

NOTICE OF ANNUAL GENERAL MEETING 2018

To be held at
Mitchells & Butlers plc, Retail Support Centre,
27 Fleet Street, Birmingham B3 1JP on
Tuesday 23 January 2018 at 2.00pm

This document is important and requires your immediate attention

If you are in any doubt about its content or the action you should take, you should consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in Mitchells & Butlers plc, please pass this document and the accompanying Form of Proxy to the stockbroker or other agent through whom you made the sale or transfer for transmission on to the purchaser or transferee.

A Form of Proxy for the Annual General Meeting is enclosed and should be completed and returned so as to reach Equiniti (the Company's Registrar) by no later than 2.00pm on 21 January 2018. Completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish. Alternatively you can register your proxy vote electronically no later than 2.00pm on 21 January 2018, either by means of a website provided by Equiniti, www.sharevote.co.uk, or by using the service provided by Euroclear. Further details are given in the notes to this document.

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Chairman's letter and explanation of business

Dear shareholder

This letter provides details of the 2018 Annual General Meeting (the 'Meeting' or 'AGM') of Mitchells & Butlers plc which I am pleased to invite you to attend. The AGM will be held at Mitchells & Butlers plc's Retail Support Centre in Birmingham on Tuesday 23 January 2018 at 2.00pm. The formal notice of the Meeting is set out on page 5 (the 'Notice'). A buffet lunch will be available from 12.30pm onwards and tea and coffee will be available after the Meeting.

If you would like to vote on the resolutions in the Notice but cannot attend the Meeting, please complete the Form of Proxy sent to you with the Notice and return it to Equiniti (the Company's Registrar) as soon as possible. Equiniti must receive it by 2.00pm on Sunday 21 January 2018. Alternatively, you can vote online at www.sharevote.co.uk no later than 2.00pm on Sunday 21 January 2018.

The Directors consider that all the resolutions to be put to the Meeting are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own shares. If you have any questions regarding the AGM business please contact Equiniti by phone on 0371 384 2065. Lines are open 8.30am to 5.30pm (UK time), Monday to Friday, excluding public holidays in England & Wales. Non-UK callers should dial +44 121 415 7088.

As in former years the formal business at the AGM will be decided by way of a poll. We believe that this is a fair and democratic way to vote and means that shareholders who attend the meeting, as well as those who are not able to attend but have sent us proxy forms, may have their votes taken into account according to the number of shares they hold. It embraces the principle of one vote for every share held.

Shareholders approved the Company's remuneration policy at the AGM in 2015 for a period of three years from the date of that meeting. That vote, which is binding on the Company, remains in force until 2018, and thus the new remuneration policy will require approval at the 2018 AGM. Approval of the Remuneration Report will therefore be sought in two parts, in relation to the Remuneration Report and in relation to the Remuneration Policy. This is reflected in Resolutions 2 and 3 below.

Details of the new Remuneration Policy are contained within the Remuneration Report section of the Annual Report on pages 69 to 77.

Communication online

You can view the 2017 Annual Report at www.mbplc.com/investors/annualreport/. If you wish to receive notice of future general meetings and other notifications online, please register at www.mbplc.com/investors/shareholderinformation/communicationssignup/, or contact Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Certain items of business are explained below.

Resolution 2 – Annual Report on Remuneration

Shareholders are given the opportunity by law to vote on whether or not they approve the Annual Report on Directors' Remuneration (the 'Remuneration Report'). This, together with the annual statement by the Chair of the Remuneration Committee, forms the Annual Report on Remuneration and can be found on pages 66 to 68 and 78 to 87 (inclusive) of the Annual Report. This vote is advisory only. Payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed. This vote will be in respect of the content of the Remuneration Report and is not specific to any Director's level or terms of remuneration. The Company's auditor, Deloitte LLP, has audited those parts of the Remuneration Report that are required to be audited.

Copies of the Company's Annual Report have been sent to shareholders who have elected to receive them and are available from Equiniti or from the website: www.mbplc.com/investors/annualreport/

Resolution 3 – Remuneration Policy

Shareholders are given the opportunity by law to vote on whether or not they approve the Directors' remuneration policy (the 'Remuneration Policy'). The Remuneration Policy sets out the Company's forward looking policy on Directors' remuneration and is subject to a binding shareholder vote. The Remuneration Policy describes the components of the executive and non-executive Directors' remuneration.

If resolution 3 is passed, the Remuneration Policy will take effect from the date of this AGM (the 'Effective Date') and, from the Effective Date, the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a Director of the Company unless that payment is consistent with the Remuneration Policy, or such payment has otherwise been approved by a shareholder resolution.

The Directors are required to seek shareholder approval for a remuneration policy at least every three years, except in the event that a change to the Remuneration Policy is proposed or the advisory vote on the Remuneration Report is not passed in any year subsequent to the approval of the Remuneration Policy. This timing complies with that recommended by the Investment Association and in the relevant legislation.

