

MITCHELLS & BUTLERS PLC

RULES

OF

THE MITCHELLS & BUTLERS

SHARESAVE PLAN

Shareholders' Approval: [•] 2023  
Directors' Adoption: [•] 2023  
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# Rules of the Mitchells & Butlers Sharesave Plan

## 1 Definitions

### 1.1 Meanings of Words Used

In these Rules:

**“Acquiring Company”** is any company which has obtained Control of the Company or has become entitled and bound as mentioned in Rule 10.5 (Bound or entitled to acquire Shares) as a result of events specified in Rule 10.4 (Takeovers), Rule 10.6 (Company reconstructions) or Rule 10.9 (Non-UK Company Reorganisation Arrangements) or other group reorganisation or merger;

**“Adoption Date”** means [x];

**“Associated Company”** means an associated company of the Company within the meaning given to those words by paragraph 47(1) of Schedule 3 ITEPA;

**“Bonus Date”** means the date on which the bonus becomes payable under the terms of the relevant Savings Contract;

**“Business Day”** means a day on which the London Stock Exchange (or, if relevant and if the directors determine, any stock exchange nominated by the directors on which the Shares are traded) is open for the transaction of business;

**“Company”** means Mitchells & Butlers plc;

**“Constituent Companies”** means:

- (i) the Company; and
- (ii) any Subsidiary and any other company which is permitted under Schedule 3 to ITEPA to participate in the Plan and which, in both cases, is designated by the Directors as a Constituent Company;

**“Contribution”** means a contribution under a Savings Contract;

**“Control”** has the meaning given to it by Section 719 of ITEPA;

**“Date of Grant”** means the date on which an Option is granted;

**“Directors”** means the board of directors of the Company or a duly authorised committee of it;

**“Eligible Employee”** means any person who satisfies the conditions set out below or who is an executive director or employee of a Constituent Company and is nominated by the Directors (or is nominated as a member of a category of such executive directors or employees). The conditions are that the person:

- (a) either is an employee of a Constituent Company, or is a director of a Constituent Company who is required to work for the Constituent Company for at least 25 hours a week (excluding meal breaks); and
- (b) has earnings in respect of his or her office or employment within paragraph (a) above which are general earnings (or would be if there were any) to which Section 15 of ITEPA applies and those general earnings are earnings for a tax year in which he or she is ordinarily resident in the United Kingdom; and

(c) has such qualifying period (if any) of continuous service with a Constituent Company (or an undertaking acquired by a Constituent Company) (not exceeding five years prior to the Date of Grant) as the Directors may from time to time determine;

**“HMRC”** means Her Majesty’s Revenue and Customs;

**“ITEPA”** means the Income Tax (Earnings and Pensions) Act 2003;

**“Key Feature”** has the meaning given to that term by Paragraph 40B(8) of Schedule 3;

**“legislation”** has the meaning given to it in Rule 1.4;

**“London Stock Exchange”** means London Stock Exchange plc or any successor body thereto;

**“Market Abuse Regulation”** means the Market Abuse Regulation (EU) 596/2016 which came into force on 3 July 2016, as incorporated into English law by the European Union (Withdrawal) Act 2018, or any such legislation superseding this legislation;

**“Market Value”** has the meaning given to it in Rule 5.2;

**“Mitchells & Butlers Share Incentive Plan”** means the Mitchells & Butlers Share Incentive Plan as changed from time to time;

**“Option”** means a right to acquire Shares granted under the Plan which is subject to the Rules;

**“Optionholder”** means a person holding an Option including his or her legal personal representatives, in the case of a deceased Optionholder;

**“Option Price”** means the amount payable for each Share on the exercise of an Option calculated as described in Rule 5;

**“Plan”** means this plan known as “The Mitchells & Butlers Sharesave Plan” as changed from time to time;

**“Relevant Event”** has the meaning given in Rule 11.1;

**“Restriction”** in respect of any Shares has the meaning given to it in Paragraph 48(3) of Schedule 3 to ITEPA;

**“Rules”** means the rules of the Plan as changed from time to time;

**“Savings Contract”** means a contract under a certified contractual savings scheme, within the meaning of paragraph 24 of Schedule 3 to ITEPA, which is approved by the Company for the purposes of Schedule 3 to ITEPA, the terms of which must be the same for each Optionholder;

**“SAYE Option Scheme”** has the meaning given to that term by paragraph 49 of Schedule 3 to ITEPA;

**“Schedule 3 SAYE Option Scheme”** has the meaning give to the term by paragraph 1 of Schedule 3 to ITEPA;

**“Share Option Scheme”** means any employee share option scheme established by the Company;

**“Shares”** means fully paid ordinary shares in the capital for the time being of the Company which satisfy paragraphs 17 to 20 and paragraph 22 of Part 4 of Schedule 3 to ITEPA;

**“Subsidiary”** means a company which is:

- (i) a subsidiary of the Company within the meaning of Section 1159 of the Companies Act 2006; and
- (ii) under the Control of the Company; and

**“Treasury Shares”** means Shares held by the Company in treasury in accordance with Section 724 of the Companies Act 2006.

Where the context permits, the singular shall include the plural and vice versa and words of the masculine gender shall include the feminine and vice versa. Headings shall be ignored in construing the Plan.

References to:

- (iii) any act of Parliament; or
- (iv) any Extra Statutory Concession published by the Board of HMRC

shall include any modification, amendment or re enactment thereof.

