

9 June 2011

**Dear Shareholder,**

**Annual General Meeting of MITIE Group PLC ("MITIE")**

We are pleased to notify you that our seventy-fifth annual general meeting (the "AGM") will be held at UBS Investment Bank, 1 Finsbury Avenue, London, EC2M 2PP on 13 July 2011 at 2.30pm. The formal Notice of AGM (the "Notice") and the details of resolutions on which you can vote are set out in this booklet.

We appreciate that you may not be able to attend the AGM but you can still register your vote by completing the enclosed Proxy Form and returning it in accordance with the instructions to MITIE's Registrars, Capita, as soon as possible but in any event so as to be received by Capita not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. You may, if you wish, appoint your proxy electronically via the shareholder portal ([www.mitie-shares.com](http://www.mitie-shares.com)). To do this you will need your Investor Code ("IVC") which you will find on your Proxy Form.


In line with the requirements under the provisions of the UK Corporate Governance Code, all of MITIE's directors will be submitting themselves for re-election. The UK Corporate Governance Code states that all directors of FTSE 350 companies should be subject to annual election by shareholders. This is considered to be best practice and further details relating to the directors can be found within the explanatory notes to the AGM Resolutions.

Your Board of Directors (the "Directors") remain committed to fostering and developing a culture of employee involvement in the business through equity participation whereby employees are encouraged to build a stake in MITIE through MITIE's various equity-based incentive schemes. The Directors believe that the culture of MITIE and its subsidiary undertakings (the "Group") of employee equity involvement is a significant driver in the Group's growth performance and assists in attracting and retaining skilled and committed employees. During the year the Group has continued to operate both its Executive Share Option Scheme and SAYE Scheme for which the respective ten year approval will expire in September of this year. Following a review by the Remuneration Committee of MITIE's share plans, MITIE seeks your continued support for the adoption of new Executive Share Option and SAYE Schemes, and additionally, seeks your support for the introduction of a new HMRC approved all employee Share Incentive Plan.

The Directors believe that the proposals described in this document are in the best interests of MITIE and its shareholders as a whole and unanimously recommend that you vote in favour of all the resolutions. The Directors intend to do so in respect of their own beneficial holdings.

Both the Annual Report and Accounts for the year ended 31 March 2011 and our Sustainability Report have been published and are available on our website, [www.mitie.com](http://www.mitie.com). These detail our financial, operational and corporate responsibility achievements in the last financial year and the Directors' plans for the future direction of MITIE. I hope that you find them informative and interesting.

Yours sincerely,



Roger Matthews  
**Chairman**

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

If you are in any doubt about what action to take, you are advised to seek your own advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your ordinary shares in MITIE Group PLC, please pass this document and the accompanying Proxy Form as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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### **NOTICE OF SEVENTY-FIFTH ANNUAL GENERAL MEETING OF MITIE GROUP PLC**

Notice is hereby given that the seventy-fifth annual general meeting ("AGM") of MITIE Group PLC ("MITIE") will be held at UBS Investment Bank, 1 Finsbury Avenue, London, EC2M 2PP on 13 July 2011 at 2.30pm to transact the following business: Resolutions 1-14 (inclusive) and Resolutions 17-19 will be proposed as ordinary resolutions and Resolutions 15, 16, 20 and 21 will be proposed as special resolutions.

#### **Ordinary Business**

##### **Resolution 1**

To receive the Annual Report and Accounts for the year ended 31 March 2011 and the Reports of the Directors and Auditors thereon.

##### **Resolution 2**

To approve the Directors' Remuneration Report for the year ended 31 March 2011 contained in the Annual Report and Accounts.

##### **Resolution 3**

To declare a final dividend for the year ended 31 March 2011 of 4.9p per ordinary share.

##### **Resolution 4**

To re-elect Roger John Matthews as a director.

##### **Resolution 5**

To re-elect Ian Reginald Stewart as a director.

##### **Resolution 6**

To re-elect Ruby McGregor-Smith as a director.

##### **Resolution 7**

To re-elect Suzanne Claire Baxter as a director.

##### **Resolution 8**

To re-elect William Robson as a director.

##### **Resolution 9**

To re-elect Larry Hirst CBE as a director.

##### **Resolution 10**

To re-elect David Stannard Jenkins as a director.

##### **Resolution 11**

To re-elect Terence Keith Morgan CBE as a director.

##### **Resolution 12**

To re-elect Graeme John Potts as a director.

### **Resolution 13**

To re-appoint Deloitte LLP as auditors of MITIE until the conclusion of the next general meeting before which accounts are laid, and authorise the Directors to determine their remuneration.

## **Special Business**

### **Resolution 14**

That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of MITIE to allot (subject to the restrictions set out below) shares in MITIE, and grant rights to subscribe for or to convert any security into shares in MITIE (such shares, and rights to subscribe for or to convert any security into shares of MITIE being "relevant securities") up to an aggregate nominal amount of £3,401,672.18, provided that, unless previously revoked, varied or extended, this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next AGM of MITIE, except that MITIE may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

### **Resolution 15**

That, subject to the passing of resolution 14, the Directors be and they are generally empowered, pursuant to Section 570(1) of the Act, to allot equity securities (as defined in Section 560(1) of the Act) of MITIE wholly for cash pursuant to the authority of the Directors under Section 551 of the Act conferred by resolution 14 above, and/or by way of a sale of treasury shares (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment, provided that the power conferred by this resolution shall be limited:

- a) to the allotment of equity securities in connection with an offer of equity securities to the holders of ordinary shares in proportion as nearly as practicable to their respective holdings of such shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or any legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or any stock exchange or any other matter whatsoever; and
- b) otherwise than pursuant to the sub-paragraph (a) above, to the allotment of equity securities to any person or persons up to an aggregate nominal value equal to £447,234,

and unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next AGM of MITIE, except that MITIE may before the expiry of this power 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 such an offer or agreement as if the power conferred hereby had not expired.

