



# ANNUAL GENERAL MEETING

## 21 JANUARY 2014

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you are recommended to seek immediately your own advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Marston's PLC, please send this document, and the accompanying form of proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

# ABOUT THE AGM

## PLEASE READ THE FOLLOWING INFORMATION IF YOU ARE COMING TO THE AGM

**11.00am** Doors to registration area open - tea and coffee available on arrival

**12.00pm** AGM begins

**End of AGM** Bar opens and lunch served to shareholders

**2.30pm** Depart

**Only shareholders, their authorised representatives or proxies, and carers of disabled shareholders will be entitled to attend the meeting.**

### Admission

You may be asked to provide proof of identity, as well as your attendance card from your proxy form. If you do not have your attendance card, you will be asked to provide two forms of identity. If you have been appointed as proxy for a shareholder entitled to vote, please let the admission staff know. You should bring proof of identity with you and you will also be asked to confirm the details of the shareholder you are representing.

### Cloakrooms

There will be a limited amount of space for coats to be stored at the venue. The Company cannot accept responsibility for personal belongings and all items are left at your own risk.

### About the AGM

The resolutions set out on pages 3 to 4 will be considered at the AGM. You will be asked to vote on these resolutions.

### Questions

During the meeting, shareholders will have the opportunity to ask questions in an open forum session. The Directors and senior members of staff will also be available after the AGM for more informal discussions.

### Do you have any other questions about the AGM?

Call our Group Secretariat Department on 01902 329163 or write to us at our registered office at Marston's House, Brewery Road, Wolverhampton, WV1 4JT.

### How to get there

Wolverhampton racecourse is situated one mile from Wolverhampton city centre and approximately 15 miles from Birmingham and is clearly signposted.

Upon arrival, please use the Holiday Inn Garden Court entrance where our staff will guide you to the registration area.

### By car

- From the M6 North – Leave the M6 at Junction 11 and join the A460 towards Wolverhampton. Join the M54 at Junction 1 Westbound, exiting at Junction 2 on the A449 towards Wolverhampton. Follow the brown tourist signposts to the Racecourse.
- From the M6 South – Leave the M6 at Junction 10A and join the M54. Exit at Junction 2 on the A449 towards Wolverhampton. Follow the brown tourist signposts to the Racecourse.

### Parking

Ample free parking is available.

### By train

The nearest train station is Wolverhampton Station which is about one mile from Wolverhampton Racecourse. There are taxis available outside the station.

### By bus

A number of bus routes stop in Gorsebrook Road which is the nearest bus stop to Wolverhampton Racecourse. For details of local bus routes please visit [www.nxbus.co.uk/west-midlands](http://www.nxbus.co.uk/west-midlands)

### By air

The nearest airport is Birmingham International Airport (BHX). Trains run regularly from Birmingham International Station to Wolverhampton Station or alternatively follow car directions approaching from the M6 South.



# NOTICE OF MEETING

Notice is hereby given that the one hundred and twenty-sixth Annual General Meeting ("AGM") of Marston's PLC (the "Company") will be held at Wolverhampton Racecourse, Holiday Inn Garden Court, Dunstall Park, Wolverhampton, WV6 0PE on Tuesday 21 January 2014 at 12 noon for the following purposes:

## **TO PROPOSE THE FOLLOWING AS ORDINARY RESOLUTIONS:**

### **Resolution 1**

1. To receive and adopt the Company's audited accounts and the reports of the directors of the Company (the "Directors") and the independent auditors (the "Independent Auditors") for the 53 week period ended 5 October 2013.

### **Resolution 2**

2. To declare a final dividend of 4.1 pence per ordinary share recommended by the Directors.

### **Resolutions 3 to 10**

3. To elect Roger Devlin as Director of the Company.
4. To re-elect Andrew Andrea as Director of the Company.
5. To re-elect Nicholas Backhouse as Director of the Company.
6. To re-elect Rosalind Cuschieri as Director of the Company.
7. To re-elect Peter Dalzell as Director of the Company.
8. To re-elect Ralph Findlay as Director of the Company.
9. To re-elect Neil Goulden as Director of the Company.
10. To re-elect Robin Rowland as Director of the Company.

### **Resolution 11**

11. To re-appoint PricewaterhouseCoopers LLP as Independent Auditors, until the conclusion of the next Annual General Meeting of the Company in 2015 ("2015 AGM").