Resolution 4 – Dividend

The Board proposes a final dividend of 5p per share for the year ended 30 September 2017. If approved, the recommended final dividend will be paid on 6 February 2018 to all shareholders who are on the register of members on 15 December 2017, excluding the shareholders in respect of whom a valid election to participate in the Company's Scrip Dividend Scheme has been received by the Company by 5.00pm (UK time) on 16 January 2018. Shareholders for whom valid elections have been received by 5.00pm (UK time) on 16 January 2018 will receive the final dividend in the form of new Ordinary Shares in the Company. Full details of the Company's Scrip Dividend Scheme are set out on pages 8 to 11 of this document, and are also available from the Company's website, www.mbplc.com. Please also see the notes to Resolution 19 below.

Shareholders who hold share certificate(s) will need to complete a Scrip Dividend Mandate Form, which can be found on our website www.mbplc.com or by contacting Equiniti on 0371 384 2065. The completed Scrip Dividend Mandate form should be returned to the registrars no later than 5pm on 16 January 2018.

Shareholders who hold their shares in CREST and who wish to elect for the Scrip Dividend should complete an election through CREST no later than 5pm on 16 January 2018. Please refer to the elections process document available at www.shareview.co.uk/info/reinvest

Shareholders who do not hold their shares in CREST and who have already submitted a Scrip Dividend Mandate form do not need to submit a new mandate form. The existing Mandate form will continue in force for those shareholders who do not hold shares in CREST unless and until notice of cancellation is received by the Company's registrars not less than 15 working days before the date on which the dividend is to be paid.

Resolutions 5 to 15 – Re-election of Directors

In accordance with the Company's Articles of Association, and in line with provision B.7.1 of the UK Corporate Governance Code, all Directors will stand for re-election. Following an internal review commissioned by the Nomination Committee of the Board's effectiveness, which looked at, amongst other matters, the way in which the Board as a whole discharges its responsibilities and functions and the contribution of individual directors to the Board and, where appropriate, its committees, the Board considers that the performance of each Board member continues to be effective and demonstrates the commitment required to continue in their present roles, and accordingly supports each Board member's re-election. Further details of the review can be located on page 61 of the Annual Report. Biographical details of all Board Directors can be found on pages 46 and 47 of the Annual Report and on the Company's website. The Board believes this information, along with the biographical details of all Directors, is sufficient to enable shareholders to make an informed decision on their re-election.

Resolutions 16 and 17 – Reappointment of auditor and the auditor's remuneration

The auditor of the Company must be submitted for reappointment at each general meeting at which the accounts are laid. Resolution 16 proposes the reappointment of the Company's existing auditor for a further year. Resolution 17 seeks authority for the Directors to determine the auditor's remuneration.

Resolution 18 – Political donations

Part 14 of the Companies Act 2006 (the 'Act') prohibits the Company and its subsidiaries from making political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the Group of £5,000 or less in any 12 month period will not be caught.

Neither the Company nor any of its subsidiaries has any intention of making any political donation or incurring any political expenditure. However, the Act defines 'political party', 'political organisation', 'political donation' and 'political expenditure' widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be included in these definitions.

Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commit any breaches of the Act through the undertaking of routine activities, which would not normally be considered to result in the making of political donations or political expenditure being incurred.

As permitted under the Act, the resolution extends not only to the Company but also covers all companies which are subsidiaries of the Company at any time the authority is in place.

The resolution authorises the Company and its subsidiaries to:

- (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000 in the period up to the Company's Annual General Meeting in 2019, as defined in the Companies Act 2006.

As required by the Act, the resolution is in general terms and does not purport to authorise particular donations. The authority will expire at the 2019 AGM.

Resolution 19 – Scrip Dividend Scheme and authority to allot shares pursuant to the Scrip Dividend Scheme

This resolution proposes the Scrip Dividend Scheme for the year ended 30 September 2017 and, if passed, will give the Directors authority to allot shares pursuant to the Scrip Dividend Scheme.

Resolution 19(a) – authority to allot shares for the purposes of the Scrip Dividend Scheme:

Part (a) of the resolution gives the Directors authority to allot shares, or grant rights over shares, limited to an aggregate nominal amount equal to £854,166.66 (representing 10,000,000 Ordinary Shares of 8¹³/₂₄p each excluding treasury shares) which, as at 13 December 2017, being the latest practicable date prior to the publication of this Notice, represented 2.37% of the issued share capital of the Company.

The authority will expire at the earlier of the conclusion of the 2019 AGM and close of business on 31 March 2019 (the last date by which the Company must hold an AGM in 2019) and may only be used for the purposes of issuing shares pursuant to existing rights under employee share schemes and the Scrip Dividend Scheme. As at the date of this Notice, the Company did not hold any treasury shares.

Resolution 19(b) – Scrip Dividend Scheme:

The Directors are proposing that the Company operate an optional Scrip Dividend Scheme for the proposed final dividend for the year ended 30 September 2017 which is payable on 6 February 2018. The Scrip Dividend Scheme gives shareholders the right to elect to receive new Ordinary Shares in the capital of the Company (credited as fully paid) instead of cash. The Directors believe that the offer of the Scrip Dividend Scheme is advantageous and allows shareholders to increase their shareholding in the Company in a simple manner without paying dealing costs or stamp duty. The Scrip Dividend Scheme also gives the Company greater flexibility in managing its capital resources by retaining cash within the business. The Scrip Dividend Scheme is subject to shareholder approval. The authority contained in Resolution 19(b) is sought for one year, and will therefore expire on the day of the annual general meeting to be held in 2019.