### **Resolution 16**

That, MITIE be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 2.5p each ("Ordinary Shares"), on such terms and in such manner as the Directors may from time to time determine, provided that:

- a) the maximum number of Ordinary Shares that may be purchased is 35,778,731 representing approximately 10% of the issued ordinary share capital of MITIE as at 31 March 2011;
- b) the minimum price (exclusive of expenses) that may be paid for an Ordinary Share is 2.5p;
- c) the maximum price (exclusive of expenses) that may be paid for an Ordinary Share is the higher of (i) 105% of the average middle market value of an Ordinary Share (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the day on which the Ordinary Share is purchased; and (ii) the value of an Ordinary Share calculated on the basis of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of Ordinary Shares on the trading venue where the purchase is carried out; and
- d) this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next AGM of MITIE, except in relation to purchases of Ordinary Shares, the contract for which was concluded before the expiry of this authority and which might be completed or executed wholly or partly after such expiry.

### **Resolution 17**

That the rules of the MITIE Group PLC Executive Share Option Scheme (the "Scheme"), a draft of which is produced to this meeting and signed by the chairman of the meeting for the purposes of identification, (the principal features of which are summarised in the Explanatory Notes to this Notice), be approved and adopted (subject to such modification, if any, as may be necessary to obtain the approval of HM Revenue and Customs within the terms of the Income Tax (Earnings and Pensions) Act 2003)) and the Directors of MITIE be authorised:

- (a) to do all things necessary or expedient to carry the Scheme into effect; and

- (b) to adopt equivalent plans for the employees of MITIE and its subsidiaries located in overseas jurisdictions, subject to such modifications to take into account local tax, exchange control or securities laws in such jurisdictions as the Directors consider appropriate, provided that the shares made available under such equivalent plans are treated as counting towards the limits on participation in the Scheme.

#### **Resolution 18**

That the rules of the MITIE Group PLC Savings Related Share Option Scheme (the "SAYE Scheme"), a draft of which is produced to this meeting and signed by the chairman of the meeting for the purposes of identification, (the principal features of which are summarised in the Explanatory Notes to this Notice), be approved and adopted (subject to such modification, if any, as may be necessary to obtain the approval of HM Revenue and Customs within the terms of the Income Tax (Earnings and Pensions) Act 2003)), and the Directors of MITIE be authorised:

- (a) to do all things necessary or expedient to carry the SAYE Scheme into effect; and
- (b) to adopt equivalent plans for the employees of MITIE and its subsidiaries located in overseas jurisdictions, subject to such modifications to take into account local tax, exchange control or securities laws in such jurisdictions as the Directors consider appropriate, provided that the shares made available under such equivalent plans are treated as counting towards the limits on participation in the SAYE Scheme.

#### **Resolution 19**

That the trust deed and rules of the MITIE Group PLC Share Incentive Plan (the "SIP"), a draft of which is produced to this meeting and signed by the chairman of the meeting for the purposes of identification, (the principal features of which are summarised in the Explanatory Notes to this Notice), be approved and adopted (subject to such modification, if any, as may be necessary to obtain the approval of HM Revenue and Customs within the terms of the Income Tax (Earnings and Pensions) Act 2003)), and the Directors of MITIE be authorised:

- (a) to do all things necessary or expedient to carry the SIP into effect; and
- (b) to adopt equivalent plans for the employees of MITIE and its subsidiaries located in overseas jurisdictions, subject to such modifications to take into account local tax, exchange control or securities laws in such jurisdictions as the Directors consider appropriate, provided that the shares made available under such equivalent plans are treated as counting towards the limits on participation in the SIP.

#### **Resolution 20**

That the articles of association produced to the meeting and initialled for the purposes of identification by the chairman of the meeting be and are adopted by MITIE in substitution for, and to the exclusion of, its existing articles of association.

#### **Resolution 21**

That a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.

#### **By order of the Board:**

**Marie-Claire Haines**  
**Group Company Secretary**  
9 June 2011

Registered Office: 35 Duchess Road, Rutherglen, Glasgow, G73 1AU  
Registered number: SC 19230

## MEETING NOTES

1. Only holders of ordinary shares are entitled to attend and vote at the meeting. Any member entitled to attend may appoint a proxy to attend, speak and vote at the meeting instead of him/her. A proxy need not be a member of MITIE. A member may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A Proxy Form is enclosed with this Notice and instructions for completion are shown on the form. To be effective, Proxy Forms duly completed must be received by MITIE's Registrars, Capita, not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Alternatively, you may, if you wish, appoint your proxy electronically via the shareholder portal ([www.mitie-shares.com](http://www.mitie-shares.com)). To do this you will need your Investor Code ("IVC") which you will find on your Proxy Form. Appointing a proxy does not preclude a member from attending the meeting and voting in person.
2. If you are a person who has been nominated by a shareholder to enjoy information rights in accordance with Section 146 of the Act, you do not have the right to appoint a proxy but you may have a right under an agreement between you and the shareholder by whom you were nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.
3. A member of MITIE who wishes to attend the meeting in person should arrive at UBS Investment Bank, 1 Finsbury Avenue, London, EC2M 2PP, in good time before the meeting, which will commence at 2.30pm. In order to gain admittance to the meeting, members may be required to produce their attendance card, which is attached to the form of proxy enclosed with this document, or otherwise prove their identity.
4. MITIE, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of MITIE at 6.00pm on 11 July 2011 (or if the meeting is adjourned, two working days before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting or any adjourned meeting by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time for receipt of proxy appointments specified above. 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. CREST members and, where applicable, their CREST sponsor or voting service providers should note that the CRESTCo does not make available special procedures in CREST for 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 a voting service provider, to procure that his CREST sponsor or voting service provider takes) 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. MITIE 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.
6. Members attending the meeting have the right to ask and, subject to the provisions of the Act, MITIE must cause to be answered, any questions relating to the business being dealt with at the meeting.
7. As at 27 May 2011 (being the latest practicable date prior to the publication of this notice of annual general meeting) MITIE's issued share capital consists of 357,564,000 ordinary shares carrying one vote each. Therefore the total voting rights in MITIE as at 27 May 2011 are 357,564,000.
8. The following information is available at [www.mitie.com](http://www.mitie.com) (i) the matters set out in this Notice; (ii) the total numbers of shares in MITIE in respect of which members are entitled to exercise voting rights at the meeting; (iii) the totals of the voting rights that members are entitled to exercise at the meeting; and (iv) if applicable, members' statements, members' resolutions and members' matters of business received by MITIE after the date on which notice of the meeting was given.

