

## Notice of General Meeting

To be held at The Royal College of Surgeons of England, 35-43 Lincoln's Inn Fields,  
London WC2A 3PE on Thursday 29 July 2010 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 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 27 July 2010. Completion and return of the Form of Proxy will not prevent you from attending and voting at the General Meeting in person, should you so wish. Alternatively you can register your proxy vote electronically no later than 2.00pm on 27 July 2010, either by means of a website provided by Equiniti, [www.sharevote.co.uk](http://www.sharevote.co.uk), or by using the service provided by Euroclear. Further details are given in the notes to this document.

## Chairman's letter

Dear shareholder

### Proposal to introduce the Mitchells & Butlers plc Long Term Incentive Plan 2010 ('LTIP')

#### Introduction

The Remuneration Committee of the Board has, together with its external remuneration advisers, undertaken a review of the long term incentives of the Company to ensure that they support the new business strategy announced in March 2010 and, in particular, help move the basis of pay and culture towards one which incentivises growth and increasing shareholder value.

The Remuneration Committee has concluded that a new one-off plan using shares in the Company is needed which:

- is simpler and more transparent than the current arrangements;
- provides the potential to earn significant rewards, but only if management create significant shareholder value, underpinned by improvements in financial performance so that participants only benefit if shareholders also benefit; and
- retains management beyond a three year performance period.

The Company is seeking your approval for the adoption of a new transformational long term incentive plan for senior employees of the Company. It is intended that the LTIP will be operated once as described below. Awards will be made shortly after the shareholder meeting and will vest over years three, four and five subject to the satisfaction of performance conditions.

The Company would like to implement the new LTIP as soon as possible to create focus and momentum around the new strategy and to help attract new and retain existing talent. Therefore, the Company is convening a general meeting to seek your approval of the new LTIP ('Meeting'). The Remuneration Committee has consulted with twelve major shareholders who are generally supportive of the arrangements.

#### Details

The LTIP is designed to directly link reward to the increase in the market capitalisation of the Company over a three year period. Any payouts will be delivered in stages over years three, four and five. Payouts are also subject to real growth in underlying earnings per share over the performance period. The arrangements are designed so as to be a one-off

transformational plan and it is envisaged that approximately 60 senior executives including executive directors (but not non-executive directors) will participate. As a result of the introduction of the new plan, participants in the LTIP will not participate in any new award under the Company's Performance Restricted Share Plan during the LTIP's three year performance period.

The details of any awards made to executive directors will be disclosed in the Remuneration report in the Annual report and accounts.

Further details of the LTIP and the terms of the awards, including the performance targets are set out in the appendix.

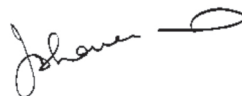
#### Meeting

The formal notice of the Meeting, which follows this letter, is set out on page 3 ('Notice'). Please note that whilst tea and coffee will be available from 1.00pm onwards, no further refreshments will be available after the Meeting. A location map is provided on the reverse of the accompanying Form of Proxy.

If you would like to vote on the resolution in the Notice but cannot come to the Meeting, please fill in the Form of Proxy sent to you with the Notice and return it to Equiniti (the Company's Registrar) as soon as possible. They must receive it by **2.00pm on 27 July 2010. Alternatively, you can vote online at [www.sharevote.co.uk](http://www.sharevote.co.uk) no later than 2.00pm on 27 July 2010.**

The Directors consider that the resolution to be put to the Meeting is in the best interests of the Company and its shareholders as a whole and will most likely promote the success of the Company for the benefit of members as a whole. The Directors unanimously recommend that you vote in favour of the proposal as they intend to do in respect of their own holdings. If you have any questions regarding the Meeting business please contact Equiniti by phone on 0871 384 2065.\*

Yours sincerely



John Lovering  
Chairman  
30 June 2010

\* Calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary. Non-UK callers should dial +44 121 415 7088. Lines will be open Monday to Friday 8.30am-5.30pm.

## Notice of General Meeting

NOTICE IS HEREBY GIVEN that a General Meeting of Mitchells & Butlers plc will be held at The Royal College of Surgeons of England, 35-43 Lincoln's Inn Fields, London WC2A 3PE on 29 July 2010 at 2.00pm, or at any adjournment of it to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That the rules of the Mitchells & Butlers plc Long Term Incentive Plan 2010 ('LTIP') contained in the document produced to the meeting and signed by the Chairman for the purpose of identification be approved and adopted and that the Board may establish further plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in other territories, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the LTIP.

By order of the Board

A handwritten signature in black ink, appearing to read 'Bronagh Kennedy', written in a cursive style.