Details of how the Scrip Dividend Scheme operates are explained in the Terms and Conditions which form part of this document, and can also be found on the Company's website www.mbplc.com. The Scrip Dividend Scheme will continue to allow existing participants to receive Ordinary Shares for every cash dividend entitlement where the Scrip alternative is offered, unless and until they notify the Company otherwise. Shareholders who wish to participate in the Scrip Dividend Scheme will need to complete a Scrip Dividend Mandate Form in accordance with the Terms and Conditions. Shareholders who hold their Ordinary Shares in CREST can only participate in the Scrip Dividend Scheme by use of the CREST Dividend Election Input Message; they must complete a Dividend Election Input Message on each occasion the Scrip alternative is offered otherwise any dividend entitlement will be paid in cash.

The number of New Shares that shareholders will be entitled to receive under the Scrip Dividend Scheme will be calculated by reference to the amount of the cash dividend, the number of shares held and the Scrip Reference Share Price. The Scrip Reference Share Price is the average of the closing middle market quotations for the Company's shares over five dealing days commencing on the ex-dividend date for each dividend. In accordance with the Articles of Association of the Company, approval is sought to pay up the Ordinary Shares at par by capitalising that part of the Company's share premium account arising from the most recent share issuances (disregarding any shares issued to the Trustees of the Mitchells & Butlers Share Incentive Plan or the Employee Benefit Trust or any other share issuances which were not solely for cash consideration). This would enable the Directors to apply such sums in paying up in full the nominal amounts of New Shares allotted to shareholders pursuant to the elections under the Scrip Dividend Scheme.

If approved by shareholders, the Scrip Dividend Scheme will operate for the final dividend of 5p per share for the year ended 30 September 2017, payable on 6 February 2018. An expected timetable of events in relation to the final dividend for the year ended 30 September 2017 is set out below.

Scrip Dividend timetable for the final dividend for the year ended 30 September 2017:

14 December 2017	Ex-dividend date
15 December 2017	Record date
14 to 20 December 2017	Scrip Reference Share Price calculation period
16 January 2018	Last date for receipt of Scrip elections
6 February 2018	Dividend payment/issue of New Shares

If every eligible shareholder elects to participate in the Scrip Dividend Scheme for their entire holding, based on the proposed final dividend of 5p per share and an example Scrip Reference Share Price of 262.12p, the maximum number of shares that could be awarded would be 8,061,970 representing approximately 1.91% of the issued share capital of the Company as at 5 December 2017. This is an indicative number only and does not reflect the actual number of New Shares that will be issued in connection with the final dividend. It has been calculated using the average of the middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five consecutive dealing days from 29 November to 5 December 2017 (inclusive).

If no elections for the Scrip Dividend Scheme are received, based on the proposed final dividend of 5p per share and the issued share capital as at 5 December 2017, being the last practical date before the publication of this Notice, the total cash dividend payable to shareholders will be £21,132,036.55.

Resolution 20 – Notice period for meetings

Under the Shareholders' Rights Regulations the notice period for general meetings of a company (other than annual general meetings) is 21 clear days unless certain requirements are satisfied. The Company has met the requirements and accordingly Resolution 20 is proposed to allow the Company to continue to call general meetings on 14 clear days' notice. The Directors believe it is in the best interests of the shareholders of the Company to preserve the shorter notice period and accordingly are putting this resolution to the Meeting. It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders as a whole. The approval will be effective until the Company's Annual General Meeting in 2019, when it is expected that a similar resolution will be proposed. It should also be noted that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders.

Yours faithfully

Bob Ivell
Chairman

14 December 2017

Biographies of the Directors seeking re-election are on pages 46 and 47 of the Annual Report.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mitchells & Butlers plc will be held at Mitchells & Butlers plc's Retail Support Centre, 27 Fleet Street, Birmingham B3 1JP on Tuesday 23 January 2018 at 2.00pm, or at any adjournment thereof, for the following purposes:

Resolutions

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 19 will be proposed as Ordinary Resolutions and number 20 as a Special Resolution.

Ordinary Resolutions

- 1** To receive the Company's accounts for the year ended 30 September 2017, together with the reports of the Directors and the auditor.
- 2** To approve the Annual Report on Remuneration for the year ended 30 September 2017.
- 3** To approve the Remuneration Policy which is detailed on pages 69 to 77 of the Annual Report to take effect from the date of this Annual General Meeting.
- 4** To declare a final dividend of 5p per ordinary share.
- 5** To re-elect Keith Browne as a Director of the Company.
- 6** To re-elect Dave Coplin as a Director of the Company.
- 7** To re-elect Stewart Gilliland as a Director of the Company.
- 8** To re-elect Eddie Irwin as a Director of the Company.
- 9** To re-elect Bob Ivell as a Director of the Company.
- 10** To re-elect Tim Jones as a Director of the Company.
- 11** To re-elect Josh Levy as a Director of the Company.
- 12** To re-elect Ron Robson as a Director of the Company.
- 13** To re-elect Colin Rutherford as a Director of the Company.
- 14** To re-elect Phil Urban as a Director of the Company.
- 15** To re-elect Imelda Walsh as a Director of the Company.
- 16** To reappoint Deloitte LLP as auditor of the Company until the next general meeting at which accounts are to be laid.
- 17** To authorise the Board to agree the auditor's remuneration.
- 18** To authorise the making of political donations on the terms set out in the notes to the resolution in the Chairman's letter.
- 19** To approve the Scrip Dividend Scheme and authorise the Board to allot shares pursuant to the Scrip Dividend Scheme:

