Notice of Annual General Meeting 2021

To be held by telephone
on Wednesday 24 March 2021 at 10.00am

ATTENTION: 2021 AGM ARRANGEMENTS IN RESPECT OF COVID-19

Due to the Government restrictions on public gatherings and associated social distancing measures in response to Covid-19, unfortunately the Company's AGM will be held by telephone only and so there will be no opportunity for shareholders to attend the AGM in person.

As you cannot attend the AGM in person, we strongly encourage you to vote in advance by appointing the Chairman as your proxy.

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 10.00am on 22 March 2021. Alternatively, you can register your proxy vote electronically by no later than 10.00am on 22 March 2021, 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.

APPENDICES

DEAR SHAREHOLDER

This letter provides details of the 2021 Annual General Meeting (the 'Meeting' or 'AGM') of Mitchells & Butlers plc which will be held by telephone on Wednesday 24 March 2021 at 10.00am. The formal notice of the Meeting is set out on page 9 (the 'Notice').

2021 AGM ARRANGEMENTS IN RESPECT OF COVID-19

Due to Government restrictions on public gatherings and associated social distancing measures in response to Covid-19, unfortunately the Company's AGM cannot be held in the usual way. In order to ensure that we protect the health and safety of our shareholders, directors and colleagues, the AGM will be a closed meeting and held by a telephone facility only so **shareholders will not be able to attend the AGM in person, but may listen to the AGM through the telephone facility – please see details below.**

How to participate in the AGM remotely

To support engagement with our shareholders in these exceptional circumstances, the Company is providing a telephone facility to allow shareholders to listen to the business of the AGM. The telephone number is **0800 358 6377** (if dialling in from the UK) and **+44 330 336 9125** (if dialling in from outside the UK) and shareholders will then need to input the telephone facility access code **4407627** to listen to the AGM via the telephone facility. Please also check the Company's website www.mbplc.com in advance of the AGM in case there are further changes to the arrangements for the AGM.

Please note that any such shareholder participation via the telephone facility will not constitute formal attendance in relation to the AGM and shareholders will not be able to speak, ask questions or vote on any resolutions through that facility. We therefore encourage you to register your vote in advance in the ways described below.

How to Vote

Your vote is important to us. **As you cannot attend in person, we strongly encourage you to vote in advance by appointing the Chairman as your proxy.** Given the Government restrictions currently in force, voting by appointing the Chairman of the Meeting as your proxy in advance is the only way you will be able to exercise your vote at the AGM.

If you would like to vote on the resolutions in the Notice, 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 10.00am on Monday 22 March 2021. Alternatively, you can vote online at www.sharevote.co.uk or by using the service provided by Euroclear by no later than 10.00am on Monday 22 March 2021.

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 which embraces the principle of one vote for every share held.

How to ask questions

Your views are very important to us and shareholders are encouraged to submit questions or raise matters of concern with the Board by submitting these via www.mbplc.com/agm2021qs by 5:00pm on 9 March 2021. Please remember to include your full name and your Shareholder Reference Number. Answers will be given direct to you and/or made available on the Company's website as soon as practicable following receipt. It will not be possible to ask questions during the AGM.

Shareholder Enquiries

If you have any questions regarding the AGM business or your shareholding, 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.

BOARD RECOMMENDATIONS

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.

DIVIDEND

No Final Dividend will be paid in respect of the financial year ended 26 September 2020 (FY 2019 nil). No Interim Dividend was paid during the year (FY 2019 nil).

COMMUNICATION ONLINE

You can view the 2020 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 the 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 74 to 89 (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 AND RESOLUTION 4 – THE RESTRICTED SHARE PLAN 2021

Please see the letter on pages 5 to 6 which explains the business in relation to Resolution 3 (Remuneration Policy) and Resolution 4 (Restricted Share Plan 2021) in further detail.

Remuneration Policy

In accordance with the Companies Act 2006, a resolution on the Company's remuneration policy is required to be put to a vote by shareholders. The vote is binding which means that payments cannot be made under the Company's remuneration policy until it has been approved by shareholders. The Company's remuneration policy must be put to shareholders for approval at least every three years, unless during that time it is to be changed.

Shareholders approved the Company's existing Directors' remuneration policy (the 'Existing Policy') at the AGM in 2018 for a period of three years from the date of that meeting. That vote, which is binding on the Company, remains in force until 2021, and thus a new Directors' remuneration policy will require approval at the 2021 AGM (the 'Proposed Policy').

In conjunction with the implementation of the Company's Proposed Policy, the Company intends to replace the existing, long-term incentive plan (being the 2013 Performance Restricted Share Plan (as amended)) with a restricted share plan. A resolution approving the Restricted Share Plan 2021 is required to be put to a vote by shareholders. Further details on the proposed new arrangements are set out below.

Restricted Share Plan

Following a review of the Company's existing, long-term incentive arrangements, the Board is seeking approval for the adoption of the Mitchells & Butlers Restricted Share Plan 2021 (the 'RSP'). Under the RSP, the Company will grant participants awards which allow them to share in the growth in shareholder value of the Company, and to provide a just system for retaining, incentivising and rewarding participants. Further details on the RSP and its operation are set out on pages 21 to 22. The Proposed Policy would permit the grant and satisfaction of awards under the RSP.

RESOLUTIONS 5 TO 16 – RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, and in line with 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 are set out at page 69 of the Annual Report.

Further to the announcements released by the Company on 15 February 2021, the Company now has a controlling shareholder for the purposes of the UK Listing Rules, Odyzean Limited, which as at the date of this notice holds approximately 55 per cent. of its issued share capital. In order to comply with the UK Listing Rules relating to controlling shareholders, the re-election of the Company's Independent Non-Executive Directors (being Dave Coplin, Jane Moriarty, Susan Murray, Colin Rutherford, Imelda Walsh) must be approved by a majority of both: (a) the shareholders of the Company and (b) the independent shareholders of the Company (being shareholders other than Odyzean Limited and its associates). Resolutions 6, 11, 12, 14 and 16 are proposed as ordinary resolutions and can be voted on by all shareholders of the Company. However, the votes cast by independent shareholders will be counted separately in order to assess whether both limbs (a) and (b) are satisfied and the Company will announce the results on this basis.

In accordance with the UK Listing Rules, if any of resolutions, 6, 11, 12, 14 and 16 are not approved by a majority of both the (a) shareholders of the Company and (b) independent shareholders of the Company, the failed resolution may be put to shareholders of the Company at a general meeting which must be held between 90 and 120 days from the date of the original vote. In such circumstances, any Independent Non-Executive Director(s) whose appointment has not been approved by both (a) shareholders of the Company and (b) independent shareholders of the Company will be treated as having been re-elected from the date of the original vote until either (i) the date when they are re-elected, being the date of the subsequent general meeting, or (ii) the date of any announcement by the Board that the Independent Non-Executive Director(s) do(es) not intend to stand for re-election. If a subsequent general meeting does not take place, the appointment will be treated as ceasing 120 days from the date of the original vote. If a subsequent general meeting does take place and the further resolution is approved, the Independent Non-Executive Director(s) will be treated as having been re-elected until the following AGM of the Company. However, if at a subsequent general meeting the further resolution fails, the Independent Non-Executive Director(s) appointment will cease on that date.

Biographical details of all Board Directors can be found on pages 48 to 51 of the Annual Report and also on pages 7 and 8 in the Notice of Meeting. The Board believes this information is sufficient to enable shareholders to make an informed decision on their re-election.

RESOLUTIONS 17 AND 18 – 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 17 proposes the reappointment of the Company's existing auditor for a further year. As noted on page 73 of the Annual Report, the Company's Audit Committee planned to carry out a competitive audit tender in 2020 in respect of the financial year ending in 2021. However, as a result of the unprecedented implications of Covid-19, the Audit Committee concluded that it should seek FRC approval to reappoint the Company's existing auditor for one further year and undertake the audit tender process in 2021. This approval was received on 5 October 2020.

Resolution 18 seeks authority for the Directors to determine the auditor's remuneration.

RESOLUTION 19 – POLITICAL DONATIONS

Part 14 of the Companies Act 2006 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 Companies Act 2006 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 Companies Act 2006 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 Companies Act 2006, 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 2022. As required by the Companies Act 2006, the resolution is in general terms and does not purport to authorise particular donations. The authority will expire at the 2022 AGM.

RESOLUTION 20 – AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The purpose of Resolution 20 is to adopt amended Articles of Association of the Company. The proposed amendments permit the Company to hold both physical and hybrid general meetings (including annual general meetings) which will permit the Company to offer shareholders a combination of a physical meeting location and/or online participation through electronic facilities. This will provide the Company with flexibility to ensure that general meetings can continue to be held effectively, including in circumstances where attendance at physical meetings is limited or prohibited for reasons outside the Company's control (as is the case for this AGM due to Covid-19 restrictions). The amendment would allow for general meetings to be held by physical attendance, or a combination of physical and remote virtual attendance via electronic facilities ('hybrid meetings') where the Directors determine it is appropriate to do so.

