appropriate independent professional tax adviser.

In particular, while transfers of Breedon Shares are currently generally exempt from UK stamp duty or SDRT, following completion of the Scheme any future transfers of New Breedon Shares will generally be subject to UK SDRT or stamp duty as further described in Part 4 (*United Kingdom Taxation*) of this Document.

Further, while the Breedon Shares traded solely on AIM may be deemed to be unlisted or unquoted for the purposes of certain areas of UK taxation, following Admission the New Breedon Shares will not be treated as unlisted or unquoted for such purposes. In particular, Scheme Shareholders should be aware that, following Admission, it is expected that the New Breedon Shares may not in practice qualify for business property relief from UK inheritance tax. Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications of the holding or disposing of the Scheme Shares or the New Breedon Shares.

## 17. Further information

Your attention is drawn to the conditions and full terms of the Scheme set out in Part 2 (*Conditions to the implementation of the Scheme*) and Part 3 (*The Scheme*) of this Document, the additional information set out in Part 5 (*Additional Information*) of this Document and the notices of the Meetings set out in Part 7 (*Notice of Jersey Court Meeting*) and Part 8 (*Notice of Scheme General Meeting*) of this Document respectively. **You should read the whole of this Document and the accompanying Forms of Proxy and not rely solely on the information contained in this letter.**

A copy of this Document will, subject to certain restrictions relating to Overseas Shareholders in Restricted Jurisdictions, be available for inspection on Breedon's website at [www.breedongroup.com/aim-to-main](http://www.breedongroup.com/aim-to-main). Copies of Breedon's audited consolidated financial statements and annual reports, the contents of which have previously been announced through a Regulatory Information Service, are published and can be accessed at Breedon's website at [www.breedongroup.com/investors](http://www.breedongroup.com/investors).

Copies of this Document and the Forms of Proxy will, subject to certain restrictions relating to Overseas Shareholders in Restricted Jurisdictions, be sent to each Breedon Shareholder in accordance with the provisions of the Articles. Hard copies of this Document and the Forms of Proxy will be sent by post to Breedon Shareholders, unless a Breedon Shareholder has previously elected to receive communications from Breedon electronically. Where a Breedon Shareholder has elected to receive communications electronically, that Breedon Shareholder will receive copies of the above-mentioned documents either (a) by email; or (b) by way of publication on Breedon's website at

www.breedongroup.com/aim-to-main and will receive notification of availability of such documents by way of post or, if that Breedon Shareholder has elected to do so, by email.

Save as expressly referred to herein, neither the content of Breedon's websites, nor the content of any website accessible from hyperlinks on Breedon's websites is incorporated into, or forms part of, this Document.

## **18. Prospectus**

The Prospectus, which will contain prescribed information relating to New Breedon, the Group and Admission is expected to be made available in electronic form on the Group's website (www.breedongroup.com/aim-to-main) on or around 11 May 2023 after it has been approved by and filed with the FCA in accordance with the Prospectus Regulation Rules.

A copy of the Prospectus may also be obtained from the date it is approved and filed until Admission, free of charge, by writing to the registered office of New Breedon at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP or by calling the Shareholder Helpline, further details of which are included on paragraph 3 of page 8 of this Document.

## **19. Actions to be taken**

Details of the approvals being sought at the Jersey Court Meeting and the Scheme General Meeting and the action to be taken by Breedon Shareholders in respect of the Transaction and the Scheme are set out in paragraph 12 and this paragraph 19.

### **(a) Sending Forms of Proxy by post or by hand**

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them either: (i) by post or (ii) during normal business hours only, by hand to Breedon's Registrars at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL, so as to be received as soon as possible and, in any event, not later than:

- BLUE Forms of Proxy for the Jersey Court Meeting 2:15 p.m. on 24 April 2023
- WHITE Forms of Proxy for the Scheme General Meeting 2:30 p.m. on 24 April 2023

or, in the case of adjournment(s), not later than 48 hours before the time and date set for the adjourned meeting(s) (excluding any part of such 48-hour period falling on a non-working day).

If the BLUE Form of Proxy for the Jersey Court Meeting is not received by the above time, it may be handed to a representative of Breedon's Registrars, on behalf of the Chair of the Jersey Court Meeting, or to the Chair of the Jersey Court Meeting before the start of the Jersey Court Meeting and it will be valid. However, in the case of the Scheme General Meeting, the WHITE Form of Proxy must be received by the time mentioned above, or it will be invalid.

Breedon Shareholders are entitled to appoint a proxy in respect of some or all of their Breedon Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Breedon Shareholders who wish to appoint more than one proxy in respect of their holding of Breedon Shares should contact Breedon's Registrars for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at either the Jersey Court Meeting or the Scheme General Meeting, or any adjournment thereof, if you wish and are entitled to do so.

### **(b) Electronic appointment of proxies through CREST**

If you hold Breedon Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part 7 (*Notice of Jersey Court Meeting*) and Part 8 (*Notice of Scheme General Meeting*) of this Document respectively).

Proxies submitted via CREST (under CREST participant ID RA10) must be received by Breedon's Registrars by no later than 2:15 p.m. on 24 April 2023 in the case of the Jersey Court Meeting and by no later than 2:30 p.m. on 24 April 2023 in the case of the Scheme General Meeting (or, in the case of an adjournment meeting, not less than 48 hours (excluding any part of such 48-hour period falling on a non-working day) prior to the time and date set for the adjourned meeting).

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 the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy), must, in order to be valid, be transmitted so as to be received by Breedon's Registrars (under CREST participant ID RA10) not less than 48 hours before the time fixed for the Jersey Court Meeting or Scheme General Meeting (or adjourned meeting), as applicable (in each case, excluding any non-working day). 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 Applications Host) from which Breedon's Registrars 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.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 any voting service provider(s), to procure that their 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Breedon may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Jersey Regulations.

In the case of the Jersey Court Meeting only, if you have not appointed a proxy using the CREST proxy voting service by such time you may complete the BLUE Form of Proxy and hand it to a representative of Breedon's Registrars on behalf of the Chair of the Jersey Court Meeting, or to the Chair of the Jersey Court Meeting before the start of the Jersey Court Meeting and it will be valid. In the case of the Scheme General Meeting only, if the proxy appointment is not received by the time mentioned above, it will be invalid.

### **(c) Online appointment of proxies**

As an alternative to completing and returning the printed Forms of Proxy or appointing a proxy through CREST, Breedon Shareholders entitled to attend and vote at the Meetings may appoint a proxy electronically by logging on to <https://www.breedonshares.com/> or registering if they have not previously done so. To register, Breedon Shareholders will need their Investor Code (IVC) which is printed on the Forms of Proxy, on their share certificate or is available from Breedon's Registrars. Alternatively, Breedon Shareholders may appoint a proxy via the Link Group shareholder app, LinkVote+, which is free to download and use, and is available to download on the Apple App Store and Google Play.

For an electronic proxy appointment to be valid, the appointment must be received by Breedon's Registrars no later than 2:15 p.m. on 24 April 2023 for the Jersey Court Meeting and 2:30 p.m. on 24 April 2023 for the Scheme General Meeting (or, in the case of adjournment(s), not later than 48 hours before the time fixed for the adjourned Meeting(s) (excluding any part of such 48-hour period falling on a non-working day)). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

In the case of the Jersey Court Meeting only, if you have not appointed a proxy electronically or online by such time you may complete the BLUE Form of Proxy and hand it to a representative of Breedon's Registrars, on behalf of the Chair of the Jersey Court Meeting, or to the Chair of the Jersey Court Meeting before the start of the Jersey Court Meeting and it will be valid. In the case of the Scheme

General Meeting only, if the electronic or online proxy appointment is not received by the time mentioned above, it will be invalid.

**(d) Proximity Voting**

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by Breedon and approved by Breedon's Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). Your proxy must be lodged by no later than 2:15 p.m. on 24 April 2023 for the Jersey Court Meeting and 2:30 p.m. for the Scheme General Meeting in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting (excluding any part of such 48-hour period falling on a non-working day). Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

**20. Recommendation**

**The Breedon Directors consider the Transaction to be in the best interests of the Breedon Shareholders taken as a whole. Accordingly, the Breedon Directors unanimously recommend that Scheme Shareholders vote or procure votes in favour of the Scheme at the Jersey Court Meeting, and that Breedon Shareholders vote or procure votes in favour of the Special Resolution at the Scheme General Meeting, as they intend to do in respect of their own holdings.**

Yours faithfully,

**Amit Bhatia**  
*Chair*  
Breedon Group plc

## PART 2

### CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME

The implementation of the Scheme is conditional on the following having occurred:

- (a) the Scheme being approved by a majority in number, representing not less than 75 per cent. of the voting rights of the Scheme Shareholders present and voting (in person or by proxy) at the Jersey Court Meeting (or at any adjournment of that meeting);
- (b) the Special Resolution (as set out in the notice convening the Scheme General Meeting in Part 8 (*Notice of Scheme General Meeting*) of this Document) having been duly passed at the Scheme General Meeting by a majority of not less than two-thirds of the votes cast;
- (c) the Scheme having been sanctioned by the Court at the Sanction Hearing and the Court Order having been delivered to the Jersey Registrar of Companies and registered by it; and
- (d) Breedon not having withdrawn the Scheme, which it shall be entitled to do at any time, and for any reason, prior to the point at which the Court issues the Court Order.

In addition, the Scheme shall be conditional upon, at the relevant time, the following Conditions have been satisfied:

- (a) the FCA having acknowledged to New Breedon or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Breedon Shares to listing on the premium listing segment of the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("**listing conditions**")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions have been satisfied; and
- (b) the London Stock Exchange having acknowledged to New Breedon or its agent (and such acknowledgement not having been withdrawn) that the New Breedon Shares will be admitted to trading on the Main Market.

Breedon shall be under no obligation to determine to be or remain satisfied or treat as fulfilled any of the Conditions at any time prior to the Long Stop Date, notwithstanding that the other Conditions (or any of them) may at an earlier date have been satisfied or fulfilled and that there are, at such earlier date, no circumstances indicating that any such Condition may not be capable of satisfaction or fulfilment.

The Scheme contains a provision for Breedon and New Breedon to consent, on behalf of all persons concerned, to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders unless such Scheme Shareholders were informed of such modification, addition or condition and given the opportunity to contest such revisions if they so wished. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

The Scheme will be governed by Jersey law and be subject to the jurisdiction of the Court, to the Conditions set out above and in the BLUE Form of Proxy.



**PART 3**  
**THE SCHEME**

**File No. 2023/048**

**IN THE ROYAL COURT OF JERSEY**  
**IN THE MATTER OF BREEDON GROUP PLC**  
**-and-**  
**IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991, AS AMENDED**

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**SCHEME OF ARRANGEMENT**  
**(under Article 125 of the Companies (Jersey) Law 1991, as amended)**

**BETWEEN**  
**BREEDON GROUP PLC**  
**AND**  
**THE HOLDERS OF SCHEME SHARES**  
**(as hereinafter defined)**

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**Preliminary**

(A) In this scheme of arrangement, references to Clauses are references to clauses of this scheme of arrangement and the following expressions shall, unless inconsistent with the subject or context, bear the following meanings:

