
WHITBREAD PLC

Notice of Annual General Meeting 2014

Whitbread PLC
(incorporated and registered in England
and Wales under number 4120344)

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are advised to consult your stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in the Company, please send this document and the accompanying documents 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.

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Whitbread PLC

This document is important and requires your immediate attention. It contains the resolutions to be voted on at the Company's Annual General Meeting to be held on Tuesday 17 June 2014.

Notice is hereby given that the Annual General Meeting of the Company will be held at Church House Conference Centre, Dean's Yard, Westminster, London SW1P 3NZ on Tuesday 17 June 2014 at 2.00pm to consider and, if thought fit, pass the following resolutions, with resolutions 1 to 20 being put as ordinary resolutions and resolutions 21 to 23 being put as special resolutions.

Voting on each of the following resolutions will be taken on a poll, conducted electronically, rather than on a show of hands. The Company believes a poll is more representative of the shareholders' voting intentions than a show of hands because shareholder votes are counted according to the number of shares held and all votes tendered are taken into account.

Ordinary Resolutions

- 1 To receive and consider the Annual Report and Accounts (incorporating the reports of the directors and auditor) for the year ended 27 February 2014.
- 2 To approve the Directors' Remuneration Policy as contained in pages 60 to 66 of the Annual Report and Accounts for the financial year ended 27 February 2014.
- 3 To approve the Annual Report on Remuneration as contained in pages 67 to 76 of the Annual Report and Accounts for the financial year ended 27 February 2014.
- 4 To declare a final dividend of 47.00p per ordinary share in the Company in respect of the year ended 27 February 2014 due and payable on 4 July 2014 to ordinary shareholders on the Company's register of shareholders at 5.00pm on 30 May 2014.
- 5 To re-elect Richard Baker as a director.
- 6 To re-elect Wendy Becker as a director.
- 7 To re-elect Nicholas Cadbury as a director.
- 8 To re-elect Sir Ian Cheshire as a director.
- 9 To re-elect Patrick Dempsey as a director.
- 10 To re-elect Anthony Habgood as a director.
- 11 To re-elect Andy Harrison as a director.
- 12 To re-elect Simon Melliss as a director.
- 13 To re-elect Christopher Rogers as a director.
- 14 To re-elect Louise Smalley as a director.
- 15 To re-elect Susan Taylor Martin as a director.
- 16 To re-elect Stephen Williams as a director.
- 17 To re-appoint Ernst & Young LLP as the auditor to hold office until the conclusion of the Company's next Annual General Meeting.
- 18 To authorise the Board to set the auditor's remuneration.
- 19 That the Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (A) up to a nominal amount of £46,453,132 (such amount to be reduced by any allotments or grants made under paragraph (B) below in excess of such sum); and
 - (B) comprising equity securities (as defined in the Companies Act 2006) up to a nominal amount of £92,906,263 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,and so that the Board may impose any limits or restrictions and make any arrangements which it considers 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,such authority to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on 16 September 2015) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

20 That the Whitbread 2014 Long Term Incentive Plan (the 'LTIP') which is summarised in the Appendix to this Notice and the rules of which are produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification, be approved and the directors be authorised to do all such acts and things necessary to establish the LTIP.

Special Resolutions

21 That if resolution 19 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

(A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 19, by way of a rights issue only):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers 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

(B) in the case of the authority granted under paragraph (A) of resolution 19 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) of this resolution) of equity securities or sale of treasury shares up to a nominal amount of £7,480,047,

such power to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on 16 September 2015) but during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

22 That, pursuant to section 701 of the Companies Act 2006, the Company be generally authorised to make one or more market purchases (within the meaning of section 693 (4) of the Companies Act 2006) of up to 18,146,372 ordinary shares in the capital of the Company on the basis that:

- (A) the minimum price (exclusive of expenses) which may be paid for each ordinary share is the nominal amount of that share;
- (B) 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 for an ordinary share, as derived from the Daily Official List, for the five business days immediately preceding the day on which the ordinary share is agreed to be purchased, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is agreed; and
- (C) this authority will expire on the conclusion of the Annual General Meeting of the Company to be held in 2015 or, if earlier, 16 September 2015 (provided that in relation to the purchase of ordinary shares the contract for which is concluded before such date and which would or might be executed wholly or partly on or after such date the Company may purchase ordinary shares pursuant to any such contract under this authority).