It should be noted that these amendments do not include provisions to permit the holding of virtual-only general meetings. For the avoidance of doubt, the 2021 AGM is being held by telephone only due to the Government restrictions on public gatherings and associated social distancing measures in response to Covid-19. The Company is permitted to hold the 2021 AGM remotely via telephone by the Corporate Insolvency and Governance Act 2020, notwithstanding any provisions of its Articles of Association to the contrary.

Other consequential amendments and clarificatory changes are also proposed to bring the existing Articles of Association into line with current legal requirements and best practice.

The proposed changes are summarised in Appendix C.

RESOLUTION 21 – 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 21 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 2022, 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
1 March 2021

A LETTER FROM THE CHAIRMAN AND THE REMUNERATION COMMITTEE CHAIR

2021 EXECUTIVE REMUNERATION POLICY AND INTRODUCTION OF THE MITCHELLS & BUTLERS RESTRICTED SHARE PLAN 2021

DEAR SHAREHOLDER,
As highlighted in the 2020 Directors' Remuneration Report, our current remuneration policy is due for renewal at our 24 March AGM. Over the last few months, the Remuneration Committee has carried out a review of executive remuneration. This has taken on increased importance in light of the exceptional circumstances our industry has faced over the past year as a result of the Covid-19 pandemic. The lockdown restrictions imposed across the UK have significantly impacted the hospitality industry and, whilst the rollout of the vaccine is positive news, the coming months will continue to be very challenging as the business begins to recover.

The open offer to raise up to £351 million announced on 22 February is due to complete in March. This, along with the recently announced refinancing of debt facilities and the amendments and waivers that have been agreed in respect of the Group's secured debt financing, means that Mitchells & Butlers is well placed to come through the challenges posed by Covid-19 to the hospitality industry.

Our Executive Directors and senior management team will need to make appropriate and timely decisions to enable the return to the strong business performance we were consistently delivering prior to the Covid-19 pandemic. How we reward and motivate will play an important role in achieving this recovery.

OUR PROPOSED 2021 REMUNERATION POLICY

The table below summarises our new executive remuneration policy.

The principal changes proposed are:

1. **Restricted Share Plan** – replacement of the existing, long-term incentive plan (known as the 2013 Performance Restricted Share Plan (the 'PRSP')) with a new Restricted Share Plan (the 'RSP');
2. **Pension contributions** – align the Company pension contributions for new Executive Directors with the wider workforce pension contribution rate and align Company pension contributions for current Executive Directors by no later than the end of the 2023/24 financial year;
3. **Shareholding requirements** – increase the shareholding requirement for all Executive Directors;
4. **Post-cessation shareholding requirements** – introduce a post-cessation shareholding requirement ('PCSR') for all Executive Directors; and
5. **Malus and clawback provisions** – extend our malus and clawback trigger events to include conduct resulting in reputational damage, and corporate failure.

No other material changes to our current remuneration policy, including our annual performance bonus, are proposed. Our resultant policy is summarised in the table below:

Element	Proposed policy	Changes from current policy
Base salary	• Generally, increases in line with wider workforce.	No changes proposed.
Annual Bonus	• Normal maximum of 100% of salary, exceptional maximum of 150% of salary. • At least 50% of performance conditions to be based on financial measures, the remainder based on non-financial or personal business objectives. • 50% of the award to be deferred as shares and released in two equal tranches, after 12 and 24 months.	No changes proposed.
RSP	• Normal maximum of 100% of salary, exceptional maximum of 125% of salary. • No performance measures but performance underpins applied at the discretion of the Remuneration Committee on vesting. • Vesting after 3 years, with a 2-year holding period post-vesting.	Replaces PRSP.
Pension (or cash allowance)	• New Executive Directors to be aligned with the wider workforce pension rate (currently 4% of salary). • Current Executive Directors' contributions (currently 14.2% of salary) to be reduced by no later than the end of the 2023/24 financial year to the wider workforce level, a process which commenced in FY 2020.	Alignment of pension contributions for new Executive Directors; current Executive Directors to be aligned during the period of this policy.
Shareholding requirement	• Chief Executive shareholding requirement of 250% of salary. • All other Executive Directors to have a shareholding requirement of 200% of salary.	Increased requirement for all Executive Directors.
Post Cessation Shareholding Requirement ('PCSR')	• All Executive Directors required to maintain shareholding requirements for 2 years post-cessation.	New requirement introduced for all Executive Directors

Additional details on the proposed RSP

- **Quantum** – the Committee recognises that with greater certainty of award, there needs to be an appropriate reduction in quantum. As such, the proposed RSP award will have a normal maximum of 100% of salary and exceptional maximum of 125% of salary, which is a 50% reduction when compared to the existing PRSP award.
- **Underpins** – the Committee will take into account the following factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting:
- Whether any adjustments have been made to annual bonus outcomes for each of the three years covered by the vesting period for awards under the RSP. The Committee undertakes a thorough 'quality of earnings' assessment every year prior to the finalisation of any annual bonus outcomes. It is proposed that these will also be used to inform the assessment of awards under the RSP. The annual quality of earnings assessment takes into account financial performance as well as guest experience and employee engagement along with a broader-based holistic assessment of business performance and the achievement of KPIs;
- Whether there has been material damage to the reputation of the Company (in such circumstances, responsibility and hence any adjustments to the level of vesting may be allocated collectively or individually to participants); and
- That the business has a stable and appropriate capital structure in place following the cessation of restrictions on trade due to the Covid-19 pandemic that enables the recovery of the business and execution of our strategic priorities.

The Committee feels these underpins will ensure that any vesting under the RSP is appropriate in the context of wider business performance and be more effective than a quantitative financial underpin. There will be no reward for performance below a minimum acceptable level over the period.

The Committee has an established track record of ensuring that the remuneration our Executive Directors receive is appropriate in the context of a number of factors. Most recently, in 2019, the Committee exercised discretion to reduce the formulaic outcome under our annual bonus plan to reflect that not all of the growth achieved was as a result of actions by management. We believe examples such as this highlight that whilst the RSP provides a greater certainty of reward, the Committee will continue to ensure that any value delivered to our Executive Directors is fair and appropriate in the context of the performance of the business and experience of our stakeholders.

RATIONALE FOR PROPOSED CHANGES

- Enables our Executive Directors and other senior management to focus on making appropriate and timely decisions to deliver long term performance, which may not necessarily align with a set of pre-determined incentive plan targets. The "Ignite" business improvement programme has delivered significant value in recent years and we are confident that our future performance will be supported by the further wave of activities planned.
- The RSP is intended to be retentive by providing a greater certainty of reward. At this time, we believe that the retention of our Executive Directors and senior management is very important for our business recovery and that they should be incentivised and remunerated in the same way.
- The RSP ensures that our Executive Directors and Senior Management are fully aligned with shareholders from the start of the recovery and in the longer term through a material shareholding.

SHAREHOLDER CONSULTATION

As announced on 15 February 2021, Piedmont Inc., Elpida Group Limited and Smoothfield Holding Limited have been acquired by Odyzean Limited and, as a result, the Odyzean Group held approximately 55 per cent. of the Company's issued share capital. Prior to the formation of the Odyzean Group, the shareholder representatives of Piedmont Inc. and Elpida Group Limited confirmed their support for the Group's proposed remuneration policy. The Odyzean Group subsequently confirmed that it will continue to support the proposed remuneration policy but has indicated that it intends to work with the Board to ensure the remuneration structure for all levels of the management team remains fully aligned with both the strategy of the business and shareholder value maximisation over the long-term. Any changes to the current remuneration structure, if proposed, may run counter to listed company norms and benchmarking. The Odyzean Group has, however, confirmed that there are no immediate plans to propose or implement arrangements which are not consistent with the proposed remuneration policy.

During December and January we consulted with our other major shareholders and the main shareholder representative bodies to explain the rationale for the new policy and design of the RSP. A number of shareholders reiterated the importance of ensuring that there was a plan for the alignment of pension arrangements for incumbent Executive Directors to those of the wider workforce and this feedback has been incorporated into our approach on this issue. Some shareholders also sought greater clarity on the operation of the RSP performance underpin and as a result we have expanded our explanation.

IMPLEMENTATION OF OUR REMUNERATION POLICY

There are no proposed salary changes for our Chief Executive or Chief Financial Officer for 2021. The Chief Executive's salary will remain at £535,500 and the Chief Financial Officer's salary will remain at £448,000.

Determining an annual bonus plan is especially challenging at the current time. The Committee had been considering setting targets over shorter time frames, to better reflect the prevailing trading circumstances. However, after the announcement of further nationwide lockdowns which have extended well into the second quarter of the financial year the Committee determined that no bonus will be payable to Executive Directors in respect of FY 2021.