9. Under Section 527 of the Act members meeting the threshold requirements set out in that section have the right to require MITIE to publish on a website a statement setting out any matter relating to: (i) the audit of MITIE'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 circumstance connected with an auditor of MITIE ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act, that the members propose to raise at the meeting. MITIE 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 MITIE is required to place a statement on a website under Section 527 of the Act, it must forward the statement to MITIE'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 MITIE has been required under Section 527 of the Act to publish on a website.
10. Copies of the Executive Directors' service contracts with MITIE and any of its subsidiary undertakings and letters of appointment of the Non-Executive Directors are available for inspection at the registered office and London office of MITIE (Ground Floor East, The Cottons Centre, Cottons Lane, 47/49 Tooley Street, London, SE1 2QG) during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available for inspection at the place of the meeting from 2.00pm on the day of the meeting until its conclusion.
11. A copy of the draft rules of the Scheme, SAYE Scheme and SIP are available for inspection at the registered office and London office of MITIE (Ground Floor East, The Cottons Centre, Cottons Lane, 47/49 Tooley Street, London, SE1 2QG) during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available for inspection at the place of the meeting from 2.00pm on the day of the meeting until its conclusion.
12. You may not use any electronic address provided in this Notice to communicate with MITIE for any purposes other than those expressly stated.

## EXPLANATORY NOTES TO AGM RESOLUTIONS

### Approval of resolutions

Resolutions passed as 'ordinary resolutions' require more than 50% of votes cast to be in favour of the resolution. Resolutions passed as 'special resolutions' require 75% or more of votes cast to be in favour of the resolution.

### Report and Accounts (resolution 1)

The Directors of MITIE must present the Annual Report and Accounts for the year ended 31 March 2011 to the meeting.

### Directors' remuneration report (resolution 2)

In line with legislation, this vote will be advisory and in respect of the overall remuneration package and not specific to individual levels of remuneration. You can find this report on pages 61 to 69 of the Annual Report and Accounts.

### Declaration of a dividend (resolution 3)

A final dividend can only be paid following approval by shareholders at a general meeting. A final dividend of 4.9p per ordinary share is recommended by the Directors for payment to shareholders who are on the register at close of business on 24 June 2011. If approved, the date of payment of the final dividend will be 12 August 2011. An interim dividend of 4.1p per ordinary share was paid on 3 February 2011.

### Annual Re-election of Directors (resolutions 4 to 12)

The UK Corporate Governance Code recommends that all Directors of FTSE 350 companies seek re-election by shareholders on an annual basis. The Board has decided to adopt this provision and all Directors currently in office will therefore seek re-election at the AGM. Separate resolutions will be proposed for each of these re-elections. The corporate governance report provides further detail on the review of board composition and performance conducted by the Board. As part of this evaluation the Board has considered the performance of each Director seeking re-election. The Chairman has concluded that, with the exception of Ian Stewart, each Non-Executive Director is independent in character and judgement and confirms that each makes an effective and valuable contribution to the Board and demonstrates clear commitment to the role. Details of the Directors are set out below:

**Roger John Matthews (Non-Executive Chairman):** Roger was appointed as a Non-Executive Director of MITIE Group PLC in December 2006 and was later appointed as Non-Executive Chairman in July 2008. Roger previously held the roles of Group Finance Director of J Sainsbury PLC and Group Managing Director and Group Finance Director of Compass Group PLC. Roger is Non-Executive Chairman of LSL Property Services PLC, a Non-Executive Director of Zetar PLC and Trustee of Cancer Research UK.

**Ian Reginald Stewart (Non-Executive Deputy Chairman):** Ian was appointed as Chief Executive of MITIE Group PLC in 2001 and was appointed as Non-Executive Deputy Chairman in March 2007. Ian was a founding member of MITIE. He is a Non-Executive Director of Generation (UK) Limited, suppliers of scaffolding, access and safety systems.

**Ruby McGregor-Smith (Chief Executive):** Ruby was appointed as Group Finance Director of MITIE Group PLC in December 2002, later appointed as Chief Operating Officer in September 2005 and subsequently as Chief Executive in March 2007. Prior to joining MITIE, Ruby held a range of senior roles within the support services sector, primarily at Serco Group plc. In addition, she is a Non-Executive Director of Michael Page International plc. During the year, Ruby was appointed to the board of trustee directors for the Business in the Community (BitC) organisation and continues to act as Chair of Race for Opportunity, a part of the BitC organisation with a focus on diversity in the workplace.

**Suzanne Claire Baxter (Group Finance Director):** Suzanne was appointed as Group Finance Director of MITIE Group PLC in April 2006. Suzanne is a Chartered Accountant. Prior to joining MITIE, she specialised in mergers and acquisitions related transaction support and also held a number of commercial and operational roles with Serco Group plc. Suzanne holds a seat on the Opportunity Now Advisory Board, a part of the BitC organisation with a focus on gender diversity in the workplace, and is also a member of the Finance and Risk Committee of BitC.

**William Robson (Executive Director):** Bill joined MITIE Group PLC in January 1992 following the acquisition of Trident Maintenance Services Limited. He was appointed as an Executive Director in August 2001 and now holds the position of Managing Director of the Group's Property Management division.

**Larry Hirst CBE (Non-Executive Director):** Larry joined MITIE as a Non-Executive Director of MITIE Group PLC on 1 February 2010. He held the position of Chairman of IBM Europe, Middle East and Africa until July 2010 and held a number of senior positions during his 32 year career with IBM including General Manager, IBM Northern Region and Chief Executive IBM UK & Ireland. Larry was previously appointed as Chairman of e-skills Sector Skills Council. Larry was appointed as a Non-Executive Director of ARM Holdings plc in January 2011 and is a Non-Executive Chairman of UK Trade and Industry Technology Board, a Commissioner of the UK Commission for Employment and Skills and a UK Business Ambassador.