## **1.2 Shares**

If any Shares which are subject to an Option cease to satisfy paragraphs 17 to 20 and paragraph 22 of Schedule 3 to ITEPA and the Directors resolve that they wish the Plan to no longer be a Schedule 3 SAYE Option Scheme, then the definition of “Shares” in Rule 1.1 is automatically changed to “fully paid ordinary shares in the capital of the Company”.

## **1.3 Unapproved schedule**

The Directors may adopt an unapproved schedule (or schedules) for the purpose of granting unapproved options to employees employed outside the UK and primarily liable to tax outside the UK on terms which are appropriate to the jurisdiction in which the employee is employed on the Date of Grant or any other terms which the Directors consider appropriate. For the avoidance of doubt, neither the unapproved schedule (or schedules) nor its (or their) share options will form part of the Plan.

## **1.4 Schedule 3 SAYE Option Scheme**

This Plan is intended to be a Schedule 3 SAYE Option Scheme for the purposes of ITEPA and the Plan and any Option granted under it shall be interpreted, operated and administered in a manner that is consistent with that intention and in the case of any conflict between these Rules and the provisions of sections 516 to 519 and Schedule 3 to ITEPA (the “legislation”), the legislation shall prevail.

## **2 Invitations**

### **2.1 Operation**

The Directors have discretion to decide whether the Plan will be operated. When they operate the Plan they must invite all Eligible Employees to apply for an Option.

### **2.2 Time when invitations may be made**

**2.2.1** Invitations may only be made within 42 days starting on any of the following:

- (i) the Adoption Date;
- (ii) the day after the announcement of the Company's results for the last preceding financial year, half year or other period;
- (iii) any day on which the Directors resolve that exceptional circumstances exist which justify the making of invitations;
- (iv) any day on which changes to the legislation or regulations affecting Schedule 3 SAYE Option Schemes under ITEPA are announced, effected or made; or
- (v) any day on which a new Savings Contract prospectus is announced or takes effect.

2.2.2 If the Directors cannot make the invitations due to restrictions imposed by statute, order, regulation or Government directive, or by any code adopted by the Company based on the Market Abuse Regulation, they may make the invitations within 42 days after the lifting of such restrictions.

## 2.3 Form of invitations

An invitation will specify:

- 2.3.1 the requirements a person must satisfy in order to be eligible to participate;
- 2.3.2 the Option Price or how it is to be calculated;
- 2.3.3 the form of application and the date by which applications must be received. This date must be at least 14 days after the date of the invitation unless otherwise permitted under Schedule 3 to ITEPA;
- 2.3.4 the length of the Savings Contract and the date of start of the savings;
- 2.3.5 the maximum number, if any, of Shares over which Options may be granted;
- 2.3.6 the maximum permitted Contribution in each month. This will be the lesser of:
  - (i) the maximum specified by paragraph 25 of Schedule 3 to ITEPA; and
  - (ii) such sum (being a multiple of £1 and not more than the maximum amount permitted under the relevant Savings Contract) as the Directors decide will apply in respect of that invitation;

provided that, in relation to this Rule 2.3.6(i) and (ii) above, the Directors may specify that monthly savings contributions payable under a Savings Contract which has previously been prematurely terminated by the Eligible Employee shall continue to be treated as a "Contribution" for the purposes of an invitation under this Rule 2 until the Bonus Date of the Savings Contract that has been prematurely terminated would have occurred;

- 2.3.7 any minimum permitted Contribution in each month (which must be between £5 and £10); and
- 2.3.8 details of any Restriction that applies to the Shares that are subject to an Option.

## 2.4 Maximum Contribution

Any Option which is purported to be granted in excess of the maximum Contribution shall take effect as an Option which would not exceed those limits.

### **3 Application**

#### **3.1 Form of Application**

An application for an Option must include an application for a Savings Contract with a savings carrier nominated by the Directors. The application will be made in writing, or electronically, in a form specified by the Directors and will require the Eligible Employee to state:

- 3.1.1 the Contribution he or she wishes to make;
- 3.1.2 that his or her proposed Contribution, when added to any Contributions he or she makes under any other Savings Contract, will not exceed the maximum permitted under paragraph 25 of Schedule 3 to ITEPA; and
- 3.1.3 the length of the Savings Contract.

#### **3.2 Number of Shares**

Each Eligible Employee's application will be for an Option over the largest whole number of Shares which he or she can acquire at the Option Price with the expected repayment under the related Savings Contract.

#### **3.3 Modification of application and proposals**

- 3.3.1 If there are applications for Options over more Shares than any maximum specified in the invitation, each application and proposal for a Savings Contract will be deemed to have been modified or withdrawn as described in Rule 4.
- 3.3.2 If an application for a Savings Contract specifies a Contribution which, when added to any other Contributions already being made by the Eligible Employee, exceeds the maximum permitted (whether under ITEPA, the Savings Contract or any limit specified in the invitation), the Directors are authorised to modify it by reducing the Contribution to the maximum possible amount. Any such modification must be made before the Option is granted and before the application for the Savings Contract is accepted.

#### **3.4 Late applications**

The Board may, in its absolute discretion, treat all late applications as valid provided they are received no less than two days prior to the Date of Grant.