The Committee anticipates making the first awards under the RSP following the reporting of our interim results in May 2021. The Committee notes the commentary around the potential for 'windfall' gains. The Committee believes that the most appropriate time to consider this is when assessing the level of vesting of the RSP award as part of its holistic assessment of the effectiveness and appropriateness of remuneration outcomes.

The Committee understands that, for many shareholders, the issue of executive pension contributions is an important matter. We have taken a proactive approach to the process of aligning executive pension contributions and began to address this issue at the start of 2020, when the normal workforce-aligned increases in Executive Directors' base pay were offset by an equal reduction in pension contributions.

The Committee now expects this to be achieved by no later than the end of the 2023/24 financial year by continuing with our established approach of base pay increases being offset by equivalent reductions in cash pension contributions.

CONCLUDING COMMENTS

The Committee considers the proposed new policy, including the RSP, to be in the best interests of the Company and shareholders at this time. We believe it will support the retention of our Executive Directors and senior management who will be critical to the strong recovery of the business as Covid-19 related restrictions are lifted. Therefore, the Committee unanimously recommends that shareholders vote in favour of the ordinary resolutions set out in the Notice of Annual General Meeting.

Yours sincerely

BOB IVELL	**IMELDA WALSH**
Chairman	Remuneration Committee Chair
1 March 2021	

KEITH BROWNE
Non-Executive Director
P

Keith Browne was appointed as a Non-Executive Director in September 2016. He is a nominated shareholder representative of Elpida Group Limited, a member of the Odyzean Group and a significant shareholder of the Company. He is a non-executive director of Grove Limited, the holding company of Barchester Healthcare Limited. Mr Browne obtained a Bachelor of Commerce Degree from University College Dublin, qualified as a chartered accountant in 1994 and subsequently gained an MBA from University College Dublin. After joining KPMG Corporate Finance in 1996, he became a partner in the firm in 2001 and Head of Corporate Finance in 2009. He retired from the partnership to operate as an Independent Consultant in 2011.

DAVE COPLIN
Independent Non-Executive Director
A, R, N, C

Dave Coplin was appointed as an independent Non-Executive Director in February 2016. He is the CEO and founder of The Envisioners Limited and was formerly the Chief Envisioning Officer for Microsoft Limited, and is an established thought leader in the role of technology in our personal and professional lives. For over 25 years, he has worked across a range of industries and customer marketplaces, providing strategic advice and guidance around the role and optimisation of technology in the modern society both inside and outside of the world of work. Mr Coplin is also a Non-Executive Director of the Pensions and Lifetime Savings Association as well as Vianet Group plc.

EDDIE IRWIN
Non-Executive Director
A, R, N, C

Eddie Irwin was appointed as a Non-Executive Director in March 2012. He is a nominated shareholder representative of Elpida Group Limited, a member of the Odyzean Group and a significant shareholder of the Company. Mr Irwin is Finance Director of Coolmore, a leading thoroughbred bloodstock breeder with operations in Ireland, the USA and Australia and a Non-Executive Director of Grove Limited, the holding company of Barchester Healthcare Limited. He graduated from University College Dublin with a Bachelor of Commerce Degree and he is a Fellow of both The Association of Chartered Certified Accountants and The Chartered Governance Institute.

BOB IVELL
Non-Executive Chairman
R, N, M, C, P

Appointed to the Board in May 2011, Bob Ivell has over 40 years of extensive food and beverage experience with a particular focus on food-led, managed restaurants, pubs and hotels. He is currently a Non-Executive Director of Charles Wells Limited and a UK Board member of UK Hospitality. He was previously Senior Independent Director of AGA Rangemaster Group plc and Britvic plc, and a main Board Director of S&N plc as Chairman and Managing Director of its Scottish & Newcastle retail division. He has also been Chairman of Carpetright plc, Regent Inns, Park Resorts and David Lloyd Leisure Limited, and was Managing Director of Beefeater Restaurants, one of Whitbread's pub restaurant brands, and a Director of The Restaurant Group. Mr Ivell is the Chair of the Nomination Committee, the Pensions Committee, the Market Disclosure Committee and the Corporate Responsibility Committee.

TIM JONES
Chief Financial Officer
M, E, P

Tim Jones was appointed Chief Financial Officer in October 2010. Prior to joining the Company, he held the position of Group Finance Director for Interserve plc, a support services group. Previously, he was Director of Financial Operations at Novar plc and held senior financial roles both in the UK and overseas in the logistics company, Exel plc. Mr Jones was a Non-Executive Director of Poundland Group plc from October 2014 to September 2016. Mr Jones is a member of the Institute of Chartered Accountants in England and Wales and obtained an MA in Economics at Cambridge University.

JOSH LEVY
Non-Executive Director
R, P

Josh Levy was appointed a Non-Executive Director in November 2015. Mr Levy is a nominated shareholder representative of Piedmont Inc., a member of the Odyzean Group and a significant shareholder of the Company. He is Chief Executive of Ultimate Finance Group, Chairman of Avenue Insurance and a Director of Tavistock Group. Mr Levy previously worked in the Investment Banking Division of Investec Bank and holds an MSc and a BA (Hons) from the University of Nottingham.

Biographies of the Directors seeking re-election are on pages 48 to 51 of the 2020 Annual Report.

Key to Committee Membership

A	Audit Committee
C	Corporate Responsibility Committee
E	Executive Committee
M	Market Disclosure Committee
N	Nomination Committee
P	Pensions Committee
R	Remuneration Committee

JANE MORIARTY
Independent Non-Executive Director
A, R, N, C

Jane Moriarty was appointed as an independent Non-Executive Director in February 2019. She is a Fellow of the Institute of Chartered Accountants in Ireland, and currently a Director of NG Bailey Group Limited, Quarto Group Inc., Martin's Investments Limited and Nyrstar NV. She was previously a senior advisory partner with KPMG LLP.

SUSAN MURRAY
Senior Independent Director
A, R, N, C

Susan Murray was appointed as Senior Independent Director in March 2019. She has served on the boards of Compass Group plc, Pernod Ricard SA, Imperial Brands plc, Wm Morrison Supermarkets plc and EI Group plc and is a former Council Member of the Advertising Standards Authority. She is currently a non-executive director and Chair of the Remuneration Committee of Hays plc and Grafton Group plc and a member of the supervisory board of William Grant & Sons Holdings Limited. In her executive career, amongst other roles, she was Director of International Marketing of Grand Metropolitan's IDV business, Worldwide President and Chief Executive of Smirnoff's vodka business and subsequently Chief Executive of Littlewoods.

RON ROBSON
Deputy Chairman
A, N, C

Ron Robson was appointed a Non-Executive Director in January 2010. He is Group Executive Director and Chief Financial Officer of Clyde Munro Group, a Non-Executive Director of Tottenham Hotspur Limited and a Non-Executive Director of This Is Remarkable Limited. He was previously Chief Executive of Ultimate Finance Group and, prior to that Chief Financial Officer of Tamar Capital Partners and Group Finance Director of Kenmore, both property investment and management groups. From 2005 to 2008 he was Group Finance Director of The Belhaven Group, a listed pub retailing, brewing and drink distribution group. Mr. Robson has held a number of senior finance roles and trained as a chartered accountant with Arthur Andersen. Mr. Robson is a nominated shareholder representative of Piedmont Inc., a member of the Odyzean Group and a significant shareholder of the Company.

COLIN RUTHERFORD
Independent Non-Executive Director
A, R, N, M, C, P

Colin Rutherford was appointed as an independent Non-Executive Director in April 2013. He is currently Chairman of Brookgate Limited. He is also a Non-Executive Director of NewRiver REITplc and U.S. based Evofem Biosciences Inc., amongst his other activities. He was also formerly Executive Chairman of MAM Funds plc and Euro Sales Finance plc. For over 30 years, Mr Rutherford has served as chairman, director or corporate adviser to various other public and private companies in the UK and overseas, and he has directly relevant experience in the hospitality and leisure sector. He has been a member of the Institute of Chartered Accountants of Scotland since 1983. Mr Rutherford is Chairman of the Audit Committee and serves on all other independent governance committees.

PHIL URBAN
Chief Executive
M, E, P

Phil Urban joined the Company in January 2015 as Chief Operating Officer and became Chief Executive in September 2015. Mr Urban was previously Managing Director at Grosvenor Casinos, a division of Rank Group and Chairman of the National Casino Forum. Prior to that, he was Managing Director for Whitbread's Pub Restaurant division, and for Scottish & Newcastle Retail's Restaurants and Accommodation Division. Mr Urban has an MBA and is a qualified management accountant (CIMA).

IMELDA WALSH
Independent Non-Executive Director
A, R, N, C, P

Imelda Walsh was appointed as an independent Non-Executive Director in April 2013. She was a Non-Executive Director and Chair of the Remuneration Committee of Aston Martin Lagonda Global Holdings plc from 2018 to 2020, First Group plc from 2014 to 2020, William Hill plc from 2011 to 2018, Mothercare plc from 2013 to 2016 and Sainsbury's Bank plc from 2006 to 2010. She has held senior executive roles at J Sainsbury plc, where she was Group HR Director from March 2004 to July 2010, Barclays Bank PLC and Coca-Cola & Schweppes Beverages Limited. She is Chair of the Remuneration Committee.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Mitchells & Butlers plc will be held by telephone on Wednesday 24 March 2021 at 10.00am, 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 numbers 20 and 21 as Special Resolutions.