23 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



Simon Barratt
General Counsel and
Company Secretary

30 April 2014

Registered Office

Whitbread PLC
Whitbread Court
Houghton Hall Business Park
Porz Avenue
Dunstable
Bedfordshire
LU5 5XE

Registered in England and Wales
No. 4120344

Important information concerning the meeting

- 1 Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice.
- 2 The return of a completed proxy form, or any electronic or CREST proxy instruction (as described in paragraph 4 below), will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
- 3 To be effective, the instrument appointing a proxy, together with any power of attorney or other authority under which it is signed, or a duly certified copy thereof, must be deposited at the offices of the Company's registrars,
Capita Asset Services
Whitbread Share Register
34 Beckenham Road
Beckenham
Kent
BR3 4TU
not later than 2.00pm on Friday 13 June 2014 or, in the case that the meeting is adjourned, not less than 48 hours before the time appointed for the adjourned meeting (excluding non-working days).

Proxy appointments submitted via the internet at www.whitbread-shares.com must be received not later than 2.00pm on Friday 13 June 2014 or, in the case that the meeting is adjourned, not less than 48 hours before the time appointed for the adjourned meeting (excluding non-working days).
- 4 If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint a proxy or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, the CREST message must be received by the issuer's agent (ID number RA10) not later than 2.00pm on Friday 13 June 2014 or, in the case that the meeting is adjourned, not less than 48 hours before the time appointed for the adjourned meeting (excluding non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. CREST Personal Members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings, please refer to the CREST Manual (available via www.euroclear.com/CREST). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 5 Entitlement to attend and vote at the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of shareholders of the Company as at 6.00pm on Friday 13 June 2014. If the meeting is adjourned, entitlement to attend and vote will be determined by reference to the register of shareholders of the Company 48 hours before the time of the adjourned meeting (excluding non-working days). Changes to the register of shareholders after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 6 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.

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- 7 The right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 who have been sent a copy of this Notice of Meeting are hereby informed that they may have a right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder by whom they were nominated in respect of these arrangements.
- 8 In the case of joint holders, where more than one of the joint holders purports to vote (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share.
- 9 Under section 527 of the Companies Act 2006 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 Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. 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 Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- 10 Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 11 Copies of the following documents will be available for inspection at the registered office of the Company, Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE, during usual business hours (Saturdays, Sundays and public holidays excepted) from the date this Notice is mailed until the close of the Annual General Meeting, at the place of the meeting for 15 minutes before and during the meeting and on the Company's website (www.whitbread.co.uk):
- (A) the audited accounts of the Company for the financial years ended 28 February 2013 and 27 February 2014;
 - (B) the directors' service contracts and terms of appointment; and
 - (C) the 2014 Long Term Incentive Plan Rules.
- A copy of this Notice, and other information required by section 311 (A) of the Companies Act 2006, can be found at www.whitbread.co.uk.
- Shareholders should only use any electronic address provided in either this Notice or any related documents (including the Chairman's letter and the proxy form) to communicate with the Company for the purposes expressly stated.
- At the close of business on 30 April 2014, the Company had 194,799,527 ordinary shares in issue, of which 13,335,806 ordinary shares were held in treasury. Therefore, the total number of voting rights in the Company was 181,463,721. The ordinary shares have a nominal value of 76¹²²/_{153p} each.

Notes on the Resolutions

Resolutions 1 to 20 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 21 to 23 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1

Resolution 1 is the usual resolution to receive the Annual Report and Accounts for 2013/14. The Annual Report and Accounts are available on the Company's website (www.whitbread.co.uk) or on request from Capita Asset Services, Whitbread Share Register, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Resolution 2

In accordance with section 439 A of the Companies Act 2006, a new requirement has been introduced for the Company to seek shareholders' approval of its policy on remuneration of directors (the 'Directors' Remuneration Policy') set out in the Directors' Remuneration Report. This vote is a binding one.

