

MITCHELLS & BUTLERS PENSIONS LIMITED

MITCHELLS & BUTLERS PENSION PLAN – DEFINED BENEFIT SECTION

This is an update on the Court case between the Trustee of the Plan and Mitchells & Butlers plc (the “**Company**”) which will determine (amongst other things) who has the power under the Plan’s rules concerning the rate at which pensions in payment are increased and deferred pensions revalued before they come into payment (both referred to as “**pension increases**”).

This update is just for your information only. You don’t need to do anything in response to it.

Since my communication in May 2020 (accessible [here](#)), the Trustee’s application in relation to the October 2020 and October 2021 pension increases was approved by the Court. This means that pension increases for 2020 and 2021 were/will be made by reference to the increase in the Consumer Prices Index capped at 5% for all service pending resolution of the Court case. If the Trustee succeeds in the Court case and RPI-based increases would have been more generous, pensions will be retrospectively topped up.

In October 2020, the Company gave notice to terminate the Costs Agreement further to which it had agreed to pay the Trustee’s reasonably incurred legal costs of the Court case. The Company’s decision to terminate the Costs Agreement was not connected with its views on the merits of the Trustee’s claims. To reflect the ongoing uncertainty caused by the COVID-19 pandemic and the fact that the Company has had to make redundancies, the Company did not think it appropriate to continue to meet directly the Trustee’s costs of the Court case. The Costs Agreement came to an end on 17 November 2020.

To enable it to prepare for and participate in the trial of the Court case in June and July 2021, the Trustee will now apply to Court for permission to use the Plan’s assets to fund its legal costs and expenses from 18 November 2020 until the end of the trial next year. If approved, the Trustee’s legal costs and expenses will then be treated in the same way as other Plan expenses. The Company (as the Plan’s sponsoring employer) is ultimately responsible for funding the Plan’s expenses so will be paying the Trustee’s legal costs and expenses indirectly rather than directly via the Costs Agreement. The Company will be a respondent to the Trustee’s application and will argue from the perspective of those members of the Plan in whose interests it is that the Trustee’s claims in the Court case do not succeed). Derek Medley

will also be a respondent to the Trustee's application and will argue from the perspective of those members in whose interests it is that the Trustee succeeds in its claims in the Court case. Mr Medley is a pensioner member of the Plan with many years' pensionable service. He is also very familiar with the Plan. Mr Medley will be advised by an independent firm of solicitors and a specialist barrister. The Trustee will ask that Mr Medley's costs be met from the Plan.

We will update you once the outcome of the Trustee's application is known. In the meantime, if you have any questions you would like to ask, or points you would like to make, in relation to this update you can do one of three things.

First, you can write to the Trustee, either by sending an email to pensions@mbplc.com or a letter to the Trustee care of David Shannon to 27 Fleet Street, Birmingham, B3 1JP. In either case you should quote the reference "Indexation", and include your full name, address and National Insurance number.

Secondly, you can contact Mr Medley's solicitor, Ms Deborah Latimer at Temple Bright LLP, 81 Rivington Street, London EC2A 3AY or by email to deborah.latimer@templebright.com.

Thirdly, you can contact the Company, either by sending a letter to Greg McMahon, Company Secretary and General Counsel, 27 Fleet Street, Birmingham, B3 1JP or email to company.secretariat@mbplc.com.

A handwritten signature in black ink, appearing to read "David Shannon", with a long horizontal flourish extending to the right.

David Shannon
Secretary to the Trustee