Bronagh Kennedy  
Company Secretary  
30 June 2010

Registered Office:  
27 Fleet Street  
Birmingham B3 1JP

## Notes

The following notes explain your general rights as a shareholder and your rights to attend and vote at the Meeting 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.
- 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 contacting the Company's Registrar's website [www.sharevote.co.uk](http://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(ies) 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/CREST](http://www.euroclear.com/CREST)

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 29 July 2010 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](http://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 these 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 A copy of the rules of the LTIP will be available at the Registered Office of the Company during normal business hours until the conclusion of the Meeting, and at the place of the Meeting on 29 July 2010 from at least 15 minutes prior to the Meeting until its conclusion. In addition, a copy of the proposed LTIP rules will be available for inspection at Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HT during normal business hours until the conclusion of the Meeting.
- 10 The Company specifies that only those shareholders on the Register of Members as at 6.00pm on 27 July 2010 (or, if the Meeting is adjourned, 6.00pm 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 6.00pm on 27 July 2010 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 they are deemed not to be in the interests of the Company, would involve the disclosure of confidential information, or would not be 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](http://www.mbplc.com)
- 13 As at 28 June 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 408,691,067 ordinary shares. The total number of voting rights in the Company as at 28 June 2010 is 408,690,638.
- 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 Company's Meeting).

**The Meeting will be held on 29 July 2010 at 2.00pm  
at The Royal College of Surgeons of England,  
35-43 Lincoln's Inn Fields, London WC2A 3PE.**

## Appendix

### Summary of principal terms of the Mitchells & Butlers plc Long Term Incentive Plan 2010 ('LTIP')

Set out below is a description of the main features of the LTIP and how it will be operated.

#### Overview

Under the LTIP participants will be granted a right to receive shares in the Company with a value equal to their allocated percentage of the LTIP pool. The size of the LTIP pool will be linked to the increase in the market capitalisation of the Company over the three year performance period. Any shares will be delivered between 3 and 5 years after the award is made, subject to the satisfaction of an additional performance condition linked to earnings per share.

#### Type of award

Under the LTIP, the Company has the flexibility to grant different types of share awards including market value options, nil cost options, conditional awards of shares and restricted shares where the employee is the owner of the shares from the date of award but subject to forfeiture. Unless otherwise specified all awards have substantially the same terms. This enables awards to be granted in the most tax efficient manner. The LTIP also provides flexibility to make economically equivalent cash awards, for example as a result of local tax or regulatory considerations, if this is appropriate in any jurisdiction.

#### Operation

It is intended to grant awards under the LTIP shortly after shareholder approval.

Awards may also be made to executives who join the Company or are promoted to be eligible as participants within the first two years of approval of the LTIP by shareholders. Such awards will be made on the same basis as the initial awards and pro-rated for time to take account of the shorter performance period served.

#### Eligibility

Senior executives and executive directors of the Company or of any subsidiary of the Company (but not non-executive directors) are eligible to participate in the LTIP. Participation by executive directors, including the size of the awards, will be determined by the Remuneration Committee ('Committee'). It is intended that approximately 60 executives (including executive directors) will participate. Participants in the LTIP will not be eligible to participate in any new award under the Company's existing Performance Restricted Share Plan during the same three year performance period.

#### Performance conditions

The receipt of shares will be conditional on the satisfaction of the performance conditions described below.

Awards will lapse to the extent that the performance conditions have not been satisfied. There will be no retesting.

The awards will not vest and no shares will be received unless the growth in EPS over the three financial years of the Company (starting 26 September 2010) is at least equal to the Retail Price Index plus 12 percentage points for the same period ('EPS condition').

Subject to the satisfaction of the EPS condition, the number of shares which vest under an award will be based on the extent to which the Company's market capitalisation increases over the three years from the date of grant in excess of a pre-determined amount ('Hurdle Amount') as explained below.

At the time of grant the base market capitalisation will be calculated using the average closing price of a share in the Company for the period commencing 22 June 2010 (being the date the Committee approved the LTIP plan design) and ending 29 July 2010 (being the date of the meeting for shareholder approval). Both dates are inclusive. This will be compared with the end market capitalisation using the share price for the 3 months prior to the third anniversary of grant. An LTIP pool will then be calculated being equal to 10% of the increase in market capitalisation over the Hurdle Amount. The Hurdle Amount equates to a 10% per annum growth in the base market capitalisation over the three year period. The Hurdle Amount will be adjusted downwards to take account of any dividends paid over the period.