<b>"Admission"</b> . . . . .	admission of the New Breedon Shares to listing on the premium listing segment of the Official List and to trading on the Main Market;
<b>"Breedon"</b> . . . . .	Breedon Group plc, a public limited company registered incorporated in Jersey with company number 98465 registered at 28 Esplanade St Helier Jersey JE2 3QA;
<b>"Breedon Shareholders"</b> . . . . .	holders of Breedon Shares;
<b>"Breedon Shares"</b> . . . . .	the ordinary shares of no par value in the share capital of Breedon from time to time;
<b>"Business Day"</b> . . . . .	a day, not being a public holiday, Saturday or Sunday, on which banks are generally open for normal banking business in London and Jersey;
<b>"Certificated" or in "Certificated form"</b> . . . . .	in relation to a share, or other security, a share or other security which is not in uncertificated form;
<b>"Court"</b> . . . . .	the Royal Court of Jersey Samedi Division;
<b>"Court Order"</b> . . . . .	the Act of Court sanctioning the Scheme under Article 125 of Jersey Companies Law;
<b>"CREST"</b> . . . . .	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) in

	accordance with which securities may be held and transferred in uncertificated form;
<b>“CREST Regulations”</b> . . . . .	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), as amended from time to time;
<b>“Effective”</b> . . . . .	the Scheme having become effective pursuant to its terms;
<b>“Effective Date”</b> . . . . .	the date on which the Transaction becomes Effective;
<b>“Euroclear”</b> . . . . .	Euroclear UK & International Limited, the operator of CREST;
<b>“Excluded Shares”</b> . . . . .	Breedon Shares at the Scheme Record Time which (if any) are held in treasury by Breedon;
<b>“Group”</b> . . . . .	before the Transfer Time, Breedon and its subsidiaries and subsidiary undertakings and, after the Transfer Time, New Breedon and its subsidiaries and subsidiary undertakings;
<b>“holder”</b> . . . . .	a registered holder, including any person entitled by transmission;
<b>“Jersey Companies Law”</b> . . . . .	the Companies (Jersey) Law 1991, as amended;
<b>“Jersey Court Meeting”</b> . . . . .	the meeting of Scheme Shareholders to be convened by order of the Court pursuant to Article 125 of the Jersey Companies Law for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), notice of which is set out in Part 7 (Notice of Jersey Court Meeting) of the Scheme Document, and including any adjournment, postponement or reconvening thereof;
<b>“Jersey Registrar of Companies”</b> . . . . .	the Registrar of Companies for Jersey;
<b>“Main Market”</b> . . . . .	the main market for trading in listed securities operated by the London Stock Exchange;
<b>“Meetings”</b> . . . . .	the Jersey Court Meeting and/or the Scheme General Meeting, as the case may be;
<b>“members”</b> . . . . .	members of Breedon on the register of members at any relevant date;
<b>“New Breedon”</b> . . . . .	Breedon Group plc a company registered in England on 17 March 2023 under company number 14739556 and registered at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP;
<b>“New Breedon Shareholder”</b> . . . . .	a holder of New Breedon Shares from time to time;
<b>“New Breedon Shares”</b> . . . . .	all ordinary shares of £1.40 issued by New Breedon to the Scheme Shareholders in consideration for the Scheme Shares (but exclusive of the Subscription Shares) and a <b>“New Breedon Share”</b> shall mean any of them;
<b>“Official List”</b> . . . . .	the official list of the FCA;

<b>“Overseas Shareholders”</b> . . . . .	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or Jersey;
<b>“Sanction Hearing”</b> . . . . .	the Sanction Hearing (and any adjournment thereof) to sanction the Scheme pursuant to Article 125 of the Jersey Companies Law;
<b>“Scheme”</b> . . . . .	this scheme of arrangement under Article 125 of the Jersey Companies Law between Breedon and Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Breedon to implement the Transaction;
<b>“Scheme Document” or “Document”</b>	the document dated 29 March 2023 addressed to Breedon Shareholders containing this Scheme and an explanatory statement in compliance with Article 126 of the Jersey Companies Law;
<b>“Scheme General Meeting”</b> . . . . .	the general meeting of Breedon Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Special Resolution (with or without amendment), which is expected to be held as soon as the preceding Jersey Court Meeting shall have concluded or been adjourned and notice of which is set out in Part 8 (Notice of Scheme General Meeting) of the Scheme Document, and including any adjournment, postponement or reconvening thereof;
<b>“Scheme Record Time”</b> . . . . .	6.00 p.m. on the Effective Date or such later time as: (i) Breedon may determine in accordance with Clause 6(c) of the Scheme; or (ii) as Breedon may propose and the Court may agree;
<b>“Scheme Shareholder”</b> . . . . .	holders of Scheme Shares from time to time;
<b>“Scheme Shares”</b> . . . . .	all Breedon Shares: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> <p>which remain in issue at the Scheme Record Time but excluding, in each case, any Excluded Shares;</p>
<b>“Subscription Shares”</b> . . . . .	the 14,286 fully paid subscription shares of £3.50 nominal value each;
<b>“Transaction”</b> . . . . .	the recommended proposals for the introduction of New Breedon as a new holding company of the Group by means of the Scheme and, where the context requires, any subsequent revision, variation, extension or renewal thereof and of a Jersey Court

	Meeting and Scheme General Meeting and all resolutions contained therein;
<b>"Transfer Time"</b> . . . . .	the time that the Scheme Shares are transferred to New Breedon and/or its nominee(s) in accordance with Clauses 1(a) and 1(b) of this Scheme;
<b>"UK" or United Kingdom"</b> . . . . .	United Kingdom of Great Britain and Northern Ireland;
<b>"Uncertificated" or "in Uncertificated form"</b> . . . . .	in relation to a share or other security, a share or other security, title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST; and
<b>"Voting Record Time"</b> . . . . .	6.30 p.m. on the day which is two days (excluding non-working days) before the date of the Jersey Court Meeting and the Scheme General Meeting or, if the Jersey Court Meeting and/or the Scheme General Meeting is adjourned, 6.30 p.m. on the day which is two days (excluding non-working days) before the date of such adjourned Meeting.

- (B) The authorised share capital of Breedon as at the date of this Scheme is divided into 1,694,399,580 Breedon Shares of no par value, of which all are in issue.
- (C) New Breedon was incorporated and registered in England on 17 March 2023 under company number 14739556 and registered at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP.
- (D) New Breedon has agreed to appear by an Advocate at the Sanction Hearing to sanction this Scheme and to undertake to the Court to be bound by this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

**The Scheme**

**1. Transfer of the Scheme Shares**

- (a) The Scheme Shares shall be transferred to New Breedon and/or its nominee(s) credited as fully paid-up, free from all liens, equities, charges, encumbrances and other interests, and together with all rights at the Effective Date or thereafter attached thereto, including the right to receive and retain all dividends and other distributions (if any) announced, declared, made or paid in respect of the Scheme Shares. The transfer of Scheme Shares shall take place upon and with effect from the Effective Date at a time determined by Breedon unless Breedon, acting reasonably, otherwise determines that such transfer should take place on a day after the Effective Date in order to allow for Admission to take place in an orderly manner provided always that such transfer will be effected no later than 10 Business Days after the Effective Date.
- (b) For such purposes and to give effect to such transfer to New Breedon and/or its nominee(s), any person may be appointed by New Breedon and/or its nominee(s) to execute any form or forms of transfer of any Scheme Shares and every instrument or instruction of transfer so executed or instruction given shall be effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred.
- (c) Until the register of members of Breedon is updated to reflect the transfer of the Scheme Shares pursuant to Clauses 1(a) and 1(b) above and with effect from the Effective Date, each Scheme Shareholder irrevocably appoints New Breedon (or its nominee(s)) as his or her or its attorney and agent to exercise any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares including the right to requisition the convening of a

general meeting of Breedon or of any class of its shareholders, to sign on behalf of such Scheme Shareholder such documents, and do such things, as may in the opinion of New Breedon and/or its nominee(s) and/or each of their respective agents and directors (in each case, acting reasonably) be necessary or desirable in connection with the exercise of any voting rights and any or all rights and privileges attaching to such Scheme Shares (including, without limitation, any consent to short notice of a general or separate class meeting or form(s) of proxy in respect of such Scheme Shares appointing any person nominated by New Breedon and/or its nominee(s) to attend general and separate class meetings of Breedon) and authorises Breedon and/or its agents to send to New Breedon and/or its nominee(s) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of Breedon (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form). Upon and with effect from the Effective Date, each Scheme Shareholder agrees not to exercise any votes or any other rights attaching to the relevant Scheme Shares without the consent of New Breedon, and irrevocably undertakes not to appoint a proxy or representative for or to attend any general meeting or separate class meeting of Breedon.

- (d) Breedon shall register, or procure the registration of, any transfer(s) of Scheme Shares effected in accordance with Clauses 1(a) and 1(b) of this Scheme.

## **2. New Breedon Shares**

- (a) In consideration of the transfer of the Scheme Shares to New Breedon and/or its nominee(s) pursuant to Clause 1, New Breedon shall (subject to, and in accordance with, the remaining provisions in this Scheme) allot and issue (credited as fully paid) New Breedon Shares to the Scheme Shareholders (as appearing in the register of members of Breedon at the Scheme Record Time) on the following basis (rounding down as New Breedon may determine):

**one New Breedon Share for every five Scheme Shares held at the Scheme Record Time.**

- (b) The provisions of Clause 2(a) shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholder, New Breedon is advised that the allotment and issue of New Breedon Shares pursuant to this Clause would or might infringe the laws of any jurisdiction outside Jersey or the United Kingdom or would or might require New Breedon to obtain any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Breedon, it would be unable to comply or which it regards as unduly onerous, then New Breedon may in its sole discretion determine that:

- (i) New Breedon Shares shall not be allotted and issued to such Overseas Shareholder under this Clause, but shall instead be allotted to a nominee appointed by New Breedon, as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Transfer Time, be sold on behalf of such Overseas Shareholder at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3(c). None of Breedon, New Breedon, any nominee referred to in this Clause 2(b)(i) or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale; or
- (ii) such New Breedon Shares shall be sold, in which event the New Breedon Shares shall be issued to such Overseas Shareholder and New Breedon shall appoint a person to act pursuant to this Clause 2(b)(ii) and such person shall be authorised on behalf of such Overseas Shareholder to procure that any shares in respect of which New Breedon has made such a determination shall, as soon as practicable following the Transfer Time, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3(c). To give effect to any such sale, the person so appointed shall be authorised as agent on behalf of such holder to execute and deliver a form of

transfer and to give instructions and do all such things which he or she or it may consider necessary or expedient in connection with such sale. None of Breedon, New Breedon, any appointee referred to in this Clause 2(b)(ii) or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale.

- (c) The rounding down of a Scheme Shareholder's entitlement of fractional New Breedon Shares as provided by Clause 2(a) above shall be made without consideration or payment.

### **3. Certificates and payment**

- (a) Promptly following the Transfer Time, New Breedon shall allot and issue all the New Breedon Shares which it is required to allot and issue to give effect to this Scheme pursuant to Clause 2(a) and not later than 10 Business Days after the Transfer Time, New Breedon shall send by post to the allottees of the New Breedon Shares certificates in respect of such shares, save that where Scheme Shares are held in Uncertificated form, New Breedon shall procure that Euroclear is instructed to cancel the entitlement to Scheme Shares of each of the Scheme Shareholders concerned and to credit to the appropriate stock accounts in CREST of the Scheme Shareholder concerned such shareholder's entitlement to New Breedon Shares.
- (b) Not later than 10 Business Days after the Transfer Time, Breedon shall arrange for the delivery to New Breedon of certificates in respect of its holding of Breedon Shares.
- (c) Not later than 10 Business Days following the sale of any relevant New Breedon Shares pursuant to Clause 2(b), New Breedon shall procure that the nominee or appointee, as the case may be, shall account for the cash payable by dispatching to the persons respectively entitled thereto, cheques or warrants by post or by any direct, bank or other funds transfer or, in the case of an Uncertificated share, by the relevant system. None of Breedon, New Breedon, any nominee referred to in this Scheme or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any sale of New Breedon Shares.
- (d) All certificates required to be sent by New Breedon pursuant to Clause 3(a) and all cheques or warrants required to be sent pursuant to Clause 3(c) shall be sent by post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Breedon at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Breedon prior to the Scheme Record Time.
- (e) None of Breedon, New Breedon or such person appointed to act under Clause 2(b)(ii) or any nominee referred to in Clause 2(b)(i) or any agent of any of them shall be responsible for any loss or delay in transmission of certificates or cheques sent in accordance with this Clause.
- (f) Clauses 3(a) to 3(e) shall take effect subject to any prohibition or condition imposed by law.
- (g) All cheques shall be made payable to the Scheme Shareholder or, in the case of joint holders, to all such holders of the Scheme Shares concerned in sterling drawn on a UK clearing bank and the encashment of any such cheque shall be a complete discharge of New Breedon for the moneys represented thereby. The transfer of funds by the bank instructed to make such transfer or through the relevant system shall be a complete discharge of New Breedon for the moneys represented thereby.

### **4. Certificates representing Scheme Shares**

- (a) With effect from and including the Transfer Time, all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of Breedon to deliver such certificates for cancellation to Breedon or to any person appointed by Breedon to receive the same.
- (b) With effect from and including the Transfer Time, Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in Uncertificated form.

As regards Certificated Scheme Shares, appropriate entries will be made in Breedon's register of members with effect from the Transfer Time to reflect the transfer of the Scheme Shares.

