

BALFOUR BEATTY plc

BOARD COMMITTEES

BUSINESS PRACTICES COMMITTEE

1. Membership

- 1.1 The Committee shall comprise the Chairman of the Company and some or all of the other Non-Executive Directors as determined by the Board from time to time and set out in the Board Committee Membership Schedule.
- 1.2 The Committee shall be chaired by a Non-Executive Director, as determined by the Board.
- 1.3 The Chief Executive shall attend meetings of the Committee, being the director responsible for ensuring that effective procedures are in place for the implementation within the Group of all policies from time to time falling within the terms of reference of the Committee.
- 1.4 Other Board members and employees may attend if invited by the Chairman of the Committee.

2. Secretary

The Secretary of the Company (or his nominee) will be the Secretary of the Committee.

3. Quorum

The quorum necessary for the transaction of business shall be two.

4. Frequency of Meetings

Meetings shall be held not less than two times each year, and at such other times as the Chairman of the Committee shall deem necessary. If possible, meetings shall be held in conjunction with meetings of the Audit Committee.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee or any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be provided to each member of the Committee no fewer than three working days (if practicable) prior to the date of the meeting. Supporting papers shall be sent to members of the

Committee and to other attendees as appropriate, at the same time.

6. **Minutes of Meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 The Secretary shall ascertain at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The Chairman shall ensure that, in the event of any conflicts of interest being noted, appropriate control measures are taken in the way such conflicts are managed at that meeting.
- 6.3 Minutes of Committee meetings shall be circulated to the Committee and to all members of the Board unless a conflict of interest exists.

7. **Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting of the Company and shall respond to any shareholder questions on the Committee's activities and responsibilities.

8. **Duties**

- 8.1 The Committee will, on behalf of the Board, monitor and review:
 - 8.1.1 the Group's core business principles and commitments, its business conduct guidelines and any other Group sponsored codes of practice, ensure that effective communication and training in relation to such policies is in place, and establish procedures to ensure compliance with the same;
 - 8.1.2 the Group's helplines and other mechanisms used by employees to raise concerns confidentially (including any Whistleblowing facilities), and the effectiveness of any such mechanisms;
 - 8.1.3 the Group's policies and performance relating to health and safety at work and how compliance with such policies is ensured across the Group;
 - 8.1.4 the Group's policies in relation to the environment and the management of environmental risks and how compliance with such policies is ensured across the Group;
 - 8.1.5 the satisfaction/motivation of employees generally around the Group, through the use of surveys and other methods and

reports available through the Human Resources Department, and ensure that the Group has adequate policies in place to promote equality, diversity, human rights, and the security of those employed by the Group;

8.1.6 how the Group manages its relationships with the communities near the Group's operations, and, in particular, the impact of the Group's work on and social investment by the Group in local communities;

8.1.7 review the corporate social responsibilities report, prior to its approval by the Board;

8.1.8 review contract commission arrangements; and

8.1.9 oversee and support key stakeholder engagement including social, environmental, health and safety, reputational and ethical issues.

8.2 The Committee shall give due consideration to laws and regulations, including the general duties of Directors set out in the Companies Act 2006, the provisions of the Combined Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, as appropriate.

9. **Reporting Procedures**

9.1 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee may delegate any aspect of its powers and authority to any employee of the Group as it thinks fit, and will at least once each year review its own performance, constitution and its terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board.

10 **Authority**

10.1 The Committee is authorised by the Board:

10.1.1 to seek any information it requires from any employee of the Company in order to perform its duties;

10.1.2 obtain external professional services, funded by the Company, on any matters it considers appropriate to its terms of reference and such advisors may attend meetings as necessary.

These terms of reference are next due for review in the fourth quarter of 2015.