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 below.

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').

Any operation of the Scrip Dividend Scheme is subject to prior shareholder approval being in place.

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 given 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 15 working days prior to the dividend payment date to be eligible to receive New Shares instead of cash for that, and subsequent, dividends. 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 15 working days prior to the dividend payment date.

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.

Example

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.

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 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.

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 the Scrip Dividend Scheme 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 below. 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.

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 8 13⁄24p each in the capital of the Company.

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’). 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.