ORDINARY RESOLUTIONS

1 To receive the Company's accounts for the year ended 26 September 2020, together with the reports of the Directors and the auditor.

2 To approve the Annual Report on Remuneration for the year ended 26 September 2020.

3 To approve the Remuneration Policy which is detailed on pages 12 to 20 of this Notice to take effect from the date of this Annual General Meeting.

4 To approve and adopt the Mitchells & Butlers Restricted Share Plan 2021, the principal terms of which are detailed on pages 21 and 22 of this Notice, (the 'RSP') and to authorise the Directors to do all acts and things which they may consider necessary or desirable to give effect to the RSP from the date of this Annual General Meeting.

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 Eddie Irwin as a Director of the Company.

8 To re-elect Bob Ivell as a Director of the Company.

9 To re-elect Tim Jones as a Director of the Company.

10 To re-elect Josh Levy as a Director of the Company.

11 To re-elect Jane Moriarty as a Director of the Company.

12 To re-elect Susan Murray as a Director of the Company.

13 To re-elect Ron Robson as a Director of the Company.

14 To re-elect Colin Rutherford as a Director of the Company.

15 To re-elect Phil Urban as a Director of the Company.

16 To re-elect Imelda Walsh as a Director of the Company.

17 To reappoint Deloitte LLP as auditor of the Company until the next general meeting at which accounts are to be laid.

18 To authorise the Board to agree the auditor's remuneration.

19 To authorise the making of political donations on the terms set out in the notes to the resolution in the Chairman's letter.

SPECIAL RESOLUTIONS

20 Amendments to the Articles of Association

That the Articles of Association produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

21 Notice period for Meetings

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.

Voting on all resolutions will be by way of a poll.

By order of the Board

GREG McMAHON
Company Secretary and General Counsel

1 March 2021
Registered Office:
27 Fleet Street
Birmingham B3 1JP

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

1. Shareholders may listen to the business of the AGM using a telephone facility which will be provided by the Company and the telephone number is **0800 358 6377** (if dialling in from the UK) and **+44 330 336 9125** (if dialling in from outside the UK). Shareholders will also need to use the telephone facility access code of **4407627** to access and listen to the AGM.

2. Only holders of ordinary shares, or their duly appointed representatives, are entitled to participate in the AGM (using the telephone facility) and vote in respect of the AGM. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to exercise any of their rights to participate in the AGM via the telephone facility, and vote and submit questions or raise concerns in respect of the AGM beforehand in accordance with the instructions in this document. 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. However, as mentioned in this notice, in light of the evolving Covid-19 situation and proposed AGM arrangements, to ensure that your vote counts, shareholders are strongly encouraged to appoint the Chairman of the AGM as their proxy and then complete, sign and return the Proxy Form to Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA as soon as possible but in any event no later than 10.00am on 22 March 2021. Appointing a proxy will not prevent members from listening to the Annual General Meeting via the telephone facility should they wish to do so.

3. A Form of Proxy is enclosed and instructions for its use are shown on the form.

4. 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.

5. 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.

6. Voting in respect of the resolutions at the AGM will be conducted by way of 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

7. 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.

8. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 to 5 above does not apply to a Nominated Person. The rights described in those paragraphs can only be exercised by registered members of the Company.

9. 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.

10. 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) and a copy of the New Articles (together with a copy of the existing Articles of Association marked to show the changes being proposed in Resolution 20) will be available for inspection at the Registered Office of the Company during normal business hours until the conclusion of the Meeting and in accordance with Rule 13.8.10 of the UK Listing Rules, at the office of Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London, EC2P 2SR. In order that appropriate arrangements can be made for shareholders wishing to inspect documents, we request that shareholders contact the Company Secretary via the link www.mbplc.com/agm2021qs in advance of any visit to ensure that access can be arranged. Any such access will be subject to health and safety requirements and any limits on gatherings, social distancing or other measures imposed or recommended by the Government. A copy of the New Articles (together with a copy of the existing Articles of Association marked to show the changes being proposed in Resolution 20) is also available for inspection on the Company's website www.mbplc.com.

11. The Company specifies that only those shareholders on the Register of Members as at 6.30pm on 22 March 2021 (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 participate in and vote 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 22 March 2021 shall be disregarded in determining the right of any person to participate in the Meeting or vote. For the avoidance of doubt, only the holders of ordinary shares in the Company shall appear on the Register of Members. Holders of any right or entitlement to subscribe for ordinary shares in the Company shall not appear on the Register of Members until such ordinary shares have been issued.

12. All shareholders and their proxies will have the opportunity to ask questions in advance of the Meeting by submitting these via www.mbplc.com/agm2021qs by 5.00pm on 9 March 2021.

13. A copy of this Notice and other information required by Section 311A of the Companies Act 2006 can be found at www.mbplc.com

14. As at 22 February 2021 (being the latest practicable date prior to the date of this Notice) the Company's issued share capital consisted of 429,268,130 ordinary shares carrying one vote each. No shares are held in treasury. The total number of voting rights in the Company as at 22 February 2021 was 429,268,130.

15. Directors' Shareholdings – in accordance with Listing Rule 9.8.6(1) the table below sets out the interests (in respect of which transactions are notifiable to the Company under Article 19 of the UK Market Abuse Regulation) of each current Director as at 22 February 2021, being the latest practicable date prior to the date of this document.

Board Director	No.
Bob Ivell	12,006
Phil Urban	241,608
Tim Jones	178,990
Ron Robson	–
Susan Murray	–
Keith Browne	–
Dave Coplin	2,042
Eddie Irwin	31,560
Josh Levy	–
Jane Moriarty	–
Colin Rutherford	–
Imelda Walsh	7,500

16. Substantial Shareholdings – in accordance with Listing Rule 9.8.6(2) the table below shows the interests disclosed to the Company in accordance with Disclosure and Transparency Rule (DTR) 5 as at 22 February 2021 being the latest practicable date prior to the date of this document.

INTERESTS IN VOTING RIGHTS AS AT 26 SEPTEMBER 2020:

Shareholder	Ordinary shares	% of share capital*	
Piedmont Inc.	116,234,517	27.08	Direct holding
Elpida Group Limited	100,840,659	23.49	Direct holding
Smoothfield Holding Limited	19,021,589	4.43	Direct holding

* Based on the total voting rights figure as at 26 September 2020 of 429,201,117 shares.

The following changes took place between 27 September 2020 and 22 February 2021:

- Standard Life Aberdeen plc notified the Company on 29 October 2020 that its indirect holding was 21,499,735 shares (5.01%); on 9 November 2020 that its indirect holding was 23,638,014 shares (5.51%) and on 23 November 2020 that its indirect holding was 24,398,876 shares (5.68%).

- Odyzean Limited (as the parent company of each of Piedmont Inc., Elpida Group Limited and Smoothfield Holding Limited) notified the Company on 15 February 2021 that its direct holding was 236,199,685 shares (55.03%).

17. 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).

18. 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/AGM2021QS

MITCHELLS & BUTLERS PLC
27 Fleet Street
Birmingham B3 1JP
Tel: +44 (0) 121 498 4000
www.mbplc.com

Set out below is the Company's new policy on remuneration for Executive and Non-Executive Directors (the 'New Policy'), to be approved by shareholders at the Annual General Meeting on 24 March 2021. Once approved, the New Policy may operate for up to three years.

The New Policy has been prepared in accordance with the requirements of the UK's Companies Act 2006 (the 'Act') and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the 'Regulations'), the Listing Rules of the UK Listing Authority and the UK Corporate Governance Code.

The primary objective of the Directors' remuneration policy is to motivate and retain the Company's leaders in order to promote the long-term success of the business, whilst ensuring that the Company does not pay more than is necessary. In seeking to achieve this objective, the Committee is mindful of the views of a range of stakeholders both in the business and across broader society and, accordingly, takes account of a number of factors when setting remuneration policy including market conditions, pay and benefits in relevant comparator organisations, terms and conditions of employment across the Group, the Company's risk appetite, the expectations of institutional investors and feedback from shareholders and other stakeholders. The Committee considers a range of reference points when determining policy and pay levels; these include external market benchmarks as well as internal reference points. Any such reference points are set in an appropriate context and are not considered in isolation. To avoid conflicts of interest, no executive director or employee participates in decisions determining their own remuneration.