The Directors' Remuneration Policy, if approved, will take effect from 17 June 2014 and will apply until replaced by a new or amended policy. Once the policy is effective, the Company will not be able to make remuneration payments to a director, or loss of office payments to a current or past director, unless the payment is consistent with the approved policy or has been otherwise approved by shareholders. The Directors' Remuneration Policy is intended to be put forward for shareholder approval every three years, as required by the Companies Act 2006.

If the Directors' Remuneration Policy is not approved by the shareholders for any reason, the Company will, if and to the extent permitted to do so under the Companies Act 2006, continue to make payments to directors in accordance with the Company's existing policy on directors' remuneration and will seek shareholder approval for a revised policy as soon as practicable.

You can find the Directors' Remuneration Policy on pages 60 to 66 of the Annual Report and Accounts.

Resolution 3

Companies quoted on the London Stock Exchange are required to put an ordinary resolution to shareholders at the Annual General Meeting seeking approval of the Annual Report on Remuneration. This Report is set out in full on pages 67 to 76 of the Annual Report and Accounts. The vote is advisory only, however, and the directors' entitlement to remuneration is not conditional on the resolution being passed.

Resolution 4

Resolution 4 is to declare a final dividend of 47.00p per share in respect of the year ended 27 February 2014. Subject to the passing of resolution 4 approving the dividend at the Annual General Meeting, shareholders will be offered the opportunity to reinvest the cash dividend they receive in the Company's shares by participating in the Dividend Reinvestment Plan ('DRIP') offered by the Company's registrars, Capita Asset Services, a trading name of Capita IRG Trustees Limited ('CIRGT').

The key terms and conditions of the DRIP are summarised below. The full terms and conditions and further information about how to participate in the DRIP by completing a mandate form can be obtained electronically through the shareholder portal at www.whitbread-shares.com or by contacting CIRGT on 0871 664 0381 (calls to this number cost 10p per minute plus any network extras. Lines are open 9.00–17.30 Monday to Friday. If calling from overseas +44 20 8639 3402). Shareholders who hold their shares in CREST and wish to elect to participate must do so by means of CREST procedures.

Summary of the DRIP Terms and Conditions

The last day and time to participate in the DRIP in respect of the 2014 final dividend will be 5.30pm on 16 June 2014. Elections, or cancellation of an election, must be received no later than 5.30pm, 25 days prior to a dividend payment date.

Where a shareholder is acting on behalf of two or more beneficial holders he/she may elect on a lesser number of shares than the full holding, provided they submit a written application to CIRGT (who may refuse any such application at their discretion). A fresh application must be made in respect of each new dividend. In all other cases elections must be for a shareholder's entire holding. CREST participants must elect by using the Dividend Election Input Message in accordance with the CREST manual.

The price at which the shares are bought will depend on the market price of the Company's shares when the share purchase is carried out. Shareholders are unable to specify a minimum or maximum price. It may be necessary to carry out several purchase transactions to acquire the shares. The prices at which the shares are purchased may vary in which case these transactions will be aggregated and the shares will be allocated to shareholders at the average purchase price. Share certificates and contract notes will be issued within 24 hours of settlement.

Any fractional cash remaining will be rolled over to the next dividend and upon withdrawal from the DRIP, or sale of the shareholding, will be released (amounts of less than £3 will be donated to a charity of Whitbread's choice).

Once an application to participate in the DRIP has been accepted, future dividends will be reinvested under the plan until such time as the shareholder withdraws from the DRIP or the DRIP is suspended or terminated in accordance with the Terms and Conditions. Shareholders have a legal right to cancel their participation in the DRIP within 14 days after receipt by CIRGT of a satisfactorily completed application. Shareholders can cancel their application by sending CIRGT written notice that they wish to exercise their legal cancellation right. Shareholders may withdraw from the DRIP at any time by sending CIRGT notice of their withdrawal. The withdrawal must reach CIRGT no later than 30 days prior to the payment date for a dividend if the DRIP is not to apply to that dividend. If shareholders sell or transfer their entire shareholding on or before the dividend record date for a particular dividend, the DRIP membership will be cancelled.

