

## Appendix 9: Corporate Compliance and Responsibility (CCR) Committee Terms of Reference

### 1. **CONSTITUTION**

- 1.1. The Corporate Compliance and Responsibility (CCR) Committee (Committee) was constituted as a committee of the Board of directors (Board) of Wm Morrison Supermarkets PLC (Company) in accordance with the articles of association of the Company.
- 1.2. The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3. The Committee may delegate any or all of its powers and authority as it thinks fit to one or more of its members or the Company Secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

### 2. **ROLE**

- 2.1. The role of the Committee is to develop and implement the Group's policies on corporate compliance and responsibility. Reviewing and ensuring compliance with those policies and ethical and governance standards.

### 3. **DUTIES AND TERMS OF REFERENCE**

The Committee shall have oversight of the group as a whole and (unless required otherwise by regulation) carry out the following duties for the Company and its subsidiaries (Group) as appropriate:

#### 3.1. Corporate Compliance

The Committee shall:

- 1.1. review and challenge where necessary whether the Company has followed appropriate compliance policies and procedures, as well as ethical and governance standards.
- 1.2. assess whether the Company has taken appropriate action and made appropriate judgements, taking into account, where relevant, the views of the external advisors.
- 1.3. review and challenge where necessary all reports on the Company from those charged with assurance reporting.
- 1.4. review and monitor management's responsiveness to the findings and recommendations of such reports.
- 1.5. oversee the Group's identification, tracking and input into relevant Government, quasi-governmental and regulatory initiatives and developments;
- 1.6. review the adequacy and effectiveness of the Company's policies, systems and controls for complying with current standards and regulations including but not limited to:
  - a) Ethical Trading
  - b) Food Safety - Legality and Integrity

- c) Media policy
- d) Money Laundering
- e) Sanctions
- f) the prevention of bribery
- g) the General Data Protection Regulations (GDPR)
- h) Data Security
- i) Cyber Security
- j) Business Continuity Processes
- k) the Market Abuse Regulation (MAR)
- l) the agreed policy on Political donations
- m) Environmental responsibilities including energy usage, packaging and Food Waste
- n) Agricultural and Fisheries Policy
- o) Modern Slavery

1.7. oversee and receive regular updates on the Group's charity partnership(s)

1.8. review updates on the Morrisons Foundation

### 3.2. Whistleblowing

The Committee shall review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

### 3.3. Policy & External Communication

The Committee shall review:

- 1.1. the clarity of disclosure in the Company's annual Corporate Responsibility report and other annual reports and the context in which statements are made;
- 1.2. all material information presented with the financial statements, such as the Strategic Review and the Directors Report (insofar as it relates to the governance and compliance matters).

### 3.4. Health and Safety Topics

- 1.1. Implementation of the Company's Health and Safety policy, directions of the Board and approved Health and Safety plans.
- 1.2. Delivery of Health and Safety by the Health and Safety Management System through Health and Safety arrangements, risk assessment and employee engagement.

- 1.3. 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.
- 1.4. Review of Health and Safety performance in each of the key operating areas of the business (probably once a year, unless otherwise directed).

3.5. Competition Compliance

- 1.1. Supporting the investigations and objectives of the Office of Fair Trade (OFT), Competition Commission Competition and Markets Authority (CMA) and other competition authorities.
- 1.2. Overseeing and ensuring the Company has an adequate competition compliance regime including training, communication; and regular updates.

3.6. GSCOP

The Committee shall review and approve the annual report on compliance with the Groceries Supply Code of Practice (“the code”) and summary to be included in the Company’s annual report. Oversee compliance with the code, including (but not limited to):

- 1.1. reviewing and monitoring significant disputes with suppliers with regard to the code; and
- 1.2. requesting (if considered appropriate) and reviewing periodic reports from the Code Compliance Officer on compliance with the code.

