

Mr J M Levy

13 November 2015

Dear Josh

**APPOINTMENT AS NON-EXECUTIVE DIRECTOR OF
MITCHELLS & BUTLERS plc**

I write to set out the terms of your appointment as a non-executive director of Mitchells & Butlers plc (the Company). A description of the role of a non-executive director is attached.

As you know, your appointment (including the terms of appointment) as a non-executive director of the Company is subject to the provisions of, and duties set out in, the Companies Act 2006 (Companies Act) and the Company's Articles of Association from time to time in force. Nothing in this letter shall be taken to exclude or vary the terms of the Articles of Association as they apply to you as a director of the Company.

Your appointment will commence on 13 November 2015. In connection with the foregoing, reference is made to the Appointment Deed dated 15 July 2009 between the Company and Piedmont Inc. (the Shareholder) (the Appointment Deed). Your appointment is on and subject to the terms of the Appointment Deed and the terms and conditions set out below. By signing the enclosed counterpart of this letter you will confirm your agreement with the Company to all the terms of this letter.

As to the length of appointment, this is subject to re-election at the next Annual General Meeting (AGM) and subsequently, to re-election at each AGM in accordance with the Company's Articles of Association. Without prejudice to the Appointment Deed, the Nomination Committee will review with you your position prior to the notice of each AGM being sent to shareholders, at which point the Nomination Committee will decide whether to recommend to the Board that you be proposed for re-election.

In addition, you agree that your appointment will terminate with immediate effect in circumstances where:-

- (a) the Shareholder's Aggregate Position (as defined in the Appointment Deed) is less than either the Higher Threshold or the Lower Threshold (each as defined in the Appointment Deed) as the case may be; or
- (b) the Shareholder notifies the Company pursuant to clause 2.1(d) of the Appointment Deed that it wishes to remove or replace you.

Subject to the foregoing, your appointment will be terminable by one month's notice in writing given by either party. Otherwise, your appointment will terminate with immediate effect:

- (a) if you are or are appointed as a director or officer of a company, business, business operation or other entity or enterprise which carries on a managed pub/pub-restaurant business, budget hotel/lodge business or ten-pin bowling business in the United Kingdom and which competes directly with the managed pub/ pub-restaurant business, budget hotel/lodge business or ten-pin bowling business carried on by the Company in the United Kingdom;
- (b) if you have engaged in, caused or authorised any conduct which has or may impair, damage, devalue or otherwise be detrimental to the reputation or goodwill associated with the Company, any Group Company¹, any director of the Company or the Group or any related intellectual property or bring the Company or any member of the Group or any director of the Company or the Group into disrepute or to prejudice its status as a listed company or its suitability for listing. For the avoidance of doubt, your appointment as a director or officer of another company shall not in itself give rise to a right of termination under this subparagraph;
- (c) in the event that you are disqualified from acting as a director for any reason;
- (d) where you are removed as an office holder in accordance with the Companies Acts or in accordance with the Company's Articles of Association;
- (e) following notice in writing by the Company in the event of you committing a material breach of your obligations under this letter;
- (f) when a bid becomes wholly unconditional in the event that the Company is taken over and you are required to resign as a director at that point, if asked to do so by the Board; or
- (g) if the Shareholder is obliged to procure your resignation as a director pursuant to clause 2 of the Appointment Deed and you have not resigned as soon as reasonably practicable.

Upon any termination or resignation (or request to resign) referred to in this letter you shall forthwith resign your directorship and any other position or office of the Company and you hereby appoint the Company as your attorney for the purpose of completing any resignation required to give effect to this paragraph or any other documents required to be signed under this letter by you on termination of your directorship. You will not be entitled to any compensation in the event of termination pursuant to any of the above but shall be entitled to be paid all fees and expenses then accrued and not previously paid on such termination.

When you cease to be a non-executive director you will destroy or deliver up to the Company all documents, information and other property belonging to the Company and will not retain copies except as permitted by clause 4 of the Appointment Deed.

You will be required to attend meetings of the Board from time to time during the year and the AGM. The Board is at present scheduled to meet formally up to 10 times a year (including strategy away days). You may also be required to attend meetings of the Nomination Committee. From time to time ad hoc meetings/dinners are held with non-executive directors, usually following on from meetings.

You will be provided with papers for each Board meeting about 5 days prior to the meeting. You will be entitled to request from any Group Company any information you reasonably require to perform your duties as a director of the Company.

Non-executive directors may be asked to take on a variety of tasks and duties, for example, reviews of Board effectiveness and service on ad hoc committees from time to time, if the Board believes that the nature of the business makes the non-executive viewpoint important.

¹ For the purposes of this letter Group Company means the Company, and any subsidiaries and associated companies for the time being of the Company. (Subsidiary has the same meaning as in section 1159 of the Companies Act 2006 and associated company is a company having an ordinary share capital (as defined in section 832 of the Income and Corporation Taxes Act 1988) of which not less than 10 per cent is owned directly or indirectly by the Company applying the provisions of section 838 of the Income and Corporation Taxes Act 1988 in the determination of ownership; and/or a holding company (as defined in section 1159 of the Companies Act 2006) of the Company; and/or a subsidiary (as defined in section 1159 of the Companies Act 1985) of any such holding company other than the Company; and/or any other company on behalf of which you carry out duties at the request of the Company; and/or any other company to which any company in the Group renders managerial or administrative services in the ordinary course of its business).

For the avoidance of doubt, this letter of appointment does not constitute a contract of or for service and no compensation shall be payable for loss of office.

Early termination for any of the other reasons outlined in this letter will not give rise to any right to compensation.