## **5. Mandates**

Each mandate in force and duly notified to Breedon at the Scheme Record Time relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications from Breedon shall, unless and until varied or revoked, be deemed, from and including the Transfer Time, to be a valid and effective mandate or instruction to New Breedon in relation to the corresponding New Breedon Shares to be allotted and issued pursuant to this Scheme.

## **6. Effective Date and Scheme Record Time**

- (a) The Scheme shall become Effective as soon as the Court Order shall have been duly delivered to the Jersey Registrar of Companies for registration.
- (b) Unless the Scheme shall have become Effective on or before midnight on 30 June 2023 or such later date, if any, as Breedon and New Breedon may agree and the Court may allow, it shall lapse.
- (c) The Scheme Record Time shall be fixed at 6:00 p.m. on the Effective Date unless Breedon, acting reasonably but without prejudice to the jurisdiction of the Court, otherwise determines that the Scheme Record Time should be fixed from the same time but at a later date in order to provide an orderly Admission.

## **7. Modification**

Breedon and New Breedon may jointly consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition which the Court may think fit to approve or impose.

## **8. Costs**

Breedon is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

## **9. Governing law**

This Scheme and all rights and obligations arising from it are governed by Jersey law. Any dispute of any kind whatsoever arising directly or indirectly as a result of or in connection with this Scheme initiated by Breedon, New Breedon, any present or future shareholder of New Breedon, or any director of Breedon or New Breedon, irrespective of the causes of action, including whether based on contract or tort, shall be exclusively submitted to the courts of Jersey.

Dated 29 March 2023

**Carey Olsen Jersey LLP**  
**47 Esplanade**  
**St Helier**  
**Jersey**  
**JE1 0BD**

**PART 4**  
**UNITED KINGDOM TAXATION**

The following paragraphs of this summary, which are intended as a general guide only, are based on current UK tax legislation and HMRC's published practice (both of which are subject to change, possibly with retrospective effect), and summarise certain limited aspects of the UK tax treatment of the Transaction for UK tax resident Scheme Shareholders.

This summary relates only to the position of Scheme Shareholders: (i) who are the absolute beneficial owners of their Scheme Shares and any dividends paid in respect of those Scheme Shares; (ii) who hold their Scheme Shares as an investment (other than where the Scheme Shares are employment-related securities for UK tax purposes or where a tax exemption applies, for example where the Scheme Shares are held in an individual savings account or pension agreement) and not as securities to be realised in the course of a trade; (iii) who are resident solely in the UK for tax purposes or, in the case of individuals, resident and domiciled solely in the UK for tax purposes; and (iv) in the case of individuals, who are not Scottish or Welsh taxpayers and to whom split-year treatment does not apply.

The tax position of certain categories of Scheme Shareholders who are subject to special rules is not considered by this summary and it should be noted that those Scheme Shareholders may incur liabilities to UK tax on a different basis to that described below. The categories of Scheme Shareholders that are not considered includes but is not limited to persons who are: (i) brokers, dealers, intermediaries, insurance companies, collective investment schemes, trustees of certain trusts and persons connected with clearance services or depository receipt systems; (ii) subject to specific tax regimes or benefit from specific reliefs or exemptions (including pension schemes); (iii) are treated as holding their Scheme Shares as carried interest; (iv) Scheme Shareholders who hold Scheme Shares as part of hedging or commercial transactions; (v) Scheme Shareholders who hold Scheme Shares in connection with a trade, profession or vocation carried out in the UK (whether through a branch or agency or otherwise); (vi) Scheme Shareholders who are connected with the Group or who have acquired their Scheme Shares other than for bona fide commercial reasons; and (vii) Breedon Shareholders who acquire or acquired their Breedon Shares through Breedon Share Plans, under other share incentive arrangements or by (or deemed to be by) virtue of an office or employment. Nothing in these paragraphs should be taken as providing personal tax advice.

In particular, the following paragraphs do not generally refer to UK inheritance tax considerations. Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications of the holding or disposing of the Scheme Shares or the New Breedon Shares.

**THIS SUMMARY DOES NOT CONSTITUTE TAX OR LEGAL ADVICE. IF YOU ARE IN ANY DOUBT AS TO YOUR TAXATION POSITION, OR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UK OR YOU ARE AN INDIVIDUAL WHO IS NOT RESIDENT AND DOMICILED SOLELY IN THE UK, YOU SHOULD CONSULT AN APPROPRIATE PROFESSIONAL ADVISER IMMEDIATELY.**

**1. UK DIRECT TAX CONSEQUENCES OF THE SCHEME FOR SCHEME SHAREHOLDERS**

**1.1 UK tax on chargeable gains**

- (a) For the purposes of UK taxation of chargeable gains, the transfer of the Scheme Shares to New Breedon and the issuance of the New Breedon Shares to Scheme Shareholders pursuant to the Scheme should be treated as a reorganisation. A Scheme Shareholder who does not hold (either alone or together with a connected person(s)) more than 5% of, or of any class of, the shares in or debentures of Breedon should not be treated as having made a disposal of such Scheme Shareholder's Scheme Shares. Instead, the New Breedon Shares issued to the Scheme Shareholder pursuant to the Scheme should be treated as the same asset as, and as having been acquired at the same time and for the same consideration as, their old Scheme Shares. Each Scheme Shareholder will receive one New Breedon Share for every five Scheme Shares held at the Scheme Record Time (provided that any such fraction of a New Breedon Share shall be disregarded), but the total New Breedon Shares (taken together in aggregate) that a Scheme Shareholder holds immediately after completion of the Scheme should have the same base cost in aggregate as the total Scheme Shares (taken together in aggregate) that were held by such Scheme Shareholder immediately prior to the completion of the Scheme.



- (b) A Scheme Shareholder who holds (either alone or together with connected person(s)) more than 5% of, or of any class of, the shares in or debentures of Breedon should be eligible for the tax treatment described above in the preceding paragraph only if the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of a liability to capital gains tax or corporation tax. If these conditions are not met then such a Scheme Shareholder would be treated as having disposed of their Scheme Shares, which may, depending on individual circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains. An application for advance clearance has been made to HMRC pursuant to section 138 of the TCGA 1992 to request confirmation that HMRC are satisfied that the relevant conditions will be met. This confirmation has now been obtained from HMRC.

## **1.2 Anti-avoidance: Transactions in securities**

The attention of Scheme Shareholders (whether corporate or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”. These provisions apply only in certain circumstances and, in particular, do not apply where it can be shown that the transaction in question was entered into for genuine commercial reasons and did not involve as one of its main objects the obtaining of an income tax or corporation tax advantage. An application for advance clearance has been made to HMRC pursuant to section 701 of the Income Tax Act 2007 and section 748 of Corporation Tax Act 2010 to request confirmation that HMRC are satisfied that these transactions in securities provisions should not apply in respect of the Scheme. This confirmation has now been obtained from HMRC.

## **2. UK TAX ON CHARGEABLE GAINS ON DISPOSALS OF NEW BREEDON SHARES**

### **2.1 Individual Scheme Shareholders**

Individual holders of New Breedon Shares who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal of the New Breedon Shares (subject to any available exemption or relief).

Individuals generally compute their gains by deducting from the sale proceeds the base cost in respect of their New Breedon Shares (which is discussed further in paragraph 1.1(a) above) together with any other allowable expenditure. The resulting gains will be taxable at the capital gains tax rate applicable to the individual (currently 10 per cent. for basic rate taxpayers and 20 per cent. for those whose total income and chargeable gains are above the higher rate threshold), and may be reduced by capital losses brought forward from previous tax years or losses generated in the tax year of disposal, and by annual exemptions. The annual exemption from capital gains tax for UK resident individuals is £12,300 for the 2022/23 tax year, but it is reducing to £6,000 for the 2023/24 tax year and will be reducing to £3,000 for the 2024/25 tax year onwards.

### **2.2 Corporate Scheme Shareholders**

UK resident holders of New Breedon Shares within the charge to corporation tax are taxed on the chargeable gains made, generally computed by deducting from the sales proceeds the chargeable gains base cost in respect of their New Breedon Shares (which is discussed further in paragraph 1.1(a) above) together with any other allowable expenditure.

Prior to 1 April 2023 the corporation tax rate is 19%. The main rate of UK corporation tax increases to 25 per cent. from 1 April 2023. A small profits rate is also being introduced from 1 April 2023 for some companies with profits of £50,000 or less so that they continue to pay corporation tax at 19 per cent. on those profits. Companies with profits between £50,000 and £250,000 will pay corporation tax at the main rate of 25 per cent. reduced by a marginal relief. The £50,000 and £250,000 limits will be shared between associated companies.

### **3. UK TAXATION OF DIVIDENDS**

**3.1** Under UK tax legislation, New Breedon is not required to withhold tax at source from any dividend payments it makes to holders of New Breedon Shares.

#### **3.2 Individual Scheme Shareholders**

For individual holders of New Breedon Shares who are resident in the UK, for the 2023/24 tax year, the first £1,000 of dividend distributions (taking into account dividends received from New Breedon and any other dividend income received by the holder) received in each tax year are free of income tax (the “annual dividend allowance”). The annual dividend allowance is reducing to £500 for the 2024/25 tax year onwards.

Where an individual’s dividend income from all sources exceeds the annual dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the holder’s highest rate of tax. The dividend tax rates for the 2023/24 tax year are 8.75 per cent. for basic rate taxpayers, 33.75 per cent. for higher rate taxpayers and 39.35 per cent. for additional rate taxpayers. Dividends received within a holder’s dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it. For these purposes “dividend income” includes without limitation UK and non-UK source dividends and certain other distributions in respect of shares.

#### **3.3 Corporate Scheme Shareholders**

UK resident holders of New Breedon Shares within the charge to corporation tax will be subject to UK corporation tax (main rate of 25 per cent. from 1 April 2023 onwards, as discussed above in paragraph 2.2) on receipt of dividends unless such dividends can be treated as an exempt distribution. This is dependent upon the satisfaction of certain conditions set out in Part 9A of the Corporation Tax Act 2009. Whilst it is expected that dividends paid by the New Breedon should generally satisfy such conditions, the exemptions in Part 9A of the Corporation Tax Act 2009 are not comprehensive and are subject to anti-avoidance rules meaning that there is no guarantee that this will always be the case, and it will be necessary for holders of New Breedon Shares to consider the application of such conditions in respect of every dividend received and in the context of their own circumstances.

### **4. STAMP DUTY AND STAMP DUTY RESERVE TAX (“SDRT”)**

**4.1** The statements below are intended as a general guide to the current UK stamp duty and SDRT position and apply regardless of whether or not the purchaser is resident in the UK for tax purposes. Certain categories of person, including market makers, brokers and dealers may not be liable to stamp duty or SDRT and others (including persons connected with depositary arrangements and clearance services), may be liable at a higher rate of 1.5 per cent. or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

**4.2** The transfer of Scheme Shares pursuant to the Scheme should not give rise to any liability to UK stamp duty or SDRT, based on the following assumptions:

(a) the Scheme Shares are admitted to trading on AIM at the Transfer Time, and are not listed on any other market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear (in the case of uncertificated Scheme Shares) or on the relevant stock transfer form (in the case of certificated Scheme Shares); and

(b) AIM continues to be accepted as a “recognised growth market” (as construed in accordance with section 99A of the Finance Act 1986) at the Transfer Time.

**4.3** Neither UK stamp duty nor SDRT should arise on the issue of New Breedon Shares pursuant to the Scheme.

**4.4** Any future conveyance or transfer on sale of New Breedon Shares effected by an instrument of transfer will usually be subject to stamp duty, at the rate of 0.5% (rounded up to the nearest multiple of £5) of the amount or value of the consideration payable. Stamp duty is normally paid by the purchaser. There is an exemption where the consideration for a transfer is £1,000 or less

and that transfer does not form part of a larger transaction or series of transactions where the combined consideration exceeds £1,000 and this is certified on the instrument of transfer. A charge to SDRT at the rate of 0.5% of the amount or value of the consideration paid in money or money's worth will also arise in relation to any future unconditional agreement to transfer the New Breedon Shares. However, if within six years of the date of the agreement (or, if the agreement was conditional, the date on which the agreement became unconditional) an instrument of transfer is executed pursuant to the agreement and is duly stamped (unless it is exempt), the stamping of the instrument of transfer will normally cancel the SDRT liability and, provided a claim for repayment is made, any SDRT already paid should be refunded.