4. **MEMBERSHIP**

- 4.1. At all times the Committee shall comprise a chairman and a minimum of three members and the Committee as a whole shall have competence relevant to the section in which the Company operates.
- 4.2. The Board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee chairman.
- 4.3. Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.
- 4.4. The Board shall appoint the chairman of the Committee from among the independent non-executive directors and shall determine the period for which the chairman of the Committee will hold office. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 4.5. The Committee chairman shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 4.6. The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

## **5. ATTENDANCE AT MEETINGS**

- 5.1. The Committee shall meet at least three times a year at appropriate times in the Group reporting and review cycle and at such other times as required.
- 5.2. Only Committee members have the right to attend and vote at Committee meetings. However, the Chief Financial Officer and Director of Internal Audit shall be invited to attend and address meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meetings as and when appropriate and necessary and with the Committee chairman's agreement.
- 5.3. The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 5.4. Meetings of the Committee may be conducted when the members are physically present together or in the form of either video or audio conferences.

## **6. NOTICE OF MEETINGS**

- 6.1. Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or at the request of the Chief Financial Officer.
- 6.2. Unless the Committee otherwise agrees, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee chairman.
- 6.3. The Committee may send notices, agendas and supporting papers in electronic form where the recipient has agreed to receive documents in such a way.

## **7. QUORUM**

- 7.1. The quorum necessary for the transaction of business at a Committee meeting shall be two members (including, whenever possible, at least one member with recent and relevant financial experience), present in person or by audio or video conference.
- 7.2. If there is difficulty in achieving a quorum, independent non-executive directors, who are not members of the Committee, may be co-opted as members for individual meetings.
- 7.3. A duly convened Committee meeting 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.

## **8. VOTING ARRANGEMENTS**

- 8.1. Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).

- 8.2. If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 8.3. Except where he has a personal interest, the Committee chairman shall have a casting vote.
- 8.4. The Committee chairman may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

## **9. MINUTES OF MEETINGS**

- 9.1. The Company Secretary (or his or her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 9.2. Draft minutes of Committee meetings shall be agreed with the Committee chairman and then be circulated promptly to all Committee members, unless in the Committee chairman's opinion it would be inappropriate to do so. Once approved, minutes shall be circulated to all other Board members unless in Committee chairman's opinion it would be inappropriate to do so.
- 9.3. A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **10. ANNUAL GENERAL MEETING**

- 10.1. The Committee chairman shall attend the Annual General Meeting to answer shareholder questions on the Committee's activities and areas of responsibility.

## **11. REPORTING RESPONSIBILITIES**

The Committee shall:

- 11.1. Report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be included in the Board papers for a subsequent Board meeting.
- 11.2. Prepare a formal report to shareholders on its activities to be included in the Company's annual report, which shall include:
  - a) Details of the membership of the Committee, number of meetings held and attendance over the course of the year.
  - b) A summary of the role and work of the Committee.
  - c) How the Committee's performance evaluation has been conducted.
  - d) The significant issues that the Committee considered in relation to the duties and responsibilities of the Committee
- 11.3. Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.4. Where disagreements between the Committee and the Board cannot be resolved, report the issue to the shareholders as part of the report on the Committee's activities in the annual report.

- 11.5. Make available to shareholders these terms of reference by placing them on the Company's website.

## **12. GENERAL MATTERS**

The Committee shall:

- 12.1. Consider other duties determined by the Board from time to time.
- 12.2. Have access to sufficient resources to carry out its duties, including access to the Company Secretary as required.
- 12.3. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members. Any individual training to be discussed and agreed with the Company Secretary.
- 12.4. Give due consideration to all applicable laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable rules as appropriate.
- 12.5. Work and liaise as necessary with all other Board committees.
- 12.6. Arrange for periodic reviews of its own performance and, at least annually review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **13. AUTHORITY**

The Board authorises the Committee to:

- 13.1. Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary.
- 13.2. Seek any information it requires from any employee of the Company or any of the Company's subsidiaries to perform its duties.
- 13.3. Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.
- 13.4. Call any employee to be questioned at a Committee meeting as and when required and all employees are directed to co-operate with any request made by the Committee.
- 13.5. Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.
- 13.6. Commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations.
- 13.7. Collectively and individually have direct access to relevant employees within the Group..

Adopted at the Board meeting of the Company on 12 March 2019