### **Resolution 12**

12. To authorise the Directors to agree the Independent Auditors' remuneration.

### **Resolution 13**

13. To approve the annual report on remuneration (the "Annual Report on Remuneration") for the period ended 5 October 2013, as set out on pages 47 to 53 of the Company's annual report and accounts 2013 ("Annual Report and Accounts 2013").

### **Resolution 14**

14. To approve the Directors' remuneration policy (the "Directors' Remuneration Policy") to take effect from 6 October 2014, as set out on pages 39 to 45 of the Company's Annual Report and Accounts 2013.

### **Resolution 15**

15. That the rules of Marston's 2014 Long Term Incentive Plan in the form produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification (the "LTIP"), the principal terms of which are summarised in the Explanatory Notes to this Notice of Meeting, be and are hereby approved and the Directors of the Company be and are hereby authorised to adopt the LTIP and do all acts and things which they may, in their absolute discretion, consider necessary or expedient to give effect to the LTIP.

### **Resolution 16**

16.
  - a. THAT the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £14,072,293 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the 2015 AGM (or, if earlier, at the close of business on the date which is 15 months after the date on which this resolution is passed), save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares and grant rights in pursuance of any such offer or agreement as if this authority had not expired;
  - b. THAT, subject to paragraph (c), all existing authorities given to the Directors pursuant to section 551 of the Act be revoked by this resolution; and
  - c. THAT paragraph (b) shall be without prejudice to the continuing authority of the Directors to allot shares and to grant rights to subscribe for or convert any security into shares (or relevant securities), pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

# NOTICE OF MEETING

## TO PROPOSE THE FOLLOWING AS SPECIAL RESOLUTIONS:

### Resolution 17

17. THAT, subject to the passing of resolution 16 in this Notice, the Directors be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by resolution 16 in this Notice, as if section 561(1) of the Act did not apply to the allotment. This power:
- a. expires (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the 2015 AGM if passed, (or, if earlier, at the close of business on the date which is 15 months after the date on which this resolution is passed), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired; and
  - b. shall be limited to:
    - i. the allotment of equity securities in connection with an issue to holders of ordinary shares of 7.375 pence each in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings and to people who hold other equity securities, if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
    - ii. the allotment of equity securities for cash otherwise than pursuant to paragraph 17(b)(i) up to an aggregate nominal amount of £2,110,844.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if, in the first paragraph of this resolution, the words "pursuant to the authority conferred by resolution 16 in this Notice" were omitted.

### Resolution 18

18. THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 7.375 pence each in the capital of the Company, subject to the following conditions:
- a. the maximum number of ordinary shares which may be purchased is 57,243,227;
  - b. the minimum price (exclusive of expenses) which may be paid for an ordinary share is 7.375 pence;
  - c. the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System; and
  - d. the authority conferred by this resolution shall expire at the conclusion of the 2015 AGM or, if earlier, at the close of business on the date which is 18 months from the date on which this resolution is passed (except in relation to the purchase of shares the contract for which was made before the expiry of this authority and which might be concluded wholly or partly after such expiry).

### Resolution 19

19. THAT a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board

### Anne-Marie Brennan

Company Secretary  
28 November 2013

### Marston's PLC

Registered No. 00031461, England

*Registered Office:*  
Marston's House  
Brewery Road  
Wolverhampton  
WV1 4JT

# EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

## **The notes below explain the proposed resolutions.**

Resolutions 1 to 16 (inclusive) are proposed as ordinary resolutions, which means that for each of those resolutions to be passed, more than half the votes cast must be cast in favour of the resolution. Resolutions 17 to 19 (inclusive) are proposed as special resolutions, which means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be cast in favour of the resolution.

### **Resolution 1 – Annual Report and Accounts**

The Directors are required to present to shareholders at the AGM the Company's audited accounts and the Directors and Independent Auditors reports for the 53 week period ended 5 October 2013.

### **Resolution 2 – Declaration of final dividend**

Shareholders are being asked to approve a final dividend of 4.1 pence per ordinary share for the 53 week period ended 5 October 2013. Subject to approval the dividend will be paid on 3 February 2014 to the holders of ordinary shares whose names are recorded on the register of members at the close of business on 20 December 2013.