- 4.5** Paperless transfers of New Breedon Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5% of the amount or value of the consideration paid in money or money's worth. In the case of transfers in CREST, SDRT will normally be collected by Euroclear through CREST in accordance with the CREST rules and Euroclear will normally account for the SDRT to HMRC. Deposits of shares into CREST will generally not be subject to SDRT, unless the transfer into CREST is itself for consideration.
- 4.6** In cases where New Breedon Shares are transferred to a connected company (or its nominee) of the person making the transfer, stamp duty or SDRT may be chargeable on the higher of (i) the amount or value of the consideration and (ii) the market value of the New Breedon Shares.

## **5. OTHER UK TAX CONSEQUENCES OF THE SCHEME**

While the Breedon Shares currently traded solely on AIM may be deemed to be unlisted or unquoted for the purposes of certain areas of UK taxation, following the Admission the New Breedon Shares will not be treated as unlisted or unquoted for such purposes. In particular, Shareholders should be aware that following Admission it is expected that the New Breedon Shares may not in practice qualify for business property relief from UK inheritance tax. Scheme Shareholders should consult their own professional advisers in relation to any potential UK inheritance tax implications of holding or disposing of the Scheme Shares or the New Breedon Shares.

**PART 5**  
**ADDITIONAL INFORMATION**

**1. Information on Breedon**

- (a) Breedon is a public limited company incorporated in Jersey and operating under the Jersey Companies Law. Breedon's registered office is 28 Esplanade, St Helier, Jersey, JE2 3QA.
- (b) As at the Latest Practicable Date, the issued share capital of Breedon was as follows:

<u>Issued Share Capital</u>	<u>Number</u>
Breedon Shares of no par value . . . . .	1,694,399,580
Treasury shares . . . . .	nil

**2. Information on New Breedon**

**(a) Incorporation and registered office**

New Breedon was incorporated in England and Wales under the name "Breedon Group plc" on 17 March 2023 under the Companies Act as a public limited company with registered number 14739556.

The registered office of New Breedon is at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP and the telephone number is +44 (0) 1332 694000.

The Companies Act comprises the principal legislation under which New Breedon operates and under which the New Breedon Shares will be issued.

**(b) Share capital**

New Breedon was incorporated with 14,286 Subscription Shares, each having a nominal value of £3.50. The Subscription Shares were paid up in full and issued to Breedon, in consideration for an undertaking to pay the amount of £55,000.

The Subscription Shares were issued for the purpose of satisfying minimum share capital requirements for public companies pursuant to the Companies Act. The Subscription Shares will not be admitted to listing and, following Admission, will not have any voting rights. The Breedon Directors intend that following the Scheme becoming Effective, the Subscription Shares will be cancelled by way of the Capital Reduction.

The issued share capital of New Breedon immediately prior to the Jersey Court Meeting will be as follows:

<u>Issued Share Capital</u>	<u>Number</u>
New Breedon Shares of £1.40 each . . . . .	nil
Subscription Shares of £3.50 each . . . . .	14,286

Pursuant to the Scheme, New Breedon will acquire all Scheme Shares by issuing one New Breedon Share in exchange for every five Scheme Shares (provided that any such fraction of a New Breedon Share shall be disregarded). The issued and fully paid share capital of New Breedon immediately following the Transfer Time is expected to be as follows:

<u>Issued Share Capital</u>	<u>Number<sup>(1)</sup></u>
New Breedon Shares of £1.40 each . . . . .	338,879,916
Subscription Shares of £3.50 each . . . . .	14,286

(1) This amount is the maximum number of New Breedon Shares which will be in issue assuming no options over Breedon Shares are exercised (and the corresponding shares issued) before the Transfer Time, and assuming no fractional New Breedon Shares are disregarded.

**(c) Capital Reduction**

After the Transfer Time, it is expected that New Breedon will undertake a capital reduction sanctioned by the UK Court. Pursuant to the Capital Reduction, it is expected that the nominal value of New Breedon Shares will be reduced from £1.40 to £0.01 and that the amount standing to the credit of New Breedon's share premium account and all the Subscription Shares will be cancelled.

The issued and fully paid share capital of New Breedon immediately following the Capital Reduction is expected to be as follows:

<u>Issued Share Capital</u>	<u>Number<sup>(1)</sup></u>
New Breedon Shares of £0.01 each . . . . .	338,879,916
Subscription Shares of £3.50 each . . . . .	Nil

(1) This amount is the maximum number of New Breedon Shares which will be in issue assuming no options over Breedon Shares are exercised (and the corresponding shares issued) before the Transfer Time, and assuming no fractional New Breedon Shares are disregarded.

**(d) Re-registration of Breedon as a private limited company**

After the Transfer Time, Breedon will re-register as a private company. The approval in respect of this re-registration forms part of the Special Resolution.

**(e) Authorities**

Immediately after the Jersey Court Meeting and the Scheme General Meeting, Breedon (as sole shareholder of New Breedon) is expected to pass certain resolutions in order to, among other matters, authorise New Breedon to carry out the actions required of it in relation to the Transaction and to replicate certain customary authorities, including:

- (i) granting authority to the New Breedon Directors to allot the New Breedon Shares pursuant to the Scheme;
- (ii) subject to and conditional upon the Scheme becoming Effective, granting authority to the New Breedon Directors to allot shares on an ongoing basis following the Effective Date;
- (iii) subject to and conditional upon the Scheme becoming Effective, granting authority to the New Breedon Directors to allot equity securities for cash and/or sell ordinary shares held by the Company as treasury shares for cash following the Effective Date and otherwise than in accordance with pre-emption rights on an ongoing basis pursuant to the authority referred to at paragraph (ii) above (subject to certain limits);
- (iv) subject to and conditional upon the Scheme becoming Effective, granting authority to the New Breedon Directors to make market purchases of New Breedon Shares (subject to certain limits);
- (v) conditional on (A) the Scheme becoming Effective, (B) the New Breedon Shares required to be allotted pursuant to the Scheme having been allotted, issued and registered in the names of the persons entitled to such shares in the Company's register, (C) the High Court of Justice of England and Wales having approved the Capital Reduction, the approval of the Capital Reduction;
- (vi) the approval, for the purposes of section 307A of the Companies Act, of the calling of a general meeting on not less than 14 clear days' notice; and
- (vii) the authority for directors to make political donations and incur political expenditure (subject to certain limits).

The authority to be granted in relation to paragraphs (ii) to (iv) above will be in line with the corresponding authority (if any) that is granted to the Breedon Directors at the Annual General Meeting to be held on 26 April 2023, notice of which was circulated to Breedon Shareholders on 20 March 2023.

### 3. Directors and New Breedon Directors

(a) The Directors of Breedon and their functions are as follows:

<u>Director</u>	<u>Appointed as director</u>
Amit Bhatia ( <i>Chair</i> ) . . . . .	August 2016
Rob Wood ( <i>Chief Executive Officer</i> ) . . . . .	March 2014
James Brotherton ( <i>Chief Financial Officer</i> ) . . . . .	April 2021
Clive Watson ( <i>Senior Independent Non-Executive Director</i> ) . . . . .	September 2019
Carol Hui ( <i>Independent Non-Executive Director</i> ) . . . . .	May 2020
Pauline Lafferty ( <i>Independent Non-Executive Director</i> ) . . . . .	August 2021
Helen Miles ( <i>Independent Non-Executive Director</i> ) . . . . .	April 2021

- (b) The New Breedon Board will, on the Effective Date, be the same as that of Breedon.
- (c) The business address of each of the Breedon Directors and New Breedon Directors is Pinnacle House, Breedon on the Hill, Derby, DE73 8AP.
- (d) The Secretary of New Breedon is James Atherton-Ham.

### 4. Directors' interests

- (a) On the Effective Date, assuming that no further Breedon Shares have been purchased by them or issued after 27 March 2023 (being the Latest Practicable Date), the Breedon Directors (and/or persons connected with them) will have the following beneficial interests in New Breedon Shares by virtue of the effect of the Scheme on their Breedon Shares. These figures do not include any interests the Directors may have as a result of their participation in Breedon Share Plans.

<u>Director</u>	<u>Latest Practicable Date</u>		<u>On Admission</u>	
	<u>Number of Breedon Shares</u>	<u>Percentage of Breedon Shares in issue (%)</u>	<u>Number of New Breedon Shares<sup>(1)</sup></u>	<u>Percentage of New Breedon Shares (%)</u>
Amit Bhatia . . . . .	500,000 <sup>(2)</sup>	0.03	100,000	0.03
Rob Wood . . . . .	1,353,633	0.08	270,726	0.08
James Brotherton . . . . .	75,000	0.00	15,000	0.00
Clive Watson . . . . .	154,875	0.01	30,975	0.01
Carol Hui . . . . .	20,000	0.00	4,000	0.00
Pauline Lafferty . . . . .	Nil	Nil	Nil	Nil
Helen Miles . . . . .	Nil	Nil	Nil	Nil

(1) Inclusive of any family members and trusts.

(2) Inclusive of any family members and trusts but exclusive of any holdings by Abicad Holding Limited.

- (b) As at the Latest Practicable Date, the Breedon Directors are interested in an aggregate of 2,103,508 Breedon Shares, representing approximately 0.12 per cent. of the issued share capital of Breedon. Upon the Scheme becoming Effective, the Directors are expected to be interested in 0.12 per cent. of the issued share capital of New Breedon.
- (c) Details of options and awards over Breedon Shares granted pursuant to Breedon Share Plans which are held by the Breedon Directors as at the Latest Practicable Date are as follows:

#### **Performance Share Plan**

<u>Director</u>	<u>Year of award</u>	<u>Number of Breedon Shares under option</u>	<u>Normal vesting date for option</u>
Rob Wood . . . . .	2020	657,051	August 2023
Rob Wood . . . . .	2021	859,063	April 2024
Rob Wood . . . . .	2022	1,147,388	April 2025
James Brotherton . . . . .	2021	498,007	April 2024
James Brotherton . . . . .	2022	776,119	April 2025

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<u>Director</u>	<u>Breedon Shares under option</u>	<u>Option date</u>	<u>Maturity date</u>	<u>Term (months)</u>
Rob Wood . . . . .	54,545	1 April 2019	1 May 2024	60
James Brotherton . . . . .	42,134	1 April 2021	1 May 2026	60

- (d) The interests disclosed in this paragraph 4 are based upon the interests of the Directors in Breedon Shares which: (i) have been notified by each Director to Breedon before the Latest Practicable Date; or (ii) are interests of a family member or trust of a Director which have been notified to Breedon by such family member, or trustee or beneficiary of such a trust.

## 5. Major shareholders

- (a) As at the Latest Practicable Date, in addition to the interests of the Breedon Directors referred to herein, so far as Breedon is aware, the following persons are, directly or indirectly, interested in three per cent. or more of Breedon's issued ordinary share capital or voting rights and the amount of such person's holding in respect of New Breedon Shares following the Scheme becoming Effective is expected to be as follows:

<u>Name of Shareholder</u>	<u>Number of Breedon Shares as at the Latest Practicable Date</u>	<u>Number of New Breedon Shares as at the date of Admission<sup>(1)</sup></u>	<u>Percentage of total voting rights of Breedon Shareholders as at the Latest Practicable Date %</u>	<u>Percentage of total voting rights of New Breedon Shareholders as at the date of Admission %</u>
Abicad Holding Limited . . . . .	176,795,429	35,359,085	10.43	10.43
Lansdowne Partners . . . . .	167,629,044	33,525,808	9.89	9.89
Octopus Investments . . . . .	91,772,390	18,354,478	5.42	5.42
BlackRock Investment Management . . . . .	81,598,825	16,319,765	4.82	4.82
Man GLG . . . . .	79,468,565	15,893,713	4.69	4.69
MFS Investment Management . . . . .	77,510,798	15,502,159	4.57	4.57
Columbia Threadneedle Investments . . . . .	73,665,009	14,733,001	4.35	4.35
Baillie Gifford & Co . . . . .	70,955,759	14,191,151	4.19	4.19
Aviva Investors . . . . .	57,850,468	11,570,093	3.41	3.41
Soros Fund Management . . . . .	55,831,379	11,166,275	3.30	3.30

(1) This amount is the maximum number of New Breedon Shares which will be in issue assuming no options over Breedon Shares are exercised (and the corresponding shares issued) before the Transfer Time.

- (b) So far as the Breedon Directors are aware, no person, directly or indirectly, jointly or severally, exercises control over Breedon or will or could exercise control over New Breedon immediately following implementation of the Scheme.
- (c) Except in respect of the Scheme, the Breedon Directors are not aware of any arrangements, the operation of which may at a later date result in a change of control of Breedon or New Breedon.