### **4 Scaling down**

#### **4.1 Method**

If valid applications are received for a total number of Shares in excess of any maximum number specified in the invitation under Rule 2.3.5 or any limit under Rule 7, the Directors will scale down applications by choosing one or more of the following methods:

- 4.1.1 reducing the proposed Contribution of each Eligible Employee by the same proportion but to an amount which is not less than the minimum amount permitted under the Savings Contract; or
- 4.1.2 reducing by the same proportion that part of the proposed Contribution of each Eligible Employee which is in excess of an amount chosen by the Directors, which

itself must not be less than the minimum amount permitted under the Savings Contract (see Rule 2.3.7); or

4.1.3 treating any elections for the maximum bonus as elections for the standard bonus; or

4.1.4 treating the bonus of each Eligible Employee as wholly or partly excluded from the expected repayment amount.

The Directors may use other methods but they must agree these in advance with HMRC.

## 4.2 Insufficient Shares

If, having scaled down as described in Rule 4.1, the number of Shares available is insufficient to enable Options to be granted to all Eligible Employees making valid applications, the Directors may either select by lot, or decide not to grant any Options.

## 4.3 Contributions scaled down

If applications are scaled down, the monthly contributions under Savings Contracts which Eligible Employees have chosen shall, where necessary, be scaled down as appropriate.

## 4.4 Extension due to scaling down

If, in applying the scaling down provisions contained in Rule 4.1, the Board considers that it would be administratively impracticable for Options to be granted within the 30 day period referred to in Rule 6.1, the Board may extend that period by not more than 12 days.

## 5 Option Price

### 5.1 Setting the price

The Directors will set the Option Price which must be:

5.1.1 not less than 80 per cent of the Market Value of a Share on the date that invitations are sent out to Eligible Employees or such other date (or dates) as may be permitted under Schedule 3 to ITEPA; and

5.1.2 if the Shares are to be subscribed, not less than the nominal value of a Share.

### 5.2 Market Value

“**Market Value**” on any particular day means:

5.2.1 where Shares of the same class are admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange:

(i) their price for the immediately preceding Business Day; or

(ii) if the Directors decide, the average price for the three immediately preceding Business Days (rounded up to the nearest whole penny);

(iii) the market value at such other time or times as may be agreed by HMRC; or

(iv) such other price as permitted under Schedule 3 to ITEPA.

The “price” is the middle market quotation taken from the Daily Official List of the London Stock Exchange.

5.2.2 where Rule 5.2.1 does not apply, the market value of a Share within the meaning given to that term in paragraph 49 of Schedule 3 to ITEPA,

in each case if a Share is subject to a Restriction, determining the Market Value of the Share as if it were not subject to the Restriction.

## **6 Grant of Options**

### **6.1 Time of grant**

Subject to Rule 4.2, the Directors must grant an Option to each Eligible Employee who has submitted and not withdrawn a valid application. The Option is to acquire, at the Option Price, the number of Shares for which the Eligible Employee has applied (or is deemed to have applied). The grant must be made within 30 days (or 42 days if applications are scaled down) of the first date by reference to which the Option Price was set.

### **6.2 Restrictions on grant**

6.2.1 If the Directors purport to grant an Option to a person who is not an Eligible Employee on the Date of Grant then that Option is void.

6.2.2 Options must not be granted after the tenth anniversary of the approval of the Plan by the Company in general meeting.

### **6.3 Option certificates**

6.3.1 The Directors will send to each Optionholder an option certificate as soon as practicable after the Date of Grant. The Directors will set the form of the certificate, but the certificate must be consistent with these Rules.

6.3.2 If any option certificate is lost or damaged, the Directors may replace it on such conditions as they wish to set.

### **6.4 No payment**

Optionholders are not required to pay for the grant of any Option.

### **6.5 Disposal restrictions**

An Optionholder may not transfer, assign or otherwise dispose of an Option or any rights in respect of it. If an Optionholder tries to transfer, assign or dispose of an Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse. This Rule 6.5 does not apply to the transmission of an Option on the death of an Optionholder to his or her personal representatives.

## **7 Plan limits**

### **7.1 10 per cent in 10 year limit**

No Option to subscribe for Shares shall be granted if the result of that grant would be that the aggregate number of Shares that could be issued on the exercise of that Option and any other Options granted at the same time, when added to the number of Shares that:

(a) could be issued on the exercise of any other subsisting share options, awards or other rights granted during the preceding ten years under the Plan or any other Share Option Scheme; and

(b) have been issued on the exercise of any share options, awards or other rights granted during the preceding ten years under the Plan or any other Share Option Scheme; and

(c) have been issued during the preceding ten years under any profit sharing scheme, employee share incentive scheme (not being a Share Option Scheme) or any other employees' share scheme, agreement or arrangement, would exceed 10 per cent. of the ordinary share capital of the Company for the time being in issue.

### **7.2 Exclusions**

Where the right to acquire Shares is released or lapses without being exercised, these Shares are ignored when calculating the limits in this Rule 7.

### **7.3 Meaning of "issue"**

Reference in this Rule 7 to the issue of Shares shall, for the avoidance of doubt, mean the issue and allotment (but not transfer) of Shares and shall also include the transfer of Treasury Shares for so long as institutional investor guidance recommends it.

## **8 Variations in share capital**

### **8.1 Adjustment of Options**

If there is a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital:

8.1.1 the number of Shares comprised in each Option; and

8.1.2 the Option Price

may be adjusted so that the total Market Value of the Shares comprised in any Option is immediately after the adjustment or adjustments substantially the same as what it was immediately before the adjustment or adjustments and the aggregate Option Price of such Option is immediately after the adjustment or adjustments substantially the same as what it was immediately before the adjustment or adjustments.