### **Resolution 3 – Election of Director**

Roger Devlin is standing for election as Non-executive Chairman following his appointment on 1 September 2013. Mr Devlin is currently Chairman of Gamesys, SIS and Porthaven Nursing Homes. In 2012 he was appointed the first Independent NED by the Football Association. He was previously Chairman of the Principal Hayley Group and a Non-executive Director of National Express and RPS Group. In considering his appointment, the Board was of the view that his extensive board experience, thorough knowledge of hospitality and leisure, and his background in sport and on-line businesses would bring value to our relationships with our customers and complement the existing skills and experience on the Board as the development of the Company continues. The Company remains of that opinion. Mr Devlin has no relationships or arrangements likely to affect this judgement and, accordingly, the Board unanimously recommends his election.

### **Resolution 4 to 10 – Re-election of Directors**

In accordance with the UK Corporate Governance Code (the "Code"), every Director will stand for election or re-election at the AGM. Biographical details of each Director appear on pages 26 and 27 of the Annual Report and Accounts 2013. All of the Non-executive Directors standing for re-election or election are considered independent under the Code.

Nick Backhouse is currently the Senior Independent Director of Guardian Media Group PLC and a Non-executive Director of All3Media. Prior to this he held senior management positions in a number of companies in the pub, wider leisure and financial sectors.

Rosalind Cuschieri brings to the Board her extensive experience of the food and retail sector as CEO of Genius Foods and a director of Lightbody Ventures. She was previously Commercial Director at Warburtons.

Neil Goulden provides consultancy to the Gala Coral Group having previously been Chairman of the Group. He has held positions in several other companies in the leisure and gaming sector and also sits on the boards of a number of public bodies.

As Chief Executive of Yo! Sushi, Robin Rowland brings valuable and relevant experience of high street retailing. He has also previously held senior positions in other large retail leisure companies.

Andrew Andrea, Peter Dalzell and Ralph Findlay are all standing for re-election as Executive Directors. Details of their service contracts with the Company appear on pages 44 to 45 of the Annual Report and Accounts 2013.

The Board is of the opinion, and the Chairman has confirmed, that following formal performance evaluations, each Director continues to make an effective and valuable contribution and demonstrates commitment to his or her role. The Board is satisfied that each Non-executive Director remains independent in character and judgement and that there are no relationships or circumstances likely to affect his or her character or judgement. It unanimously recommends the re-election of all of the above Directors.

### **Resolutions 11 and 12 - Re-appointment and remuneration of Independent Auditors**

The Company is required to appoint auditors at each annual general meeting at which audited accounts are presented to shareholders. Resolution 11 proposes the re-appointment of PricewaterhouseCoopers LLP as the Company's Independent Auditors until the conclusion of the 2015 AGM.

During the period, the Company's Audit Committee conducted a formal review of the external Audit, inviting a number of audit firms to tender for this work. In assessing the tender proposals and presentations received, the Committee considered the ability of each firm to deliver a timely and efficient audit, relevant sector experience and knowledge of key audit issues, the wider services provided to the Company and the price. The Audit Committee concluded that PricewaterhouseCoopers LLP continues to provide an effective audit service and that no other firm offered anything sufficiently different to justify a change of external Auditor.

It is normal practice for a company's directors to be authorised to determine the level of the auditors' remuneration for the ensuing year. Resolution 12 proposes to give such authority to the Directors in respect of the Independent Auditors.

### **Resolution 13 – Annual Report on Remuneration**

UK listed companies are required to put before shareholders in general meeting a resolution inviting shareholders to approve the Annual Report on Remuneration. This is an advisory vote.

The Annual Report on Remuneration, which can be found on pages 46 to 53 of the Annual Report and Accounts 2013, gives details of the Directors' remuneration for the period ended 5 October 2013. As required by the Directors' Remuneration Report Regulations 2002, PricewaterhouseCoopers LLP have audited those parts of the Directors' Remuneration Report capable of being audited and their report can be found on page 58 of the Annual Report and Accounts 2013.

## **Resolution 14 – Directors’ Remuneration Policy**

Changes made under the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Enterprise & Regulatory Reform Act 2013, require UK listed companies to put before shareholders a binding resolution inviting shareholders to approve the Company’s remuneration policy at least every three years (or when the policy changes). The Directors’ Remuneration Policy, which can be found on pages 39 to 45 of the Annual Report and Accounts 2013, sets out details of the Company’s proposed policy on Directors’ remuneration. Subject to approval at the AGM the policy will take effect from 6 October 2014.