The operation of the DRIP is subject to the discretion of Capita IRG Trustees Limited. In the event that the DRIP cannot be applied to a dividend, cash dividends will be paid to shareholders.

Resolutions 5 to 16

The 2012 UK Corporate Governance Code recommends that directors should be subject to annual re-election by shareholders. The biographical details of all directors being re-elected can be found on pages 46 and 47 of the Annual Report and Accounts.

The Chairman, Anthony Habgood, will step down from the Board later in the year.

The Chairman confirms that the performance of each of the independent non-executive directors continues to be effective and that each of them continues to demonstrate commitment to their role.

Resolutions 17 and 18

Resolution 17 is to re-appoint Ernst & Young LLP as the Company's auditor, to serve until the conclusion of the Company's next Annual General Meeting, and resolution 18 is to authorise the Board to set their remuneration.

Resolution 19

Paragraph (A) of resolution 19 would give the Board the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal amount equal to £46,453,132 (representing 60,487,907 ordinary shares of 76¹²²/₁₅₃p each). This amount represents one third of the issued ordinary share capital (excluding treasury shares) of the Company as at 30 April 2014, the latest practicable date before publication of this Notice.

In line with guidance issued by the Association of British Insurers, paragraph (B) of this resolution would give the Board authority to allot shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £92,906,263 (representing 120,975,814 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents two thirds of the issued ordinary share capital (excluding treasury shares) of the Company as at 30 April 2014, the latest practicable date before publication of this Notice.

The authority sought under this resolution will expire at the earlier of 16 September 2015 and the conclusion of the Annual General Meeting of the Company held in 2015.

The Board has no present intention to exercise the authority sought under this resolution, except, under paragraph (A), if necessary to satisfy the consideration payable for businesses to be acquired. However, if they do exercise the authority, the Board intends to follow ABI recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

The Company held 13,335,806 ordinary shares as treasury shares as at the date of this Notice, representing 7.35% of the Company's issued ordinary share capital (excluding any treasury shares) as at the latest practicable date before publication of this Notice.

Resolution 20

The Board is seeking shareholders' approval for the Whitbread 2014 Long Term Incentive Plan (the 'LTIP') in resolution 20, which will be proposed as an ordinary resolution.

The Company's current long term incentive plan was introduced in 2004 and expires in June 2014. The Remuneration Committee believes that it continues to be appropriate and in line with the Company's strategy to operate a plan of this kind.

The Remuneration Committee intends to apply performance conditions to awards which are similar to those used in the current long term incentive plan, designed to align the awards with the delivery of the Group's strategy and the creation of shareholder value. The Committee's intention in relation to the initial awards, to be made in 2015, is that vesting of an award will be dependant on achievement of a minimum return on capital employed (ROCE), with the extent to which the award vests being based on earnings per share growth measured against the Retail Prices Index, potentially increased based on the level of ROCE growth.

While the basic structure of the new LTIP is fundamentally the same as the expiring plan, the Remuneration Committee has taken the opportunity to bring it into line with current best practice by:

- (A) including malus and clawback provisions to give the Committee powers to reduce or claim back awards in specified circumstances, including where there are errors in the Company's financial statements or in calculating achievement of performance conditions; and
- (B) giving the Committee a discretion to set a holding period requiring that vested awards are not sold for a specified period. The Committee's current intention is that the holding period will be two years following the three year performance period.

In order to be able to attract the best people to the Company, and taking account of the levels set by other FTSE 100 companies, as set out in the Company's proposed Remuneration Policy, the maximum award is to be the equivalent to 200% of salary. The limit under the existing plan is 125% of salary. The Committee currently intends that the award to the Company's Chief Executive in 2015 will be 175% of salary with the rest of the executive directors receiving an award equal to 125% of salary.

In developing the LTIP, the Remuneration Committee has taken into account views expressed by the Company's shareholders.

A summary of the principal terms of the proposed LTIP is set out in the Appendix to the Notice of Annual General Meeting. A copy of the new LTIP rules will be available for inspection at the registered office of the Company from the date of this Notice until the close of the Annual General Meeting and at Church House Conference Centre, Dean's Yard, Westminster, London SW1P 3NZ for at least 15 minutes before and during the Annual General Meeting.