The adjusted total Option Price must not exceed the expected proceeds of the related Savings Contract at the Bonus Date.

No adjustment shall be made if it would result in the requirements of Schedule 3 to ITEPA not being met in relation to any Option.

## **8.2 Nominal value**

**8.2.1** The Option Price may be adjusted to less than nominal value except where Shares are to be subscribed.

**8.2.2** Where Shares are to be subscribed, the Option Price may only be adjusted to a price less than nominal value if the Directors resolve to capitalise the reserves of the Company, subject to any necessary conditions. This capitalisation will be of an amount equal to the difference between the adjusted Option Price payable for the Shares to be issued on exercise and the nominal value of such Shares on the date of allotment of the Shares. If, at the time of exercise, the Directors do not resolve to capitalise the reserves of the Company for this purpose then the adjustment under this Rule 8.2 will be deemed not to have taken place.

## **8.3 Notice**

The Directors may notify Optionholders of any adjustment made under this Rule 8.

## **9 Exercise and lapse - general rules**

### **9.1 Exercise**

Except where exercise is permitted as described in Rule 10, an Option can only be exercised:

**9.1.1** during the period of six months after the Bonus Date; and

**9.1.2** so long as the Optionholder is a director or employee of a Constituent Company.

### **9.2 Lapse**

An Option will cease to be exercisable on the earliest of:

**9.2.1** the date the Optionholder ceases to be a director or employee of a Constituent Company unless any of the provisions of Rule 10 apply;

**9.2.2** the date on which the Optionholder is deemed to give notice under the Savings Contract that he or she intends to stop paying contributions under his or her Savings Contract;

**9.2.3** the date on which the Optionholder makes an application for repayment of the related Savings Contract;

**9.2.4** the date on which the Optionholder stops paying contributions under his or her Savings Contract unless any of the provisions of Rule 10 apply;

**9.2.5** the expiry of any period specified in Rule 10;

**9.2.6** an Optionholder being declared bankrupt or entering into any general composition with or for the benefit of his or her creditors including a voluntary arrangement under the Insolvency Act 1986; or

**9.2.7** six months after the Bonus Date unless Rule 10.3 (Death) applies.

### **9.3 Exercise monies**

An Option may only be exercised with monies as nearly as possible equal to but not exceeding the amount repaid under the related Savings Contract, including any bonus or interest as at the date of repayment. No account shall be taken of any repayment of any contribution the due date of which arises after the date of repayment, or any bonus or interest in respect of that contribution.

### **9.4 Method of exercise**

An Optionholder may exercise his or her Option on one occasion only, in whole or in part, by giving notice in writing to the Company or to such other person, as the Company may direct in the prescribed form specifying the number of Shares in respect of which the Option is being exercised and enclosing payment in full of the aggregate Option Price of those Shares or authority to the Company to withdraw and apply monies equal to the Exercise Price from the related Savings Contract, or in such other manner including through an online facility as the Board may determine, together with evidence of closure of the related Savings Contract. The date of exercise shall be the date of receipt by the Company (or such other person as the Company may direct) of the notice of exercise. If the Option is exercised in respect of some only of the Shares comprised in the Option, the Option in respect of the balance shall thereupon lapse automatically.

## **10 Exercise and lapse - exceptions to the general rules**

### **10.1 Cessation of employment**

**10.1.1** An Optionholder may exercise his or her Option within six months after he or she ceases to be a director or an employee of a Constituent Company for one of the reasons set out below, provided that Options may not be exercised more than six months following the relevant Bonus Date. The reasons are:

- (i) retirement;
- (ii) injury, disability, redundancy within the meaning of the Employment Rights Act 1996;
- (iii) his office or employment being in an Associated Company of which the Company ceases to have Control by reason of a change of control (as determined in accordance with section 450 and 451 of the Corporation Tax Act 2010);
- (iv) the business or part of a business in which he or she works being transferred to a company which is neither an Associated Company nor a company of which the Company has Control where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
- (v) a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006.

**10.1.2** If an Optionholder does not exercise their Option under Rule 10.1.1, the Options shall lapse.

**10.1.3** If the Optionholder ceases to be a director or employee of a Constituent Company more than three years after the Date of Grant for any other reason permitted by the Directors, he or she may exercise his or her option within six months after leaving.

**10.1.4** For the purposes of Rules 10.1.1 and 10.1.3, an Optionholder shall not be treated as ceasing to be a director or employee of a Constituent Company until:

- (i) he ceases to hold an office or employment in the Company or any company over which the Company has Control or any Associated Company;
- (ii) he ceases to hold an office or employment in a jointly owned company within the meaning of paragraph 46 of Schedule 3 (being a jointly owned company which is not a participating company in more than one group scheme); and
- (iii) being a director or employee who is absent from work wholly or partly because of maternity, paternity leave or shared parental leave (as appropriate), ceases to be entitled to exercise any statutory or contractual right to return to work.

**10.1.5** For the purposes of this Rule 10.1, an Optionholder is not treated as ceasing to be a director or employee of a Constituent Company until he or she has ceased to be a director or employee of:

- (i) the Company;
- (ii) an Associated Company; and
- (iii) a company under the Control of the Company.

## **10.2 Employment with an Associated Company**

If an Optionholder ceases to be a director or employee of a Constituent Company but, on the Bonus Date, is an employee or director of an Associated Company or a company of which the Company has Control, he or she may exercise his or her Option within six months of that date.