CHANGES TO THE CURRENT POLICY

Element	Change to policy	Rationale
Long Term Incentives	Replacement of the existing, long-term incentive plan with a Restricted Share Plan (the 'RSP').	Ensures Executives are motivated and retained so that they can focus on making appropriate and timely decisions aimed at delivering a return to strong, sustainable business performance.
Pension	Align the company pension contributions for new and existing Executive Directors with the wider workforce pension contribution rate.	Brings arrangements in line with corporate governance best practice.
Shareholding Requirements	Increase the shareholding requirement for all executive directors.	Provides a greater alignment between management and shareholders.
Post-cessation shareholding requirements	Introduce a post-cessation shareholding requirement ('PCSR') for all Executive Directors.	Ensures Executives focus on long-term sustainable performance and extends the length of alignment between management and shareholders.
Malus and clawback provisions	Extend our malus and clawback trigger events to include conduct resulting in reputational damage, and corporate failure.	To bring the provisions further in line with best practice.

POLICY TABLE

The table below summarises each element of the remuneration policy applicable to Executive Directors.

Purpose and link to strategy	Operation	Opportunity	Performance metrics	Recovery and withholding
Base salary				
Provides a sound basis on which to attract and retain Executives of appropriate calibre to deliver the strategic objectives of the Group. To reflect the market value of the role, personal contribution, experience and competence.	Salaries are normally subject to annual review, typically effective from 1 January. Salary levels may be influenced by: • role, experience or performance; • Group profitability and prevailing market conditions; and • periodic external benchmarking of similar roles at comparable companies by size and sector. Payable four-weekly throughout the year. Pensionable.	The general policy is to set salaries broadly around mid-market levels with increases (in percentage terms) typically in line with that of the Company's UK workforce. Percentage increases beyond those granted to the wider workforce may be awarded in certain circumstances such as when there is a change in the individual's role or responsibilities or where there has been a fundamental change in the scale or nature of the Company. In addition, a higher increase may be made where an individual had been appointed to a new role at below market salary while gaining experience. Subsequent demonstration of strong performance may result in a salary increase that is higher than for the wider workforce.	Executive Directors' performance is a factor considered when determining salaries. Performance is reviewed in line with the established performance review process in place across the Group.	No recovery or withholding provisions apply.

Purpose and link to strategy	Operation	Opportunity	Performance metrics	Recovery and withholding
		There may also be circumstances where the Committee agrees to pay above mid-market levels to secure or retain an individual who is considered, in the judgement of the Committee, to possess significant and relevant experience which is required to enable the delivery of the Company's strategy.		
Annual Performance Bonus (cash and shares)				
Provides a direct link between annual performance and reward. Incentivises the achievement of key measures linked to Company strategy. Deferred bonus, awarded in shares, provides a retention element and additional alignment of interests to shareholders.	The Committee determines the bonus payment level after the year-end by reference to performance targets previously set by the Committee. Up to half of any bonus award is payable in cash. At least half of any bonus award is deferred as shares under the terms of the Short Term Deferred Incentive Plan ('STDIP') below. Key terms of the STDIP are: • Deferred bonus share awards are normally released in two equal amounts 12 and 24 months after deferral subject to continued employment (or good leaver status). • At the discretion of the Committee, dividends paid between grant and vesting may accrue on vested shares. • Shares which vest, after the settlement of income tax and national insurance, must be retained until the relevant shareholding guideline has been met. Non-pensionable.	Currently the normal maximum payment is 100% of salary. At the discretion of the Committee, the maximum earnings potential may be increased in line with the plan rules up to 150% of salary.	At least 50% of the bonus will be based on financial measures. This may be a single measure or a mix of metrics as determined by the Committee. The remainder may be based on non-financial measures or personal business objectives. The bonus measures are reviewed annually and the Committee has the discretion to vary the mix of measures, introduce new measures taking into account the strategic focus of the Company or to align the measurement of any measure to a specific performance period within the year. No bonus is payable under the financial element(s) unless a demanding threshold level of performance is achieved. As the bonus is subject to performance conditions, any deferred bonus is not subject to further performance conditions but remains subject to recovery and withholding provisions. The Committee may alter the bonus outcome if it considers that the payout is inconsistent with the Company's overall performance taking account of any factors it considers relevant. This will help ensure that payouts reflect overall Company performance during the period. The Committee will consult with leading investors if appropriate before any exercise of its discretion to increase the bonus outcome.	Recovery and withholding provisions apply where there has been a material misstatement or restatement of any audited financial accounts or other data, or the Committee determines that there has occurred at any time a serious misdemeanour or serious misconduct by the Participant, or the Committee determines that the Participant has engaged in conduct that has resulted in, or could reasonably result in, reputational damage to the Company and/or the Group, or there is a corporate failure of the Company or any company within the Group which the Committee reasonably considers to be material in the context of the Group.

Purpose and link to strategy	Operation	Opportunity	Performance metrics	Recovery and withholding
Restricted Share Plan				
Incentivises participants over the long term to implement the Company's strategy and deliver long term sustained performance. To align the interests of senior Executives with those of shareholders by providing executives with a material shareholding. To provide an element of retention through and beyond the vesting period.	Awards are granted annually to Executive Directors in the form of restricted shares. Restricted shares normally vest at the end of a three year period subject to: • the Executive Director's continued employment at the date of vesting; and • the satisfaction of an underpin as determined by the Remuneration Committee whereby the Committee can adjust vesting for business, individual and wider Company performance. A two-year holding period will apply following the three-year vesting period for all awards granted to the Executive Directors. Upon vesting, sufficient shares may be sold to pay tax and National Insurance on the shares. At the discretion of the Committee vested options may attract Dividend Accrued Shares between award and the end of the vesting or holding period.	Currently the normal maximum annual award is up to 100% of salary. The RSP rules include an annual award limit of 125% of salary. Any increase to the normal maximum of 100% of salary, other than in exceptional circumstances such as recruitment, would be subject to prior consultation with leading investors, if appropriate.	No specific performance conditions are required for the vesting of Awards but there will be an underpin in that the Remuneration Committee will have the discretion to adjust vesting taking into account business, individual and wider Company performance.	Recovery and withholding provisions apply where there has been a material misstatement or restatement of any audited financial accounts or other data, or the Committee determines that there has occurred at any time a serious misdemeanour or serious misconduct by the Participant, or the Committee determines that the Participant has engaged in conduct that has resulted in, or could reasonably result in, reputational damage to the Company and/or the Group, or there is a corporate failure of the Company or any company within the Group which the Committee reasonably considers to be material in the context of the Group.
Elements of the previous Long Term Incentive Plan Policy which will continue to apply at all times including until the final award is due to vest in 2022.				
To align the interests of senior Executives with sustained long-term value creation. Incentivises participants to grow the business for the long term in line with the Company's strategy. To provide an element of retention through and beyond the performance period.	**No future awards will be granted to the Executive Directors under the LTIP.** Awards have a three year performance and vesting period. Options may attract Dividend Accrued Shares between award and the end of the vesting or holding period. A two year post-vesting holding period applies which requires awards to be retained for a period of two years from the end of the vesting period, except for shares sold to pay income tax and National Insurance upon exercise/vesting. Shares which vest after the settlement of income tax and National Insurance, must be retained until the relevant shareholding policy is met.	200% of base salary for the Chief Executive. 140% of base salary for the CFO.	Adjusted Operating Cash Flow – 75% weighting. Relative TSR – 25% weighting.	Recovery and withholding provisions apply where there has been a misstatement of the accounts, or other data, or a serious misdemeanour or serious misconduct by the participant has occurred prior to payment or vesting or within two years of vesting of shares.

Purpose and link to strategy	Operation	Opportunity	Performance metrics	Recovery and withholding
Pension (or cash allowance)				
To provide a market-aligned retirement benefit.	Contribution towards a Company or personal pension scheme and/or a cash allowance in lieu of Company pension contributions, or a combination of both.	The Company contribution is 4% or any future higher percentage agreed, of base salary, in line with the wider workforce. Existing Executive Directors will have their Company pension contribution (currently 14.2%) reduced to align with the wider workforce by no later than the end of the 2024 financial year.	No performance metrics apply.	No recovery or withholding provisions apply.
Other benefits				
To provide competitive and market-aligned benefits to assist in retaining and attracting Executives.	Benefits normally include (but are not limited to) private healthcare, life assurance, annual health check, employee assistance programme, use of a Company vehicle or cash equivalent, and discounts on food and associated drinks purchased in our businesses. Private healthcare is provided for the Executive, spouse or partner and dependent children. Discount vouchers are provided on the same basis to all employees and can be redeemed in any of our managed businesses provided the purchase is a personal, not a business, expense. Executive Directors may participate in any of the Company's all-employee share schemes (e.g. Sharesave and SIP) on the same basis as all other employees and in line with prevailing HMRC limits. Relocation or the temporary provision of accommodation may be offered where the Company requires a Director to relocate. Expatriate allowances may be offered where required. Travel and, if relevant, related expenses such as accommodation may be reimbursed on a gross of tax basis. Executive Directors may become eligible for any new benefits introduced to a wider set of other Group employees.	In line with market practice, the value of benefits may vary from year to year depending on the cost to the Company from third-party suppliers.	No performance metrics apply.	No recovery or withholding provisions apply other than if relocation costs were provided. A proportion of any relocation costs may be recovered where a Director leaves the employment of the Group within two years of appointment or date of relocation.

