

**Mitchells & Butlers plc**  
**Corporate Responsibility Committee**  
**Terms of Reference**

**Membership**

1. The Corporate Responsibility Committee (the “**Committee**”) shall be appointed by the Board in accordance with the Company's articles of association. The Committee shall comprise a minimum of three independent Non-Executive Directors. In addition, the Committee may include representatives of significant shareholders. In addition, the Committee may, from time to time, co-opt members of the Company’s executive management team to become members of the Committee
2. The chairman of the Committee shall be appointed by the Board from among the members of the Committee and shall be either the chairman of the Board or an independent Non-Executive Director. In the absence of the chairman of the Committee (and/or an appointed alternate member), the members present at any meeting of the committee shall elect one of their number to chair the meeting from those that would qualify under these terms of reference to be appointed to that position by the Board.
3. The chairman and members of the Committee shall be listed each year in the annual report of the Company.
4. Each member who is an independent Non-Executive Director shall hold office as a committee member for a period of up to three years, which may be extended by no more than two additional three-year periods, provided that the majority of the Committee remain independent and the director still meets the criteria for membership of the Committee.
5. If any member of the Committee who is an independent Non-Executive Director is unable to act for any reason, the chairman of the Committee may appoint any other independent Non-Executive Director of the Company to act as that member's alternate.
6. The Company Secretary or his/her nominee shall be the secretary of the Committee.
7. Each member of the Committee shall disclose to the Committee:
  - (a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
  - (b) any potential conflict of interest arising from a cross-directorship or other business interests.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the Board) shall resign from the Committee.

**Meetings**

8. The Committee shall meet as required with a minimum of three meetings per financial year of the Company and at such other times as the chairman of the Committee shall require. It is the intention of the Committee that, so far as possible and practicable, it shall hold its

meetings on the same day as meetings of the Nomination Committee. No one other than the chairman of the Committee and members thereof is entitled to be present at a meeting of the Committee. The chairman and members shall, however, have the discretion to decide who else shall be invited to attend for all or part of any meeting, as and when appropriate and necessary.

9. The quorum for meetings of the Committee shall be two members, each of whom should be a Non-Executive Director, present throughout the meeting in person or by telephone. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
10. Meetings of the Committee shall be called by the secretary of the Committee at the request of the chairman of the Committee.
11. Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall be forwarded to each member of the Committee, any person required to attend and all other Non-Executive Directors as soon as practicable and, in the absence of the need for an urgent meeting, no later than three working days before the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the Committee to all members of it and to arrange such meetings so that members are able to attend them.
12. A member of the Committee may participate in a Committee meeting by telephone.
13. In the event of an equality of votes, the chairman of the Committee shall not have a casting vote.
14. The secretary of the Committee shall prepare minutes of any meeting of the Committee, including the names of those present and in attendance, and, after approval and signature by the chairman of the Committee, shall circulate the minutes to all members of the Committee and to the chairman of the Board and, once agreed, to all other members of the board, unless in the opinion of the Committee chairman it would be inappropriate to do so.
15. The chairman of the Committee shall be available to answer questions about the Committee's activities at the Annual General Meeting of the Company.

#### **Remit**

16. The specific topics or areas of interest/concern within the remit of the Committee are set out in Schedule 1. In each case, the Committee will agree with relevant management, who have responsibility for the disciplines or activities concerned, a proportionate programme of reporting to the Committee.

#### **Duties**

17. The Committee shall:
  - (a) make available these terms of reference, explaining the role and the authority delegated to it by the Board by including the information on the Company's website; and
  - (b) work and liaise as necessary with all other Board committees.

18. The Committee shall carry out the duties below for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

18.1 Corporate Compliance:

The Committee shall review and challenge where necessary:

18.1.1 whether the Company has followed appropriate compliance policies and procedures and ethical and governance standards and taken appropriate action and made appropriate judgements, taking into account, where relevant, the views of the external advisers and

18.1.2 all reports on the Company from those charged with assurance reporting and review and monitor management's responsiveness to the findings and recommendations of such reports.