## **10.3 Death**

If an Optionholder dies, his or her Option may be exercised by his or her personal representatives within one year after:

**10.3.1** the date of his or her death, if death occurred before the relevant Bonus Date; or

**10.3.2** the Bonus Date, if the death occurred on or within six months after the relevant Bonus Date.

Notwithstanding any provision of Rule 10 to the contrary, if any Option has become exercisable under this Rule 10.3 and time is running under one of the 12 month periods specified in this Rule 10.3, such Option shall lapse only on the expiry of the relevant 12 month period under this Rule 10.3 and not under any period specified in Rules 10.4, 10.5, 10.7 and 10.9. For the avoidance of doubt, any Option may lapse on the expiry of the six-month period arising under Rule 10.7 even if this occurs before the expiry of the relevant 12 month period under this Rule 10.3.

## **10.4 Takeovers**

This Rule applies where a person (or a group of persons acting in concert) obtains Control of the Company as a result of making:

**10.4.1** a general offer to acquire the whole of the issued ordinary share capital of the Company which is unconditional or becomes or is declared wholly unconditional; or

**10.4.2** a general offer to acquire all the Shares.

When this Rule applies, Options may, subject to Rule 11.1.3, be exercised within the six month period after the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied, provided that an Option may not be exercised more than six months after the relevant Bonus Date.

Subject to Rule 10.3 and without prejudice to Rule 11, the Options will lapse at the end of the six month period, unless the Directors give written notice to all Optionholders before the end of the six month period that the Options will not lapse.

For the purposes of Rule 10.4.1, the reference to the issued ordinary share capital of the Company does not include any capital already held by the person making the offer or a person connected with that person and, for the purposes of Rule 10.4.2, the reference to the Shares does not include any Shares already held by the person making the offer or a person connected with that person. For the purposes of Rules 10.4.1 and 10.4.2 it does not matter if the general offer is made to different shareholders by different means.

## **10.5 Bound or entitled to acquire Shares**

This Rule applies if a person (or a group of persons acting in concert) becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 (inclusive) of the Companies Act 2006 and if Rule 11.1.3 does not apply.

Where this rule applies, Options may be exercised at any time when that person remains so bound or entitled and, failing an permitted exercise, the Options will, subject to Rule 10.3 and without prejudice to Rule 11, lapse at the end of that period.

## **10.6 Company reconstructions**

This Rule applies if, under section 899 of the Companies Act 2006, a court sanctions a compromise or arrangement, proposed for the purpose of or in connection with a scheme of arrangement applicable to or affecting:

**10.6.1** all the ordinary share capital of the Company or all the shares in the Company which are of the same class as the shares which may be acquired by exercise of Options; or

**10.6.2** all the shares, or all the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a SAYE Option Scheme,

and Rule 11.1.3 does not apply.

Where this rule applies, Options may, subject to Rule 10.3 and without prejudice to Rule 11, be exercised within the six month period after the date of the court sanction and, failing a permitted exercise, will lapse at the end of that period.

## **10.7 Winding-up**

If the Company passes a resolution for its voluntary winding-up, Options may be exercised within six months after the date of the resolution. However, the issue of Shares after such exercise has to be authorised by the liquidator or the court (if appropriate), and the Optionholder must apply for this authority and pay his or her application cost. Any Options not exercised during that period will lapse at the end of the period.

## **10.8 Priority**

If there is any conflict between any of the provisions in Rules 9 and 10, but subject to the minimum exercise periods in paragraphs 34(2) and 32 of Schedule 3 to ITEPA, the provision which results in the shortest exercise period will prevail.

## **10.9 Non-UK Company Reorganisation Arrangements**

This Rule applies where a person obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement applicable to or affecting:

**10.9.1** all the ordinary share capital of the Company or all the Shares in the Company which are of the same class as the Shares which may be acquired by exercise of options;  
or

**10.9.2** all the Shares, or all the Shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a Schedule 3 SAYE Option Scheme,

and Rule 11.1.3 does not apply.

Where this Rule applies, Options may be exercised within the six month period from the date the change of Control of the Company becomes binding on the shareholders covered by it.

The Options will lapse at the end of the six month period, unless the Directors give written notice to all Optionholders before the end of the six month period that the Options will not lapse.

## **10.10 Change of Control**

Notwithstanding any provision to the contrary, where this Rule applies or is expected to apply, and in consequence of an event mentioned in Rules 10.4, 10.5, 10.6 or 10.10 (each an “**Event**”), the Shares that may be acquired on the exercise of an Option no longer meet, or are not expected to meet, the requirements of paragraphs 17 to 20 (inclusive) and 22 of Part 4 of Schedule 3 to ITEPA, the Directors may determine that Options may be exercised within a period of 20 days ending on the Event (conditional upon and with effect from that Event occurring) or a period of 20 days after the Event. The Directors shall act fairly and reasonably in exercising its discretion under this sub-paragraph.