## 6. Summary of significant differences between Jersey and English company law and consequent implications of New Breedon being a English incorporated company

There are a number of differences between the Companies Act (which is the principal English company law legislation) and the Jersey Companies Law (which is the principal Jersey company law legislation) which could impact upon the rights of Breedon Shareholders.

In addition Breedon's Articles contain certain provisions which are currently intended to enshrine certain English-law concepts. Such English-law concepts will no longer be required to be enshrined within the New Breedon Articles as they are applicable to New Breedon by way of the Companies Act. A summary of the New Breedon Articles is included at paragraph 7, respectively, of this Part 5.

The primary differences between the Companies Act and the Jersey Companies Law include (without limitation) the following:

- (a) the Jersey Companies Law does not confer statutory pre-emption rights on shareholders relating to new share issues whereas the Companies Act does;
- (b) under the Jersey Companies Law, the directors do not need the sanction of the shareholders to issue and allot shares, whereas under the Companies Act shareholder approval is required;
- (c) under the Companies Act, a special resolution requires a three-fourths majority, whereas under the Jersey Companies Law the threshold can be set (in the company's articles) at any threshold so long as it is at least a two-thirds majority;
- (d) any increase in the "authorised share capital" of a company requires a special resolution under the Jersey Companies Law whereas the concept of authorised share capital no longer exists under the Companies Act;
- (e) the Jersey Companies Law requires that 14 days' notice of an annual general meeting is given, whereas the Companies Act requires that 21 clear days' notice be given;
- (f) the circumstances in which the Jersey Companies Law permits a Jersey company to indemnify its directors in respect of liabilities incurred by the directors in carrying out their duties are limited, in a different manner to English companies under the Companies Act;
- (g) under the Jersey Companies Law, there is no general prohibition on the granting of loans by a company to its directors (but directors remain subject to fiduciary duties when considering the grant of any such loans) and any costs incurred in defending any proceedings which relate to anything done or omitted to be done by that director in carrying out his or her duties may be funded by way of loans. Under the Companies Act, an ordinary resolution is generally required to grant a loan or quasi-loan to directors;
- (h) the Jersey Companies Law does not require that shareholders approve compensation payments made to directors for loss of office, whereas under the Companies Act a payment by a company for loss of office to a director (or a person connected to such director) of a company or its holding company must generally be approved by a resolution of shareholders;
- (i) unless the articles of association of a public company provide otherwise, proxies are not entitled to speak or vote on a show of hands under the Jersey Companies Law whereas under the Companies Act proxies may exercise all or any rights to attend and to speak and vote at a meeting of the company;
- (j) the Jersey Companies Law does not require the directors of a Jersey company to disclose to the company their beneficial ownership of any shares in the company (although they must disclose to the company the nature and extent of any direct or indirect interest which conflicts, or may conflict to a material extent with, a transaction into which the company or any of its subsidiaries is proposing to enter). The Companies Act gives the Company the power to investigate its Register of Members and can require shareholder to disclose their interests in the Company;
- (k) the Jersey Companies Law does not confer on shareholders the right to an independent scrutiny of a poll taken, or to be taken, at a general meeting, whereas the Companies Act does confer such a right on shareholders provided that (i) shareholders representing at least five per cent. of the total voting rights of all the shareholders who have a right to vote on the matter to which the poll relates, or (ii) at least 100 shareholders who have a right to vote on the matter to which the poll relates and hold shares in the Company on which there has been paid up to an average sum, per shareholder, of not less than £100, request such independent scrutiny;
- (l) the Jersey Companies Law does not confer the right on shareholders to require a company to circulate resolutions proposed to be moved by shareholders at the next annual general meeting, whereas the Companies Act does confer such a right;
- (m) the Jersey Companies Law does not confer on shareholders the right to circulate explanatory statements relating to any matter regarding a proposed resolution at a general meeting, whereas the Companies Act does confer such a right so long as (i) shareholders holding more than five per cent. of the total voting rights of shareholders entitled to vote or (ii) at least 100 shareholders who have the right to vote and hold shares in the company on which there has been paid up an average sum, per shareholder, of at least £100, request an explanatory statement;



- (n) the Jersey Companies Law does not confer a right for a nominee holder of shares to have information rights granted to the underlying beneficial owner of the share whereas the Companies Act confers on such shareholders the ability to nominate the underlying beneficial owner to enjoy information rights;
- (o) the Jersey Companies Law provides that shareholders who hold not less than 10 per cent. of the total voting rights of the shareholders of the company having the right to vote on such resolution shall have the right to requisition a general meeting of the company. The Companies Act provides that shareholders who hold not less than five per cent. of the total voting rights of the company in the general meeting shall have the right to requisition a general meeting of the Company;
- (p) there is no restriction on donations by a company to political organisations under the Jersey Companies Law whereas the Companies Act restricts such donations;
- (q) under the Jersey Companies Law, at a meeting of shareholders, a poll may be demanded in respect of any question by: (i) no fewer than five shareholders having the right to vote on the question; or (ii) a shareholder or shareholders representing not less than one tenth of the total voting rights of all shareholders having the right to vote on the question. under the Companies Act, a poll may be demanded by the chair of the meeting, at least five shareholders present in person or by proxy or representative and entitled to vote on the resolution, or by any shareholders present in person or by proxy or representative and representing at least 10% of the total voting rights of all shareholders having the right to vote at the meeting;
- (r) pursuant to the Jersey Companies Law, a Jersey company may make a distribution from any source (other than nominal capital account and capital redemption reserve) whereas under the Companies Act distributions generally may only be made from distributable reserves;
- (s) the Jersey Companies Law does not contain provisions similar to Chapter 5 of the Disclosure and Transparency Rules requiring persons to disclose certain interests in shares; and
- (t) the Jersey Companies Law does not prohibit the giving of financial assistance by a public company, whereas the Companies Act generally prohibits public companies from giving financial assistance to any individual or entity acquiring shares in the Company.

This list is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any Breedon Shareholder wishing to obtain further information regarding their rights as a New Breedon Shareholder under English law should consult their own English legal advisers.

Following and subject to Admission, New Breedon will be required to comply with the Listing Rules, including the rules relating to related party transactions and class transactions, and the Disclosure Guidance and Transparency Rules. The insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as UK MAR will apply and New Breedon will be subject to the provisions of the City Code on Takeovers and Mergers.

## 7. Summary of New Breedon Articles

The articles of association of New Breedon (the “**Articles**”) contain provisions, inter alia, to the following effect:

### (a) Voting rights

Subject to any terms as to voting upon which any shares may be issued or may for the time being be held, the total number of votes a member present in person or (being a corporation) who is present by a duly authorised representative or a proxy for a member has on a show of hands shall be determined in accordance with the Act. On a poll every member present in person or by proxy or by representative (in the case of a corporate member) shall have one vote for each share of which he or she or it is the holder, proxy or representative. If a member or his or her or its duly appointed representative or proxy present at a general meeting votes on a poll, he or she or it does not need to use all his or her or its votes or cast all the votes in the same way.

The duly authorised representative of a corporate shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual shareholder.

A shareholder is not entitled to vote unless all calls due from him or her or it have been paid.

A shareholder is also not entitled to attend or vote at meetings of New Breedon in respect of any shares held by him or her or it in relation to which there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph (h) below), resulting in a disenfranchisement notice. Such disenfranchisement will apply until New Breedon has withdrawn the disenfranchisement notice, or until the disenfranchisement notice is deemed to have been withdrawn (seven days after receipt by New Breedon of the information required to comply with the 793 notice) whichever is the earlier.

**(b) General meetings**

The Company must hold an annual general meeting in accordance with the Companies Act in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 days' written notice must be given. The notice for any general meeting must state:

- (i) whether the meeting is an annual general meeting or general meeting;
- (ii) the day, time and place of the meeting;
- (iii) whether the meeting is a physical meeting or a hybrid meeting;
- (iv) where the meeting is a hybrid meeting, details of the facilities for attendance and participation by electronic means at the meeting;
- (v) the general nature of the business to be transacted;
- (vi) any intention to propose a resolution as a special resolution; and
- (vii) that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him or her or it and that a proxy need not also be a member.

All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy or corporate representative.

Each Director can attend and speak at any general meeting.

**(c) Dividends**

Subject to the Companies Act, New Breedon may, by ordinary resolution, declare dividends to be paid to members of New Breedon according to their rights and priorities, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Companies Act, the Board may from time to time pay to the shareholders of New Breedon such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of New Breedon.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the shares. Any dividend unclaimed after a period of 6 years from the date of declaration shall be forfeited and shall revert to New Breedon.

The Board may, if authorised by an ordinary resolution, offer the holders of ordinary shares in New Breedon the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. in nominal value of the issued shares of any class after there has been a failure to comply with any notice under section 793 of the Companies Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph (h) below.

(d) **Return of capital**

On a voluntary winding-up of New Breedon the liquidator may, with the sanction of a special resolution of New Breedon and subject to the Companies Act and the Insolvency Act 1986 (as amended) or the rights of any other class of Shares, divide among the shareholders of New Breedon in specie the whole or any part of the assets of New Breedon, or vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

(e) **Transfer of shares**

The ordinary shares in New Breedon are in registered form.

The Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as "**Participating Securities**". Subject to such of the restrictions in the Articles as shall be applicable, any member may transfer all or any of his or her or its shares. In the case of shares represented by a certificate ("**Certificated Shares**") the transfer shall be made by an instrument of transfer in any usual form or in any other form which the Board may approve. Transfers of Participating Securities will be in accordance with and subject to the Uncertificated Securities Regulations 2001 (as amended).

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may also, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid, provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may also refuse to register a transfer unless:

- (i) in the case of a Certificated Share, the instrument of transfer (duly stamped if required or duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty) is lodged at the registered office of New Breedon or at such other place as the Board may appoint, accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- (ii) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and
- (iii) in the case of a transfer to joint holders, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001 (as amended) allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. in nominal value of the issued shares of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph (h) below), resulting in a disenfranchisement notice, unless the shareholder is not, and proves that no other person is, in default as regards supplying the required information. Such refusal may continue until New Breedon withdraws the disenfranchisement notice, or it is deemed to have been withdrawn, but the Board shall not decline to register:

- (i) a transfer pursuant to the acceptance of an offer made to all New Breedon's shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class;
- (ii) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which New Breedon's shares are normally traded; or

- (iii) a transfer which is shown to the satisfaction of the Board to be in connection with a bona fide sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to be interested in the share.

**(f) Variation of rights**

Subject to the Companies Act and to the rights of any existing class of shares from time to time, the rights attached to any class of share may be varied (whether or not New Breedon is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy or by corporate representative at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his or her or its shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by them. Except as set out above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

**(g) Share capital and changes in capital**

Subject to and in accordance with the provisions of the Companies Act, New Breedon may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued on terms that they are to be redeemed or that they are, at the option of New Breedon or a member liable, to be redeemed on such terms and in such manner as may be determined by the Board.

Subject to the provisions of the Articles and the Companies Act and without prejudice to the rights attaching to any existing shares or class of shares, the Board may offer, allot (with or without a right of renunciation), issue, grant options over, reclassify or otherwise deal with or dispose of shares to such persons, at such time and for such consideration and upon such terms and conditions as the Board may determine.

The Company may by ordinary resolution alter its share capital in accordance with the Companies Act. The relevant resolution may determine that, as between the holders of shares resulting from a sub-division, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

**(h) Disclosure of interests in shares**

Section 793 of the Companies Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she or it has 14 days to comply with it, failing which New Breedon may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a "disenfranchisement notice"). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders' meeting or to exercise any other right in relation to shareholders' meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, New Breedon shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the Companies Act.

**(i) Non-UK shareholders**

Shareholders with addresses outside the United Kingdom are not entitled to receive notices from New Breedon unless they have given New Breedon an address within the United Kingdom at which such notices shall be served.

**(j) Untraced shareholders**

Subject to various notice requirements, New Breedon may sell any of a shareholder's shares in New Breedon if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares, New Breedon has received no indication of the whereabouts of the such shareholder, it has taken reasonable steps to trace the shareholder and it has sent a notice of its intention to sell the shares to the shareholder's registered address or last known address.

**(k) Borrowing powers**

The Board may exercise all the powers of New Breedon to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of New Breedon or any third party.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the shareholders.

