

## **COMPASS GROUP PLC**

### **SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

**(as adopted by the Board on 17 December 2007)**

The following are the matters that are reserved for the Board of Compass Group PLC

#### **Strategy & Management**

1. Responsibility for the overall management and direction of the Compass Group PLC Group of Companies ("Group").
2. Approval of the Group's long-term objectives and commercial strategy.
3. Approval of the annual budgets.
4. Overseeing the Group's operations and reviewing on a regular basis performance in the light of the Group's strategy objectives, business plans and budgets ensuring that any necessary corrective action is taken.

#### **Board Membership & Other Appointments**

1. Appointments and removal of Compass Group PLC Directors, following recommendations by the Nomination Committee.
2. Changing the structure, size and composition of the Board of Directors, following recommendations by the Nomination Committee.
3. Maintaining an effective and efficient programme of succession planning for the Board and senior management.
4. Appointment of the Senior Independent Director.
5. Appointment of the Chairman and members of Board Committees.
6. Appointment and removal of the Company Secretary.
7. Appointment, reappointment or removal of the external auditor (for consideration by shareholders in general meeting) following recommendation by the Audit Committee.
8. Approval of the appointment of the Group's principal professional advisers.
9. The division of responsibilities between the Chairman and the Chief Executive.
10. Approval of the terms of reference of Committees of the Board.

## **Financial Reporting & Controls**

1. Approval of preliminary announcements of interim and final results.
2. Approval of the annual report and accounts, the annual review and the interim report.
3. Approval of dividend policy and the declaration or recommendation (subject to the approval of shareholders in general meeting) of any dividend to be paid by the Company.
4. Approval of any significant changes in accounting policies or practices.
5. Approval of treasury policies including foreign currency exposure and hedging arrangements.

## **Internal Controls**

1. Ensuring that the Group maintains in operation a sound system of internal control and risk management. Receiving reports and undertaking an annual review of the effectiveness of the Group's control and risk procedures.

## **Contracts**

1. Approving all investments and capital expenditure exceeding £25 million.
2. Approving any acquisition or disposal (whether in a single transaction or series of transactions) of private companies or businesses not within the City Code on Takeovers and Mergers, but involving consideration of over £25 million.
3. Approval of any new bank borrowing facilities.
4. Approval of any increase, or significant variation in the terms (other than arising from changes in interest rates) of the borrowing facilities available to the Company, provided that the Chief Executive and Finance Director may jointly approve additional facilities up to an aggregate maximum of £100 million in any one year.
5. Approval of any new parent company guarantees or bank guarantees exceeding £25 million.

## **Capital Structure**

1. Review and approval annually of the Group financing plan. This will include a summary of the Group's projected financing and capital structure.
2. Major changes to the Group's corporate structure, management and control structure.
3. Any changes to the Company's listings or its status as a public limited company.

## **Communication**

1. Approval of resolutions and corresponding documentation to be put before shareholders in general meeting.
2. Approval of any shareholder circulars and listing particulars.

## **Remuneration**

1. Determining the remuneration policy for the Chairman, Chief Executive, executive directors, the Company Secretary and other senior executives following recommendation by the Remuneration Committee.
2. Determining the remuneration of the non-executive directors, subject to the Company's articles of association.
3. The introduction of new share schemes or new long-term incentive schemes or major changes to existing schemes which require shareholders' approval.

## **Delegation of Authority**

1. Setting out in writing the division of responsibilities between the Chairman and the Chief Executive.
2. Changing the Terms of Reference of any Committee of the Board.

## **Corporate Governance Matters**

1. Undertaking a formal and rigorous review annually of the collective effectiveness of the Board, its committees and individual directors.
2. Determining the independence of non-executive directors.
3. Receiving reports on and noting the views of the Company's shareholders.

## **Other Matters**

1. Approval of any material changes to the rules of the Group's pension schemes.
2. Approval of any material litigation matters in excess of that delegated to the Chief Executive.
3. Formulation of Group risk strategy including the indemnification of directors.
4. Reviewing on a regular basis the Company's share register and noting in particular any changes in the holdings of the Company's major shareholders.
5. Receiving reports and recommendations from time to time on any matters that the Board considers significant to the Group.

6. Any other matter not falling within the powers and authority of the shareholders, the Chief Executive or delegated to a Committee of the Board.
7. Reviewing and updating as appropriate this schedule of matters reserved for Board decisions.