The current basic fee for your services as a non-executive director will be £52,000 per year. Fees will be paid four weekly (less any deductions for tax and national insurance) and will be reviewed periodically. Please can you provide details of a UK account into which these should be paid, if you do not have a UK account then you will be paid by cheque. Payment of fees will cease immediately if your appointment ends for any reason.

The Company will reimburse you in accordance with its Articles of Association and with the Company's policy on such in force from time to time for any reasonable travelling expenses properly incurred for attendance at board meetings upon presentation of relevant vouchers or receipts. You should not incur any other expense for which you expect to be reimbursed without clearing the matter with the Chairman, Company Secretary or other officer designated from time to time for this purpose of the Company before it is incurred. An expenses form will be emailed to your office for future use.

It is agreed that you will not be an employee of the Company or any other Group Companies and that this letter shall not constitute a contract of employment.

You will, naturally, during your appointment and following its termination not disclose or communicate to any person (except in accordance with the Appointment Deed) or use for your own account or advantage any confidential information relating to the Company or any Group Company which you obtain during your appointment or otherwise.

Careful observance of the law relating to Insider Dealings and of the UK Listing Authority Model Code for Securities is expected. All directors should inform the Chairman or, in his absence the Chief Executive, of any proposed dealings in the Company's securities and to receive an acknowledgement before dealing. The Company Secretary may be consulted on these matters or used as a channel of communication. A copy of the Code of Practice in Dealings in Listed Securities will be provided to you. You will also be provided with a copy of the Memorandum of the Duties and Responsibilities of Directors in general and of Listed Companies in particular.

Occasions may arise when you may have to seek legal or financial advice in the furtherance of your duties. You are always free to consult the Company's advisers. If you consider it necessary to take independent advice in the interests of the Company and in the furtherance of your duties as director, then you shall have authority to do so at the Company's reasonable expense, provided you submit in writing to the Company Secretary as soon as practicable after such advice is taken, a summary of the reasons together with a note of the costs.

Your appointment is pursuant to the right of the Shareholder to appoint a director of the Board. Therefore, you are considered to be a non-independent non-executive Director within the meaning of the UK Corporate Governance Code.

Under the terms of the Appointment Deed, the Shareholder may nominate one Director to sit on the Nomination Committee and one Director to sit on the Remuneration Committee. Presently Ron Robson has been nominated by the Shareholder to sit on both such Committees. However, you may be invited to attend meetings of such Committees if the chair of the relevant Committee so wishes.

You must declare your interests in shares and in the transactions of the Company as required by law and by the Articles of Association, and refrain from voting as a director when required to do so by the Articles of Association and the Company's Conflict Procedures Manual, a copy of which will be provided to you.

Termination of your Appointment for any reason shall be without prejudice to the right of the Shareholder to appoint you or another director to the Board pursuant to the Appointment Deed, save that the Shareholder shall not be entitled to re-appoint you to the Board in circumstances where your appointment was terminated pursuant to any of the circumstances listed in subparagraphs (a) to (f) on page 2 of this letter.

The Company acknowledges that you may have business interests other than this appointment and you confirm that you have declared any conflicts of interest that are apparent at present. In the event that you become aware of any conflicts or potential conflicts of interest with your role as a non-executive Director that may arise, you must disclose these to the Board as soon as they become apparent.

It is agreed that this letter supersedes any previous written or oral agreements with you concerning the matters dealt with in this letter, and that this letter and the Appointment Deed contains the whole agreement between you and the Company relating to its subject matter at today's date except for terms implied by law. By agreeing to the terms of this letter you acknowledge that you have not been induced to agree to the terms of this letter by any representation warranty or undertaking not set out in it.

I hope these terms are acceptable to you. If so, I would be grateful if you would sign and date the attached copy of this letter confirming your acceptance. Please then return it to me as soon as possible.

Yours sincerely



Greg McMahon
Company Secretary & General Counsel

I accept the terms set out in the above letter dated 13 November 2015



MITCHELLS & BUTLERS plc

THE ROLE OF THE NON-EXECUTIVE DIRECTOR

As members of the unitary board, all directors are required to:

- Provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- Set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives, and review management performance; and
- Set the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

In addition to these requirements for all directors, the role of the non-executive director has the following key elements:

- **Strategy.** Non-executive directors should constructively challenge and help develop proposals on strategy.
- **Performance.** Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- **Risk.** Non-executive directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- **People.** Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors, and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

Non-executive directors should constantly seek to establish and maintain confidence in the conduct of the company. They should be independent in judgement and have an enquiring mind. To be effective, non-executive directors need to build a recognition by executives of their contribution in order to promote openness and trust.

To be effective, non-executive directors need to be well-informed about the company and the external environment in which it operates, with a strong command of issues relevant to the business. A non-executive director should insist on a comprehensive, formal and tailored induction. An effective induction need not be restricted to the boardroom, so consideration should be given to visiting sites and meeting senior and middle management. Once in post, an effective non-executive director should seek continually to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

Best practice dictates that an effective non-executive director will ensure that information is provided sufficiently in advance of meetings to enable thorough consideration of the issues facing the board. The non-executive should insist that information is sufficient, accurate, clear and timely.

An element of the role of the non-executive director is to understand the views of major investors both directly and through the chairman and the senior independent director.

The effective non-executive director:

- Upholds the highest ethical standards of integrity and probity;

- Supports executives in their leadership of the business while monitoring their conduct;
- Questions intelligently, debates constructively, challenges rigorously and decides dispassionately;
- Listens sensitively to the views of others, inside and outside the board;
- Gains the trust and respect of other board members; and
- Promotes the highest standards of corporate governance and seeks compliance with the provisions of the UK Corporate Governance Code wherever possible.

November 2015