



## **J D Wetherspoon plc**

Company No. 1709784

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### **Schedule of matters reserved for the board**

Adopted by the board on 24<sup>th</sup> April 2014

The following matters are reserved for the board:

#### **1. Strategy and management**

1.1 Responsibility for the overall leadership of the Company and setting the company's values and standards.

1.2 Approval of the company's strategic aims and objectives.

1.3 Approval of the annual operating budgets and capital expenditure budgets and any material changes to them.

1.4 Oversight of the company's operations ensuring:

- Competent and prudent management;
- Sound planning;
- Maintenance of sound management and internal control systems;
- Adequate accounting and other records; and
- Compliance with statutory and regulatory obligations.

1.5 Review of performance in the light of the company's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

1.6 Extension of the company's activities into new business or geographic areas.

1.7 Any decision to cease to operate all or any material part of the company's business.

#### **2. Structure and capital**

2.1 Changes relating to the Company's capital structure including reduction of capital, share issues (except under employee share plans), share buy backs [including the use of treasury shares].

2.2 Major changes to the Company's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the company (taking into account initial and deferred consideration).

2.3 Changes to the company's management and control structure.

2.4 Any changes to the company's listing or its status as a plc.

### **3. Financial reporting and controls**

3.1 Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.

3.2 Approval of the annual report and accounts, [including the corporate governance statement and directors' remuneration report].

3.3 Approval of the dividend policy.

3.4 Declaration of the interim dividend and recommendation of the final dividend.

3.5 Approval of any significant changes in accounting policies or practices.

3.6 Approval of treasury policies [including foreign currency exposure and the use of financial derivatives].

3.7 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

### **4. Internal controls**

4.1 Ensuring maintenance of a sound system of internal control and risk management including:

- Approving the company's risk appetite statements;
- Receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives;
- Approving procedures for the detection of fraud and the prevention of bribery;
- Undertaking an annual assessment of these processes; and
- Approving an appropriate statement for inclusion in the annual report.

### **5. Contracts**

5.1 Approval of major capital projects [and oversight over execution and delivery].

5.2 Contracts which are material strategically or by reason of size, entered into by the company [or, in the case of a subsidiary, recommendations for approval] in the ordinary course of business, for example bank borrowings [above £25 million] and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) [above £25 million].

5.3 Contracts of the company [or any subsidiary] not in the ordinary course of business, for example loans and repayments [above £25 million]; foreign currency transactions [above £50 million]; major acquisitions or disposals [above £25 million].

5.4 Major investments [including the acquisition or disposal of interests of more than (3) per cent in the voting shares of any company or £25m].

### **6. DELEGATED AUTHORITY OF THE CHAIRMAN**

Tim Martin will have delegated authority from the Company to commit to exchange of contracts within the following control parameters: -

- 6.1 The fully developed cost of any individual freehold will not exceed £3m.
- 6.2 The fully developed cost of an individual leasehold will not exceed £2m.
- 6.3 Freehold unconditional premises can be acquired on sites up to a cumulative cost of £8m (undeveloped) with no individual site to exceed £1.5m
- 6.4 No individual lease commitment will exceed £300,000 pa.
- 6.5 The maximum number of non-trading sites for which contracts can be exchanged will be 100 [in total]/[at any one time].

NB Above the delegated authority levels highlighted above approval will be required at the weekly design meeting which regular attendees include the Chairman, Chief Executive and Finance Director and should be treated as approval by the board.

## **7. Communication**

7.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

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

7.3 Approval of all circulars, prospectuses and listing particulars [approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee].

## **8. Board membership and other appointments**

8.1 Changes to the structure, size and composition of the board, following recommendations from the nomination committee.

8.2 Ensuring adequate succession planning for the board and senior management so as to maintain an appropriate balance of skills and experience within the company and on the board.

8.3 Appointments to the board, following recommendations by the nomination committee.

8.4 Selection of the chairman of the board and the chief executive.

8.5 Appointment of the senior independent director to provide a sounding board for the chairman and to serve as intermediary for the other directors when necessary.

8.6 Membership and chairmanship of board committees following recommendations from the nomination committee.

8.7 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 and otherwise as appropriate.

8.8 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.

8.9 Appointment or removal of the company secretary

8.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the audit committee.

8.11 Appointments to boards of subsidiaries.

## **9. Remuneration**

9.1 Determining the remuneration policy for the directors, company secretary and other senior executives.

9.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

9.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## **10. Delegation of authority**

10.1 The division of responsibilities between the chairman and the chief executive, which should be clearly established, set out in writing and agreed by the board.

10.2 Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).

10.3 Establishing board committees and approving their terms of reference, and approving material changes thereto.

10.4 Receiving reports from board committees on their activities.

## **11. Corporate governance matters**

11.1 Undertaking an annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.

11.2 Determining the independence of non-executive directors in light of their character, judgment and relationships.

11.3 Considering the balance of interests between shareholders, employees, customers and the community.

11.4 Review of the Company's overall corporate governance arrangements.

11.5 Receiving reports on the views of the company's shareholders to ensure that they are communicated to the board as a whole.

11.6 Authorising conflicts of interest where permitted by the Company's articles of association.

## **12. Policies**

12.1 Approval of policies, including:

- Share dealing code;
- Bribery prevention policy;
- Whistleblowing policy ;
- Health and safety policy;
- Environment and sustainability policy;
- Personnel policy;
- Corporate social responsibility policy; and
- Charitable donations policy.

### **13. Other**

13.1 The making of political donations.

13.2 Approval of the appointment of the Company's principal professional advisers.

13.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism [involving above £5 million or being otherwise material to the interests of the company].

13.4 Approval of the overall levels of insurance for the company including directors' & officers' liability insurance [and indemnification of directors].

13.5 Major changes to the rules of the Company's pension scheme, or changes of trustees or [when this is subject to the approval of the company] changes in the fund management arrangements.

13.6 Any decision likely to have a material impact on the company from any perspective, including, but not limited to, financial, operational, strategic or reputational.

13.7 This schedule of matters reserved for board decisions.