## **11 Exchange of Options**

### **11.1 Application**

This Rule 11 applies to all Options (whether or not already exercisable) if any of the following occur:

**11.1.1** where a person (or a group of persons acting in concert) obtains Control of the Company by making:

- (i) a general offer to acquire the whole of the issued ordinary share capital of the Company which is unconditional or becomes or is declared wholly unconditional; or
  - (ii) a general offer to acquire all the Shares.
- 11.1.2 a court sanctions a compromise or arrangement pursuant to Section 899 Companies Act 2006; or
- 11.1.3 any person becomes entitled or bound to acquire Shares under Sections 979 to 982 or 983 to 985 Companies Act 2006; or
- 11.1.4 any person obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement that has become binding on the shareholders covered by it,

(each a “Relevant Event”)

In Rule 11.1.1(i) the reference to the issued ordinary share capital of the Company does not include any capital already held by the person making the offer or a person connected with that person and in Rule 11.1.1(ii) the reference to the Shares does not include any Shares already held by the person making the offer or a person connected with that person. For the purposes of Rule 11.1.1 it does not matter if the general offer is made to different shareholders by different means.

## 11.2 Option Rollover

Each Optionholder may at any time within:

- 11.2.1 in the case of a Relevant Event falling within Rule 11.1.1 the period of 6 months beginning with the date on which Control is obtained and all conditions to which the offer is made subject are satisfied;
- 11.2.2 in the case of a Relevant Event falling within Rule 11.1.2, the period of 6 months beginning with the date on which the court sanctions the compromise or arrangement;
- 11.2.3 in the case of a Relevant Event falling within Rule 11.1.3 the period during which the acquiring company remains bound or entitled as mentioned in that rule; and
- 11.2.4 in the case of a Relevant Event falling within Rule 11.1.4, the period of 6 months beginning with the date on which the Non-UK Reorganisation Event becomes binding on the shareholders covered by it,

by agreement with the acquiring company release any Option which has not lapsed (the “**old option**”) in consideration of the grant to him or her of an option (the “**new option**”) which (for the purposes of that paragraph) is equivalent to the old option but relates to shares in a different company (whether the acquiring company itself or another company falling within paragraph 18(b) or (c) of Schedule 3 of ITEPA) (the “**new grantor**”).

## 11.3 Conditions to Rollover

The new option shall not be regarded for the purposes of Rule 11.1 and 11.2 as equivalent to the old option unless the conditions set out in paragraph 39(4) of Schedule 3 are satisfied and, in relation to the new option, the provisions of the Scheme shall be construed as if:

- 11.3.1 the new option were an option granted under the Scheme at the same time as the old option;
- 11.3.2 references to the Company in Rules 8.1, 9.4, 10, 11, 13 and 14 were references to the new grantor provided that references to Constituent Company shall continue to be construed as if references to the Company within this definition were to Mitchells & Butlers plc;
- 11.3.3 references to the Board in Rules 8.1, 9.4, and 13.9 were references to the board of directors of the new grantor;
- 11.3.4 references to Shares were references to shares in the new grantor;
- 11.3.5 the Savings Contract made in connection with the old option had been made in connection with the new option; and
- 11.3.6 the Bonus Date in relation to the new option was the same as that in relation to the old option.

#### **11.4 Agreement to exchange**

If this Rule 11 applies, the Optionholder may, provided it is not in contravention of the Market Abuse Regulation, with the agreement of the Acquiring Company, exchange his or her Options under Rule 11.5 during the appropriate period as defined in paragraph 38(3) of Schedule 3 to ITEPA.

#### **11.5 Exchange**

Where an Option is to be exchanged, the Optionholder will be granted a new option to replace it.

Where an Optionholder is granted a new option then:

- 11.5.1 the new option will be in respect of shares which satisfy the conditions of paragraph 39 of Schedule 3 to ITEPA, in any body corporate (falling within paragraphs 18(b) or (c) of Schedule 3 to ITEPA) determined by the Acquiring Company;
- 11.5.2 the new option will be equivalent (as defined in Paragraph 39(4) of Schedule 3 to ITEPA 2003) to the Option that was exchanged;
- 11.5.3 the new option will be treated as having been acquired at the same time as the Option that was exchanged and be exercisable in the same manner and at the same time;
- 11.5.4 the new option will be subject to the Rules as they last had effect in relation to the Option that was exchanged;
- 11.5.5 with effect from the exchange, the Rules will be construed in relation to the new option as if references to Shares were references to the shares over which the new option is granted and references to the Company were references to the body corporate determined by the Directors under Rule 11.5.1.

#### **11.6 Grant**

The Acquiring Company must not grant Options under the Plan other than under Rule 11.5 (Exchange).

## **12 Exercise of Options**

### **12.1 Limit on exercise**

An Optionholder may exercise his or her Option using funds equal to or less than the amount repayable under his or her Savings Contract, including any bonus or interest. An Optionholder can only use Contributions made before the date of exercise of the Option and any bonus or interest on them.

### **12.2 Manner of exercise**

Options must be exercised by notice in writing, including by e-mail or any other electronic transmission, or in a form specified by the Company and delivered to the Company or its agent. The Optionholder must also send:

- 12.2.1** if the Company so requires, the relevant option certificate; and either
- 12.2.2** payment in full and evidence of the termination of the Savings Contract; or
- 12.2.3** authority to terminate the Savings Contract and use the amount needed to acquire the number of Shares over which the Option is being exercised.

The exercise of the Option is effective on the date of receipt by the Company or its agent of the validly completed notice, the option certificate (if required) and the relevant payment or authority.

### **12.3 Issue or transfer**

Subject to any necessary consents under Rule 12.5 (Consents) to payment being made for the Shares and to compliance by the Optionholder with the terms of the Plan, not later than 30 days after receipt of any notice of exercise in accordance with Rule 9.4, the Company shall either allot and issue or procure the transfer of Shares (including Treasury Shares) to the Optionholder (or to his or her nominee).