Purpose and link to strategy	Operation	Opportunity	Performance metrics	Recovery and withholding
Shareholding policy				
To align the interests of the Executive Directors with shareholders and promote a long-term approach to risk management.	The Chief Executive is expected to hold and maintain Mitchells & Butlers' shares to the value of a minimum of 250% of base salary. Other Executive Directors are expected to hold and maintain Mitchells & Butlers' shares to the value of a minimum of 200% of base salary. Except for those sold to cover the acquisition cost together with the associated income tax and National Insurance contributions, Executive Directors will be required to retain shares arising from share schemes until the minimum level of ownership required has been achieved. Only shares owned outright by the Executive Director or a connected person are included. Shares or share options which are subject to a performance condition are not included. Deferred shares and options which are vested but unexercised, are included. Post-cessation shareholding requirement equal to the shareholding guideline for two years post-departure. In the event that a leaver has not met the relevant shareholding requirement at the point of cessation of employment, they would be required to retain their full pre-cessation shareholding for two years. These post-cessation requirements are subject to transitional arrangements for existing Executive Directors. Only those shares vesting from the date of the policy approval, including unvested awards under incentive plans and deferred shares, are included in the post cessation holding requirement. Shares purchased by Executives from their own resources will not be covered by the post-cessation policy.	n/a	n/a	n/a

CHAIRMAN AND NON-EXECUTIVE DIRECTOR FEES

Purpose and link to strategy	Operation	Opportunity	Performance metrics	Recovery and withholding
Fees				
To attract and retain Non-Executive Directors of appropriate calibre and experience.	Payable in cash, four-weekly throughout the year. Fees are normally reviewed annually with any increase usually taking effect from 1 January each year. The Chairman's fee is reviewed annually by the Committee (without the Chairman present). Fee levels for the Non-Executive Directors are determined by the Company Chairman and Executive Directors by reference to companies of similar size and sector as well as time commitment and responsibilities. Non-Executive Directors receive an additional fee for chairing a committee. Where a Non-Executive Director undertakes additional responsibilities, other than the chairing of a committee, additional fees may be set. Travel, accommodation and other related expenses incurred in carrying out the role will be paid by the Company including, if relevant, any gross-up for tax.	Current fee levels are shown in the annual report on remuneration. Fee levels may be increased, taking into account factors such as the time commitment of the role and market levels in companies of comparable size and complexity. In exceptional circumstances, if there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees to recognise the additional workload.	No performance metrics apply.	No recovery or withholding applies.

Non-Executive Directors do not participate in the Company's bonus arrangements, share schemes, benefit schemes (other than the all-employee discount voucher scheme) or pension plans.

NOTES TO THE POLICY TABLE

Selection of performance measures and targets.

The choice of performance metrics applicable to the annual bonus scheme reflect the Committee's belief that any incentive compensation should be appropriately challenging and tied to both the delivery of key financial targets and individual and/or strategic performance measures intended to ensure that Executive Directors are incentivised to deliver across a range of objectives for which they are accountable. The Committee has retained some flexibility on the specific measures which will be used to ensure that any measures are fully aligned with the strategic imperatives prevailing at the time they are set.

The Committee will review the calibration of targets applicable to the bonus scheme annually to ensure they remain appropriate and sufficiently challenging, taking into account the Company's strategic objectives and the interests of shareholders.

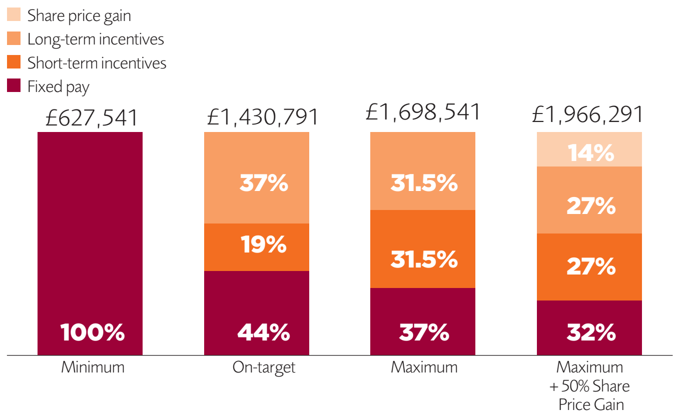
The RSP is not subject to performance conditions as its intended purpose is to incentivise participants over the long term to implement the Company's strategy and deliver long term sustained performance whilst also providing an element of retention through and beyond the vesting period. However, the Committee will take into account the following factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting:

- Whether any adjustments have been made to annual bonus outcomes for each of the three years covered by the vesting period for the restricted shares. The Committee undertakes a thorough 'quality of earnings' assessment every year prior to the finalisation of any annual bonus outcomes and these will also be used to inform the assessment of awards under the RSP. The annual quality of earnings assessment takes into account financial performance as well as guest experience and employee engagement along with a broader-based holistic assessment of business performance and KPIs;
- Whether there has been material damage to the reputation of the Company (in such circumstances, responsibility and hence any adjustments to the level of vesting may be allocated collectively or individually to participants); and
- That the business has a stable and appropriate capital structure in place following the cessation of restrictions on trade due to the Covid-19 pandemic that enables the recovery of the business and execution of our strategic priorities.

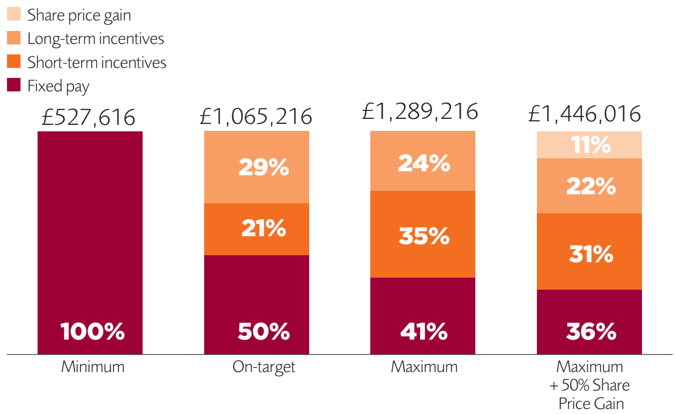
ILLUSTRATIONS OF REMUNERATION POLICY

The chart below shows an estimate of the remuneration that could be received by Executive Directors under the proposed new policy. The charts also show the impact of a 50% increase in share price on the LTIP outcome.

Chief Executive



Chief Financial Officer



The performance scenarios demonstrate the proportion of maximum remuneration which would be payable in respect of each remuneration element at each of the performance levels. In developing these scenarios, the following assumptions have been made:

MINIMUM
Only the fixed elements of remuneration are payable. The fixed element consists of base salary, benefits and pension. Base salary is the salary effective from 1 January 2021. Benefits are based on actual FY 2020 figures and include company car, healthcare and taxable expenses. Pension is the cash allowance and/or Company pension contribution payable from 1 January 2021.

ON-TARGET
In addition to the minimum, this reflects the amount payable for on-target performance under the short- and long-term incentive plans:

- 50% of maximum (50% of base salary for the Chief Executive and Chief Financial Officer) is payable under the short-term incentive plan; and
- 100% of the award (100% of base salary for the Chief Executive and 70% of base salary for the Chief Financial Officer) is payable under the RSP.

MAXIMUM
In addition to the minimum, maximum payment is achieved under both the short-term and long-term incentive plans such that:

- 100% of base salary is payable under the short-term incentive plan for the Chief Executive and Chief Financial Officer; and
- 100% of the award (100% of base salary for the Chief Executive and 70% of base salary for the Chief Financial Officer) is payable under the RSP.

SHARE PRICE GAIN
This shows the impact a 50% increase in the share price would have on the RSP outcome.

DIFFERENCES IN REMUNERATION POLICY BETWEEN EXECUTIVE DIRECTORS AND OTHER EMPLOYEES
The overall approach to reward for employees across the workforce is a key reference point when setting the remuneration of the Executive Directors and the Committee are updated on a regular basis by the Group HR Director on a wide range of people-related matters, including pay policies. When reviewing the salaries of the Executive Directors, the Committee pays close attention to pay and employment conditions across the wider workforce and in normal circumstances the increase for Executive Directors will be no higher than the average increase for the general workforce. Whilst the Company does not directly consult with employees as part of the process of reviewing Executive Director pay and formulating the remuneration policy, the Company does receive an update and feedback from the broader employee population on an bi-annual basis using an engagement survey which includes a number of questions relating to remuneration. Employees also have the opportunity to raise questions through elected representatives who sit on our employee forum which is normally held twice a year and is attended by the Chief Executive and other members of the Executive team, along with the Non-Executive Director responsible for employee voice.

