

**Mitchells & Butlers plc**  
**Nomination Committee**  
**Terms of Reference**

**Membership**

1. The Nomination Committee shall be appointed by the Board in accordance with the Company's articles of association.
2. The Nomination Committee shall comprise a minimum of three independent Non-Executive Directors. In addition, the Nomination Committee may include representatives of significant shareholders but the Nomination Committee as a whole shall consist of a majority of independent Non-Executive Directors.
3. The chairman of the Nomination Committee shall be appointed by the Board from among the members of the Nomination Committee and shall be either the chairman of the Board or an independent Non-Executive Director but the chairman of the Board must not chair the Nomination Committee when it is dealing with the appointment of a successor to the chairmanship. In the absence of the chairman of the Nomination 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.
4. The chairman and members of the Nomination Committee shall be listed each year in the annual report of the Company.
5. 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 Nomination Committee remain independent and the director still meets the criteria for membership of the Nomination Committee.
6. If any member of the Nomination Committee is unable to act for any reason, the chairman of the Nomination Committee may appoint any other independent Non-Executive Director of the Company to act as that member's alternate.
7. The Company Secretary or his/her nominee shall be the secretary of the Nomination Committee.
8. Each member of the Nomination Committee shall disclose to the committee:
  - (a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Nomination Committee; or
  - (b) any potential conflict of interest arising from a cross-directorship or other business interests.

Any such member who has disclosed an interest in accordance with this paragraph 8 shall abstain from voting on resolutions of the Nomination 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 Nomination Committee.

### **Meetings**

9. The Nomination 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.
10. No one other than the chairman and members of the Nomination Committee is entitled to be present at a meeting of the Nomination 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.
11. The quorum for meetings of the Nomination Committee shall be two members, each of whom should be an independent Non-Executive Director, present throughout the meeting in person or by telephone. A duly convened meeting of the Nomination 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 Nomination Committee.
12. Meetings of the Nomination Committee shall be called by the secretary of the committee at the request of the chairman of the committee.
13. 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 Nomination 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 Nomination Committee to all members of it and to arrange such meetings so that members are able to attend them.
14. A member of the Nomination Committee may participate in a committee meeting by telephone.
15. In the event of an equality of votes, the chairman of the Nomination Committee shall not have a casting vote.
16. The secretary of the committee shall prepare minutes of any meeting of the Nomination Committee, including the names of those present and in attendance, and, after approval and signature by the chairman of the Nomination Committee, shall circulate the minutes to all members of the Nomination 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.
17. The chairman of the Nomination Committee shall be available to answer questions about the committee's activities at the Annual General Meeting of the Company.

### **Duties**

18. The duties of the Nomination Committee shall be to:

- (a) lead the process of Board appointments and make recommendations to the Board;
- (b) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity of the Board compared to its current position) and make recommendations to the Board with regard to any changes;
- (c) give full consideration to succession planning for Directors and other senior executives in the course of its work, so as to maintain an appropriate balance of skills and experience within the Company and on the Board, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- (d) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies when they arise;
- (e) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the committee shall:
  - (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds;
  - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
  - (iv) consider the balance of Executive and Non-Executive Directors on the Board (and in particular independent Non-Executive Directors) such that no individual or small group of individuals can dominate the Board's decision taking;
  - (v) have regard to the provisions of the UK Corporate Governance Code (the "Code") which recommend that at least half the Board, excluding the chairman, should comprise Non-Executive Directors determined by the Board to be independent although the Nomination Committee shall also have regard to the arrangements in place with major shareholders;
  - (vi) determine whether a candidate is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, a candidate's judgement; and
  - (vii) prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

- (f) review the results of the Board performance evaluation process that relate to the composition of the Board;
  - (g) review annually the time required from a Non-Executive Director and assess whether he/she contributes effectively and demonstrates commitment to the role; performance evaluation should be used to assess whether the Non-Executive Director is spending enough time to fulfil his/her duties;
  - (h) keep the leadership needs of the Company under review (both executive and non-executive) with a view to ensuring the continued ability of the Company to compete effectively in the market;
  - (i) keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
  - (j) prepare a job specification for the appointment of a chairman, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. A proposed chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
  - (k) arrange for Non-Executive Directors to receive a formal letter of appointment to the Board, on their appointment, setting out the expected time commitment, committee service expected of them and their involvement outside Board meetings;
  - (l) make recommendations to the Board with regard to any matters relating to the 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 provisions of the law and their service contract;
  - (m) 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
  - (n) work and liaise as necessary with all other Board committees.
19. The Nomination Committee shall make recommendations to the Board with regard to:
- (a) plans for succession for Executive and Non-Executive Directors and in particular the key roles of chairman and chief executive;
  - (b) the appointment of the Company Secretary;
  - (c) the appointment of the senior independent Non-Executive Director;
  - (d) membership of the Market Disclosure, Audit and Remuneration Committees and any other Board committees as appropriate, in consultation with the chairmen of those committees;
  - (e) the re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to his or her performance and

ability to continue to contribute to the Board in the light of the knowledge, skills, and experience required;

- (f) the re-election by shareholders of Directors under the annual re-election provisions of the Code and the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors being re-elected for a term beyond six years); and
- (g) the appointment of any Director to an executive or other office of the Company (other than to the positions of chairman and chief executive, the recommendation for which would be considered at a meeting of the Board).

### **Reporting responsibilities**

- 20. The chairman of the Nomination Committee shall report verbally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 21. The Nomination Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 22. The Nomination Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the company. The report should also list the names of all members of the committee, the number of committee meetings and attendance by each member.
- 23. Unless included elsewhere in the annual report, the report referred to in 22 above shall include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving the objectives.

### **Other**

- 24. 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 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**

- 25. The Nomination Committee is authorised to undertake any activity within its terms of reference.
- 26. The Nomination Committee is authorised to delegate any of its powers to one or more of its members or the Company Secretary.
- 27. The Nomination 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.
- 28. The Nomination Committee is authorised by the Board to investigate any activity within the scope of its duties.
- 29. The Nomination 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 Nomination Committee.

**Revised and updated: March 2019**