

CAPITAL APPROVAL COMMITTEE TERMS OF REFERENCE

Membership

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| Stuart Rose | Chairman |
| Ian Dyson | |
| John Dixon | |
| Steven Sharp | |
| Clem Constantine | |
| Nayna McIntosh | |
| Steve Rowe | |
| Sacha Berendji | |
| Steve Finlan | |
| Neil Hyslop | |
| Richard Harris | Secretary |

The quorum is three members - in the absence of the Chief Executive, the Group Finance Director must be present. The additional attendees will be dependant on the 'Investment' being covered on the agenda. They will only attend for their relevant agenda item.

Meetings

Meetings will be held monthly to an annual calendar agreed with members in advance and aligned to meetings of the Marks and Spencer Group plc Board ("Board").

Financial Authority

The Capital Approval Committee ("CAC") has authority to approve investment spend up to £15m on individual projects within the scope of the annual operating plan for capital and revenue.

Role

The role of the CAC is to recommend to the Board the investment strategy and framework including relevant policies around Property investment projects. The Committee has delegated authority to approve investment expenditure on behalf of the Board within the prescribed limits of the Group Investment Policy.

Terms of Reference

Policy

- 1 To approve major expenditure, including revenue and capital expenditure to criteria agreed by and within limits authorised by the Board.
- 2 To monitor performance against pre-determined criteria to ensure that investments deliver the required returns. This will be an integral part of the formal Post Implementation Review ("PIR") process.
- 3 To review on an annual basis the Group Investment Policy and recommend changes to the Board for approval.

Internal Control and Risk Management

- 4 To review the effectiveness of internal controls relating to investment expenditure including authority procedures, e.g. those relating to CERs (capital expenditure requests) and CADRs (capital approval disposal requests).
- 5 To identify, evaluate and manage risks relating to investment expenditure.
- 6 To manage and reconcile investment within the overall constraints of the operating plan and update progress on a monthly basis reflecting the impact of proposed projects.

General

- 7 To review annually and update its terms of reference, recommending any changes to the Board and to evaluate its own membership and performance on a regular basis.