

ASSOCIATED BRITISH FOODS plc (the *Company*)

NOMINATION COMMITTEE - TERMS OF REFERENCE

adopted by the Board on 8 September 2015

1. BACKGROUND

The Board of Directors of the Company (the ***Board***) has resolved to establish a Nomination Committee (the ***Committee***). These terms of reference replace any previous terms of reference for any nomination committee of the Board.

2. DUTIES OF THE COMMITTEE

2.1 The Committee shall:

- (a) lead the process for Board appointments and make recommendations to the Board;
- (b) regularly review the Board structure, size and composition (including the skills, knowledge, independence, experience and diversity) taking into account the Company's current requirements, the results of the Board performance evaluation process that relate to the composition of the Board, and the future development of the Company, and make recommendations to the Board about any changes that are deemed necessary or desirable;
- (c) consider plans, satisfy itself and make recommendations to the Board for orderly succession for appointments to the Board and to senior management, so as to maintain an appropriate balance of skills and experience within the Company and on the Board and to ensure progressive refreshing of the Board, taking into account the challenges and opportunities facing the Company;
- (d) review, and make recommendations to the Board on, the implementation of the Board's policy on boardroom diversity;
- (e) keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- (f) be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (g) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience, independence 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 and the expected time commitment. In identifying suitable candidates the Committee shall:

- (i) where appropriate, use open advertising or the services of external advisers to facilitate the search, ensuring that such advisers follow the criteria approved by the Board or the Committee with regard to the selection of candidates;
 - (ii) consider candidates from a wide range of backgrounds; and
 - (iii) consider candidates on merit and against objective criteria (taking into account the criteria approved by the Board or the Committee with regard to the selection of candidates) 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 and in particular, if the candidate is to be appointed as a full time executive director of the Company, ensure he is not a non-executive director of more than one, or the chairman of any, FTSE 100 company;
- (h) require proposed appointees to the Board to disclose any other interests and appointments and ensure that consideration is given to whether these need to be approved by the Board prior to appointment;
 - (i) ensure that on appointment, all executive directors receive a formal service contract setting out clearly the terms of their engagement and what is expected of them;
 - (j) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
 - (k) make recommendations to the Board regarding the appointment of any director to executive or other office;
 - (l) make recommendations to the Board about suitable candidates for the role of senior independent director, and membership of the audit and remuneration committees of the Board and any other Board committees as appropriate, in consultation with the chairman of the relevant committee;
 - (m) liaise with the Remuneration Committee in relation to the remuneration of proposed new directors (within the scope of the directors' remuneration policy approved by shareholders);
 - (n) review annually the time required to fulfil the role of Chairman, senior independent director and each non-executive director (taking into account committee memberships) and, taking into account that review and with reference to the annual performance evaluation, review whether all members of the Board have devoted sufficient time to their duties;

- (o) as regards the re-appointment of any non-executive director, review their performance (taking into account the results of the performance evaluation conducted by the Board) and make a recommendation to the Board, at the conclusion of his or her specified term of office; particularly once a second term of office has been completed. Non-executive directors who have been on the Board for six years will not be automatically re-appointed, but will be subject to rigorous review and the Committee shall take into account the need for progressive refreshing of the Board. Non-executive directors are initially appointed for a term of three years and it is hoped, for the purposes of succession planning, that the appointment of a non-executive director will last for at least six years, subject to the foregoing;
- (p) make recommendations to the Board about the re-election of directors by shareholders in accordance with the Company's Articles of Association and the UK Corporate Governance Code provisions, having due regard to their performance (and the results of any formal performance evaluation) 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);
- (q) make recommendations to the Board about 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; and
- (r) ensure that the Company offers an appropriate dialogue with shareholders about succession planning, the appointment of directors and the work of the Committee.

3. PROCEDURES

3.1 The Committee shall have the following procedures:

Non-executive directors

- (a) when it is decided that a new appointment of a non-executive director is to be made, a short-list will be circulated to members of the Committee and the Chief Executive (and other directors, if felt appropriate), for comment and the addition of any further potential non-executive directors. The Committee may also engage a reputable firm of search consultants to recommend candidates;
- (b) a revised short-list will then be considered by the Committee;
- (c) short-listed candidates selected by the Committee will be seen in the first instance by the Chairman and one other Committee member and the Chief

Executive. If the Chairman wishes to take the selection process further the potential candidate(s) will be invited to meet the Committee;

- (d) the Committee will decide whether to recommend an appointment to the Board;

Executive directors

- (a) the Chairman and the Chief Executive (or, in his absence, the Senior Independent Director) will submit a short-list of one or more candidates to be executive directors to the Committee;
- (b) the Chairman and Chief Executive (or, in his absence, the Senior Independent Director) and/or the Committee may engage a search consultant to assist in the selection of external candidates for a specific appointment;
- (c) some or all of the Committee's members will meet the candidate(s) selected for interview; and
- (d) the Committee's assessments will be reviewed with the Chairman and Chief Executive (or, in his absence, the Senior Independent Director), following which a candidate may be submitted to the Board for appointment.