Notes on the Resolutions

continued

Resolution 21

Resolution 21 will be proposed as a special resolution, which requires at least three-quarters of the votes cast to be in favour. It would give the Board the power to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This power would, as in previous years, be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £7,480,047 (representing 9,739,976 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 30 April 2014, the latest practicable date before publication of this Notice. In respect of this aggregate nominal amount, the Board confirms its intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the earlier of 16 September 2015 and the conclusion of the Annual General Meeting of the Company held in 2015.

The Board has no present intention to exercise the authority sought under this resolution, except, under paragraph (A), if necessary to satisfy the consideration payable for businesses to be acquired. However, if they do exercise the authority, the Board intends to follow ABI recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

Resolution 22

This resolution, which will be proposed as a special resolution, will renew the authority for the Company to purchase up to 10% of its issued ordinary shares (excluding any treasury shares). The maximum and minimum prices to be paid are set out in the resolution. Having the power to buy back shares enables the Board to act without delay. This power will only be used by the Board if it considers such a purchase would be in the best interests of the Company, and of shareholders generally, and could be expected to result in an increase in earnings per share. In reaching such a decision, the Board would take into account the market conditions prevailing at the time, the investment opportunities otherwise open to the Company and the Company's overall financial position. The Board has no present intention of exercising the authority to make market purchases. However, buying back shares may be one of the ways that is suitable for managing the Company's balance sheet and purchases under this authority will be made when the Board considers it to be appropriate.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Company would consider holding any of its own shares that it purchases as treasury shares. This would give the Company the ability to re-issue the treasury shares quickly and cost-effectively, and would provide the Company with additional

flexibility in the management of its capital base. As at the date of this Notice, the Company held 13,335,806 shares as treasury shares, representing 7.35% of the Company's issued ordinary share capital (excluding any treasury shares).

The total number of options over ordinary shares outstanding as at 30 April 2014 was approximately 1.06 million representing approximately 0.59% of the issued ordinary share capital (excluding any treasury shares) of the Company and approximately 0.59% of the issued share capital (excluding any treasury shares but including the B shares and C shares) of the Company as at that date. If the authority to buy back shares given at the 2013 Annual General Meeting and under this resolution were exercised in full, the total number of options over ordinary shares outstanding as at 30 April 2014 would, assuming no further ordinary shares are issued, represent 0.73% of the issued ordinary share capital (excluding any treasury shares) and approximately 0.73% of the issued share capital (excluding any treasury shares but including the B shares and C shares) of the Company as at that date.

Resolution 23

This resolution, which will be proposed as a special resolution will renew an authority granted at last year's Annual General Meeting to allow the Company to call general meetings other than an Annual General Meeting on 14 clear days' notice. Changes made to the Companies Act 2006 by The Companies (Shareholders' Rights) Regulations 2009 (the 'Shareholders' Rights Regulations') increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (Annual General Meetings will continue to be held on at least 21 clear days' notice).

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an Annual General Meeting on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 23 will be proposed. If approved, this resolution will enable the Company to retain maximum flexibility to seek shareholder approval for any future change or transaction that may require such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Shareholders should note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Recommendation

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The directors will be voting in favour of the proposed resolutions in respect of their own personal shares and unanimously recommend that you do so as well.

Summary of the principal terms of the proposed Whitbread 2014 Long Term Incentive Plan

Set out below is a summary of the principal terms of the proposed Whitbread 2014 Long Term Incentive Plan (the 'LTIP'):

1 Administration of the LTIP

The LTIP will be administered by the Remuneration Committee of the Board (the Committee). The Committee comprises of four non-executive directors and the Company's Chairman, none of which are eligible to participate in the LTIP.

2 Eligibility

Participants in the LTIP will be selected by the Committee. Participants will be limited to employees and executive directors of the Company and its subsidiaries (the Group).