**David Stannard Jenkins (Senior Independent Director):** David was appointed as a Non-Executive Director of MITIE Group PLC in March 2006. David was previously a senior Partner with Deloitte LLP in London having spent over 20 years in Assurance and Advisory Services. David is Chairman of Development Securities PLC and a Non-Executive Director of Renewable Energy Systems Holdings Limited. He is a Governor of Downe House School.

**Terence Keith Morgan CBE (Non-Executive Director):** Terry was appointed as a Non-Executive Director of MITIE Group PLC in July 2009. He is Chairman of the Remuneration Committee and is a member of the Audit and Nomination Committees. He is currently Chairman of Crossrail and holds positions at M J Gleeson Group PLC, Invest in Thames Gateway London Limited, MTC Limited and the National Skills Academy for Railway Engineering. Terry was previously Chief Executive of Tube Lines Limited and has also held positions with BAE Systems, Rover Group PLC and Lucas Girling Limited.

**Graeme John Potts (Non-Executive Director):** Graeme was appointed as a Non-Executive Director in July 2006. Graeme previously held appointments with Inchcape PLC, RAC Motoring Services and Reg Vardy plc. He is a Non-Executive Director of

BEN, the Motor & Allied Trades Benevolent Fund and is Non-Executive Chairman of Bikers Legal Defence Limited. Graeme is Managing Director of Eden (GM) Limited, a motor retail group.

#### **Re-appointment and remuneration of Auditors (resolution 13)**

Resolution 13 proposes the reappointment of Deloitte LLP as auditors of MITIE until the next annual general meeting and authorises the Directors to set their remuneration.

#### **Directors' authority to allot shares (resolution 14)**

The Directors may only allot shares or grant rights over shares if authorised to do so by the shareholders. This authority is renewed at every AGM and accordingly this resolution authorises the Directors to allot additional shares or grant rights over shares until the earlier of 15 months after passing the resolution and the next AGM. There are no current plans to exercise this authority other than in connection with employee share incentive schemes and acquisitions of minority held interests in MITIE subsidiary companies. However, the Directors believe that they should continue to have this authority to enable such allotments to take place to finance business opportunities as they arise. This resolution is in line with standard practice and guidelines. MITIE does not currently hold any treasury shares. The power will be limited to one third of the issued share capital plus 16,804,451 shares representing MITIE's outstanding commitment as at 31 March 2011 in respect of options granted under MITIE's SAYE and Executive Share Option Schemes (such total equating to 38.0% of the issued share capital of MITIE as at 31 March 2011, or 42.3% of the issued share capital if the maximum number of ordinary shares were purchased under the authority proposed in resolution 16).

#### **Dis-application of pre-emption rights (resolution 15)**

If the Directors wish to allot shares (and other equity securities) for cash, under Section 561(1) of the Act, the Directors are required to first offer such shares to existing shareholders in proportion to their existing holdings – i.e. on a pre-emptive basis. There may be occasions, however, when the Directors will need the flexibility to issue shares without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights. Resolution 15 therefore authorises the Directors to allot securities for cash without complying with the pre-emption rights in the Act up to a maximum 17,889,365 ordinary shares which equates to 5% of MITIE's issued share capital as at 31 March 2011. This authority will expire upon the expiry of the general authority conferred in resolution 14 (that is, at the earlier of 15 months after the passing of the resolution and the next AGM). This resolution is in line with standard practice and guidelines.

#### **Authority to purchase own shares (resolution 16)**

The Act permits a company to purchase its own shares provided that the purchase has been authorised by shareholders in a general meeting. In certain circumstances, it may be advantageous for MITIE to purchase its own shares and this resolution seeks the authority from shareholders to continue to do so. The Directors will continue to exercise this power only when, in light of market conditions prevailing at the time, they believe that the effect of such purchases is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of MITIE will be taken into account when exercising this authority. Any purchases of shares would be by means of market purchases through the London Stock Exchange. As an alternative to cancellation, MITIE may hold in treasury any of its own shares that it purchases pursuant to the Act and the authority conferred by this resolution. This gives MITIE the ability to re-issue treasury shares quickly and cost-effectively and provides MITIE with greater flexibility in the management of its capital base. It also gives MITIE the opportunity to satisfy employee share option scheme awards with treasury shares. Once held in treasury, MITIE is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the shares. Further, no dividend or other distribution of MITIE's assets may be made to MITIE in respect of the treasury shares. This resolution is proposed as a special resolution and specifies the maximum number of ordinary shares that may be acquired (equating to 10% of MITIE's issued share capital as at 31 March 2011) and the maximum and minimum prices at which they may be bought.

#### **Adoption of new Executive Share Option Scheme (resolution 17)**

MITIE's current Executive Share Option Scheme was adopted by shareholders in 2001 and is due to expire in September of this year. Accordingly, to continue to be able to make future awards under an option scheme, MITIE wishes to propose resolution 17 that the MITIE Group PLC Executive Share Option Scheme ("Scheme") be adopted. The resolution also asks shareholders to authorise such amendments to the draft Scheme rules as may be necessary to obtain formal approval of the Scheme from HM Revenue and Customs. A more detailed summary of the principal features of the Scheme is set out in the Appendix to this Notice.

#### **Adoption of new HM Revenue and Customs SAYE Scheme (resolution 18)**

MITIE's current SAYE Scheme was adopted by shareholders in 2001 and is due to expire in September of this year. Accordingly, to continue to be able to make future awards under a savings related share option scheme, MITIE wishes to propose resolution 18 that the MITIE Group PLC Savings Related Share Option Scheme ("SAYE Scheme") be adopted. The resolution also asks shareholders to authorise such amendments to the draft SAYE Scheme rules as may be necessary to obtain formal approval of the SAYE Scheme from HM Revenue and Customs. A more detailed summary of the principal features of the SAYE Scheme is set out in the Appendix to this Notice.

#### **Adoption of a new HM Revenue and Customs Share Incentive Plan (resolution 19)**

Resolution 19 seeks to introduce a new all employee share plan and proposes that the MITIE Group PLC Share Incentive Plan (the "SIP") be adopted. The resolution also asks shareholders to authorise such amendments to the draft SIP trust deed and rules as may be necessary to obtain formal approval of the SIP from HM Revenue and Customs. A more detailed summary of the principal features of the SIP is set out in the Appendix to this Notice.