The key difference between the remuneration of Executive Directors and that of our other employees is that, overall, at senior levels, remuneration is increasingly long term. In particular, long-term incentives (via the RSP) are provided only to the most senior Executives to align the interests of senior executives with those of shareholders, by providing a material shareholding.

The Company operates HMRC-approved all-employee share plans (Sharesave and SIP) enabling all our employees to become shareholders in the Company.

CONSIDERATION OF SHAREHOLDER VIEWS
The Committee takes the views of the shareholders seriously and these views are a key factor in determining remuneration policy and its implementation. The Committee consulted its major shareholders and the main shareholder representative bodies, the IA, ISS and Glass Lewis on the proposed new policy and held a number of virtual meetings during the consultation process. The Committee is grateful for the time taken to consider the Committee proposals and provide feedback and was pleased that the majority of shareholders were supportive of the new policy.

LEGACY ARRANGEMENTS
For the avoidance of doubt, the Committee may approve payments to satisfy commitments agreed prior to the approval of this remuneration policy, for example, those outstanding and unvested incentive awards which have been disclosed to shareholders in previous remuneration reports. The Committee may also approve payments outside of this remuneration policy in order to satisfy legacy arrangements made to an employee prior to (and not in contemplation of) promotion to the Board of Directors.

All historic awards that were granted but remain outstanding, remain eligible to vest based on their original award terms.

INCENTIVE PLAN DISCRETIONS

The Committee will operate the incentive plans described in the policy table according to their respective rules, the policy set out above and in accordance with the Listing Rules, applicable legislation and HMRC guidance where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans. These include (but are not limited to) the following:

- who participates in the plans;
- the timing of grant of award and/or payment;
- the size of award and/or payment, subject to policy limits;
- the choice of (and adjustment of) performance measures, targets and underpins for each incentive plan taking into account the specific circumstances at the time and the rules of each plan;
- discretion relating to the measurement of performance in the event of a change of control or reconstruction;
- determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of each plan and the appropriate treatment under the plan rules; and
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, on a change of control and special dividends).

Any use of the above discretions would, where relevant, be explained in the annual report on Directors' remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

SERVICE CONTRACTS

Executive Directors' contracts

The table below summarises key elements of the service contracts applicable to Executive Directors:

Notice period	• Executive Directors are employed under service contracts that may be terminated at any time on up to one year's notice from the Company and on a minimum of six months' notice from the Executive Director. • Any payment made in lieu of notice would comprise base salary only[a] and may be payable in instalments in line with the established salary payment dates until the expiry of the notice period or, if earlier, may be the date on which alternative employment or other engagement is secured with the same or higher base salary. If employment is secured at a lower rate of base salary, subsequent instalments of the payment in lieu of notice may be reduced by the value of alternative income. A payment may be made in lieu of unused holiday entitlement. • Service contracts contain a provision enabling the Company to put the Executive Director on garden leave after notice to terminate the service contract has been given by either party. During this period, the Executive will be entitled to base salary only. • There is no enhanced provision on a change of control.
Termination	• If an Executive Director's employment with the Group ends during the financial year, normally any entitlement to bonus for that year is forfeited. However, if the individual leaves by reason of ill-health, injury, disability, retirement, redundancy, death or sale of the employing business or company or if the Committee so decides in any other case, at the Committee's discretion the Executive Director may receive a bonus pro-rated to time employed in the year or to such later date as the Committee may decide. In such circumstances, at least half of any bonus awarded will normally be deferred as shares under the terms of the STDIP. • If an Executive Director ceases employment following the end of the financial year but before payment of the bonus in respect of that year, there is no entitlement to a bonus but the Committee may, at its discretion, pay a bonus for that year. Any such bonus, will normally be deferred as shares under the terms of the STDIP. • If an Executive Director ceases employment prior to the release of Bonus Award Shares under the STDIP for the same specified good leaver reasons as are set out above, the Committee, at its discretion, may release the Bonus Award Shares (and associated Dividend Accrued Shares) at the date of termination. Otherwise, the shares will be released on the normal release date. If the Director leaves for any other reason, their entitlement to Bonus Award Shares (and associated Dividend Accrued Shares) is forfeited, unless the Committee decides otherwise. • If an Executive Director dies before an Award under the PRSP or RSP has vested, vesting of the award (and associated Dividend Accrued Shares) will occur as soon as practicable based on performance and on a time pro-rated basis. • If the Executive Director ceases employment for the same defined good leaver reasons as are specified above, the PRSP Award (and associated Dividend Accrued Shares) will vest following the end of the normal performance period and on a time pro-rated basis. If employment ceases for any other reason, the Award will normally lapse, unless the Committee decides otherwise (except that if employment ceases by reason of gross misconduct the PRSP Award (and associated Dividend Accrued Shares) must lapse). • If an Executive Director ceases employment as a good leaver under the RSP, their award will normally vest at the normal vesting date subject to consideration of the underpins on a time pro-rated basis. Unless the Committee decides otherwise, the shares will be subject to a holding period of two years after vesting. If employment ceases for any other reason, the Award will normally lapse. • The Committee has no discretion in relation to shares or options held under the all-employee share plans (SIP and Sharesave); on termination these will vest, become exercisable or lapse in accordance with the legislation.

a. This arrangement applies to Phil Urban and any future Executive Director appointments. Any payments in lieu of notice in respect of Tim Jones, who is employed on a legacy contract, will comprise base salary and contractual benefits only.

In the event that the Company terminates an Executive Director's service contract other than in accordance with the terms of his contract, the Committee will act in the best interests of the Company and ensure there is no reward for failure. When determining what compensation, if any, is to be paid to the departing Executive Director, the Committee will give full consideration to the circumstances of the termination, the Executive Director's performance, the terms of the service contract relating to notice and payments in lieu of notice, and the obligation of that Executive Director to mitigate any loss which may be suffered as a result.

Although the Company would seek to minimise termination costs, the Committee may in appropriate circumstances provide other elements in a leaving Director's termination package, including (without limitation): compensation for the waiver of statutory rights in exchange for the Director executing a settlement agreement; payment of the leaving Director's legal fees in connection with his termination arrangements; and payment of outplacement fees. In addition, the Committee may determine that the Director should continue to be engaged by the Company on consultancy or other terms following cessation of his directorship.

EXTERNAL DIRECTORSHIPS

Executive Directors may accept one external Non-Executive appointment with the Company's prior approval, as long as this is not likely to lead to conflicts of interest.

NON-EXECUTIVE DIRECTORS

Non-Executive Directors, including the Company Chairman, do not have service contracts but serve under letters of appointment. Non-Executive Directors' appointments are terminable without notice and with no entitlement to compensation. Payment of fees will cease immediately on termination.

Ron Robson and Josh Levy were appointed to the Board pursuant to the terms of the Piedmont Deed of Appointment, information on which is set out on page 53 of the 2020 Annual Report.

Copies of both the individual letters of appointment for Non-Executive Directors and the service contracts for Executive Directors are available at the Registered Office of the Company during normal business hours and on our website.

RECRUITMENT OF EXECUTIVE DIRECTORS

Where it is necessary to appoint a replacement or additional Executive Director, the Committee will set a base salary appropriate to the calibre, experience and responsibilities of the new appointee and in line with our policy.

The maximum level of variable pay is 275% of base salary (150% in relation to annual cash bonus/STDIP and 125% in relation to the RSP).

Depending on the timing and responsibilities of the appointment, it may be necessary to set different annual bonus/STDIP performance measures and targets than those applicable to other Executive Directors.

Benefits (including pension, Company vehicle or cash allowance, healthcare, life assurance, health check and, where applicable, relocation assistance) would be consistent with the principles of the policy as set out above.

For an internal appointment, existing pension arrangements may continue to operate but any Company contribution to the defined contribution scheme or payment in lieu of Company contributions to the defined contribution scheme would be expected to align with policy on appointment. Employees may continue as employee deferred members of the defined benefit plan, which is closed to future accrual. Any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other previously awarded entitlements would continue, and be disclosed in the next annual report on Directors' remuneration. Similarly, if an Executive Director is appointed following a merger or an acquisition of a company, legacy terms and conditions may be honoured.

In addition to the above, the Committee may offer additional cash and/or share-based elements in order to 'buy-out' remuneration relinquished on leaving a former employer. In the event that such a buy-out is necessary to secure the services of an Executive Director then the structure of any award or payment will mirror, as far as is possible, the arrangements in place at the incoming Executive Director's previous employer. Any share awards made in this regard may have no performance conditions, or different performance conditions, or a shorter vesting period compared to the Company's existing plans, as appropriate. Shareholders will be informed of any buy-out arrangements at the time of the Executive Director's appointment.

RECRUITMENT OF NON-EXECUTIVE DIRECTORS

Non-Executive Directors' fees are set by the Chairman and Executive Directors, and the Chairman's fee is set by the Remuneration Committee.

Chairman

The Committee will recommend to the Board a fee appropriate to the calibre, experience and responsibilities of the new appointee.