- (a) To generally and unconditionally authorise the Directors pursuant to section 551 of the Companies Act 2006 to allot shares in the Company, and to grant rights to subscribe for, or to convert any security into, shares in the Company, up to an aggregate nominal amount equal to £854,166.66, for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) at the earlier of the conclusion of the 2019 Annual General Meeting and the close of business on 31 March 2019 only for the purpose of issuing shares pursuant to the existing rights under employee share schemes and the Scrip Dividend Scheme under part (b) of this Resolution, except that the Company may, pursuant to the authority granted, make offers and enter into agreements before such expiry which would, or might, require shares to be allotted or rights to subscribe for, or convert securities into, shares to be granted after the authority ends, and the Directors may allot shares or grant rights to subscribe for, or convert securities into, shares under any such offer or agreement as if the authority had not expired; and

- (b) (i) That the Directors be and are hereby authorised to offer holders of its Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of a cash dividend from time to time or for such period as the Directors may determine, all pursuant to the provisions of Article 158 of the Company's Articles of Association, as in force from time to time, and on such other terms and conditions as the Directors may from time to time determine, provided that the authority conferred by part (b) of this Resolution shall expire at the end of the next Annual General Meeting of the Company after the date on which this Resolution is passed; and

- (ii) for the purposes of any offer made pursuant to part (b)(i) of this Resolution, the Directors be and are hereby authorised, in accordance with the Company's Articles of Association, as in force from time to time, to (A) allot and issue new Ordinary Shares in the Company to the ordinary shareholders who have, or are deemed to have, validly accepted such an offer in accordance with their respective entitlements, and (B) pay up the new Ordinary Shares at par by capitalising that part of the Company's share premium account arising from the most recent share issuances (disregarding any shares issued to the Trustees of the Mitchells & Butlers Share Incentive Plan or the Employee Benefit Trust or any other share issuances which were not solely for cash consideration).

Special Resolution

- 20** That a general meeting of the Company other than an Annual General Meeting of the Company, may be called on not less than 14 clear days' notice.

By order of the Board

Greg McMahon

Company Secretary and General Counsel

14 December 2017

Registered Office:
27 Fleet Street
Birmingham B3 1JP

Explanatory notes

The following notes explain your general rights as a shareholder and your rights to attend and vote at the AGM or to appoint someone else to vote on your behalf.

- 1 Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend, vote and speak at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, vote and speak on his/her behalf. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- 2 A three way Form of Proxy is enclosed and instructions for its use are shown on the form. The appointment of a proxy will not prevent a member from subsequently attending, voting and speaking at the Meeting in person.
- 3 If you wish, you may register the appointment of a proxy for the Meeting electronically, by visiting the Company's Registrar's website www.sharevote.co.uk where full details of the procedure are given. The proxy appointment and instructions must be received by Equiniti not less than 48 hours before the time for holding the Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned meeting) for the taking of the poll at which it is to be used.
- 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service should follow the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) not less than 48 hours before the time for holding the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- 5 At the Meeting on 23 January 2018 the votes will be taken by a poll rather than a show of hands and the results will be released to the London Stock Exchange and published on the Company's website www.mbplc.com. Poll cards will be issued upon registration to those attending the Meeting.
- 6 A person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 7 The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to a Nominated Person. The rights described in those paragraphs can only be exercised by registered members of the Company.
- 8 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.
- 9 Copies of contracts of service, letters of appointment and deeds of indemnity between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof) will be available at the Registered Office of the Company during normal business hours until the conclusion of the Meeting, and at the Meeting from at least 15 minutes prior to the Meeting until its conclusion.
- 10 The Company specifies that only those shareholders on the Register of Members as at 6.30pm on 21 January 2018 (or, if the Meeting is adjourned, 6.30pm on the day two days prior to the day of the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Meeting in respect of the number of shares registered in their names at the time. Changes to entries on the ordinary register after 6.30pm on 21 January 2018 shall be disregarded in determining the right of any person to attend or vote at the Meeting. If you are planning to attend the Meeting, please bring your attendance card with you. It authenticates your right to attend, speak and vote at the Meeting and will speed your admission.
- 11 All shareholders and their proxies will have the opportunity to ask questions at the Meeting. When invited by the Chairman, if you wish to ask a question, please wait for a Company representative to bring you a microphone. It would be helpful if you could state your name before you ask your question. Questions may not be answered at the Meeting if it is undesirable in the interests of the Company, would involve the disclosure of confidential information, or would not be conducive to the good order of the Meeting. The Chairman may also nominate a Company representative to answer a specific question after the Meeting or refer the response to the Company's website.
- 12 A copy of this Notice, and other information required by Section 311A of the Companies Act 2006 can be found at www.mbplc.com
- 13 As at 13 December 2017 (being the last business day prior to the publication of this Notice) the Company's issued share capital consisted of 422,640,731 ordinary shares carrying one vote each. No shares are held in treasury. The total number of voting rights in the Company as at 13 December 2017 was 422,640,731.