Both resolutions 18 and 19 concern all employee share plans and such plans will be offered to all eligible employees.



## **Adoption of new articles of association (“New Articles”) (resolution 20)**

Resolution 20, which will be proposed as a special resolution, relates to the adoption of revised articles of association to bring them further into line with the Act and best practice, and which include some minor technical and clarifying changes. The principal changes are set out below:

- i. Articles which duplicate statutory provisions**  
Certain provisions in the Existing Articles which replicate provisions contained in the Act have been deleted.
- ii. Attendance at and participation in meetings by electronic means (Article 51.3)**  
The Companies (Shareholders' Rights) Regulations 2009 specifically provide for the holding and conducting of electronic meetings. The New Articles include amendments to provide greater scope for members to participate in meetings of MITIE even if they are not present in person at the principal place where the meeting is being held. The amendments allow for members to participate not only by attendance at satellite meeting locations, but also by any other electronic means of participation.
- iii. Method of voting (Article 58)**  
The Existing Articles have been amended to give the Directors (as well as the Chairman of the meeting) the right to demand a poll.
- iv. Retirement of directors (Article 84.1)**  
As stated above, the UK Corporate Governance Code recommends that all Directors of FTSE 350 companies seek re-election by shareholders on an annual basis. Therefore, the provision in the Existing Articles which requires Directors to retire and stand for re-election every three years has been amended to be phrased as a minimum requirement, as opposed to an absolute requirement.
- v. Directors' fees (Article 93)**  
The aggregate limit on fees of the non-executive Directors has been increased from £500,000 to £750,000 (each as increased by the percentage increase in the retail prices index for any 12 month period beginning on 1 September 2001 and each anniversary of that date) to reflect the Remuneration Committee's policies in respect of remuneration of non-executive Directors and to provide adequate headroom for the future.
- vi. Borrowing powers (Article 108.3)**  
The Existing Articles have been amended to clarify the definition of MITIE's borrowing powers which includes those of its subsidiary undertakings. The definition has been amended to exclude the deduction of goodwill and intangible assets for the purposes of calculating the multiple of two times adjusted capital and reserves and brings the definition of MITIE's borrowing powers clearly into line with other businesses in MITIE's sector and is consistent with ABL guidelines in respect of corporate borrowing powers.
- vii. Communications to joint holders (Article 155.7)**  
The New Articles include a provision that the agreement of the first-named holder on the register of members that documents or information may be sent or supplied in electronic form or by being made available on a website, shall be binding on all the joint holders.
- viii. Communications in hard copy form (Article 155.11)**  
The New Articles include a provision which caters for situations where the electronic provision of corporate information may amount to a breach of securities laws of another jurisdiction. MITIE therefore reserves the right to send hard copies if it needs to restrict the circulation of information in certain circumstances, such as for US securities law reasons.
- ix. Suspension of postal services (Article 160)**  
The Existing Articles have been amended to allow MITIE, in circumstances where there is a postal strike, to serve notices only on those members who receive notices via electronic means. MITIE will still be required to put an advertisement in at least one leading daily national newspaper and to send confirmatory hard copies of the notice by post if the postal service is available again at least seven days before the date of the meeting.
- x. Documents in electronic form (Article 161)**  
The New Articles include a provision which deals with the validation of documents in electronic form by members where required by the New Articles. In the case of notices of meetings or proxies, any validation requirements must be specified in the notice.
- xi. Indemnity (Article 165)**  
The Directors' indemnity provision has been amended to include a definition of an associated company which will cover subsidiaries and body corporates in which MITIE and subsidiaries are interested which are outside of the United Kingdom. The indemnity provision has also been extended to former directors, alternate directors, secretaries and other officers of associated companies.

## **Notice of general meetings (resolution 21)**

Changes made to the Act by the Shareholders' Rights Regulations increase the notice period required for general meetings of MITIE to 21 days unless shareholders approve a shorter notice period. Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, MITIE 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 21, which is proposed as a Special Resolution, seeks such approval. Annual general meetings will continue to be held on at least 21 clear days' notice. The approval will be effective until MITIE's next AGM, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, MITIE must make a means of electronic voting available to all shareholders for that meeting. The Board will only utilise the authority to hold meetings on less than 21 clear days' notice where it considers it to be in the best interests of shareholders.

### MITIE Group PLC Executive Share Option Scheme

The principal features of the MITIE Group PLC Executive Share Option Scheme (the "Scheme") are outlined below.

#### General

The Scheme will be divided into two parts; the main scheme rules will be unapproved for UK tax purposes (the "Unapproved Part") and will have a greater degree of flexibility than options granted under the UK Approved Addendum ("UK Approved Addendum"), which has been designed to qualify for approval by HM Revenue & Customs ("HMRC") under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA 2003"). Options granted under the UK Approved Addendum are referred to as "Approved Options".

The UK Approved Addendum is intended to enable options to be granted to UK taxpayers in a tax efficient manner. The terms of Approved Options granted under the UK Approved Addendum are broadly the same as options granted under the Unapproved Part except to the extent necessary to obtain or maintain HMRC approval or as set out below.

#### Operation

The Scheme will be administered by MITIE's Remuneration Committee (the "Committee"). The Scheme is discretionary and will only operate in those years that the Committee determines. Currently, it is expected that options will be granted annually.

#### Eligibility

Any employee of the Group, as well as any executive director who is required to devote substantially all of his time to the business of the Group, will be eligible to participate in the Scheme at the discretion of the Committee. Currently, there is no intention to offer participation to MITIE's Executive Directors.