3 Awards

Awards may take the form of:

- (i) a conditional award, which is a deferred right to receive ordinary shares in the Company (Shares); or
- (ii) a nil cost award, which is similar to a conditional award but under which the participant has an exercise period during which he can choose when to receive the Shares; or
- (iii) a restricted award, under which the participant will become the owner of the Shares at the time of grant on terms that the Shares will be forfeited if the conditions specified at the time of grant are not met; or
- (iv) a SAR award, which is a right to receive a cash payment linked to the value of a specified number of Shares.

The Committee may decide to grant awards with a holding period following the vesting date under which the Participant is not entitled to dispose of the Shares subject to the Award. The Committee may specify different periods in relation to different Awards or parts of an Award but the aggregate of the performance period applicable to an award and the holding period may not be less than five years.

Awards may be satisfied by the issue of new Shares, the transfer of Shares held in treasury or the purchase of Shares in the market. Awards may be granted either by the Company or by the trustees of an employee benefit trust.

Awards will be personal to the participant and may not be transferred. No payment will be required for the grant of an award.

4 Timing

Awards may be granted in the six weeks following the date on which the LTIP is approved by shareholders. Thereafter, awards may be granted in the six weeks following the announcement of the Company's results for any period, when or shortly after an individual is recruited or promoted and at other times if the Committee considers that exceptional circumstances exist.

5 Individual limit

The value of Shares over which an award may be granted to an individual in a year may not, except in relation to first grant of an award to an eligible employee or in circumstances determined by the Committee to be exceptional, exceed the percentage of the individual's pay which is equivalent to the percentage limit on awards that can be made to that employee under the Company's approved remuneration policy. If no such limit applies to an employee then the maximum percentage is the same as that applying to the executive directors. Under the remuneration policy to be proposed at the Annual General Meeting, the maximum percentage is 200% of salary.

6 LTIP limits

The LTIP will be subject to the following limits:

- (i) on any date, the aggregate nominal amount of Shares that may be allocated under the LTIP may not, when added to the nominal amount of Shares allocated in the previous 10 years under all employee share plans of the Group, exceed 10% of the then equity share capital of the Company; and
- (ii) on any date, the aggregate nominal amount of Shares that may be allocated under the LTIP and any other employee share plan established for the benefit for selected employees of the Group may not, when added to the nominal amount of Shares allocated in the previous ten years under all such plans, exceed 5% of the then equity share capital of the Company.

For these purposes, Shares will be treated as allocated when rights to acquire or obtain them are granted and otherwise when they are issued or transferred. Rights which lapse, by reason of non-exercise or otherwise, cease to count. No account will be taken of (a) Shares which are acquired by purchase in the market (rather than by subscription or from treasury) and (b) Shares which an employee purchases at market value using his own funds.

No further awards may be granted under the LTIP after 17 June 2024.

7 Performance targets

Each award will be subject to one or more performance targets which will determine whether and to what extent the participant will receive Shares and may be subject to additional conditions. Performance targets will be measured over a period of not less than three years. The performance targets will be measured on one occasion only, there will be no re-testing.

The Committee may change a performance target from time to time if events happen as a result of which the Committee considers it fair and reasonable to make the change or to take account of changes in the law or to get or keep favourable tax, exchange control or regulatory treatment for participants or any member of the Group. Any change to an existing performance target, or to any additional conditions set, must not have the effect, in the opinion of the Committee, of making the target or additional conditions materially easier or materially more difficult to achieve than they were when the award was granted.

Summary of the principal terms of the proposed Whitbread 2014 Long Term Incentive Plan

continued

8 Vesting of awards

Awards will normally only vest in accordance with the performance targets following the end of the performance period or, if later, three years after the date of grant.

When an award is granted or released the Committee must decide whether the number of Shares which are released will be increased to reflect the dividends (and, if the Committee so decides, the associated tax credits) paid by the Company during the holding period or whether the participant will be paid an amount (before tax) equal to those dividends (and, if the Committee so decides, the associated tax credits)

In the case of conditional awards, the Shares will be released automatically following the end of the holding period whilst Shares subject to restricted awards will cease to be subject to forfeiture. In the case of options and SAR awards, the award will become exercisable and may be exercised during such period as the Committee may have specified at the time of grant.