**(l) Directors**

Subject to the Companies Act, and provided the Director has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with New Breedon or in which New Breedon is otherwise interested or a proposed transaction or arrangement with New Breedon.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Companies Act to avoid a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of New Breedon. Any such authorisation will only be effective any requirement about the quorum of the meeting is met without including the Director in question and any other interested Director and the matter was agreed to without such Directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which such Director has, directly or indirectly, an interest (otherwise than by virtue of his or her interests in shares or debentures or other securities of, or otherwise in or through, New Breedon) which is material, or a duty which conflicts or may conflict with the interests of New Breedon, unless such Director's interest or duty arises only because one of the following circumstances applies:

- (i) the resolution relates to the giving to the Director or any other person of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by the Director or by any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
- (ii) the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of New Breedon or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) the Director's interest arises by virtue of the Director being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities by New Breedon or any of its subsidiary undertakings for subscription, purchase or exchange;
- (iv) the resolution relates to the giving to the Director of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
- (v) the resolution relates to the funding by New Breedon of the Director's expenditure on defending proceedings or the doing by New Breedon of anything to enable the Director to avoid incurring such expenditure where all other Directors are being offered substantially the same arrangements;

- (vi) the resolution relates to any proposal concerning any other company in which the Director is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever provided that the Director does not hold an interest in shares (as that term is used in Part 22 of the Companies Act) representing 1 per cent. or more of either any class of the equity share capital of such company or of the voting rights available to members of such company;
- (vii) the resolution relates to any arrangement for the benefit of the employees of New Breedon or any of its subsidiary undertakings, which does not award the Director any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (viii) the resolution relates to any proposal concerning any insurance which New Breedon is empowered to purchase and/or maintain for or for the benefit of any of the Directors or for persons who include Directors provided that, for the purposes of this Article, "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by themselves or any other insurance which New Breedon is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors.

A Director shall not be counted in the quorum at a meeting in relation to any resolution on which such Director is debarred from voting.

The Directors shall be paid such remuneration (by way of fee) for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of New Breedon in general meeting, the aggregate amount of such fees of all Directors (excluding any remuneration of a Director under or in connection with an executive service contract) shall not exceed £2,000,000 per annum. The Directors shall also be entitled to be repaid by New Breedon all travelling, hotel and other expenses of attending board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of New Breedon. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of New Breedon may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of any Directors who held (but no longer hold) executive office or employment with New Breedon or any of its subsidiary undertakings or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of New Breedon are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the Companies Act. Subject to sections 205(2) to (4) of the Companies Act, New Breedon may provide a Director with funds to meet the expenditure in defending any civil or criminal proceedings brought or threatened against him or her in relation to New Breedon. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority and indemnify a Director in connection with New Breedon's activities as a trustee of a pension scheme.

The Directors are obliged to retire by rotation and are eligible for re-election annually. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he or she is eligible for re-election.

Unless and until otherwise determined by ordinary resolution of New Breedon, the Directors (other than alternate Directors) shall not be less than two nor more than 15 in number.

**(m) Redemption**

The ordinary shares in New Breedon are not redeemable.

(n) **Electronic communication**

The Company may communicate electronically with its members in accordance with the provisions of the Electronic Communications Act 2000.

**8. Breedon Share Plans**

Breedon operates the Breedon Share Plans in order to reward and retain its employees. Before Admission, New Breedon will adopt the New Breedon Share Plans for the same purpose. The Scheme will apply to any Breedon Shares which are unconditionally allotted, issued or transferred to satisfy the exercise of options and/or the vesting of awards granted under the Breedon Share Plans before the Scheme Record Time.

Any Breedon Shares allotted, issued or transferred out of treasury to satisfy the exercise of options and/or the vesting of awards under the Breedon Share Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the Special Resolution being approved at the Scheme General Meeting, be transferred to New Breedon in exchange for the issue or transfer to the relevant participants of one New Breedon Share for every five Breedon Shares transferred, as if each such Breedon Share had been a Scheme Share (provided that any fraction of a New Breedon Share shall be disregarded).

(a) **Breedon PSPs**

*Vested options*

Participants of the Breedon PSPs who hold vested options may exercise their vested options at any time until they lapse or are automatically exchanged (as detailed below). Breedon Shares held by such participants at the Scheme Record Time will be subject to the Scheme.

*Unvested/unexercised options and awards*

Under the terms of the Breedon PSPs, the Breedon Remuneration Committee has agreed with New Breedon that:

- options that: (i) have vested prior to the date that the Court sanctions the Scheme but (ii) have not been exercised by participants prior to or in connection with the Scheme, shall be automatically exchanged for equivalent options to acquire New Breedon Shares on the same vesting terms and performance conditions as currently apply to the existing options; and
- options and/or awards that have not vested prior to the date that the Court sanctions the Scheme, shall not vest on the Court sanction date and shall be automatically exchanged for equivalent options and/or awards to acquire New Breedon Shares on the same vesting terms and performance conditions as currently apply to the existing options and/or awards.

(b) **Breedon UK SAYE Plans and Breedon Irish SAYE Plans**

*Vested options*

Participants of the Breedon UK SAYE Plans and the Breedon Irish SAYE Plans whose three or five year savings contracts have matured and who therefore hold vested options may exercise their vested options at any time until they lapse or participants otherwise agree to exchange the options (as detailed below). Breedon Shares held by such participants at the Scheme Record Time will be subject to the Scheme.

*Unvested options*

Under the terms of the Breedon UK SAYE Plans and the Breedon Irish SAYE Plans, if the Court sanctions the Scheme before the end of a participant's savings period (relating to the three or five year savings contract), that unvested option shall become exercisable from either (i) the date on which the Court sanctions the Scheme or (ii) New Breedon obtains control of Breedon and any conditions subject to which the Scheme is made have been met (the "**Exercise Trigger Date**") and those options shall remain exercisable for up to six months from the Exercise Trigger Date (unless they otherwise lapse or participants otherwise agree to exchange the options, as detailed below).

Where the rules of the relevant plan permit, participants may instead be offered the opportunity to exercise their options in the 20 day period prior to the Exercise Trigger Date, as any Breedon Shares acquired following the exercise of such options (but prior to the Scheme Record Time) will then be subject to the Scheme (again, unless the options otherwise lapse or participants otherwise agree to exchange the options, as detailed below).

#### *Exchange of options*

Alternatively, participants of the Breedon UK SAYE Plans and the Breedon Irish SAYE Plans may agree with New Breedon that their options shall be exchanged for equivalent options to acquire New Breedon Shares on the same vesting terms as currently apply to their existing options. Any such agreement must be made within six months from the Exercise Trigger Date.

Although these option holders cannot be compelled to agree to this exchange, it is expected that all employees who were granted options under the Breedon UK SAYE Plans and the approved Irish SAYE Plan are likely to agree in order to preserve the tax-advantages attaching to their options. Employees who were granted options under the unapproved Irish SAYE Plan may decide to agree to the exchange in order to extend their savings periods.

#### **(c) All Breedon Share Plans**

Options/awards that are exchanged (as set out above) will continue to be governed by the terms of the existing Breedon Share Plans (the terms of which shall be modified in order to reflect the fact that the new options/awards will be granted over New Breedon Shares which are to be admitted to listing on the premium listing segment of the Official List and to trading on the Main Market).

#### **9. New Breedon Share Plans**

New Breedon is proposing to adopt the New Breedon Share Plans prior to Admission. The New Breedon Share Plans are broadly equivalent to the latest corresponding Breedon Share Plans operated by Breedon prior to Admission but will be modified in order to reflect the fact that the New Breedon Shares are to be admitted to listing on the premium listing segment of the Official List and to trading on the Main Market.

The subsisting options and/or awards granted under Breedon Share Plans will be dealt with as set out in paragraph 11 of Part 1 (*Letter from Chair of Company*) of this Document. No further options or awards are proposed to be granted under the Breedon Share Plans following the Effective Date.

#### **10. Incorporation by reference**

A person who has received this Document may request a copy of documents incorporated by reference, if any. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from Breedon's Registrars by calling the Shareholder Helpline between 9.00 a.m. and 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales) on 0371 664 0300 (or +44 (0) 371 664 0300 if calling from outside the UK) if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Shareholder Helpline cannot provide advice on the merits of the Scheme nor give any financial, investment, legal or tax advice.

Save as expressly referred to herein, neither the content of Breedon's websites, nor the content of any website accessible from hyperlinks on Breedon's websites is incorporated into, or forms part of, this Document.

#### **11. Documents available for inspection**

Until and including the Transfer Time (or the date on which the Scheme lapses or is withdrawn, if earlier) a copy of each of the following documents will be available via a link on Breedon's website at [www.breedongroup.com/aim-to-main](http://www.breedongroup.com/aim-to-main):

- (a) this Document;



- (b) a draft of the articles of association of Breedon as proposed to be amended at the Scheme General Meeting;
- (c) the articles of association of New Breedon; and
- (d) the audited consolidated financial statements of the Group for the three years ended 31 December 2022.

**PART 6**  
**DEFINITIONS**

The following definitions apply throughout this Document unless the context otherwise requires:

<b>“Admission”</b> . . . . .	admission of the New Breedon Shares to listing on the premium listing segment of the Official List and to trading on the Main Market;
<b>“AIM”</b> . . . . .	the Alternative Investment Market, a market operated by the London Stock Exchange;
<b>“AIM Rules”</b> . . . . .	the rules of AIM as set out in the “AIM Rules for Companies” issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;
<b>“Annual General Meeting”</b> . . . . .	the next annual general meeting of Breedon, to be held at 2:00 p.m. on 26 April 2023;
<b>“Breedon”</b> . . . . .	Breedon Group plc, a public limited company registered incorporated in Jersey with company number 98465 registered at 28 Esplanade St Helier Jersey JE2 3QA;
<b>“Breedon Articles”</b> . . . . .	the articles of association of Breedon as amended from time to time;
<b>“Breedon Board”</b> or <b>“Breedon Directors”</b> . . . . .	the directors of Breedon from time to time;
<b>“Breedon Irish SAYE Plans”</b> . . . . .	the Breedon Irish Savings Related Share Option Scheme (approved form) adopted by the Breedon Board on 1 August 2018 and the Breedon Irish Savings Related Share Option Scheme (unapproved form) adopted by the Breedon Board on 28 January 2022;
<b>“Breedon PSPs”</b> . . . . .	the Breedon Performance Share Plan 2011 approved by Breedon Shareholders on 23 May 2011 and the Breedon Performance Share Plan 2021 approved by Breedon Shareholders on 20 April 2021;
<b>“Breedon’s Registrars”</b> . . . . .	Link Market Services (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3QA;
<b>“Breedon Remuneration Committee”</b> . . . . .	the remuneration committee of the Breedon Board;
<b>“Breedon Share Plans”</b> . . . . .	the Breedon PSPs, the Breedon Irish SAYE Plans and the Breedon UK SAYE Plans;
<b>“Breedon Shareholders”</b> . . . . .	holders of Breedon Shares;
<b>“Breedon Shares”</b> . . . . .	the ordinary shares of no par value in the share capital of Breedon from time to time;
<b>“Breedon UK SAYE Plans”</b> . . . . .	the Breedon Savings Related Share Option Scheme 2011 adopted by the Breedon Board on 31 January 2011 and the Breedon Savings Related Share Option Scheme 2020 adopted by the Breedon Board on 15 September 2020;
<b>“Business Day”</b> . . . . .	a day, not being a public holiday, Saturday or Sunday, on which banks are generally open for normal banking business in London and Jersey;
<b>“Capital Reduction”</b> . . . . .	the UK court sanctioned reduction of capital whereby New Breedon intends to cancel the Subscription Shares, cancel the amount standing to the credit of New Breedon’s share premium account and reduce the nominal value of the New Breedon Shares from £1.40 to £0.01;
<b>“Conditions”</b> . . . . .	the conditions to the Scheme, as set out in Part 2 of this Document and <b>“Condition”</b> shall mean any one of them;

