

## This document is important and requires your immediate attention

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other 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, bank or other agent through whom you made the sale or transfer, for transmission 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 the Company's Registrar by no later than 12 noon on Tuesday, 10 February 2004. Completion and return of the Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish. Electronic Proxy Appointment is available for this Annual General Meeting. This facility enables shareholders to lodge their proxy appointment by electronic means on a website provided by Lloyds TSB Registrars via [www.sharevote.co.uk](http://www.sharevote.co.uk).

## Mitchells & Butlers plc Notice of annual general meeting



to be held at  
The Queen Elizabeth II Conference Centre,  
Broad Sanctuary, Westminster, London SW1P 3EE,  
on Thursday, 12 February 2004, at 12 noon.

### Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mitchells & Butlers plc will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Thursday, 12 February 2004, at 12 noon, 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 6 and 9 will be proposed as ordinary resolutions and numbers 7 and 8 as special resolutions.

- 1 To receive the Company's financial statements for the year ended 30 September 2003, together with the Reports of the Directors and auditors.
- 2 To approve the Remuneration Report for the year ended 30 September 2003.
- 3 To declare a final dividend on the ordinary shares.
- 4 To reappoint (a) Mike Bramley, (b) Roger Carr, (c) Tim Clarke, (d) George Fairweather, (e) Tony Hughes, (f) Sir Tim Lankester, (g) Karim Naffah and (h) Sara Weller as Directors of the Company.
- 5 To reappoint Ernst & Young LLP as auditors of the Company until the next general meeting at which accounts are to be laid and to authorise the Directors to agree their remuneration.

## **6 Allotment of shares:**

"THAT the Directors be generally and unconditionally authorised pursuant to, and in accordance with, Section 80 of the Companies Act 1985 and within the terms of Article 14 of the Articles of Association of the Company to exercise, during the period expiring five years after the date of passing this resolution, all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £12,271,560."

## **7 Disapplication of pre-emption rights:**

"THAT during the period ending on the date of the Annual General Meeting in 2005 or on 12 May 2005, whichever is the earlier, the Directors be and are hereby empowered to allot equity securities wholly for cash pursuant to any authority for the time being in force under Section 80 of the Companies Act 1985 and within the terms of Article 14 of the Articles of Association of the Company:

- i in connection with a rights issue (as defined by Article 14.5.1); and
- ii otherwise than in connection with a rights issue, up to an aggregate nominal amount of £1,840,730 as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment and shall be in substitution for all previous disapplications of Section 89 of the Act, which shall cease to have effect without prejudice to any allotment of securities pursuant thereto."

## **8 Authority to purchase own shares:**

"THAT, subject to and in accordance with Article 11 of the Company's Articles of Association, the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 7<sup>1</sup>/<sub>12</sub>p each in the capital of the Company (ordinary shares), provided that:

- i the maximum aggregate number of ordinary shares hereby authorised to be purchased is 51,973,920;
- ii the minimum price which may be paid for each ordinary share is 7<sup>1</sup>/<sub>12</sub>p per share;
- iii the maximum price which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share, as derived from The London Stock Exchange Daily Official List, for the five business days before the day on which such share is contracted to be purchased; and
- iv the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on 12 May 2005, whichever is earlier (except in relation to the purchase of ordinary shares the contract for which was concluded before such date and which is executed wholly or partly after such date), unless such authority is renewed prior to such time."

## **9 Political donations:**

"THAT the Company and any company that is or becomes a subsidiary of the Company during the period to which the resolution relates, be and is hereby authorised, for the purposes of Part XA of the Companies Act 1985, to:

- i make donations to EU Political Organisations or
- ii incur EU Political Expenditure in an aggregate amount not exceeding £100,000 during the period ending on the date of the Annual General Meeting in 2005. For the purposes of this Resolution, 'Donations', 'EU Political Organisations' and 'EU Political Expenditure' have the meanings ascribed to them in Part XA of the Companies Act 1985 (as amended by the Political Parties, Elections and Referendums Act 2000)."

By order of the Board

**Bronagh Kennedy**  
Company Secretary  
3 December 2003

**Registered Office:**  
27 Fleet Street  
Birmingham B3 1JP

## Explanation of business

The Notice of Meeting contains items of business which are of a technical nature and are therefore explained below.

**Resolution 2 – Remuneration report** Under recent legislation, shareholders are given the opportunity to vote on the Remuneration Report and this vote will be in respect of the content of the Remuneration Report and not specific to any Director's level or terms of remuneration.