9 Malus and clawback

At any time before the vesting date of an Award the Committee may decide that an Award may be reduced on such basis as the Committee considers to be fair, reasonable and proportionate where in the opinion of the Committee there are exceptional circumstances. Such exceptional circumstances include a material mis-statement in the published results of the Group, misconduct on the part of the participant concerned and where, as the result of an appropriate review of accountability, the participant has been deemed to cause in full or in part a material loss for the Group as a result of reckless, negligent or wilful actions or inappropriate values or behaviour.

In addition, the Committee may at any time within two years of the vesting date of an Award decide that the Participant shall be subject to clawback:

- (A) if the Company has to restate its financial statements due to prior period errors which caused the awards to become vested to a greater degree than would have been the case had the error not occurred;
- (B) assessment of the achievement of performance targets was based on an error which resulted in the award becoming vested to a greater degree than would have been the case; or
- (C) the relevant individual ceases to be a director or employee as a result of his summary dismissal because of his misconduct.

The amount subject to clawback may not exceed the additional value which has been received by the relevant individual as a result of the relevant error or where an individual is dismissed due to misconduct, the loss suffered by any member of the Group as a consequence of that misconduct, in each case less any tax and social security contributions paid by the individual that cannot be reclaimed.

10 Termination of employment

If a participant ceases to be employed within the Group for any reason (other than on summary dismissal for gross misconduct) he will be entitled to retain any awards which have vested.

If a participant ceases to be employed within the Group, his unvested awards will lapse unless he leaves for a permitted reason or on his death or the Committee decides that the awards will not lapse. A permitted reason is injury, ill-health, disability, redundancy, the sale of the company or business in which the participant works and such other reason as the Committee may decide.

Where a participant leaves for a permitted reason, the Committee may decide that the Participant may retain his award so that it vests on the normal timetable. In this case the award will be reduced on a time-apportioned basis, normally by reference to the proportion of the performance period during which the participant was in employment. The award will then vest to the extent the performance targets are achieved, measured over the normal performance period, unless the Committee decides to measure the targets over a shorter period.

In the case of death, the award may be released early (subject to time-apportionment and achievement of performance targets over the shortened period).

11 Change of control etc

Special rules apply in the event of a change of control, including a change of control resulting from a restructuring, a scheme of arrangement pursuant to part 26 of the Companies Act 2006 or a takeover or a voluntary winding up of the Company.

Awards will vest to the extent the performance targets are achieved up to the date of the relevant event (or such other convenient date as the Committee may select) and then reducing them on a time-apportioned basis, normally by reference to the proportion of the performance period prior to the date of the relevant event, unless the Committee resolves that there should be no time-apportionment.

In the event of a change of control, participants may be able to surrender their awards in return for substitute awards over shares in the acquiring company or another company. If, immediately following the change of control, not less than 75% of the shareholders of the acquiring company are the same as the shareholders of the Company before the change of control and the participants are offered or granted substitute awards, the Committee may decide that unvested awards will not vest.

12 Listing

The Company will apply for any new Shares issued under the LTIP to be admitted to the Official List and for permission to trade in those Shares. Shares issued under the LTIP will rank equally in all respects with existing ordinary shares except for any rights attaching to the Shares by reference to a record date prior to the date of allotment.

13 Variation of capital

In the event of any variation in the share capital of the Company or in such other circumstances as the Committee considers appropriate, awards (other than any in the form of restricted Shares) may be adjusted in such manner as the Committee considers appropriate.

14 Benefits non-pensionable

Benefits under the LTIP will not form part of a participant's remuneration for pension purposes.

15 Amendments

The Committee may amend the LTIP, or the terms of awards, to take account of changes to any relevant law or to get or keep favourable tax, exchange control or regulatory treatment for participants or for any company in the Group. The Committee may, if appropriate, set up separate sub-plans.

Except as described above or for minor amendments designed to ease the administration of the LTIP or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made, without the prior approval of the Company in general meeting, to those provisions dealing with eligibility to participate in the LTIP, individual or Plan limits, the terms of awards, the adjustment of awards or the power of amendment.

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