#### Grant of options

Options may be granted within the 42 day period following the date on which the Scheme is adopted by MITIE or its approval by HMRC. Thereafter, options may normally only be granted in the 42 days following the announcement by MITIE of its interim or final results, or a date on which listing particulars relating to MITIE's shares are issued. If the Committee deems that exceptional circumstances exist to justify it, options may be granted at other times. However, at all times, the grant of options will be subject to the terms of the Model Code for transactions in securities and MITIE's Share Dealing Code. Options may be granted over newly issued ordinary shares, treasury shares and shares purchased in the market in conjunction with an employee benefit trust established by MITIE ("Shares"). The trustee of an employee benefit trust may be requested by the Committee to grant Options under the Scheme. No payment will be required for the grant of an option. Options will not be taken into account in determining a participant's pension rights. Options are not transferable (other than on death in which case they may be exercised by participant's personal representatives).

#### Individual limits

No employee may be granted options under the Scheme in any financial year over shares worth more than 100% of his annual basic salary, unless the Committee determines that exceptional circumstances exist which justify exceeding this limit.

Approved Options are subject to a statutory limit such that no employee may at any one time hold subsisting Approved Options over shares worth more than £30,000 (calculated by reference to the market value of shares at the relevant date of grant) under the UK Approved Addendum or any other HMRC approved company share option plan established by a Group company or a company associated with a Group company.

#### Option exercise price

The price per Share payable on the exercise of an option will not be less than the higher of:

- the closing middle market quotation for a Share for the dealing day immediately preceding the date the option is to be granted or, if the Committee so determines, the average of such quotations for the five dealing days (in the case of Approved Options), or (in the case of unapproved options, such other number of dealing days (not to exceed 20) as the Committee decides), immediately preceding the date the option is to be granted; and
- the nominal value of a Share.

#### Limits on the issue of shares

The Scheme is subject to the following overall limits on the number of new Shares which may be subscribed:

- in any 10 year period not more than 12% of the issued ordinary share capital of MITIE from time to time may be issued or issuable pursuant to rights acquired under the Scheme and any other employees' share schemes adopted by MITIE; and
- in any 10 year period not more than 6% of the issued ordinary share capital of MITIE from time to time may be issued or issuable pursuant to rights acquired under the Scheme and under any discretionary share scheme adopted by MITIE.

For the purposes of these limits, options or other rights to acquire Shares which lapse or have been released do not count. However, Shares subscribed by the trustees of an employee benefit trust to satisfy rights granted under any employees' share schemes adopted by MITIE and shares transferred from treasury do count towards these limits.

MITIE will continue to endeavour to restrict executive schemes (i.e. discretionary schemes) to a 5% in 10 year dilution limit and to restrict its collective employee share schemes to a 10% in 10 year dilution limit where possible.

### **Exercise of options**

Subject to the participant discharging any relevant tax liability and providing an appropriate indemnity to this effect, an option will normally be exercisable between 3 and 10 years following its grant (or over such time frame as the Committee may determine and specify at the date of grant, not exceeding 10 years), provided that any specified performance conditions have been satisfied.

### **Performance conditions**

It is normally intended that the exercise of options will be subject to the achievement of performance conditions. These will be determined by the Committee on grant of an option as appropriate.

The Committee will regularly review the performance conditions for future option grants to ensure they are appropriate for MITIE and the prevailing market. The conditions may be varied in certain circumstances following the grant of an option so as to achieve their original purpose but not so as to make their achievement any more difficult to satisfy.

### **Leavers**

If a participant leaves employment with a Group company because of death, options will be capable of exercise in full within a period of 12 months following death. If a participant leaves employment by reason of injury, disability, redundancy, the sale of the business for which he works to a third party or retirement, options may generally be exercised in full within 6 months of cessation. In each case, the performance conditions will not apply.

If a participant ceases to be an employee of a Group company for any other reason, his option will normally lapse unless and to the extent the Committee (acting fairly and reasonably) decides otherwise.

### **Change of Control, Reorganisations, etc**

In the event of a takeover, reconstruction or winding up of MITIE, notwithstanding the achievement of performance conditions, options may be exercised in full within 6 months of the change of control (or such earlier date as may be specified). Alternatively, options may be exchanged for new equivalent options in certain circumstances.

### **Rights attaching to Shares**

Shares allotted or transferred under the Scheme will rank equally with all other Shares of MITIE for the time being in issue (except for rights attaching to such shares by reference to a record date prior to the date of exercise) and MITIE will apply for the listing of any new shares allotted under the Scheme. The Committee may also satisfy options (except Approved Options) in cash or other assets provided the participant receives the same economic value as would have been provided by an option over shares.

### **Variation of capital**

In the event of any rights or capitalisation issue, subdivision, consolidation, reduction or other variation of share capital, the Committee may make (subject to receiving prior approval of HMRC in respect of Approved Options) such adjustments as they consider appropriate to the number of Shares subject to options and/or the price payable on the exercise of options.

### **Alterations to the Scheme**

The Directors reserve the right up to the forthcoming AGM to make such amendments and additions to the Scheme as it considers appropriate, and following the AGM to make such amendments as may be necessary to obtain approval of HMRC, provided they do not conflict in any material respect with this summary of the Scheme.

Thereafter the Committee may amend the Scheme in any respect (subject to the prior approval of HMRC as regards changes to a key feature to the UK Approved Addendum). However, any alterations to the material advantage of participants to the provisions relating to the eligibility of participants, individual participation limits, the number of securities subject to the Scheme, the basis for determining a participant's entitlement and any adjustment thereof in the event of a variation in MITIE's share capital must be approved in advance by shareholders in general meeting, unless the alteration or addition is minor in nature and made to benefit the administration of the Scheme, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Group companies.

No amendment may be made to the Scheme which would adversely affect the subsisting rights of a participant unless the consent of a majority of the participants to the making of such amendment is obtained.

### **Term of the Scheme**

The Scheme will terminate on the tenth anniversary of its adoption or such earlier date as the Company, in its sole discretion, shall determine, but any termination will not affect the existing rights of any participant.

### **Overseas employees**

The Committee may grant options to overseas employees on different terms so as to take account of relevant overseas tax, securities or exchange control laws subject to the Scheme limits.

### MITIE Group PLC Savings Related Share Option Scheme

The principal features of the MITIE Group PLC Savings Related Share Option Scheme ("the SAYE Scheme") are outlined below.

#### General

The SAYE Scheme is intended to be a Save-As-You-Earn share option scheme designed to be approved by HMRC in accordance with Schedule 3 to ITEPA 2003.