The full extent of the Remuneration Report is contained in the Annual Report and Financial Statements 2003, copies of which have been sent to those shareholders who elected to receive them and are obtainable from the Registered Office of the Company or from the Company's website – [www.mbplc.com/investors](http://www.mbplc.com/investors). A summary of the Remuneration Report is contained in the Annual Review and Summary Financial Statement 2003, which has been sent to all shareholders.

**Resolution 4 – Directors** As the whole Board was appointed during the period under review, each Director is seeking election and each Director's reappointment will be put as a separate resolution. Biographies of the Directors are shown on page 24 of the Annual Review and Summary Financial Statement 2003.

**Resolution 6 – Allotment of shares** This resolution authorises the Directors to allot ordinary shares up to an aggregate nominal amount of £12,271,560 during the five years from the passing of the resolution. This is equivalent to 33 per cent of the current issued share capital. Although the Directors have no present intention of exercising this authority, it is considered prudent to maintain the flexibility it provides. This resolution complies with Institutional Investment Committee guidelines.

**Resolution 7 – Disapplication of pre-emption rights** It is proposed to renew for the next year the authority of the Directors to allot equity securities for cash without first being required to offer such securities to existing shareholders. The authority relates to up to £1,840,730 of nominal capital, being approximately 5 per cent of the current issued ordinary share capital of the Company and the authority will expire at the next Annual General Meeting, or on 12 May 2005, whichever is the earlier. This resolution complies with Institutional Investment Committee guidelines.

**Resolution 8 – Authority to purchase own shares** The Company is seeking authority to purchase up to 10 per cent of its ordinary shares at, or between, the minimum and maximum prices specified in this resolution. This power would be used only after careful consideration by the Directors, having taken into account market conditions prevailing at that time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The Directors would exercise the authority to purchase ordinary shares only if they considered it to be in the best interest of shareholders and if the purchase could be expected to result in an increase in earnings per share.

Legislation came into force on 1 December 2003, which enables certain listed companies, following purchase of their own shares, to hold them in treasury instead of cancelling them as previously required. Such shares may be resold. If the Board exercises the authority conferred by Resolution 8, the Company will have the option of holding repurchased shares in treasury.

Following the consolidation of share capital approved by shareholders on 1 December 2003, options will be outstanding to subscribe for 34,199,137 ordinary shares, representing 6.6 per cent of the new issued share capital. If the full 10 per cent share repurchase authority were utilised, the options outstanding would represent 7.3 per cent of the issued share capital.

The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting, or on 12 May 2005, whichever is the earlier.

**Resolution 9 – Political donations** Authority is sought to enable the Company to support organisations which may fall within the legal definition of 'Political Organisations'.

The Company has no intention of changing its current practice of not making donations to political parties. However, the Political Parties, Elections and Referendums Act 2000 ('the Act'), contains restrictions on companies making donations or incurring expenditure in relation to EU Political Organisations. The Act defines EU Political Organisations very widely and, as a result, it is possible that EU Political Organisations may include, for example, bodies concerned with policy review and law reform, with the representation of the business community or sections of it, or with the representation of other communities or special interest groups, which it is in the shareholders' interest for the Company to support. Expenditure could include the sponsorship of industrial forums and involvement in seminars and functions to which politicians may be invited. Amongst other things, the Act prohibits the Company or its subsidiaries from making donations or incurring expenditure in relation to EU Political Organisations in a 12 month period in excess of an aggregate of £5,000, unless such donations have been authorised by the Company's shareholders.

The Company believes that the authority proposed under the resolution to allow it or any of its subsidiaries to fund donations to a limit of £100,000 is necessary. Such authority will enable the Company to be sure that it does not, because of uncertainty as to the bodies covered by the definition of EU Political Organisation, unintentionally commit a technical breach of the Act.

The Act requires that this resolution should not purport to authorise particular donations or expenditure. In accordance with the Act, however, the Company will make disclosure in its next Annual Report of any donation made by it or its subsidiaries to an EU Political Organisation or of any EU Political Expenditure incurred, which is in excess of £200.

## Notes

- 1 Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the Meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend and vote on his/her behalf. A proxy may not speak at the Meeting, except with the permission of the Chairman of the Meeting.
- 2 A Form of Proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the Meeting in person.
- 3 The Register of Directors' Interests, together with copies of contracts of service or letters of appointment 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 date of the Annual General Meeting and on that day, at the place of the Meeting from at least 15 minutes prior to the Meeting until its conclusion.
- 4 The Company, pursuant to the Uncertificated Securities Regulations 1995, specifies that only those shareholders on the Register of Members as at 6.00pm on 10 February 2004 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at the time. Changes to entries on the ordinary register after 6.00pm on 10 February 2004 shall be disregarded in determining the right of any person to attend or vote at the Meeting.