## **Resolution 15 – Approval of a new Long Term Incentive Plan (“LTIP”)**

The Company’s current LTIP was adopted by shareholders in 2004 and expires in 2014. Therefore, after extensive consultation with, and good support from, major shareholders, the Company is seeking shareholder approval for the Marston’s 2014 LTIP. A summary of the key terms of the LTIP is set out on pages 7 to 9 of these Explanatory Notes and details of the Remuneration Committee’s proposals in relation to the awards proposed to be granted in 2014 are described in the Directors’ Remuneration Report for the period ended 5 October 2013.

## **Resolution 16 – Authority to allot shares**

This resolution seeks authority for the Directors to allot shares in the Company up to an aggregate nominal amount of £14,072,293, being approximately one third of the Company’s issued ordinary share capital as at 28 November 2013, excluding the 30,162,339 ordinary shares held in treasury as at 28 November 2013 (this representing 5.01% of the Company’s issued ordinary share capital). The authority contained in this resolution will expire at the conclusion of the 2015 AGM or at the close of business on the date which is 15 months following the passing of this resolution (whichever is earlier).

The Directors consider that this authority is desirable to allow the Company to retain flexibility, although they have no present intention of exercising this authority.

## **Resolution 17 - Disapplication of pre-emption rights (special resolution)**

This resolution seeks authority for the Directors to issue equity securities (as defined in the Act) in the Company for cash or to sell treasury shares for cash as if the pre-emption provisions of section 561(1) of the Act did not apply. Other than in connection with a rights or other similar issue, the authority contained in this resolution will be limited to an aggregate nominal amount of £2,110,844, being 5% of the Company’s issued ordinary share capital as at 28 November 2013, excluding the 30,162,339 ordinary shares held in treasury as at 28 November 2013 (this representing 5.01% of the Company’s issued ordinary share capital). The authority contained in this resolution will expire at the conclusion of the 2015 AGM or at the close of business on the date which is 15 months following the passing of this resolution (whichever is earlier). The Directors confirm that they have no present intention of exercising this authority.

In accordance with The Pre-Emption Group’s Statement of Principles available on [www.pre-emptiongroup.org.uk](http://www.pre-emptiongroup.org.uk), the Directors also confirm their intention that no more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three-year period.

## **Resolution 18 – Authority to purchase own shares (special resolution)**

In certain circumstances, as permitted by the Act, it may be advantageous for the Company to purchase its own ordinary shares and this resolution seeks authority from shareholders to empower the Directors to make limited on-market purchases. The resolution limits this authority to a maximum number of ordinary shares that may be acquired of 57,243,227 being 10% of the Company’s issued ordinary share capital as at 28 November 2013, excluding the 30,162,339 ordinary shares held in treasury as at 28 November 2013 (this representing 5.01% of the Company’s issued ordinary share capital) and sets the minimum and maximum prices that can be paid (exclusive of expenses). The authority conferred by this resolution will expire at the conclusion of the 2015 AGM or 18 months from the date of the passing of this resolution (whichever is earlier).

The Directors have no present intention of exercising the authority to purchase the Company’s ordinary shares but will keep the matter under review. Further, the Directors will only exercise this authority after taking into account the effects on earnings per share and the benefit to shareholders generally.

Any shares purchased under this authority may either be cancelled or held as treasury shares (treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company’s employees’ share schemes). The authority sought by this resolution is intended to apply equally to ordinary shares which are to be held by the Company as treasury shares.

As at 28 November 2013 there were options over 9,323,466 ordinary shares in the capital of the Company which represent 1.63% of the Company’s issued ordinary share capital (excluding treasury shares) at that date. If the authority to purchase the Company’s ordinary shares were to be exercised in full, these options would represent 1.48% of the Company’s issued ordinary share capital (excluding treasury shares).

## **Resolution 19 - Short notice of general meetings (special resolution)**

Under the Act general meetings (other than annual general meetings) may be called on 14 clear days’ notice. The Companies (Shareholders’ Rights) Regulations 2009 increases the notice period required for general meetings of a company to 21 clear days. Companies do have the ability to reduce this notice period to not less than 14 clear days, provided that they offer facilities for shareholders to vote and appoint proxies by electronic means and that, annually, shareholder approval is obtained to reduce the minimum notice period from 21 clear days to 14 clear days. Annual general meetings must continue to be held on at least 21 clear days’ notice.

