



**Mitchells & Butlers plc**

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15 September 2021

Mr Andrew Ninian  
The Investment Association  
Camomile Court  
23 Camomile Street  
London  
EC3A 7LL

Dear Mr Ninian

**Investment Association's Public Register**

The AGM of Mitchells & Butlers took place on 24 March 2021 and there were four resolutions where 20% or more of votes were cast against the relevant resolution. These were:

- Re-election of Eddie Irwin;
- Re-election of Bob Ivell;
- Re-election of Josh Levy; and
- Re-election of Ron Robson.

Eddie Irwin is a shareholder representative of Elpida Group Limited and Josh Levy is a shareholder representative of Piedmont Inc. In this context, it is worth noting that, as announced on 28 May 2021, Ron Robson retired from the Board at the end of July 2021. This reduced the number of shareholder nominated directors.

Both Elpida Group Limited and Piedmont Inc are members of the Odyzean Group which, as at the date of the Company's AGM, held approximately 56.8% of the issued share capital of Mitchells & Butlers plc. Mr Ivell is the chairman of Mitchells & Butlers plc.

We note that some governance agencies have indicated in their reports to their clients that they feel that insufficient progress has been made on governance changes during the period covered by the 2020 Annual Report. This is disappointing as it does not take account of the explanation included in the 2020 Annual Report at page 69 that the Board had come to the carefully considered decision that this was not an appropriate time to make significant changes in the leadership and oversight of the Group by its Board and its Committees. That decision was taken by the Board in the light of the extraordinary circumstances and uncertainties caused by the coronavirus pandemic which, as everyone knows, created unforeseeable and unpredictable but clearly existential threats to the hospitality industry, including Mitchells & Butlers. It is important that the context of the decision not to make changes during FY2020 is not ignored or discounted.



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Turning then to the circumstances which were in place at the time of the publication and posting of the Notice of the Annual General Meeting to shareholders on 1 March 2021, it is also unfortunate that the clear explanation of the position on review of the Board's structure as set out in the Company's prospectus dated 22 February 2021 does not appear to have been recognised.

In commenting, therefore, on the votes cast by shareholders against the re-appointment of Mr Irwin, Mr Levy and Mr Robson, the Company refers to the statement in the prospectus as follows:

***"Risks relating to the Offer and the Shares***

***The Odyzean Group has a significant interest in the Company's Shares, which may increase further as a result of the Open Offer, and it will be in a position to exert substantial influence over the Group and the Odyzean Group's interests may differ from or conflict with those of other Shareholders***

*As announced on 15 February 2021, Piedmont Inc., Elpida Group Limited and Smoothfield Holding Ltd. (the **Consortium**) have been acquired by Odyzean Limited (which is jointly owned by certain investment vehicles that are respectively ultimately beneficially owned by (i) the family interests of Joe Lewis, (ii) the family interests of John Magnier, (iii) the family interests of John Patrick McManus and (iv) the family interests of Derrick Smith) (**Odyzean**) and as such are now wholly owned subsidiaries of Odyzean (collectively the **Odyzean Group**). As a result, the Odyzean Group held approximately 55 per cent. of the Company's issued share capital as at 19 February 2021, being the latest practicable date prior to the publication of this document [ie the prospectus]. Therefore, the Odyzean Group possesses sufficient voting power to have a significant influence over all matters requiring shareholder approval, including the election of directors and the approval of significant corporate transactions, and to delay, defer or prevent a change of control of the Company. The interests of the Odyzean Group may not always be aligned with those of other holders of Shares. The Odyzean Group has indicated that, in order to streamline decision-making, it intends to review the composition of the Board, which may result in fewer independent Non-Executive Directors and less focus on compliance with the UK Corporate Governance Code recommendations in the future. In particular, the Odyzean Group has indicated that it will disregard specific corporate governance expectations around tenure and that it expects the Board to focus on retaining and acquiring skillsets amongst the independent Non-Executive Directors that are required to optimise the development of the business going forward. The Odyzean Group has also indicated that the time and cost devoted by the senior management team to public company matters should be reduced."*

In considering the governance arrangements of Mitchells & Butlers plc going forward, shareholders should, therefore, have due regard to these statements.

It should, therefore, not be unexpected that the holders of a substantial majority stake in the business wish to have significant representation on the Board.

However, it should be noted that that Mr Irwin has decided to step down from membership of the Audit Committee and the Remuneration Committee with immediate effect. This will be confirmed in the 2021 Annual Report.

As regards the votes cast against the re-appointment of Mr Ivell, it is the Company's understanding that the rationale for this relates to the composition of the Board, the diversity of the Board and the length of tenure of some Board members, including Mr Ivell, on the Board.

As regards Board composition and diversity, please see the explanations set out above as to why progress was not made during FY2020.

In relation to Board tenure, please see both the “comply or explain” explanation set out on page 63 of the 2020 Annual Report and the clear statement on this issue referred to above as extracted from the prospectus dated 22 February 2021.

We acknowledge and accept that this letter should appear on the Investment Association’s Public Register.

Your sincerely

A handwritten signature in blue ink that reads "Gregory J. McMahon". The signature is written in a cursive style and is positioned above a short horizontal line.

**Greg McMahon**  
**Company Secretary and General Counsel**