

**Mitchells & Butlers plc**  
**Schedule of matters reserved for the Main Board**

The points listed below relate to matters on which the Main Board has reserved powers. All such matters accordingly require the express approval of the Main Board except in so far as it may on some occasions resolve to delegate its powers (where appropriate, set out in the terms of reference of the relevant board committee). In circumstances where a matter reserved for consideration by the Board requires urgent attention it may be necessary to convene a Board meeting at very short notice. In such an event, all reasonable measures will be taken to ensure that the views of all Directors are taken into account.

In addition, the Board will receive reports and recommendations on any matter which management considers to be significant to the Group. Separate delegations of authority and terms of reference of Board Committees have been approved by the Board.

**1. Strategic management**

- 1.1 Responsibility for the overall management of the Group.
- 1.2 Approval and responsibility for the overall commercial strategy of the Group including its long term objectives.
- 1.3 Material changes to the Group's overall management and control structure.
- 1.4 Approval of the annual budgets and any material changes to them including unbudgeted capital expenditure.
- 1.5 Oversight of the Group's day to day operations ensuring:
  - competent and prudent management
  - sound planning
  - an adequate system of internal control
  - adequate accounting and other records
  - compliance with statutory and regulatory obligations.
- 1.6 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.7 Any significant changes to the Group's overall strategic direction including materially extending the business into new areas of operation or new geographical locations. This includes entering into any material strategic alliance, joint venture, partnership or profit sharing arrangement.
- 1.8 Any decision to cease to operate all or any material part of the Group's business.
- 1.9 Any action which would require the approval of shareholders in general meeting.

**2. Structure and capital**

- 2.1 Changes to the Group's capital structure including share issues (except under general employee share plans), share buy backs and the use of treasury shares.
- 2.2 Any changes to the Company's stock exchange listing or its status as a public quoted company.
- 2.3 Major changes to the Group's corporate structure.
- 2.4 Changes to the Group's management and control structure.

**3. Financial reporting and controls**

- 3.1 Approval of the half year and full year results announcements; any quarterly/seasonal trading statements; accounts and any unscheduled financial statements as may be required.
- 3.2 Approval of the content of the Annual Report and Financial Statements.
- 3.3 Approval of the overall Group dividend policy.
- 3.4 Declaration of the half year dividend and recommendation of the final dividend to shareholders.
- 3.5 Approval of any material changes in accounting policies or practices.
- 3.6 Approval of high level corporate treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.7 Making recommendations to the shareholders for the appointment, re-appointment or removal of the external auditor, having considered proposals put forward by the Audit Committee.

#### **4. Internal monitoring and controls**

- 4.1 Review of performance as measured against the Group's stated strategy, objectives, business plans and budgets and ensuring corrective action is undertaken as and when required.
- 4.2 Oversight of the Group's risk management and internal control strategy including consideration of recommendations put forward by the Audit Committee.
- 4.3 Ensuring maintenance of a sound system of internal control and risk management including:
  - Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives.
  - Undertaking an annual assessment of these processes.
  - Approving an appropriate statement for inclusion in the Annual Report.

#### **5. Contracts and major transactions**

- 5.1 Capital projects and transactions where the total capital expenditure exceeds £2m.
- 5.2 Disposals of fixed assets or investments where the proceeds exceed £1m.
- 5.3 The entering into by the Group of any other commitment or arrangement (or any series of related commitments or arrangements) which, whether budgeted or unbudgeted, involves or could reasonably involve the payment or receipt by the Group of amounts equal to or in excess of an amount to be agreed by the Board in aggregate value (whether in cash or otherwise, and, where applicable, over any term thereof).
- 5.4 The entering into by the Group of any credit facility relating to borrowing of greater than an amount to be agreed by the Board in aggregate or the creation of any mortgage, guarantee or other security interest of whatsoever nature in respect of all or a material part of the undertaking, property or assets of the Group.
- 5.5 Significant contracts of the Group that are not in the ordinary course of business.
- 5.6 Acquisition or disposal of an interest of more than 5% in the voting shares or securities of any company or the making of any takeover bid.

#### **6. Communications**

- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

- 6.2 Approval of non-routine circulars and/ or any listing particulars and/or any prospectus relating to the Group's securities.
- 6.3 Approval of press releases concerning matters decided by the Board.
- 6.4 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

## **7. Board membership and other major appointments**

- 7.1 Changes to the overall structure, size and composition of the Board, following recommendations from the Nomination Committee.
- 7.2 Ensuring adequate succession planning for the Board and other senior management in liaison with the Nomination Committee.
- 7.3 Appointments to and removals from, the Board following recommendations by the Nomination Committee.
- 7.4 Terminations of the terms of employment or engagement of any Board Director.
- 7.5 Continuation in office of Directors at the end of their term of office when they are due to be re-elected by shareholders at the AGM.
- 7.6 Appointment and removal of the Chairman of the Board or the Chief Executive.
- 7.7 Appointment and removal of the Senior Independent Director.
- 7.8 Continuation in office of any Director at any time , including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the law and their service contract.
- 7.9 Membership and chairmanship of the various Board committees and approval of their terms of reference.
- 7.10 Appointment and removal of the Company Secretary.
- 7.11 Appointments to the boards of the subsidiaries.
- 7.12 Appointments of employer nominees to Group pension schemes.

## **8. Remuneration**

- 8.1 Consideration of the Remuneration Committee's recommendation in respect of the remuneration policy for Executive Directors, Executive Committee members, the Company Secretary and other senior management.
- 8.2 Determining the remuneration of the Non-Executive Directors, subject to the articles of association and shareholder approval as appropriate.
- 8.3 The introduction of new share incentive plans or major changes to existing plans, including any recommendations in relation to any such plans to be put to shareholders for approval.

## **9. Delegation of authority**

- 9.1 The division of responsibilities between the Chairman, the Chief Executive and other Executive Directors.
- 9.2 Establishing Board committees and approval of the terms of reference of such committees.
- 9.3 Receiving reports from the Board committees on their activities.

## **10. Corporate governance matters**

- 10.1 Review of the Group's overall corporate governance strategy and structure.

- 10.2 Undertaking formal and rigorous performance reviews of the Board, its committees and individual Directors.
- 10.3 Determining the independence of the Non-Executive Directors.
- 10.4 Receiving reports on the views of the Company's shareholders.
- 10.5 Considering the balance of interests between shareholders, employees, customers and the community.
- 10.6 Authorisation of Director conflicts of interest as appropriate, and review of the conflicts register on an annual basis.

## **11. General corporate policies**

- 11.1 Approval of the Company's principal policies, including:
  - Securities Dealing Code
  - Health and safety policy
  - Communications policy, including procedures for the release of price sensitive information
  - Charitable and political donations policy

## **12. Other matters**

- 12.1 Approval of political donations.
- 12.2 Approval of the appointment of the Group's principal professional advisers.
- 12.3 Appointment of corporate representatives.
- 12.4 Prosecution, defence or settlement of litigation which is material to the interests of the Group.
- 12.5 Approval of the overall levels of insurance for the Group including Directors' and Officers' liability insurance.
- 12.6 Major changes to the rules of the Group's pension scheme, or changes of trustees.
- 12.7 Any other matters of strategic or reputational importance likely to have a significant impact on the Company.
- 12.8 Any changes to this schedule of matters reserved for Main Board decisions.