The Directors are, therefore, proposing this resolution to seek such shareholder approval for 14 clear days to be the minimum period of notice for all general meetings of the Company, other than annual general meetings. The approval will expire at the conclusion of the 2015 AGM, when it is intended that renewal of this authority will be sought.

# EXPLANATORY NOTES TO THE NOTICE OF MEETING

## SUMMARY OF THE MARSTON'S 2014 LONG TERM INCENTIVE PLAN

A summary of the principal terms of the Marston's 2014 Long Term Incentive Plan (the "LTIP") is set out below.

### 1. Eligibility

Any employee (including an Executive Director) of Marston's PLC (the "Company") or any of its subsidiaries will be eligible to participate in the LTIP at the discretion of the Remuneration Committee. In practice, awards under the LTIP are likely to be limited to Executive Directors and the senior management team.

### 2. Form of awards

Awards under the LTIP may be in the form of:

- a. a conditional right to acquire ordinary shares in the Company ("Shares") at no cost to the participant ("Conditional Award");
- b. an option to acquire Shares at no cost to the participant ("Nil-Cost Option");
- c. a right to receive a cash amount which relates to the value of a certain number of notional Shares ("Cash Award").

As noted in section 13 below, the LTIP will also permit the grant of APSP Awards. APSP Awards will include the grant of an "Approved Option" as described in section 13.

Conditional Awards, Nil-Cost Options, Approved Options and Cash Awards are together referred to as "Awards" and each an "Award". References in this summary to Shares include notional Shares to which a Cash Award relates, where appropriate.

### 3. Performance conditions

Unless the Remuneration Committee determines otherwise, Awards will be subject to the satisfaction of a performance condition which will determine the proportion (if any) of the Award which will vest at the end of a performance period, which will usually be at least three years long. Awards granted to Executive Directors of the Company will always be granted subject to the satisfaction of performance conditions, other than awards granted in accordance with the Company's policy on directors' remuneration in connection with the recruitment of an executive director which are to "buy out" incentive arrangements forfeited on leaving a previous employer.

Any performance condition may be amended or substituted if one or more events occur which cause the Remuneration Committee to consider that an amended or substituted performance condition would be more appropriate. Any amended or substituted performance condition would not be materially less difficult to satisfy.

The performance conditions proposed for the awards to be granted in 2014 are described in the Company's Directors' Remuneration Report for the period ended 5 October 2013.

### 4. Individual limit

Awards will not be granted to a participant under the LTIP over Shares with a market value (as determined by the Remuneration Committee) in excess of 200% per cent of salary in respect of any financial year. Awards granted to Executive Directors of the Company will be at a level consistent with the Company's policy on directors' remuneration and it is the Remuneration Committee's intention that the Awards granted in 2014 to participants who are Executive Directors will be over Shares with a market value equal to 125% per cent of salary.

If an Award is granted as an APSP Award as referred to in section 13 below, the Shares subject to the Approved Option element of the APSP Award will not count towards this limit for the reasons set out in section 13.

### 5. Grant of awards

Awards may only be granted within the six week period following the announcement of the Company's results for any period or, on any day on which the Remuneration Committee determines that exceptional circumstances exist. However, if the Company is restricted from granting awards during any such period, awards may be granted in the period of six weeks following the relevant restriction being lifted.

The Remuneration Committee's current intention is that awards will be made to Executive Directors and members of the senior management team in 2014 following the announcement of the Company's half year results, in accordance with the Company's usual timetable for the grant of long term incentive awards. Awards may also be made to other eligible employees during 2014 when permitted under the LTIP.

### 6. Terms of awards

Awards may be granted over newly issued Shares, treasury Shares or Shares purchased in the market. Awards are not transferable (other than on death). No payment will be required for the grant of an Award. Awards will not form part of pensionable earnings.

### 7. Overall limits

The LTIP is subject to the following overall limits:

- a. in any 10 year period, the number of Shares which may be issued under the LTIP and under any other discretionary share plan adopted by the Company may not exceed 5 per cent. of the issued ordinary share capital of the Company from time to time; and
- b. in any 10 year period, the number of Shares which may be issued under the LTIP and under any other employees' share plan adopted by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time.

Treasury Shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

## 8. Reduction for malus

The Remuneration Committee may, in its absolute discretion, determine at any time prior to the vesting of an Award to:

- a. reduce the number of Shares to which an Award relates;
- b. cancel an Award; or
- c. impose further conditions on an Award;

in circumstances in which the Remuneration Committee considers such action is appropriate.