The SAYE Scheme shall be administered by the Committee. The savings provider will be appointed by the board of directors of MITIE and will provide support in relation to the administration of the SAYE Scheme.

#### Eligibility

All executive directors and employees of MITIE and participating companies within the Group who are resident in the UK for tax purposes and who have completed such minimum period of service not exceeding 5 years as the Committee may determine must be entitled to participate. Other employees who are not resident in the UK for tax purposes and who satisfy the service criteria may also be invited to join at the Committee's discretion.

#### The Savings Contract

To participate in the SAYE Scheme, an eligible employee must enter into a Save-As-You-Earn contract (the "Savings Contract") with an appropriate savings carrier approved by MITIE, thereby agreeing to make monthly contributions not exceeding £250 for a specified period of three, five or seven years. A bonus is payable after the expiration of the period. The Committee has discretion to determine which of the Savings Contracts will be available in respect of any invitation to apply for options.

Applications to participate in the SAYE Scheme may be scaled down by the Committee in accordance with procedures laid down in the Rules of the SAYE Scheme, if applications exceed the number of Shares available for the grant of options. Such scaling down may include:

- a) reducing the level of bonuses;
- b) reducing monthly contributions above a certain level pro rata; or
- c) reducing the length of savings contracts.

#### Option price

Options granted to acquire Shares under the SAYE Scheme will have an option price determined by the Committee, which will be not less than the higher of:

- a) 80% of the closing middle market quotation for such a Share for the dealing day (or, if so determined by the Committee the average of such quotations for the five dealing days) immediately preceding the date on which invitations to apply for options are issued to employees; and
- b) the nominal value of a Share.

#### Grant of options

The number of Shares over which options may be granted must, as nearly as possible, be equal to, but not in excess of, such number of Shares which may be purchased out of the repayment proceeds (including, where the Committee so allow, any bonus) of the relevant Savings Contract at the option price.

Invitations to apply for the grant of options may be issued within the 42 day period following the date on which the SAYE Scheme is adopted by MITIE or its approval by HMRC and thereafter, within the 42 day period following the announcement by MITIE of its interim or final results for any period, or a date on which listing particulars relating to MITIE's shares are issued. If the Committee deems that exceptional circumstances exist to justify it, invitations may be made at other times.

Options must be granted not later than 30 days (or 42 days in the event that applications are scaled down) following the dealing day by reference to which the market value of a share was determined. Options may be granted over newly issued shares, treasury shares and shares purchased in the market in conjunction with an employee benefit trust established by MITIE.

No payment will be required for the grant of an option. Options will not be taken into account in determining a participant's pension rights. Options are not transferable (other than on death in which case they may be exercised by a participant's personal representatives).

#### Limits on the issue of Shares

The SAYE Scheme is subject to an overall limit on the number of new Shares which may be subscribed. In any 10 year period not more than 12% of the issued ordinary share capital of MITIE from time to time may be issued or issuable pursuant to rights acquired under the SAYE Scheme and any other employees' share schemes adopted by MITIE.

For the purposes of these limits, options or other rights to acquire shares which lapse or have been released do not count. However, shares subscribed by the trustees of an employee benefit trust to satisfy rights granted under any employees' share schemes adopted by MITIE and shares transferred from treasury do count towards these limits.

MITIE will continue to endeavour to restrict its collective employee share schemes to a 10% in 10 year dilution limit where possible.

**Exercise of options**

Options will only normally be exercisable for a period of six months commencing on the third, fifth or seventh anniversary (as the case may be) of the starting date of the related Savings Contract and, if not exercised by the end of that period, the option will lapse.

Earlier exercise may, however, be permitted in specified circumstances, including:

- a) termination of employment as a result of death, injury, disability, redundancy, retirement or the sale of the subsidiary or business for which the participant works; or
- b) in the event of a takeover or change of control of MITIE.

**Rights attaching to Shares**

Shares allotted or transferred under the SAYE Scheme will rank equally with all other Shares of MITIE for the time being in issue (except for rights attaching to such shares by reference to a record date prior to the date of exercise) and MITIE will apply for the listing of any new shares allotted under the SAYE Scheme.

**Takeover of MITIE**

In the event of a takeover, reconstruction or winding up of MITIE, options may be exercised within six months of the change of control. Alternatively, options may be exchanged for new equivalent options in certain circumstances.

**Variation of capital**

In the event of any rights or capitalisation issue, subdivision, consolidation, reduction or other variation of share capital, the Committee may make (subject to receiving prior approval of HMRC) such adjustments as they consider appropriate to the number of Shares subject to options and/or the price payable on the exercise of options.

**Alterations to the SAYE Scheme**

The Directors reserve the right up to the forthcoming AGM to make such amendments and additions to the SAYE Scheme as it considers appropriate, and following the AGM to make such amendments as may be necessary to obtain approval of HMRC, provided they do not conflict in any material respect with this summary of the SAYE Scheme.

Thereafter, the Committee may amend the SAYE Scheme in any respect (subject to the prior approval of HMRC as regards changes to a key feature). However, any alterations to the material advantage of participants to the provisions relating to the eligibility of participants, the number of securities subject to the SAYE Scheme, the basis for determining a participant's entitlement and any adjustment thereof in the event of a variation in MITIE's share capital must be approved in advance by shareholders in general meeting, unless the alteration or addition is minor in nature and made to benefit the administration of the SAYE Scheme, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Group companies.

No amendment may be made to the SAYE Scheme which would adversely affect the subsisting rights of a participant unless the consent of a majority of the participants to the making of such amendment is obtained.

**Term of the SAYE Scheme**

The SAYE Scheme will terminate on the tenth anniversary of its adoption or such earlier date as the Committee, in its sole discretion, shall determine, but any termination will not affect the existing rights of any participant.

**Overseas employees**

The Committee may grant options to overseas employees on different terms so as to take account of relevant overseas tax, securities or exchange control laws subject to the SAYE Scheme limits.

### MITIE Group PLC Share Incentive Plan

The principal features of the MITIE Group PLC Share Incentive Plan (the "SIP") are outlined below.