<b>“Court”</b> . . . . .	the Royal Court of Jersey Samedi Division;
<b>“Court Order”</b> . . . . .	the order of the Court sanctioning the Scheme under Article 125 of the Jersey Companies Law;
<b>“CREST”</b> . . . . .	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
<b>“CREST Jersey Regulations”</b> . . . . .	the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended;
<b>“CREST Manual”</b> . . . . .	the CREST Manual published by Euroclear, as amended from time to time;
<b>“CREST Proxy Instruction”</b> . . . . .	the proxy appointment or instruction made using the CREST service, properly authenticated in accordance with the specifications of Euroclear and containing the information required by the CREST Manual;
<b>“CREST Regulations”</b> . . . . .	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), as amended from time to time;
<b>“Disclosure Guidance and Transparency Rules”</b> . . . . .	the disclosure guidance and transparency rules made by the FCA under Part VI of the FSMA and forming part of the FCA Handbook as amended from time to time;
<b>“Document” or “Scheme Document”</b> . . . . .	this document dated 29 March 2023 addressed to Breedon Shareholders containing the Scheme and an explanatory statement in compliance with Article 126 of the Jersey Companies Law;
<b>“Effective”</b> . . . . .	the Scheme having become effective pursuant to its terms;
<b>“Effective Date”</b> . . . . .	the date on which the Transaction becomes Effective;
<b>“Euroclear”</b> . . . . .	Euroclear UK & International Limited, the operator of CREST;
<b>“Excluded Shares”</b> . . . . .	Breedon Shares at the Scheme Record Time which (if any) are held in treasury by Breedon;
<b>“FCA” or “Financial Conduct Authority”</b> . . . . .	the Financial Conduct Authority of the United Kingdom or its successor from time to time, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;
<b>“FCA Handbook”</b> . . . . .	the FCA’s Handbook of rules and guidance as amended from time to time;
<b>“Forms of Proxy”</b> . . . . .	the BLUE form of proxy for use at the Jersey Court Meeting and the WHITE form of proxy for use at the Scheme General Meeting (or either one of them as the context might require) which accompany this Document;
<b>“FSMA”</b> . . . . .	the UK Financial Services and Markets Act 2000, as amended from time to time;
<b>“Great Britain”</b> . . . . .	the island of Great Britain including England, Wales and Scotland;
<b>“Group”</b> . . . . .	before the Transfer Time, Breedon and its subsidiaries and subsidiary undertakings and, after the Transfer Time, New Breedon and its subsidiaries and subsidiary undertakings;
<b>“HMRC”</b> . . . . .	His Majesty’s Revenue & Customs;

<b>“IFRS”</b> . . . . .	International Financial Reporting Standards;
<b>“Ireland”</b> . . . . .	the island of Ireland comprising the Republic of Ireland and Northern Ireland;
<b>“ITEPA”</b> . . . . .	the Income Tax (Earnings and Pensions) Act 2003;
<b>“Jersey Companies Law”</b> . . . . .	the Companies (Jersey) Law 1991, as amended;
<b>“Jersey Court Meeting”</b>	the meeting of Scheme Shareholders to be convened by order of the Court pursuant to Article 125 of the Jersey Companies Law for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), notice of which is set out in Part 7 ( <i>Notice of Jersey Court Meeting</i> ) of this Document, and including any adjournment, postponement or reconvening thereof;
<b>“Jersey Registrar of Companies”</b> . . . . .	the Registrar of Companies for Jersey;
<b>“Latest Practicable Date”</b> . . . . .	close of business on 27 March 2023, being the latest practicable date before publication of this Document;
<b>“Listing Rules”</b> . . . . .	the listing rules made by the FCA under Part VI of the FSMA and forming part of the FCA Handbook as amended from time to time;
<b>“London Stock Exchange”</b> . . . . .	London Stock Exchange plc or its successor;
<b>“Long Stop Date”</b> . . . . .	30 June 2023 or such later date as Breedon and New Breedon may agree and as the Court may allow;
<b>“Main Market”</b> . . . . .	the main market for trading in listed securities operated by the London Stock Exchange;
<b>“Meetings”</b> . . . . .	the Jersey Court Meeting and the Scheme General Meeting, or any one of them as the case may be;
<b>“New Breedon”</b> . . . . .	Breedon Group plc a company registered in England on 17 March 2023 under company number 14739556 and registered at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP;
<b>“New Breedon Board”</b> . . . . .	the directors of New Breedon from time to time;
<b>“New Breedon Remuneration Committee”</b> . . . . .	the remuneration committee of the New Breedon Board;
<b>“New Breedon Shares”</b> . . . . .	the ordinary shares of £1.40 each issued by New Breedon to the Scheme Shareholders pursuant to the terms of the Scheme and a <b>“New Breedon Share”</b> shall mean any of them;
<b>“New Breedon Shareholders”</b> . . . . .	holders of shares in New Breedon;
<b>“New Breedon Share Plans”</b> . . . . .	the share plans to be adopted by New Breedon which are broadly equivalent to the latest corresponding Breedon Share Plans operated by Breedon prior to Admission but which will be modified in order to reflect the fact that the New Breedon Shares are to be admitted to listing on the premium listing segment of the Official List and to trading on the Main Market;
<b>“Non-Executive Directors”</b> . . . . .	the non-executive directors of Breedon or New Breedon, as the context requires;
<b>“Official List”</b> . . . . .	the official list of the FCA;

<b>“Overseas Shareholders”</b> . . . . .	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or Jersey;
<b>“Prospectus Regulation Rules”</b> . . . . .	the prospectus regulation rules made by the FCA under Part VI of the FSMA and forming part of the FCA Handbook, as amended from time to time;
<b>“Regulatory Information Service”</b> . . . . .	a regulatory information service as defined in the FCA Handbook;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Transaction (including this Document) is sent or made available to Breedon Shareholders in that jurisdiction;
<b>“Sanction Hearing”</b> . . . . .	the Sanction Hearing (and any adjournment thereof) to sanction the Scheme pursuant to Article 125 of the Jersey Companies Law;
<b>“Scheme”</b> . . . . .	the proposed scheme of arrangement under Article 125 of the Jersey Companies Law between Breedon and Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Breedon to implement the Transaction;
<b>“Scheme General Meeting”</b> . . . . .	the general meeting of Breedon Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Special Resolution (with or without amendment), which is expected to be held as soon as the preceding Jersey Court Meeting shall have concluded or been adjourned and notice of which is set out in Part 8 ( <i>Notice of Scheme General Meeting</i> ) of this Document, and including any adjournment, postponement or reconvening thereof;
<b>“Scheme Record Time”</b>	6.00 p.m. on the Effective Date or such later time as: (i) Breedon may determine in accordance with Clause 6(c) of the Scheme; or (ii) as Breedon may propose and the Court may agree;
<b>“Scheme Shareholders”</b>	holders of Scheme Shares from time to time;
<b>“Scheme Shares”</b> . . . . .	all Breedon Shares: <ul style="list-style-type: none"> <li>(a) in issue at the date of this Document;</li> <li>(b) (if any) issued after the date of this Document but before the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> <p>which remain in issue at the Scheme Record Time but excluding, in each case, any Excluded Shares;</p>
<b>“SDRT”</b> . . . . .	stamp duty reserve tax;
<b>“SEC”</b> . . . . .	the United States Securities and Exchange Commission;
<b>“Special Resolution”</b> . . .	the special resolution to, amongst other things: (i) authorise the Breedon Directors (or a duly authorised committee thereof) to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect, (ii) approve the amendment of Breedon Articles, and (iii) approve the re-registration of Breedon as a private limited company to be considered at the Scheme General Meeting as set out in Part 8 ( <i>Notice of Scheme General Meeting</i> ) of this Document;
<b>“Subscription Shares”</b> . .	the 14,286 fully paid subscription shares of £3.50 nominal value each;

<b>“Takeover Code”</b> . . . . .	the UK City Code on Takeovers and Mergers;
<b>“Transaction”</b> . . . . .	the recommended proposals for the introduction of New Breedon as a new holding company of the Group: (i) by means of the Scheme (including any subsequent revision, variation, extension or renewal thereof), and (ii) otherwise in accordance with the resolutions proposed at the Jersey Court Meeting and Scheme General Meeting;
<b>“Transfer Time”</b> . . . . .	the time that the Scheme Shares are transferred to New Breedon and/or its nominee(s) in accordance with Clauses 1(a) and 1(b) of the Scheme;
<b>“UK” or “United Kingdom”</b> . . . . .	United Kingdom of Great Britain and Northern Ireland;
<b>“UK Corporate Governance Code”</b> . . . . .	the UK Corporate Governance Code published by the Financial Reporting Council, as amended from time to time;
<b>“UK Court”</b> . . . . .	the High Court of Justice in London;
<b>“Uncertificated” or “in Uncertificated form”</b> . . . . .	in relation to a share or other security, a share or other security, title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>“US Securities Act”</b> . . . . .	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and
<b>“Voting Record Time”</b> . . . . .	6.30 p.m. on the day which is two days (excluding non-working days) before the date of the Jersey Court Meeting and the Scheme General Meeting or, if the Jersey Court Meeting and/or the Scheme General Meeting is adjourned, 6.30 p.m. on the day which is two days (excluding non-working days) before the date of such adjourned Meeting.

For the purposes of this Document, **“subsidiary”**, **“subsidiary undertaking”**, **“undertaking”** and **“associated undertaking”** and **“equity share capital”** have the meanings given by the Jersey Companies Law.

All references to **“pounds”**, **“pounds Sterling”**, **“Sterling”**, **“£”**, **“pence”**, **“penny”** and **“p”** are to the lawful currency of the United Kingdom.

All times referred to in this Document are London times unless otherwise stated.

References to the singular include the plural and vice versa.

All references to statutory provisions or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and order from time to time made thereunder or deriving validity therefrom.

## PART 7

### NOTICE OF JERSEY COURT MEETING

IN THE ROYAL COURT OF JERSEY  
SAMEDI DIVISION

File No. 2023/048

#### IN THE MATTER OF BREEDON GROUP PLC

and

#### IN THE MATTER OF THE JERSEY COMPANIES LAW

**NOTICE IS HEREBY GIVEN** that, by an Order dated 27 March 2023 made in the above matters, the Court has given permission for Breedon Group plc (the “**Company**”) to convene a meeting (the “**Jersey Court Meeting**”) of the Scheme Shareholders (as defined in the Scheme of Arrangement referred to below), for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement pursuant to Article 125 of the Jersey Companies Law (as amended) proposed to be made between Breedon Group plc (in this Notice of Jersey Court Meeting, “**Breedon**”) and the Scheme Shareholders (as defined in the said Scheme of Arrangement) and that such meeting will be held at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP on 26 April 2023, at 2:15 p.m. (or, if later, as soon as the Annual General Meeting has been concluded or been adjourned) at which place and time all holders of the Scheme Shares are requested to attend. A copy of the said Scheme of Arrangement and a copy of the explanatory statement required to be published pursuant to Article 126 of the Jersey Companies Law are incorporated in the document of which this notice forms part.

Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the document of which this notice forms part.

Voting on the resolution to support or oppose the Scheme will be by way of a poll, which shall be conducted as the Chair of the Jersey Court Meeting may determine.

#### (a) **Right to appoint a proxy: procedure for appointment**

Scheme Shareholders entitled to attend and vote at the meeting may vote in person at the Jersey Court Meeting or they may appoint another person, whether a member of Breedon or not, as their proxy to attend and vote in their place.

Voting at the Jersey Court Meeting will be by poll which shall be conducted as the Chair of the Jersey Court Meeting may determine. It is important that, for the Jersey Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Scheme Shareholders are strongly urged to submit proxy appointments and instructions for the Jersey Court Meeting as soon as possible, using any of the methods (by post, online, electronically through CREST or via the Proximity platform) set out below. Doing so will not prevent you from attending, speaking and voting in person at the Jersey Court Meeting if you wish and are entitled to do so.

A BLUE Form of Proxy for use at the Jersey Court Meeting has been provided with this notice. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to Breedon’s Registrars, at Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL either: (i) by post or (ii) (during normal business hours only) by hand, to be received not later than 2:15 p.m. on 24 April 2023 or, in the case of an adjournment of the Jersey Court Meeting, not less than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time and date set for the adjourned Jersey Court Meeting. However, if not so lodged, BLUE Forms of Proxy (together with any such authority, if applicable) may be handed to the Chair of the Jersey Court Meeting or to Breedon’s Registrars, on behalf of the Chair of the Jersey Court Meeting, before the start of the Jersey Court Meeting and will be valid.

Scheme Shareholders entitled to attend and vote at the Jersey Court Meeting who hold their shares through CREST may appoint a proxy using the CREST proxy voting service. Proxies

submitted using the CREST Proxy Voting Service must be transmitted so as to be received by Breedon's Registrars (under CREST participant ID RA10) not later than 2:15 p.m. on 24 April 2023 (or, in the case of an adjournment of the Jersey Court Meeting, not less than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time and date set for the adjourned Jersey Court Meeting). For this purpose, the time of receipt will be taken to be the time from which Breedon's Registrars are able to retrieve the message by enquiry to CREST.