Such circumstances include, but are not limited to:

- a. a material misstatement of the Company's audited financial results;
- b. a material failure of risk management by the Company, any member of the Company's group ("Group") or a relevant business unit; and
- d. serious reputational damage to the Company, any Group member or a relevant business unit as a result of the participant's misconduct or otherwise.

## 9. Vesting and exercise

Awards that are subject to a performance condition will normally vest on the third anniversary of the date of grant (or on such other date as the Remuneration Committee determines) and then only to the extent that any performance condition has been satisfied. Where Awards are granted without a performance condition, they will usually vest on the third anniversary of the grant date (or on such other date as the Remuneration Committee determines). Nil-Cost Options will then normally be exercisable until the tenth anniversary of the grant date.

The vesting of a Conditional Award or the exercise of a Nil-Cost Option is subject to obtaining any necessary approvals or consents from the United Kingdom Listing Authority, the Company's share dealing policy and any other applicable laws or regulations.

At any time before or after the point at which an Award (which is not a Cash Award) has vested, or a Nil-Cost Option has been exercised, but the underlying Shares have yet to be issued or transferred to the participant, the Remuneration Committee may decide to pay a participant a cash amount equal to the value of the Shares he would otherwise have received.

Any Shares or cash that are to be issued, transferred or paid (as appropriate) to a participant in respect of a vested Award or an exercised Nil-Cost Option (including a Cash Award) will be issued, transferred or paid (as appropriate) within 30 days of the date of vesting or exercise (as appropriate).

## 10. Cessation of employment

If a participant dies, any unvested Award he holds will, unless the Remuneration Committee determines otherwise, vest as soon as reasonably practicable after the participant's death to the extent that the Remuneration Committee determines, taking into account the satisfaction of any performance condition and, if the Remuneration Committee so determines, the period of time that has elapsed since the Award was granted until the date of death. Where Awards vest in these circumstances, Nil-Cost Options will normally be exercisable for 12 months after vesting.

If a participant ceases to be employed by the Group by reason of ill-health, injury, disability, or the sale of the business or entity that employs him out of the Group or for any other reason at the Remuneration Committee's discretion (except where a participant is summarily dismissed), any unvested Award he holds will usually continue until the normal vesting date unless the Remuneration Committee determines that the Award will vest as soon as reasonably practicable following the date on which the participant ceases to be employed by the Group.

The Remuneration Committee will decide the extent to which an unvested Award vests in these circumstances, taking into account the extent to which any performance condition is satisfied at the end of any performance period or, as appropriate, at the date on which the participant ceases to be employed by the Group. Unless the Remuneration Committee in its discretion determines otherwise, the period of time that has elapsed since the Award was granted until the date on which the participant ceases to be employed by the Group will also be taken into account. Where Awards vest in these circumstances, Nil-Cost Options will normally be exercisable for six months after vesting. If a participant ceases employment for one of these "good leaver" reasons whilst holding vested Nil-Cost Options, he will normally have six months from cessation within which to exercise those Nil-Cost Options.

If a participant ceases employment with the Group in any other circumstances any Award he holds shall lapse on the date on which the participant ceases employment.

## 11. Corporate events

In the event of a change of control of the Company, the Remuneration Committee will decide the extent to which Awards will vest taking into account the extent to which any performance condition has been satisfied, and, unless the Remuneration Committee determines otherwise, the period of time which has elapsed between the grant date and the relevant event. Nil-Cost Options will then be exercisable for a period of one month. Alternatively, the Remuneration Committee may permit or, in the case of an internal reorganisation, or if the Board so determines any other event, require Awards to be exchanged for equivalent awards which relate to shares in a different company.

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the opinion of the Remuneration Committee may affect the current or future value of Shares, the Remuneration Committee may determine that Awards will vest taking into account the satisfaction of any relevant performance condition and, unless the Remuneration Committee determines otherwise, pro-rating to reflect the period from the grant date to the date of the relevant event. The Remuneration Committee will determine in these circumstances the length of time during which Awards structured as Nil-Cost Options can then be exercised.



## 12. Adjustments

In the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the Remuneration Committee's opinion, affect the current or future value of Shares, the number of Shares subject to an Award and/or any performance condition attached to Awards, may be adjusted.