The LTIP pool will be converted into shares using the market value of a share at the end of the performance period and delivered on vesting to participants in accordance with their allocated share of the LTIP pool.

50% of the award will vest at the end of the performance period if the Committee has determined that the performance conditions have been satisfied. 25% of the total of the award will vest one year after the determination of satisfaction of the performance conditions and 25% after two years from the determination.

The Committee may also vary, adjust or waive the performance conditions applying to the award to take account of events the Committee considers exceptional, including technical events, such as changes in accounting standards and treatment, provided that where the conditions are amended, they are in the opinion of the Committee fair and reasonable and no less challenging than the original conditions would have been but for the event.

## Individual limits

The value of the shares received under an award will depend on the amount of the LTIP pool as described above and the percentage of the pool allocated to the employee. It is intended that the Chief Executive will receive a maximum of 10% of the LTIP pool and the Finance Director will receive a maximum of 5% of the LTIP pool.

Awards under the LTIP are not pensionable.

## Example of how the LTIP pool is calculated

For illustration, assume the base market capitalisation is £1,226m (based on a share price of £3.00 and 408.6m shares in issue). The Hurdle Amount would therefore be approximately £1,632m (being the base market capitalisation plus 10% p.a. growth over the performance period and ignoring the effect of any dividends). If the end market capitalisation is £1,832m after three years then the value of the LTIP pool would be £20m for all participants (being 10% of the difference between the end market capitalisation and the Hurdle Amount).

In this example, the Chief Executive would receive 10% of the total LTIP pool being £2m. This value would be converted into shares based on the share price at the end of the three year performance period once the Committee has determined if the performance conditions have been satisfied. Half the shares will vest at the time of that determination, 25% of the shares would vest one year later and 25% of the shares would vest 2 years later.

## Leaving employment

An award will lapse where participants leave the group for any reason before the end of the performance period unless the Committee determines otherwise. If the Committee determines that an award should vest then it will not normally vest until the original vesting dates and to the extent that the performance conditions have been satisfied. The number of shares which may be acquired will be reduced on a pro rata basis to take account of the proportion of the performance period when the participant was not in employment, unless the Committee decides otherwise. In exceptional circumstances, the Committee may in its discretion decide that the award should vest at the time of leaving based on the extent to which the performance conditions have been satisfied at the time of leaving. If this occurs, awards will also be pro-rated for time served as described above unless the Committee decides otherwise.

Where a participant leaves after the end of the performance period due to ill health, injury or disability, retirement, redundancy, death, where there is a sale of the employing business or company, or for other reasons specifically allowed by the Committee, then awards will continue and vest in full (to the extent the performance condition was

satisfied) on the normal date of vesting (or exceptionally at the time of leaving) unless the Committee decides otherwise. If the participant leaves for any other reason then any unvested award will lapse.

## Change in control, merger or other reorganisation

On a takeover, scheme of arrangement, merger or other corporate reorganisation, the number of shares received (if any) will be calculated by applying the performance conditions as at the date of the event. Time pro-rating will apply. Alternatively, participants may be allowed or required by the Company to exchange their awards for awards in another company.

## Variations in share capital

Participants will be notified by the Company where there is a variation in the share capital of the Company, a demerger or a special dividend. Upon such an event the Committee may adjust the awards and the Hurdle Amount in any way it considers appropriate.

## Rights

Options and conditional awards will not enjoy any shareholder rights until the shares have been acquired by the participant. However, except in the case of market value options, participants may receive a payment in cash or shares of an amount equal to the dividends which would have been payable on the shares received during the period from the end of the performance period until vesting. In the case of forfeitable shares, participants are entitled to dividends and to vote the shares during the vesting period unless the Company decides otherwise. Awards are not transferable, except on death.

Any shares issued under the LTIP will rank equally with shares of the same class and in issue on the date of allotment except in respect of rights by reference to a record date prior to the date of allotment. In addition, treasury shares may be used to satisfy awards.

## Dilution limits

In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under the LTIP and all other employee share plans operated by the Company. If shares are transferred from treasury to satisfy awards, these will also be counted towards the dilution limits for as long as this is required by the Association of British Insurers guidelines. Awards may also be satisfied by the transfer of shares purchased in the market via the Company's employee benefit trust.

## **Amendments**

The Company may amend the LTIP as it considers appropriate. However, shareholder approval will be required to amend certain provisions of the LTIP if the amendments are to the advantage of the participants (except for minor amendments to benefit the administration of the LTIP, to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment). These provisions relate to: eligibility; individual and plan limits; the basis for determining entitlements to shares; rights attaching to shares; rights in the event of a variation in the Company's share capital; and the amendment powers.