- 14 Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice of Meeting, Form of Proxy, or Chairman's letter should not be used for the purpose of serving information on the Company (including the service of documents or information relating to the proceedings at the Meeting).
- 15 Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM or (ii) any circumstance connected with an Auditor of the Company appointed for the financial year ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the Companies Act 2006. Where the Company is required to place a statement on the website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

If you would like to register in advance any question you may have for the AGM, you can do so at www.mbplc.com/agm2018qs

Mitchells & Butlers plc
27 Fleet Street
Birmingham B3 1JP
Tel: +44 (0) 121 498 4000
www.mbplc.com

Terms and Conditions of the Mitchells & Butlers plc Scrip Dividend Scheme

This document is important. If you are in any doubt as to the action you should take, you should seek your own advice from an independent professional adviser.

The meanings of various defined terms used in these Terms and Conditions are set out on page 10.

1. What is the Mitchells & Butlers plc Scrip Dividend Scheme?

The Mitchells & Butlers plc Scrip Dividend Scheme (defined in the definitions schedule) is a scheme designed to enable Shareholders of Mitchells & Butlers plc to receive New Shares instead of cash dividends. This enables Shareholders to increase their shareholdings in Mitchells & Butlers plc without incurring dealing costs or stamp duty. The terms and conditions for the Scrip Dividend Scheme are set out below (the 'Terms and Conditions').

The Scrip Dividend Scheme is subject to shareholder approval, which is being sought for a period of one year, after which the authority will expire if not renewed.

Conditions to the Scrip Dividend Scheme

The allotment and issue of New Shares pursuant to the Scrip Dividend Scheme is, at all times, conditional upon:

- (a) all authorities in respect thereof being in full force and effect, including the passing of any resolution of the Company required by law, regulations or the Company's Articles of Association; and
- (b) the admission to the Official List of the United Kingdom Listing Authority and to trading on the Main Market of the London Stock Exchange of such New Shares.

If, for any reason, these conditions are not satisfied such that the Company cannot allot and issue New Shares pursuant to the Scrip Dividend Scheme in respect of any dividend, participants will receive cash (as opposed to New Shares) in respect of that dividend.

2. Who can join the Scrip Dividend Scheme?

All UK shareholders can join the Scrip Dividend Scheme. Overseas Shareholders may be eligible to participate – please refer to Question 14.

3. How do I join the Scrip Dividend Scheme?

You can join the Scrip Dividend Scheme by completing a Scrip Dividend Mandate Form (which may be amended from time to time) and sending it to Equiniti at the address provided at Question 20. A Scrip Dividend Mandate Form may be obtained from the Company's website www.mbplc.com or upon request from Equiniti.

Scrip Dividend Mandate Forms (hard copy) must be received by Equiniti no later than 5.00pm (UK time) on 16 January 2018 to be eligible to receive New Shares instead of cash for the final dividend for the year ended 30 September 2017. Forms received after that time will not be accepted. Please note that no acknowledgement of receipt of Scrip Dividend Mandate Forms will be issued.

Shareholders who hold their Ordinary Shares in CREST can only elect to receive dividends in the form of New Shares by use of the CREST Dividend Election Input Message. Any Scrip Dividend Mandate Forms or other forms of instruction received from CREST holders will not be accepted and will be ignored. For further details please refer to Question 4.

4. What if my Ordinary Shares are held in CREST?

If your shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), you can only elect to receive your dividend in the form of New Shares by means of the CREST procedure to effect such an election. No other method of election will be permitted under the Scrip Dividend Scheme and will be rejected. CREST shareholders, by effecting their elections by means of the CREST procedure, will be taken to have confirmed their election to participate on that occasion in the Scrip Dividend Scheme and to have confirmed their acceptance of these terms and conditions, as amended from time to time.

If you are a CREST sponsored member, you should consult your CREST sponsor, who will be able to take appropriate action on your behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual.

The Dividend Election Input Message submitted must contain the number of shares on which the election is being made. If the relevant field is left blank or completed with zero, the election will be rejected. If you enter a number of shares greater than the holding in CREST on the relevant record date, the election will be applied to your total holding as at the relevant record date for the dividend. Evergreen elections will not be permitted. If you wish to receive New Shares instead of cash in respect of future dividends for which a scrip dividend alternative is offered, you must complete a Dividend Election Input Message on each occasion otherwise you will receive your dividend in cash. Elections via CREST should be received by CREST no later than 5.00pm (UK time) on 16 January 2018 in relation to the final dividend for the year ended 30 September 2017.

Elections via CREST for any future final dividends should be received by CREST no later than a date to be specified by the Company in relation to each dividend. The Company makes no commitment to offer a scrip dividend in the future. The merits of any future scrip dividend would be considered by the Board at the relevant time.

Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST shareholder wishes to change their election, the previous election would have to be cancelled.