## 13. Approved Performance Share Plan

The Remuneration Committee may structure Awards under the LTIP as "Approved Performance Share Plan" ("APSP") Awards. An APSP Award enables the participant and the Group to benefit from the tax treatment available in respect of options granted under an HM Revenue & Customs approved share option plan, without increasing the pre-tax value delivered to the participant.

It is proposed that HMRC approval be sought for a schedule to the LTIP under which tax approved options ("Approved Options") may be granted. Approved Options will have a per Share exercise price equal to the market value of a Share at the date of grant and will be subject to the rules of the LTIP as described in this Appendix but subject to any amendments required by HMRC in order to obtain approval. In order to take account of the tax legislation governing Approved Options, the categories of "good leaver" will include, in respect of Approved Options, cessation of employment due to redundancy or retirement.

Where an APSP Award is granted, it will comprise:

- an Approved Option over Shares with a value up to the relevant HMRC Approved Option limit;
- a "Linked Award" in the form of a Nil-Cost Option over the same number of Shares as is subject to the Approved Option; and
- to the extent the APSP Award is over Shares with a value in excess of the HMRC limit, a further Nil-Cost Option for the balance.

In order to avoid double counting, the Shares subject to the Linked Award will count towards the individual limit on participation referred to in section 4 above, but the Shares subject to the Approved Option will not.

Where Awards are subject to the satisfaction of a performance condition, all elements of the APSP Award will be subject to the same performance condition. On exercise of an APSP Award, the Linked Award will be exercisable over a number of Shares with a value, at exercise, equal to the exercise price of the Approved Option and so is intended to fund that exercise price. If the APSP Award is exercised in circumstances where the Approved Option is underwater, the Approved Option can be released and the Linked Award can be exercised to the extent it vests by reference to any applicable performance condition, without the limitation that it can be exercised only to fund the exercise price of the Approved Option.

## 14. Amendment and termination

The Remuneration Committee may amend the LTIP at any time, provided that prior approval of the Company's shareholders in a general meeting will be required for amendments to the advantage of employees relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash comprised in an Award and the impact of any variation of capital.

However, any minor amendment to benefit the administration of the LTIP, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Remuneration Committee without shareholder approval.

No amendment may be made to the material disadvantage of participants in the LTIP unless consent is sought from the affected participants and given by a majority of them.

The LTIP will usually terminate on the tenth anniversary of its approval by shareholders but the rights of existing participants will not be affected by any termination.

## 15. Legal entitlement

Participation in the Plan does not form part of the terms of a participant's contract of employment.

## 16. Governing law

The LTIP will be governed in accordance with the laws of England and Wales and the parties submit to the exclusive jurisdiction of the Courts of England and Wales.

## 17. Documents on display

The rules of the LTIP will be available for inspection at the office of Deloitte LLP (Company Secretarial Department), 2 New Street Square, London EC4A 3BZ on any weekday (Saturdays, Sundays and public holidays excluded) until the close of the AGM, and will also be available at the place of the AGM for at least 15 minutes before and during the meeting.

## NOTES 1 TO 14 BELOW GIVE FURTHER EXPLANATION AS TO THE PROXY, VOTING AND ATTENDANCE PROCEDURES AT THE AGM.

### Entitlement to appoint proxies

1. A shareholder entitled to attend, speak and vote at the AGM is also entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote instead of the shareholder, provided that, if more than one proxy is appointed, each proxy is appointed to exercise rights attaching to different shares held by that shareholder. A proxy need not be a shareholder of the Company. Shareholders who return the form(s) of proxy or register the appointment of a proxy electronically will still be able to attend the AGM, speak and vote in person if they so wish. Shareholders or their duly appointed proxies are requested to bring proof of identity with them to the AGM in order to confirm their identity for security reasons. A shareholder may only appoint a proxy or proxies by:
  - a. completing and returning the form(s) of proxy accompanying this Notice in accordance with the instructions contained therein;
  - b. going to **www.sharevote.co.uk** and following the instructions provided (see Note 2 below); or
  - c. if you are a user of the CREST system (including CREST personal members), having an appropriate CREST message transmitted (see Note 3 below).