Other Non-Executive Directors

The fee will be set in line with the fee structure for Non-Executive Directors in place at the date of appointment.

Alignment to the Corporate Governance Code

The proposed policy takes account of the UK Corporate Governance Code (the 'Code'). Specifically, the pension contributions for existing and new Executive Directors will be, over the term of this policy, aligned to the contribution rate available to the majority of the workforce, malus and clawback provisions have been extended and post-cessation shareholding requirements introduced.

In addition, when setting the new policy, the Remuneration Committee addressed each of the factors set out under Provision 40 of the Code. The RSP is simple in its operation and provides clarity by aligning the interests of management and shareholders. The terms and conditions of the plan provide for a three-year vesting period followed by a two-year holding period. It also increases the predictability of the rewards received by Executive Directors whilst the underpin will ensure that poor performance is not rewarded. This is in addition to the discretion to override formulaic outcomes at vesting. The recovery provisions in both the annual bonus plan and RSP and the introduction of post-cessation holding periods enables the Committee to have appropriate regard to risk considerations.

The Committee believes that overall, the policy drives behaviours consistent with the Company's purpose and values which are focused on the long-term future of the Company throughout the business cycle.

OVERVIEW

The Mitchells & Butlers Restricted Share Plan 2021 (the '**RSP**') is intended to provide a clear alignment between the remuneration of participants and the ownership experience of shareholders. The key objectives of the RSP are to ensure that the remuneration packages for the participants support the Company's goal of maximising sustainable long-term shareholder value, and to provide a just system of retaining, incentivising and rewarding the participants.

ELIGIBILITY

Participation in the RSP is at the discretion of the Remuneration Committee. All employees of the Group, including the Executive Directors of the Company, are eligible to participate.

GRANT OF AWARDS

Awards can be granted within 42 days from:

(a) the adoption date of the RSP;

(b) the day immediately following the day on which the Company makes an announcement of its results for the last preceding financial year, half year or other period; or

(c) any day on which the Committee resolves that circumstances exist which justify the grant of Awards outside the periods (a) and (b) above.

No awards may be granted under the RSP more than 10 years after the date on which the RSP is adopted.

FORM OF AWARDS

The Remuneration Committee shall decide whether an award under the RSP will take the form of an option, conditional award or phantom award. Options and awards will be over ordinary shares of the Company. No consideration is payable for the grant of such awards.

VALUE OF AWARDS

In respect of any financial year, the maximum total market value of Company shares over which an award is granted to a participant may not exceed 125% of the participant's salary. The normal maximum that will apply is 100%. In exceptional circumstances awards may be granted up to the maximum of 125%.

HOLDING PERIOD

The Remuneration Committee has the discretion to determine whether a two-year holding period (or such other longer period as the Remuneration Committee may determine at the date of grant) shall apply in respect of the awards. This holding period will be applied for Executive Directors of the Company.

VESTING

Unless the Remuneration Committee determines otherwise at or prior to the date of grant, the vesting date of an award will be the business day after the announcement of the Company's results for the third financial year after the financial year in which the grant takes place, subject to the employee's continued employment at the date of vesting and the satisfaction of the underpin.

TAX LIABILITY

Upon vesting, sufficient shares may be sold to pay tax on the shares.

UNDERPIN

No performance measures are applied on vesting, but underpin conditions will be applied at the discretion of the Remuneration Committee. When determining whether to exercise its discretion to adjust the number of shares vesting, the Remuneration Committee will take into account such factors as it considers reasonable to ensure the vesting of any award is appropriate in the context of the wider business performance of the Group. For example, the Remuneration Committee may make adjustments for business, individual and wider Company performance.

CASH ALTERNATIVE

If for any reason the Remuneration Committee considers that it is impractical or legally onerous to deliver shares in satisfaction of an award, it may instead pay or procure the payment to the participant of a cash sum amount, subject to all necessary deductions.

DIVIDEND EQUIVALENTS

The number of shares in respect of an award may be increased to account for dividends paid on any vesting shares in the period between grant and vesting. Alternatively, participants may receive a cash sum equal to the value of dividends paid on any vesting shares in the period between grant and vesting

LEAVERS

Awards to participants who leave at any time prior to vesting will normally lapse automatically. However, if the participant leaves by reason of death; injury, disability or ill-health; the employing company ceasing to be under the control of the Company; or the business in which the participant is employed being transferred to a person who is not a member of the group or for any other reason at the discretion of the Remuneration Committee, awards will vest on the date of cessation, subject to the holding period and will normally be pro-rated on the basis of the period of time after the grant date and ending on the date of cessation relative to the original vesting period, having regard to any underpin conditions at the original vesting date, unless the Remuneration Committee determines otherwise.

MALUS AND CLAWBACK

The Remuneration Committee may reduce the number of shares under an award, impose further conditions on the vesting of an award, or forfeit shares following an award vesting if certain events occur, including a misstatement of the Company's financial accounts, reputational damage, serious misdemeanour or serious misconduct by the participant, or a corporate failure.

CHANGE OF CONTROL

In the event of a takeover, scheme of arrangement or winding up of the Company, subject to the discretion of the Remuneration Committee to require rollover, all outstanding awards will automatically vest and awards granted in the form of an option shall be automatically exercised provided that any exercise price payable by the participant on exercise is no more than the offer price or consideration, having regard to the underpin condition at the relevant date. The Remuneration Committee will in normal circumstances scale down the vesting level of an award having regard to the time that has elapsed between the grant of the award and the date of change of control, but will retain discretion to modify in any particular case if it considers appropriate.

RIGHTS ATTACHING TO SHARES

All shares transferred once an award has vested will rank equally to the shares in issue at the date of vesting, except a participant will not have any voting or dividend rights prior to the realisation of the award.

Benefits received under the RSP are not pensionable and may not be assigned or transferred except on a participant's death.

ADJUSTMENT OF AWARDS

The award and any underpin condition may be adjusted in such a way as the Remuneration Committee may determine if there is a variation in the share capital of the Company, a demerger, payment of a special dividend or other similar event which may impact the market value of a share. Any adjustments must be notified to the participants.

LIMITS ON THE ISSUE OF SHARES

In any 10 year period, awards may not be granted under the RSP if such grant would cause the number of shares that could be issued under the RSP or the Employees' Share Scheme established by the Company to exceed 10 per cent of the Company's issued ordinary share capital at the proposed date of grant.

In addition, in any 10 year period, awards may not be granted under the RSP if such grant would cause the number of shares that could be issued under the RSP or any other discretionary share plans adopted by the Company to exceed five per cent of the Company's issued ordinary share capital at the proposed date of grant.

ALTERATIONS TO THE RSP

In addition to the Remuneration Committee's discretionary powers to vary underpin conditions described above, it will have authority to amend the rules of the RSP, provided that no amendments to the advantage of the participants or eligible employees may be made to provisions relating to:

- the persons to whom awards may be made;
- the limits on the number of shares that may be subject to award;
- the maximum entitlement of any one participant;
- the basis for determining a participant's entitlement to, and the terms of, shares to be provided under the RSP; and
- the rules relating to the adjustment of awards on a variation of share capital,

without the prior approval of shareholders in a general meeting, unless the amendment is minor and made to benefit the administration of the RSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, or the Company.

It is proposed that the Company adopt new Articles of Association (the 'New Articles') to reflect recent developments in market practice in respect of holding combined physical and electronic general meetings ('hybrid meetings').

The New Articles give the Company greater flexibility to hold general meetings by way of a hybrid meeting. These hybrid meetings would enable members to attend and participate in the business of the meeting either by attending at a physical location or by means of an electronic facility if the Directors determine it is appropriate to provide such facility. The New Articles set out the procedures and processes for attendance at, and participation in, hybrid meetings. This includes how attendance is determined and allowing Directors to make arrangements to enable attendees to exercise their rights to speak and vote through the electronic facility, as well as other consequential changes. These amendments are being made to provide the Directors with the flexibility should they need to make alternative arrangements for participation in meetings (including where physical participation may be prevented or restricted).

For the avoidance of doubt, the New Articles do not permit "virtual-only" meetings and the AGM is being held by telephone only due to the Government restrictions on public gatherings and associated social distancing measures in response to Covid-19. The Company is permitted to do so under the Corporate Insolvency and Governance Act 2020, notwithstanding any provisions of its Articles to the contrary.

In addition, the Company has taken the opportunity to incorporate amendments of a more minor, technical or clarifying nature and/or to modernise the language in the document, bringing it in line with current legal requirements and best practice, which include:

(a) removing the requirement for notices in relation to untraced shareholders to be published in a national newspaper (notices must still be sent to the registered address or last known address of the shareholder and the Company is required to use reasonable steps to trace the shareholder);

(b) permitting the members to call a general meeting where there are insufficient directors willing or able to do so;

(c) amending provisions relating to the adjournment of meetings;

(d) permitting the Chairman to change the time or location of meetings in certain circumstances; and

(e) clarifying the procedure for the submission of proxy votes.

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