18.2 Policy & External Communication:

The Committee shall review:

18.2.1 the clarity of disclosure in the Company's annual CSR report and other annual reports and the context in which statements are made;

18.2.2 any material written communication (including email) between relevant regulators, professional bodies and community interest groups, charities and other stakeholders and the Company which is drawn to the attention of the Committee by the Company Secretary or any member of the Committee;

18.2.3 all material information presented with the financial statements, such as the Strategic Review and the Directors Report (insofar as it relates to governance and compliance matters); and

18.2.4 the Company's stance and approach to gender and racial and sexual diversity issues, developments, legislation and trends . The Committee will monitor and keep under review the Company's policies, procedures and standards on such matters and whether the Company has followed those policies, procedures and standards and taken appropriate action and made appropriate judgements, taking into account, where relevant, the views of external advisors.

18.3 The Committee shall:

18.3.1 oversee the selection process for new advisors relating to matters within its remit and, if an adviser resigns, investigate the issues leading to this and decide whether any action is required;

18.3.2 oversee the relationships with such external advisors including (but not limited to):

- approval of their remuneration and that the level of fees is appropriate for the scope of the work undertaken;

- approval of their terms of engagement, including any engagement letter and the scope of the work to be undertaken;

- satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the advisors and the Company (other than in the ordinary course of business);
- agreeing with the Board a policy on the employment of former employees of the Company's advisors, then monitoring the implementation of this policy;
- monitoring the advisors' compliance with relevant ethical and professional guidance;
- assessing annually the advisors' qualifications, expertise and resources and the effectiveness of the external advisory process which shall include a report from the external advisors on their own internal quality procedures;
- seeking to ensure co-ordination with activities of the Group Assurance function and
- considering the risk of withdrawal of any of the Company's present advisors from the market;

18.4 developing and implementing a policy on the supply of external advisory services, taking into account any relevant ethical guidance on the matter.

18.5 Whistleblowing: The Committee shall review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in matters falling within the Committee's remit, noting the possible overlap with the work of the Audit Committee. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

### **Reporting responsibilities**

19. The chairman of the Committee shall report verbally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
20. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
21. The Committee shall produce a report to be included in the Company's annual report about its activities. The report should also list the names of all members of the Committee, the number of committee meetings and attendance by each member.

### **Other**

22. The Committee shall:
  - (a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
  - (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

(c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules and any other applicable Rules, as appropriate; and

(d) at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### **Authority**

23. The Committee is authorised to undertake any activity within its terms of reference.
24. The Committee is authorised to delegate any of its powers to one or more of its members or the Company Secretary.
25. The Committee is authorised to employ the services of such advisers as it deems necessary to fulfil its responsibilities including employing search consultants at the Company's expense.
26. The Committee is authorised by the Board to investigate any activity within the scope of its remit and/or duties.
27. The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties. All employees are directed to co-operate with any request made by the Committee.

## **Schedule 1**

### Part 1 Specific Health and Safety Topics/Review Areas:

- Implementation of the Company's Health and Safety policy, directions of the Board and approved Health and Safety plans;
- Delivery of Health and Safety by the Health and Safety Management System through Health and Safety arrangements, risk assessment and employee engagement;
- Reporting of Health and Safety performance in relation to training activity; the impacts of business change; external drivers such as new or changed legislation or events in the wider community; significant incidents; accident trends and enforcement actions;
- Review of Health and Safety performance in each of the key operating areas of the business (probably once a year, unless otherwise directed).

### Part 2 Specific Corporate Governance Topics/Review Areas:

- UK Corporate Governance Code compliance;
- Awareness of developments in governance trends and policies;
- Oversight of approach to be taken to governance developments;
- Oversight of Group structures and procedures;
- Review of Board/Board Committee structures and evaluation processes;
- Legal and regulatory compliance;
- Approach taken on key legal issues/cases to ensure an appropriate stance is observed.

### Part 3 Specific Corporate Responsibility Topics/Review Areas:

- Identification, tracking and input into relevant Government, quasi-governmental and regulatory initiatives and developments;
- The Group's approach to the discharge of responsibilities to staff, customers, the general public, governmental bodies and authorities and other interested shareholders;
- Community relations;
- Environmental plan compliance, targets and performance;
- Energy usage;
- Ethical trading;
- Cyber security and data protection;

- Food safety;
- Compliance with Trading Standards and licensing laws;
- Sustainability, environment and corporate responsibility;
- Loss prevention;
- Reputation;
- Charitable support;
- Code of Ethics;
- Tax Strategy:
- Compliance with Modern Slavery and Human Trafficking laws;
- Money laundering;
- Drugs and alcohol policy;
- Corporate affairs;
- Media policy; and
- Political donations.

Approved by Board of Mitchells & Butlers plc  
13 June 2019