5. How many New Shares will I receive under the Scrip Dividend Scheme?

Your entitlement to New Shares is calculated by taking the amount of cash dividend to which you are entitled and dividing it by the Scrip Reference Share Price. The Scrip Reference Share Price is the average of the closing middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date. The Scrip Reference Share Price will be announced to the London Stock Exchange on 21 December 2017.

The formula used is as follows:

Example

Number of Ordinary Shares held	1,000
Dividend paid per Ordinary Share	5p
Example Scrip Reference Share Price	£2.6212

Step 1 – calculate maximum cash available

Cash dividend	1,000 x 5p = £50
Plus example residual cash balance brought forward	£1.20
Total	£51.20

Step 2 – calculate number of new shares to be issued

Maximum cash available (step 1) divided by the Scrip Reference Share Price	£51.20 ÷ £2.6212 = 19 shares (rounded down)
Value of New Shares to be acquired (number of shares multiplied by the Scrip Reference Share Price) (rounded up)	19 x £2.6212 = £49.81

Step 3 – calculate residual cash balance carried forward

Maximum cash available (step 1) less value of New Shares (step 2)	£1.39
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6. What will happen with any Scrip Dividend Scheme cash balance?

No fraction of a New Share will be allotted and calculation of entitlement to New Shares will always be rounded down to the nearest whole share. Any residual cash balance will be carried forward to the next Scrip Dividend. No interest will be paid on any residual cash balances.

If you withdraw from the Scrip Dividend Scheme or sell or transfer your entire holding of Ordinary Shares, or if the Company terminates the Scrip Dividend Scheme, any residual cash balance will be paid to a charity of the Company's choice.

7. How will I know how many New Shares I have received?

You will receive a statement, along with your New Share certificate, showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes. If your cash dividend entitlement is insufficient to acquire at least one New Share, it will be carried forward to the next Scrip Dividend and your statement will explain that no New Shares have been issued.

CREST holders will have their member accounts credited directly with the New Shares on the dividend payment date or as soon as practicable thereafter and will separately receive a statement showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes.

8. Will I have to apply again for the Scrip Dividend Scheme for the next dividend?

No. Your completed Scrip Dividend Mandate Form will apply for all future dividends for which a Scrip Dividend is offered unless the mandate is cancelled in accordance with these Terms and Conditions.

Shareholders holding via CREST will, however, need to elect for each dividend by means of the Dividend Election Input Message on each occasion otherwise a cash dividend will be paid.

9. Will my new Scrip Dividend Shares be included in the next dividend?

Provided you continue to hold them at the relevant dividend record date, all New Shares will automatically increase your total Company shareholding and they will be included in your next Scrip Dividend calculation (see Question 5).

10. Will my New Shares under the Scrip Dividend Scheme have the same voting rights as my existing Ordinary Shares?

Yes. New Shares will carry the same voting rights as your existing Ordinary Shares.

11. When will I receive my share certificate?

Subject to the New Shares being admitted to the Official List of the United Kingdom Listing Authority, and to trading on the London Stock Exchange, your New Share certificate will be posted to you, at your own risk, to arrive on the same date as the cash dividend is paid.

12. Does the Scrip Dividend Scheme apply to Ordinary Shares held in joint names?

Yes. The Scrip Dividend Scheme will apply to shareholding accounts in joint names, so long as all joint holders have signed the Scrip Dividend Mandate Form.

13. Can I complete a Scrip Dividend Mandate Form for part of my holding?

No. Scrip Dividend Mandate Forms will only be accepted in relation to your entire shareholding. However, see Question 16 for details of separate shareholding accounts.

14. Can overseas shareholders join the Scrip Dividend Scheme?

Yes. If you are a resident outside the UK you may treat this as an invitation to receive New Shares unless such an invitation could not lawfully be made to you without any further obligation on the part of the Company or in compliance with any registration or other legal requirements. It is the responsibility of any person resident outside the UK wishing to elect to receive New Shares to be satisfied as to full observance of the laws of the relevant territory, including obtaining any government or other consents which may be required and observing any other formalities in such territories.

15. What happens if I sell/buy shares after I complete a Scrip Dividend Mandate Form?

If you sell some of your Ordinary Shares before a record date for a dividend, the Scrip Dividend Scheme will apply to the remainder of your Ordinary Shares.

If you buy any additional Ordinary Shares after a record date, these additional shares will not be eligible to receive the cash dividend or New Shares. If your Ordinary Shares are not registered in the same way, you may request your shareholding accounts to be amalgamated and/or you may complete a new Scrip Dividend Mandate Form in respect of your new shareholding.

16. What happens if I have more than one holding?

Holding shares in different accounts is a means by which you may select different preferences for dividend payments. For example if, for any reason, shares are registered in more than one shareholder account, then unless such multiple accounts are consolidated, they will be treated as separate. As a result, separate Scrip Dividend Mandate Forms or elections via the CREST procedure (as applicable) will need to be completed (and received by Equiniti as set out at Question 3) for each shareholder account in order to participate in the Scrip Dividend Scheme for that shareholder account. For the avoidance of doubt, dividends will be paid in cash for any shareholder accounts for which a Scrip Dividend Mandate Form has not been validly received by Equiniti.