#### Purpose

The purpose of the SIP is to provide UK resident employees of MITIE and its subsidiaries with an opportunity to acquire Shares in MITIE on a tax-efficient basis. The SIP is intended to be a Share Incentive Plan approved by HMRC in accordance with Schedule 2 to ITEPA 2003.

#### Administration

The SIP shall be administered by the Committee with the assistance of a professional SIP administrator appointed by the Board. The SIP will be operated through a UK resident trust (the "Trust"). The Trust will subscribe for or purchase in the market the Shares that are awarded to employees under the SIP.

#### Eligibility

All UK resident employees of MITIE and its participating subsidiaries must be offered the opportunity to participate in the SIP on the same terms. The Committee can require employees to have completed a minimum qualifying period of employment before they can participate, but that period must not exceed eighteen months before the first award is made where MITIE does not operate an accumulation period (see below). If MITIE does decide to operate an accumulation period, the qualifying period of employment must not exceed six months before the accumulation period starts. Other employees who are not resident in the UK for tax purposes and who satisfy the qualifying period of employment may be permitted to participate at the Committee's discretion.

It is intended that the first invitations to apply for awards under the SIP will be made to all eligible executive directors and employees who have completed 6 months service with MITIE at the date invitations to participate are issued. Thereafter, the Committee will determine the basis upon which any future invitations will be issued.

#### Shares to be acquired

Under the SIP, employees may be invited to invest in "Partnership Shares" and may be awarded "Matching" and/or "Free Shares" in a potentially tax-efficient manner. MITIE may offer different combinations of awards as it considers best suits its business requirements from time to time.

The SIP provides for employees to acquire Partnership Shares by way of deduction from their gross salary up to a maximum of £1,500 per tax year. The amounts must be invested in the SIP on behalf of the participants within 30 days of their deduction from salary, or alternatively accumulated over a period of not more than 12 months ("accumulation period"), and then invested. The Committee can award up to two free Matching Shares for each Partnership Share acquired (equivalent to a maximum of £3,000 per annum). In addition, the Committee can award up to £3,000 worth of Free Shares per annum per employee and can use Free Shares to reward employees for reaching team or divisional performance targets, provided such targets are established in accordance with the SIP legislation.

#### Holding periods

Partnership Shares are not subject to any holding period and employees can withdraw their Partnership Shares from the SIP at any time. Matching and Free Shares may be subject to a holding period of between three and five years during which time they must be held within the SIP unless the participant ceases employment, whereupon they must be removed (see below).

#### Forfeiture

Matching Shares and Free Shares may be subject to forfeiture in the event that a Participant ceases employment within a specified forfeiture period not exceeding three years (other than as a result of death, redundancy, injury, ill health, or reaching retirement age in which case no forfeiture may apply). Matching Shares can also be awarded on the basis that they are forfeited if the corresponding Partnership Shares to which they relate are withdrawn within the forfeiture period.

#### Cessation of employment

Employees are required to take all their Shares out of the SIP when they leave employment with MITIE or a group company.

#### Limits on the issue of Shares

The SIP is subject to an overall limit on the number of new Shares which may be subscribed. In any 10 year period not more than 12% of the issued ordinary share capital of MITIE from time to time may be issued or issuable pursuant to rights acquired under the SIP and any other employees' share scheme adopted by MITIE.

For the purposes of this limit, rights to acquire Shares which lapse or have been released are ignored. However, shares subscribed by the SIP trustee or trustees of an employee benefit trust to satisfy rights granted under the SIP or any employees' share scheme adopted by and shares transferred from treasury do count towards this limit.

MITIE will continue to endeavour to restrict its collective employee share schemes to a 10% in 10 year dilution limit where possible.

#### Alterations to the SIP

The Directors reserves the right up to the forthcoming AGM to make such amendments and additions to the SIP as it considers appropriate and, following the AGM, to make such amendments as may be necessary to obtain approval from HMRC, provided they do not conflict in any material respect with this summary of the SIP.

Thereafter, the Committee may alter the SIP in any respect (subject to the approval of HMRC as regards key features). However, any alterations to the material advantage of participants to provisions relating to eligibility of participants, the number of securities subject to the SIP, the basis for determining a participant's entitlement to Shares, and any adjustment thereof in the event of a variation in MITIE's share capital must be approved in advance by shareholders in general meeting, unless the alteration or addition is minor in nature and made to benefit the administration of the SIP, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Group Companies.

**Non-transferability of awards**

Awards of shares under the SIP are not transferable except on death, when shares may be transferred to the participant's personal representatives.

**Benefits not pensionable**

Awards under the SIP will not be taken into account in determining a participant's pension rights.

**Rights attaching to Shares**

Shares allotted or transferred under the SIP will rank equally with all other Shares of MITIE for the time being in issue (except for rights attaching to such shares by reference to a record date prior to acquisition) and MITIE will apply for the listing of any new Shares allotted under the SIP.

**Dividends**

The SIP Rules provide that any dividends paid on Partnership, Matching or Free Shares may either be paid to the participants or reinvested in the purchase of additional shares (known as "Dividend Shares") to be held in the SIP for a holding period of three years. Dividend Shares may not be subject to forfeiture.

**Voting rights**

The trustees of the Trust will not exercise the voting rights attributable to the Shares held in the trust except in accordance with the participants' instructions.

**Change of control, reorganisations etc**

In the event of a general offer being made to the shareholders or a rights or capitalisation issue, participants will be able to direct the trustees of the Trust how to act on their behalf.

**Term of the SIP**

The Company may terminate the SIP at any time in accordance with the SIP trust deed and rules. Subject to any such prior termination, the SIP will terminate on the tenth anniversary of its adoption by shareholders, but any termination shall not affect the existing rights of any participant.

**Funding**

Each participating group company may be required to fund the trustee of the Trust to subscribe for, and/or buy shares (Free Shares and/or Matching Shares).

**Overseas employees**

The Committee may extend the SIP to overseas employees of MITIE and its subsidiaries subject to such modifications as the Directors shall consider appropriate to take into account local tax, exchange control, securities law and other regulatory requirements, subject to SIP limits.