4. COMPOSITION

4.1 Members of the Committee shall be appointed by the Board from amongst the directors of the Company, in consultation with the Chairman. The Committee shall be made up of at least three members. A majority of the members of the Committee shall be independent non-executive directors of the Company. If any member of the Committee is determined by the Board no longer to be independent and that would result in a majority of the Committee not being independent non-executive directors, that director shall cease to be a member of the Committee. An independent non-executive director shall not normally be appointed to the Committee within the first year of appointment.

4.2 The Board shall appoint the chairman of the Committee who shall be either the Chairman or an independent non-executive director. The Chairman shall not chair the Committee when it is dealing with the appointment of a successor to the chairmanship. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of the independent non-executive directors to chair the meeting.

4.3 Only members of the Committee have the right to attend Committee meetings. However other individuals such as members of senior management, head of human resources and external advisers may be invited to attend all or part of the meeting as and when appropriate.

4.4 Appointments to the Committee shall be for a period of up to three years, extendable for further three-year (or shorter) periods, provided that the majority of the Committee members remain independent. Any term beyond six years should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the Committee.

4.5 The Board shall regularly review the membership of the Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals.

5. QUORUM

5.1 The quorum necessary for the transaction of business shall be two members. If there are only two members present, such quorum must consist of either: (i) two independent non-executive directors; or (ii) one independent non-executive director and the Chairman of the Board.

5.2 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.

6. MEETING ADMINISTRATION

6.1 The Committee shall meet at least once a year and at such other times as the Committee chairman shall require.

6.2 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the provisions of the Company's Articles of Association regulating the meetings and proceedings of directors.

6.3 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairman or any of its members.

6.4 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required) together with an agenda of the 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 as soon as practicable and in any event, where practicable, no later than five 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.

7. SECRETARY

7.1 The company secretary or such person as the company secretary nominates shall act as the secretary of the Committee.

7.2 The secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

7.3 The secretary shall ascertain at the beginning of the meeting the existence of any conflicts of interest and minute them accordingly. The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.4 The secretary shall keep a record of:

- (a) the membership of, and the dates of any changes to the membership of, the Committee;
- (b) any person who, or firm which provides search consultancy services to or otherwise materially assists the Committee.

7.5 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes shall be circulated to all other members of the Board, unless it would be inappropriate to do so.

8. SELF EVALUATION

The Committee shall, at least once a year, review its own performance, composition and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

9. REPORTING RESPONSIBILITIES

9.1 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

9.2 The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is desirable.

9.3 The Committee chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

9.4 The Committee shall compile a report on its activities to be included in the Company's annual report to shareholders. The report shall include:

- (a) a description of the process used by the Committee to make Board appointments;

- (b) a description of the Board's policy on diversity, including gender diversity, any measurable objectives the Committee has set for implementing the policy and progress on achieving the objectives;
- (c) if external advertising or advice has not been used in the appointment of the Chairman or a non-executive director, an explanation as to why not; and
- (d) if external search consultancy has been used, the identity of the consultancy and a statement regarding any other connections the consultancy has with the Company.

9.5 The Committee's terms of reference shall be made available on the Company's website in accordance with the UK Corporate Governance Code.

10. OTHER MATTERS

10.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat 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 in the performance of the duties set out in this terms of reference, to any applicable laws and regulations, including to the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, and to any relevant published guidelines or recommendations on corporate performance, as appropriate;
- (d) ensure that it is in a position to justify all of its actions and proposed courses of action; and
- (d) oversee any investigation of activities which are within its terms of reference.

10.2 In exercising its powers, the Committee shall take into account the duties of directors under Chapter 2 of Part 10 of the Companies Act 2006 including, in particular, section 172 of the 2006 Act, which requires a director to act in a way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Group's employees;

- (c) the need to foster the Group's business relationships with suppliers, customers and others;
- (d) the impact of the Group's operations on the community and the environment;
- (e) the desirability of the Group maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the Company.

10.3 The Committee shall promptly provide the Board with such information as may be necessary or desirable in the opinion of the Board to enable the Board to monitor its conduct in order that each member of the Board may fulfil his duties and responsibilities as a director.

11. AUTHORITY

11.1 The Committee is authorised by the Board to:

- (a) undertake any activity and investigate any matter within its terms of reference;
- (b) seek any information that it requires from any director, Group employee or contractor in order to perform its duties and all directors and employees are directed to cooperate with any requests made by the Committee;
- (c) obtain, at the Company's expense, but within any budgeting restraints imposed by the Board, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend at meetings of the Committee;
- (d) call any director, Group employee or contractor to be questioned at a meeting of the Committee, as and when required; and
- (e) delegate any of its powers to one or more of its members or the secretary.

11.2 These terms of reference may be amended from time to time by the Board.