As an alternative to completing and returning the printed BLUE Form of Proxy or appointing a proxy through CREST, Scheme Shareholders entitled to attend and vote at the Jersey Court Meeting may appoint a proxy electronically by logging on to the following website: <https://www.breedonshares.com/> or registering if you have not previously done so. To register, Scheme Shareholders will need their Investor Code (IVC) which is printed on the BLUE Form of Proxy, on their share certificate or is available from Breedon's Registrars. For an electronic proxy appointment to be valid, the appointment must be received by Breedon's Registrars no later than 2:15 p.m. on 24 April 2023 (or, in the case of an adjournment of the Jersey Court Meeting, not less than **48 hours** (excluding any part of such 48-hour period falling on a non-working day) before the time and date set for the adjourned Jersey Court Meeting). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by Breedon and approved by the Breedon's Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by no later than 2:15 p.m. on 24 April in order to be considered valid or, if the meeting is adjourned, by the time which is **48 hours** before the time of the adjourned meeting (excluding any part of such 48-hour period falling on a non-working day). Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

If you have not appointed a proxy online or electronically by the time above, you may hand a BLUE Form of Proxy to the Chair of the Jersey Court Meeting or to Breedon's Registrars, on behalf of the Chair of the Jersey Court Meeting, before the start of the Jersey Court Meeting and it will be valid.

**Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described in the document of which this notice forms part), will not prevent a Scheme Shareholder from attending, speaking and voting in person at the Jersey Court Meeting, or any adjournment thereof, if such Scheme Shareholder wishes and is entitled to do so.**

**(b) Voting Record Time**

Entitlement to attend and vote at the Jersey Court Meeting, or any adjournment thereof, and the number of votes which may be cast at the Jersey Court Meeting will be determined by reference to the register of members of Breedon at 6.30 p.m. on 24 April 2023 (or, if the meeting is adjourned, 6:30 p.m. on the date which is two days before the date fixed for the adjourned Jersey Court Meeting (excluding any non-working day)). Changes to the register of members of Breedon after such time will be disregarded in determining the rights of any person to attend and vote at the Jersey Court Meeting.

**(c) Joint Holders**

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person or by proxy, at the Jersey Court Meeting, however, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of Breedon in respect of the joint holding.



(d) **Corporate Representatives**

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its power as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said Order, the Court has appointed Amit Bhatia, or failing him, any other director of Breedon to act as Chair of the Jersey Court Meeting and has directed the Chair to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 29 March 2023

**Carey Olsen Jersey LLP**  
Jersey law Solicitors for Breedon  
47 Esplanade  
St Helier  
Jersey  
JE1 0BD

1. The statement of rights of Scheme Shareholders (as defined in the Scheme of Arrangement referred to above) in relation to the appointment of proxies described in this Notice of Jersey Court Meeting does not apply to nominated persons. Such rights can only be exercised by Scheme Shareholders.
2. Any person to whom this notice is sent who is a person with information rights (a “**nominated person**”) may, under an agreement between them and the member by whom they were nominated have a right to be appointed (or to have someone else appointed) as a proxy for the Jersey Court Meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
3. This communication has also been sent to certain beneficial owners of shares who have been nominated by their registered holders of shares to receive information. Such persons are advised that, in order to vote at the forthcoming Jersey Court Meeting, they must issue an instruction to the registered holder of their shares. Breedon can only accept instructions from registered holders of its shares and it would therefore be unable to act upon any instructions received from nominated persons.

## PART 8

### NOTICE OF SCHEME GENERAL MEETING

#### BREEDON GROUP PLC

*(a public company incorporated in Jersey with registered number 98465)*  
(the “**Company**”)

**NOTICE IS HEREBY GIVEN** that a general meeting of the Company (in this Notice of Scheme General Meeting, the “**Scheme General Meeting**”) will be held at Pinnacle House, Breedon on the Hill, Derby, DE73 8AP on 26 April 2023 at 2:30 p.m. (or, if later, as soon thereafter as the Jersey Court Meeting (as defined in the document of which this Notice of Scheme General Meeting forms part) concludes or is adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

Unless the context requires otherwise, any capitalised term used but not defined in this Notice of Scheme General Meeting shall have the meaning given to such term in the document of which this Notice of Scheme General Meeting forms part.

#### SPECIAL RESOLUTION

THAT:

- (a) for the purpose of giving effect to the scheme of arrangement dated 29 March 2023 between the Company and the holders of Scheme Shares (as defined in the said scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the Chair thereof, in its original form or with or subject to such modification, addition or condition proposed by the Company and approved or imposed by the Court (the “**Scheme**”), the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (b) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 175:

“175. Scheme of Arrangement

175.1 In this Article 175, the “Scheme” means the scheme of arrangement dated 29 March 2023 under Article 125 of the Jersey Companies Law between the Company and the Scheme Shareholders, in its original form or with or subject to any modification, addition or condition proposed by the Company and approved or imposed by the Court and (save as defined in this Article 175) expressions defined in the Scheme shall have the same meanings in this Article 175.

175.2 Notwithstanding any other provision of these Articles, if the Company allots or issues any Breedon Shares or transfers any Breedon Shares out of treasury to any person (other than to New Breedon or its nominee(s)) on or after the Voting Record Time and before the Scheme Record Time, such Breedon Shares shall be allotted, issued, transferred or registered subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holders of such Breedon Shares shall be bound by the Scheme accordingly.

175.3 Notwithstanding any other provision of these Articles, subject to the Scheme becoming Effective, if any shares are allotted, issued, transferred out of treasury or transferred to any person (other than under the Scheme or to New Breedon or its nominee(s)) (a “**New Member**”) at or after the Scheme Record Time (each a “**Post-Scheme Share**”), they will be issued or transferred on terms that they shall (on the Effective Date or, if later, on the issue or transfer (but subject to the terms of Article 175.4 below)) be immediately transferred to New Breedon (or such person as it may direct), who shall be obliged to acquire each Post-Scheme Share in exchange for the issue or transfer to the relevant allottees of one New Breedon Share for every five Post-Scheme Shares transferred (provided that any fraction of a New Breedon Share shall be disregarded) as if each such Post-Scheme Share had been a Scheme Share. The New Breedon Shares issued or transferred pursuant to this Article 175.3 to the New Member will be credited as fully paid and will rank equally in all respects with all New Breedon Shares in issue at the time and be subject to the articles of association of New Breedon.

175.4 On any reorganisation of, or material alteration to, the share capital of Breedon (including, without limitation, any subdivision and/or consolidation), the number of New Breedon Shares to be issued or transferred under Article 175.3 may be adjusted by the Directors in such manner as the auditors of the Company or an investment bank selected by the Company may determine to be appropriate to reflect such reorganisation or alteration, provided always that any fractions of New Breedon Shares shall be disregarded. References in this Article 175 to shares or New Breedon Shares shall, following such adjustment, be construed accordingly.

175.5 To give effect to any transfer required by Article 175.3, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to New Breedon and/or its nominee(s) and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in New Breedon or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as New Breedon may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of New Breedon ) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by New Breedon. The attorney or agent shall be empowered to execute and deliver as transferor a form or instrument of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of New Breedon and the Company may give a good receipt for the consideration of the Post-Scheme Shares and may register New Breedon as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares.

175.6 If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) clause 6 of the Scheme, this Article 175 shall cease to be of any effect"; and

- (c) subject to and conditional upon the Scheme becoming effective, pursuant to Article 16 of the Companies (Jersey) Law 1991 (the "**Jersey Companies Law**"), the Company changes its status to become a private company and in connection therewith the memorandum of association of the Company be and is hereby altered by the deletion of paragraph 3.1 and the insertion in its place of a new paragraph 3.1 as follows:

"3.1 The Company is a private company."

and with effect as at the time such change of status becomes effective pursuant to the Jersey Companies Law, all references in the memorandum and articles of association of the Company to the existing name of the Company be changed to the name Breedon Group Limited.

By order of the Board of BREEDON GROUP PLC

JTC (Jersey) Limited  
*Breedon Secretary*  
29 March 2023  
28 Esplanade  
St Helier  
Jersey  
JE2 3QA

**Notes:**

1. Under Jersey law a special resolution requires a two thirds rather than three quarters majority of those voting at this meeting in person or by proxy to vote in favour of the resolution.
2. A member of the Company entitled to attend and vote at the Scheme General Meeting is entitled to appoint one or more proxies to exercise all and any of their rights to attend, to speak and to vote on their behalf at the Scheme General Meeting. Where a member appoints more than one proxy in relation to the Scheme General Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company but must attend the Scheme General Meeting in person.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy will be accepted to the exclusion of the votes of any other joint holders and for this purpose seniority will be determined by the order in which the names are recorded in the Register of Members.
4. If you wish to appoint a proxy, please use the WHITE form of proxy enclosed with this notice. In the case of joint shareholders, only one need sign the WHITE form of proxy. The completion and return of the WHITE form of proxy will not stop you from attending and voting in person at the Scheme General Meeting should you wish to do so and are so entitled. If you have appointed a proxy and attend the Scheme General Meeting and vote in person, your proxy appointment will automatically be terminated.
5. To be valid, the WHITE form of proxy, together with any power of attorney or other authority under which it is signed, or a duly certified copy thereof, must be received at the offices of Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL (together with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) either: (i) by post or (ii) (during normal business hours only) by hand, by no later than 2:30 p.m. on 24 April 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Alternatively, you may send any document or information relating to proxies to the electronic address indicated on the hard copy form of proxy. In the case of a shareholder which is a corporation, the form of proxy must be executed under its common seal or under the hand of some officer or attorney or other person duly authorised in that behalf. To appoint more than one proxy using a hard copy form of proxy you may photocopy the form of proxy.
6. Alternatively, a member may appoint a proxy electronically by visiting <https://www.breedonshares.com/> or via the Link Group shareholder app, LinkVote+. The app is free to download and use and gives shareholders the ability to access their records at any time. It is available to download on the Apple App Store and Google Play. To be valid, your proxy appointment and instructions must be received by no later than the deadline set out in note 5 above.
7. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If possible, all forms should be returned together in the same envelope.
8. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions: any amended proxy appointment received after the relevant cut-off time will be disregarded.
9. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed notice clearly stating your intention to revoke your proxy appointment to Link Group, PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be

received by Link Group no later than 2:30 p.m. on 24 April 2023. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then your proxy appointment will remain valid.

11. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.
12. 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 (under CREST participant ID RA10) authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 by 2:30 p.m. on 24 April 2023. 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.
13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 or her or its 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 connection with this, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 2:30 p.m. on 24 April 2023 in order to be considered valid or, if the Scheme General Meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting (excluding any part of such 48-hour period falling on a non-working day). Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
15. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
16. The Directors of the Company will interpret any ambiguous proxy appointments. The Chair of the Scheme General Meeting will, in his capacity as proxy, interpret any voting instructions he receives. Their respective determinations shall be final.
17. The Company, pursuant to Article 40 of the Companies Uncertificated Securities (Jersey) Order 1999, specifies that only those members registered in the Register of Members of the Company as at than 6:30 p.m. on 24 April 2023 or, in the event that the Scheme General Meeting is adjourned, in the Company's Register of Members 48 hours before the time of any adjourned meeting(s) (excluding any part of such 48-hour period falling on a non-working day), shall be entitled to attend or vote at the Scheme General Meeting or any adjournment thereof in respect of the number of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the Scheme General Meeting or any adjournment thereof.

18. As at the Latest Practicable Date, the Company's issued share capital comprised 1,694,399,580 ordinary shares of no par value carrying one vote each. Therefore, the total voting rights of the Company as at the Latest Practicable Date are 1,694,399,580.
19. Any member attending the Scheme General Meeting has a right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Scheme General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Scheme General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of Breedon or the good order of the Scheme General Meeting that the question be answered.
20. Voting on the resolution at the Scheme General Meeting will be conducted by a poll rather than a show of hands. Every member who is present or by proxy shall, on a poll, have one vote for each share of which he or she or it is the holder.
21. This communication has also been sent to certain beneficial owners of shares who have been nominated by their registered holders of shares to receive information. Such persons are advised that, in order to vote at the forthcoming Scheme General Meeting, they must issue an instruction to the registered holder of their shares. Breedon can only accept instructions from registered holders of its shares and it would therefore be unable to act upon any instructions received from nominated persons.