The Company shall (unless the Shares are to be issued in uncertificated form) as soon as practicable deliver to the Optionholder (or such nominee) a definitive share certificate or other evidence of title in respect of such Shares. Where the Shares are issued or transferred to a nominee of the Optionholder, the Optionholder shall remain the beneficial owner of the Shares.

### **12.4 Rights**

- 12.4.1** Shares issued on exercise of an Option rank equally in all respects with the Shares in issue on the date of allotment. They do not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.
- 12.4.2** Where Shares are to be transferred on the exercise of an Option, Optionholders are entitled to all rights attaching to the Shares by reference to a record date on or after the date on which the shareholder's details are entered on the Company's register of shareholders. They will not be entitled to rights before that date.
- 12.4.3** Benefits under this Plan shall not be pensionable.

## **12.5 Consents**

All allotments, issues and transfers of Shares are subject to any necessary consents under any relevant enactments or regulations for the time being in force in the United Kingdom or elsewhere. The Optionholder is responsible for complying with any requirements to obtain or avoid the need for any such consent.

## **12.6 Articles of association**

Any Shares acquired on the exercise of Options are subject to the Articles of Association of the Company from time to time in force.

## **12.7 Availability of Shares**

The Company shall at all times keep available for issue sufficient authorised but unissued Shares to permit the exercise of all unexercised Options under which Shares may be allotted or shall otherwise procure that Shares are available for transfer in satisfaction of the exercise of Options.

## **12.8 Listing**

If and so long as the Shares are listed on the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange (or of any other stock exchange where Shares are traded), the Company must, as its expense, apply to the UK Listing Authority and the London Stock Exchange for listing and trading (respectively) of any Shares issued pursuant to the Plan as soon as practicable after their allotment.

## **13 General**

### **13.1 Notices**

**13.1.1** Any notice or other document which has to be given to an Eligible Employee or Optionholder under or in connection with the Plan may be:

- (i) provided electronically through a website hosted by the Company or an agent of the Company, provided that the Participant is notified by email or post that such notice or document has been or will be provided in this manner;
- (ii) delivered or sent by post to him or her at his or her home address according to the records of his or her employing company; or
- (iii) sent by electronic mail to any electronic address which, according to the records of his or her employing company, is used by him;

or, in either case under Rule 13.1.1(ii) and 13.1.1(iii) above, such other address which the Company considers appropriate.

**13.1.2** Any notice or other document which has to be given to the Company or other duly appointed agent under or in connection with the Plan may be delivered or sent by post to it at its respective registered office (or such other place as the Directors or the duly appointed agent may from time to time decide and notify to Optionholders) or sent by electronic mail to any electronic address number notified to the sender.

**13.1.3** Notices provided through a website will be deemed to have been received on the day they are posted on the website or, if later, the day the Participant is deemed in

accordance with Rule 13.1.4 or Rule 13.1.5 to have received the notification that it has been provided there.

**13.1.4** Notices sent by post will be deemed to have been given after 24 hours for first class post and after 48 hours for second class post after the date of posting. However, notices sent by or to an Optionholder who is outside the United Kingdom will be deemed to have been given on the seventh day after the date of posting.

**13.1.5** Notices sent by electronic mail, in the absence of evidence to the contrary, will be deemed to have been effected at the time of transmission.

## **13.2 Documents sent to shareholders**

The Company need not send to Optionholders copies of any documents or notices normally sent to the holders of its Shares.

## **13.3 Directors' decisions final and binding**

The decision of the Directors on the interpretation of the Rules or in any dispute relating to an Option or matter relating to the Plan is conclusive.

## **13.4 Costs**

The Company will pay the costs of introducing and administering the Plan. The Company may require each Constituent Company to reimburse the Company for any costs incurred in connection with the grant of Options to, or exercise of Options by, employees and former employees of that Constituent Company.

## **13.5 Administration**

The Directors may, from time to time, make or vary regulations for the administration and operation of the Plan.

## **13.6 Terms of employment**

**13.6.1** For the purposes of this Rule 13.6, "Employee" means any Optionholder, any Eligible Employee or any other person.

**13.6.2** This Rule 13.6 applies:

- (i) whether the Company has full discretion in the operation of the Plan, or whether the Company could be regarded as being subject to any obligations in the operation of the Plan;
- (ii) during an Employee's employment or employment relationship; and
- (iii) after the termination of an Employee's employment or employment relationship, whether the termination is lawful or unlawful.

**13.6.3** Nothing in the Rules or the operation of the Plan forms part of the contract of employment or employment relationship of an Employee. The rights and obligations of an Employee are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment or a continued employment relationship.

**13.6.4** The grant of Options on a particular basis in any year does not create any right to or expectation of the grant of Options on the same basis, or at all, in any future year.