17. Can I cancel my instructions?

Yes, you may cancel your mandate at any time. However, notice of cancellation must be given in writing to Equiniti no later than 15 working days prior to the date the dividend is declared to be paid. Shareholders holding through the CREST system can only cancel their mandate via the CREST system. If a mandate has been cancelled in accordance with this Question 17 Shareholders will receive cash for that dividend and subsequent dividends. A notice of cancellation will take effect upon its receipt and process by Equiniti in respect of all dividends payable after the date of receipt and process of such notice.

Your mandate will be deemed to be cancelled if you sell or otherwise transfer the Ordinary Shares to which your mandate relates to another person but only with effect from the registration of the relevant transfer. Your mandate will also terminate immediately on receipt of notice of your death or notice of your insolvency or your inability to maintain your financial affairs due to mental incapacity.

If a joint Shareholder dies, the mandate will continue in favour of the surviving joint Shareholder(s) (unless and until cancelled by the surviving joint Shareholder(s)). Funds representing residual cash balances will, on cancellation of your mandate, be paid to a charity of the Company's choice.

18. Can the Company change or cancel the Scrip Dividend Scheme?

Yes. The Scrip Dividend Scheme may be modified, suspended, terminated or cancelled at any time at the discretion of the Directors without notice to Shareholders individually. In the case of any modification, existing mandates (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until Equiniti receive and process a cancellation in writing from you. The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to make an offer of New Shares in respect of any particular dividend. The Directors also have the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of the New Shares under the Scrip Dividend Scheme. This may, in particular, be exercised if 20 business days prior to the dividend payment date, the price of an Ordinary Share of the Company has fallen 15% or more below the Scrip Reference Share Price used to calculate Shareholders' entitlements. If the Directors revoke an offer, Shareholders will receive their dividends in cash on or as soon as possible after the dividend payment date. An announcement of any cancellation or modification to the terms and conditions of participation in the Scrip Dividend Scheme will be made on our website at www.mbplc.com.

Terms and Conditions of the Mitchells & Butlers plc Scrip Dividend Scheme continued

The Company also reserves the right to reduce the number of New Shares issued to an electing Shareholder in respect of the Scrip Dividend Scheme if the issue of such Shareholder's full allocation of New Shares would result in that Shareholder (individually or together with any associates or Shareholders deemed to be acting in concert with such Shareholder) having an interest in the Company that would ordinarily require the Shareholder (or group of Shareholders) to make a mandatory cash offer for the Company pursuant to Rule 9 of the UK City Code on Takeovers and Mergers. In such circumstances, the Shareholder will receive the balance of its entitlement as a cash dividend.

If, for any reason, all authorities relating to the Scrip Dividend Scheme (including, for the avoidance of doubt, approval of Ordinary Resolution 19 at the AGM) are not satisfied such that the Company cannot allot and issue New Shares pursuant to the Scrip Dividend Scheme in respect of any dividend, participants will receive cash (as opposed to New Shares) in respect of that dividend.

19. Governing Law

The Scrip Dividend Scheme is subject to the Company's Articles of Association and is governed by and its terms are to be construed in accordance with the law of England and Wales. By electing to receive New Shares the Shareholder agrees to submit to the exclusive jurisdiction of the courts of England and Wales in relation to the Scrip Dividend Scheme.

20. What do I do if I have any questions?

If you have any questions about the procedure for election or on how to complete the Scrip Dividend Mandate Form, please contact Equiniti on 0371 384 2065 or +44 121 415 7088 from outside the UK. Lines are open 8.30am to 5.30pm (UK time) Monday to Friday (excluding public holidays in England and Wales). Calls may be recorded for security and training purposes. The helpline cannot provide advice on the merits of the Scrip Dividend Scheme nor give any personal financial, legal or tax advice. Additional Scrip Dividend Mandate Forms are available from Equiniti on request, or online at the Company's website www.mbplc.com

Scrip Dividend Mandate Forms should be returned to the following address:

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, UK

Requests to withdraw from the Scrip Dividend Scheme should be submitted in writing to the same address stated above.

21. Taxation

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on your individual circumstances. If you are not sure how you will be affected from a tax perspective, you should consult your solicitor, accountant or other professional adviser before taking any action. In particular, UK resident trustees, corporates, pension funds and other Shareholders, including overseas Shareholders, are advised to contact their professional advisers regarding their own tax circumstances in relation to the Scrip Dividend Scheme. Summary information on the Company's understanding of the UK tax consequences (under current UK legislation and the current practice of Her Majesty's Revenue and Customs ('HMRC')) for certain Shareholders of electing to receive New Shares is outlined, in broad terms, under the section headed Taxation on page 11 of this document. This summary is not exhaustive.

If you wish to receive dividends in cash in the usual way you need take no further action and should not complete or return a Scrip Dividend Mandate Form.

Definitions

Articles of Association means the Articles of Association of the Company as amended from time to time.

Company means Mitchells & Butlers plc.

CREST means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI/3755)) in respect of which Euroclear UK & Ireland Limited is the operator.

Directors means the Directors of Mitchells & Butlers plc.

Employee Benefit Trust means the trust established in order to satisfy the exercise or vesting of existing and future share options and awards.

Equiniti means the Company's Registrar, and is a trading name of Equiniti Limited.

London Stock Exchange means the London Stock Exchange plc.