### Appointing proxies

2. A shareholder wishing to appoint a proxy should complete the accompanying form(s) of proxy and return it/them to the Company's Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Alternatively, you can submit your proxy electronically at **www.sharevote.co.uk**, using the Voting ID, Task ID and Shareholder Reference Number set out in the form(s) of proxy or by using the CREST proxy service. CREST members may appoint a proxy or proxies electronically via Equiniti (ID RA19) in accordance with Note 3 below. To appoint more than one proxy, you may either photocopy the form(s) of proxy accompanying this Notice or contact Equiniti on 0871 384 2274\* to request additional personalised form(s) of proxy.

\* Calls cost 8p per minute plus network extras. Non UK callers should dial +44(0) 121 415 7047. Lines are open 8.30am to 5.30pm Monday to Friday.

If more than one proxy appointment is returned in respect of the same holding of shares, either by paper or electronic communication, that proxy received last by Equiniti before the latest time for the receipt of proxies will take precedence. To be valid, the completed form(s) of proxy and any power of attorney or other authority under which (it is/they are) executed (or a certified copy thereof) must be deposited with Equiniti or received via [www.sharevote.co.uk](http://www.sharevote.co.uk) or lodged via the CREST proxy service (in each case) not later than 12 noon on 17 January 2014, or 48 hours (excluding non-working days) before the time appointed for holding any adjourned AGM.

### Electronic proxy appointment through CREST

3.
  - a. CREST members who wish to appoint a proxy or proxies through the CREST proxy service may do so for the AGM to be held on 21 January 2014 and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). 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.
  - b. In order to appoint a proxy or to give or amend an instruction to a previously appointed proxy using the CREST proxy service, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited 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 appointed for the AGM. 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.
  - c. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 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.
  - d. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.

### **Entitlement to attend and vote**

4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered in the register of members of the Company at close of business on 17 January 2014 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned AGM, will be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries in the register after close of business on 17 January 2014 or, in the event that the AGM is adjourned, in the register of members 48 hours before the time of any adjourned AGM, will be disregarded in determining the rights of any person to attend or vote at the AGM.

### **Corporate representatives**

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### **Nominated persons**

6. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act 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 AGM. 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. The statement of the rights of shareholders in relation to the appointment of proxies at Note 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

### **Voting rights**

7. As at 28 November 2013 (being the latest practicable date prior to the publication of this document), 602,594,619 ordinary shares of 7.375 pence each and 75,000 preference shares of £1 each were in issue. 30,162,339 of the ordinary shares were held in treasury and no preference shares were held in treasury. On a poll vote, a shareholder has one vote for every 25 pence of nominal value of share capital (of whatever class) of which he/she is the holder. Accordingly, the maximum total number of voting rights attached to the Company's issued ordinary shares (excluding treasury shares) as at 28 November 2013 was 168,867,522 and the maximum total number of voting rights attached to the Company's issued preference shares was 300,000.

### **Right to ask questions**

8. A shareholder attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with section 319A(1) of the Act. In certain circumstances prescribed by section 319A(2) of the Act, the Company need not answer a question.

### **Shareholder requests under section 527 of the Act**

9. Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company 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 ceasing to hold office since the last annual general meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, 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 includes any statement that the Company has been required under section 527 of the Act to publish on a website.

### **Communicating with the Company in relation to the AGM**

10. Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so using the following means:
  - a. by writing to the Company Secretary at the Company's registered office address at Marston's House, Brewery Road, Wolverhampton, WV1 4JT; or
  - b. by writing to the Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice or in any related documents (including, without limitation, the Annual Report and Accounts 2013 and the form(s) of proxy) to communicate with the Company for any purpose other than those expressly stated in this Notice or in such other related documents.

## **Inspection of documents**

11. The following documents will be available for inspection at the Company's registered office during normal business hours on any weekday (excluding public holidays) until the time of the AGM and will be available at Wolverhampton Racecourse, Holiday Inn Garden Court, Dunstall Park, Wolverhampton, WV6 0PE at least 15 minutes prior to, and during, the AGM:
- a. Executive Directors' service contracts;
  - b. letters of appointment of the Non-executive Directors; and
  - c. rules of the new Long Term Incentive Plan.

## **Voting Results**

12. The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on our website [www.marstons.co.uk/investors](http://www.marstons.co.uk/investors) on the next business day.

## **Website**

13. A copy of this notice, and other information required by section 311A of the Act, can be found at [www.marstons.co.uk](http://www.marstons.co.uk)

## **Data protection statement**

14. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to whom it discloses the data (including the Company's Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.