- 13.6.5** Without prejudice to Rule 2.1, no Employee is entitled to participate in the Plan, or be considered for participation in it, at a particular level or at all. Participation in one operation of the Plan does not imply any right to participate, or to be considered for participation in any later operation of the Plan.
- 13.6.6** Without prejudice to an Employee's right to exercise an Option subject to and in accordance with the express terms of the Rules, no Employee has any rights in respect of the exercise or omission to exercise any discretion, or the making or omission to make any decision, relating to the Option. Any and all discretions, decisions or omissions relating to the Option may operate to the disadvantage of the Employee, even if this could be regarded as capricious or unreasonable, or could be regarded as in breach of any implied term between the Employee and his or her employer, including any implied duty of trust and confidence. Any such implied term is excluded and overridden by this Rule 13.6.
- 13.6.7** No Employee has any right to compensation for any loss in relation to the Plan, including:
- (i) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
  - (ii) any exercise of a discretion or a decision taken in relation to an Option or to the Plan, or any failure to exercise a discretion or take a decision; or
  - (iii) the operation, suspension, termination or amendment of the Plan.
- 13.6.8** Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the Rules, including in particular this Rule 13.6. By participating in the Plan, an Employee waives all rights under the Plan, other than the right to exercise an Option subject to and in accordance with the express terms of the Rules, in consideration for, and as a condition of, the grant of an Option under the Plan.
- 13.6.9** Nothing in this Plan confers any benefit, right or expectation on a person who is not an Employee. No such third party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan. This does not affect any other right or remedy of a third party which may exist.
- 13.6.10** Each of the provisions of this Rule 13.6 is entirely separate and independent from each of the other provisions. If any provision is found to be invalid then it will be deemed never to have been part of these Rules and to the extent that it is possible to do so, this will not affect the validity or enforceability of any of the remaining provisions.

### **13.7 Employee trust**

The Company and any Subsidiary of the Company may provide money to the trustee of any trust or any other person to enable them to acquire shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for those purposes, to the extent permitted by Section 678 of the Companies Act 2006.

### **13.8 Withholding**

Unless the Optionholder fully discharges the liability himself, the Company, any employing company or the trustee of any employee benefit trust may withhold any amount and make

any arrangements as it considers necessary to meet any liability in any jurisdiction to taxation or social security contributions for which the Optionholder is liable by virtue of the exercise of Options. These arrangements include the sale of sufficient Shares in respect of which the Option has been validly exercised on behalf of an Optionholder.

### **13.9 Data protection**

By participating in the Plan, the Participant's attention is drawn to the data privacy notice provided to them, which sets out how the Participant's personal data will be used and shared by the Company and other Group Companies. The data privacy notice does not form part of these Rules and may be updated from time to time. Any such updates shall be notified to the Participant.

## **14 Changing the Plan and termination**

### **14.1 Directors' powers**

Except as described in the rest of this Rule 14, the Directors may at any time change the Plan in any way.

### **14.2 Shareholders' approval**

**14.2.1** Except as described in Rule 14.2.2, the Company in general meeting must approve in advance, by ordinary resolution, any proposed change to the advantage of present or future Optionholders which relates to the following:

- (i) the persons to whom or for whom Shares may be provided under the Plan;
- (ii) the limitations on the number of Shares which may be issued under the Plan;
- (iii) the maximum Contribution which may be made under the Plan;
- (iv) the determination of the Option Price;
- (v) any rights attaching to the Options and the Shares;
- (vi) the rights of Optionholders in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction or any other variation of capital of the Company; or
- (vii) the terms of this Rule 14.2.1.

**14.2.2** The Directors need not obtain the approval of the Company in general meeting for any minor changes:

- (i) to benefit the administration of the Plan;
- (ii) which are necessary or desirable in order to maintain the status of the Plan as a Schedule 3 SAYE Option Scheme;
- (iii) to comply with or take account of the provisions of any proposed or existing legislation;
- (iv) to take account of any changes to the legislation; or
- (v) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Subsidiary or any present or future Optionholder.

### **14.3 Key Features**

No amendment of a Key Feature of the Scheme shall have effect at a time when the Scheme is a Schedule 3 SAYE Option Scheme and such status is intended to be maintained if it would result in the requirements of Parts 2 to 7 of Schedule 3 not being met in relation to the Scheme. If such status is not to be maintained, the first sentence of this Rule 14.3 shall not apply. The Company shall provide such information and make such declarations to HMRC in relation to any amendment to a Key Feature as is required for the purposes of Schedule 3.

### **14.4 Cancellation of Options**

Without prejudice to any provision of the Plan which provides for the lapse of an Option, the Board may not cancel an Option unless the Optionholder agrees in writing to such cancellation.

### **14.5 Optionholders' approval**

Other than an amendment that is necessary or desirable in order to maintain the Plan as a Schedule 3 SAYE Option Scheme, the Company shall not make any amendment that would materially prejudice the interests of existing Optionholders unless the amendment is approved by Optionholders who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters of all the Shares over which Options have been granted at that time.

### **14.6 Stamp Duty**

The Company, or where the Board so directs any Subsidiary, shall pay the appropriate stamp duty on behalf of the Optionholders in respect of any transfer of Shares on the exercise of the Options.

### **14.7 Company Rights**

The existence of any Option shall not affect in any way the right or power of the Company or its shareholders to make or authorise any or all adjustments, recapitalisations, reorganisations or other changes in the Company's capital structure, or any merger or consolidation of the Company, or any issue of shares, bonds, debentures, preferred or prior preference stocks ahead of or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

### **14.8 Notice**

The Directors may give written notice of any changes made to any Optionholder affected.

### **14.9 Termination of the Plan**

The Plan will terminate on the date of the tenth general meeting of the Company after the Adoption Date but the Directors may terminate the Plan at any time before that date. However, Options granted before such termination will continue to be valid and exercisable as described in these Rules.

## **15 Governing law**

English law governs the Plan and all Options and their construction. The English Courts have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Option.