New Shares means new fully paid Ordinary Shares issued under the Scrip Dividend Scheme.

Ordinary Shares means Ordinary Shares of 8¹³/₂₄p each in the capital of the Company.

Record date means the date by which a shareholder must be on the register of members in order to qualify for a particular dividend.

The Mitchells & Butlers Scrip Dividend Scheme or the Scrip Dividend Scheme means The Mitchells & Butlers plc Scrip Dividend Scheme as comprised under and subject to the terms and conditions contained in this document as amended from time to time.

Scrip Dividend Mandate Form or mandate means a mandate in a form (paper or online) provided by the Company from a Shareholder to the Directors to allot New Shares under the terms of the Scrip Dividend Scheme in lieu of a cash dividend to which they may become entitled from time to time.

Scrip Reference Share Price means the price of New Shares, calculated by reference to the average of the closing middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date.

Shareholder means a holder of Ordinary Shares in the Company.

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland.

UKLA means the United Kingdom Listing Authority.

Taxation

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on Shareholders' individual circumstances. If Shareholders are not sure how they will be affected from a tax perspective, they should consult their solicitor, accountant or other professional adviser before taking any action.

United Kingdom taxation

The following statements are intended only as a general guide to certain UK tax considerations of making an election to receive New Shares instead of a cash dividend, and do not purport to be a complete analysis of all potential UK tax consequences of the Scrip Dividend Scheme. They are based on current UK legislation and what is understood to be the current practice of HMRC, both of which may change, possibly with retroactive effect. **They apply only to Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK**, who hold their Ordinary Shares as an investment (other than in an individual savings account or exempt pension arrangement) and who are the absolute beneficial owner of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

Withholding tax

The Company is not required to withhold tax when paying a dividend (whether in cash or in the form of New Shares). Liability to tax will depend on the individual circumstances of a Shareholder.

Income tax

An individual Shareholder who elects to receive New Shares instead of a cash dividend will, broadly, have the same liability to income tax as the Shareholder would have had on the receipt of a cash dividend.

Specifically, an individual Shareholder who elects to receive New Shares instead of a cash dividend will be treated as having received income of an amount which is equal to the 'cash equivalent' of the New Shares.

The cash equivalent of the New Shares will be the amount of the cash dividend which the Shareholder would have received in the absence of an election to take New Shares, unless the difference between the cash dividend and market value of the New Shares on the first day of dealings on the London Stock Exchange equals 15% or more of that market value. In such cases, the market value will be treated as the cash equivalent of the New Shares for taxation purposes.

Where all or part of the cash dividend forgone is not applied in determining the number of New Shares to which the Shareholder is entitled, and this residual cash balance is carried forward, this should be excluded from the cash equivalent and the Shareholder should not be taxed on this amount unless and until it is paid to the Shareholder (in which case it will be treated as a dividend in the ordinary way) or applied towards the acquisition of New Shares (in which case the tax treatment will be as described below).

The income that a Shareholder is treated as having received will be treated as 'dividend income' for UK tax purposes, along with UK and non-UK source dividends and certain other distributions in respect of shares. A nil rate of tax applies to the first £5,000 of dividend income in any tax year (the 'nil rate band') (which will be reduced to £2,000 with effect from 6 April 2018). An individual Shareholder who receives New Shares will therefore not be liable to UK tax to the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) the cash equivalent falls within the nil rate band.

To the extent that (taking account of any other dividend income received by the Shareholder in the same tax year) the cash equivalent of the New Shares exceeds the nil rate band, it will be subject to income tax at 7.5% up to the threshold for higher rate income tax. To the extent that (taking account of other dividend income received in the same tax year) it falls above the threshold for higher rate income tax then the cash equivalent will be taxed at 32.5% to the extent that it is within the higher rate band, or 38.1% to the extent that it is within the additional rate band. For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividend income within the nil rate band which would otherwise have fallen within the basic or higher rate bands will use up those bands respectively and so will be taken into account in determining whether the threshold for higher rate or additional rate income tax is exceeded.

Subject to what is said above in relation to the determination of the 'cash equivalent' of the New Shares, this treatment is the same as that for cash dividends.

Capital gains tax

For capital gains tax purposes, an individual Shareholder who makes an election to receive New Shares instead of a cash dividend, will not be treated as having made a disposal of existing Shares. The New Shares will be treated as acquired on the date the New Shares are issued for an amount equal to the 'cash equivalent' of the New Shares (as described above).

Corporation tax

A corporate Shareholder receiving New Shares in place of a cash dividend should not be treated as receiving a distribution for corporation tax purposes. Corporate Shareholders should therefore not be liable to corporation tax in respect of the New Shares issued to them.

For the purposes of corporation tax on chargeable gains, a corporate Shareholder who makes an election to receive New Shares instead of a cash dividend should not be treated as having made a disposal of existing Shares. No consideration will be treated as having been given for the New Shares. The New Shares will be added to the corporate Shareholder's existing holding of shares in the Company and treated as having been acquired when the existing holding was acquired. On disposal of the New Shares, the base cost of the New Shares will be calculated by reference to the base cost of the existing holding.

Stamp duty

No stamp duty or stamp duty reserve tax will be payable on the issue of New Shares.

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