



MITIE Group PLC
8 Monarch Court
The Brooms
Emerson Green
Bristol, BS16 7FH

Dear Shareholder,

15 June 2007

Annual General Meeting of MITIE Group PLC

We are pleased to inform you that our seventy-first Annual General Meeting (AGM) will be held at The Merchants' Hall, The Promenade, Clifton Down, Bristol, BS8 3NH on Thursday, 26 July 2007 at 12 noon. The formal notice of the AGM and the details of resolutions on which you can vote are set out on pages 3 to 8.

This document contains information relating to the business to be transacted at the AGM including the introduction of a Long-Term Incentive Plan as well as providing you with information concerning amendments to the Company's Memorandum and Articles of Association. This year we are also asking shareholders to consider new additional shareholder services. We therefore request that you read this document carefully.

We appreciate that you may not be able to attend the AGM but you may register a proxy vote by completing the attached form (Proxy Form - Form 1). You may, if you wish, appoint your proxy electronically at www.computershare.com/uk/voting/mit. To do this you will need your Shareholder Reference Number (SRN) and your Personal Identification Number (PIN). Both of these are shown on your Proxy Form.

You will also find enclosed our Annual Report and Corporate Responsibility Report for the financial year ended 31 March 2007. These detail our financial, operational and corporate responsibility achievements in the last financial year and your Board's plans for the future direction of the MITIE Group. I hope that you find them informative and interesting.

The Board considers that the proposals described in this document are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of the resolutions. The directors intend to do so in respect of their own beneficial holdings.

Yours sincerely,

A handwritten signature in black ink, appearing to read "David C Ord".

David C Ord
Chairman

WHAT YOU NEED TO DO:

1 Please read Section 1A - (Notice of AGM and Associated Explanatory Notes) and, if you wish to appoint a proxy, please complete FORM 1

This sets out the business for the AGM. You can attend and vote in person or by completing and returning the attached Proxy Form.

2 Please read Section 1B (Remuneration Review)

Remuneration Review

One of the most important features of the MITIE Model, and one of the pillars on which the Company believes its success is built, is the entrepreneurial culture at the Company. This culture has resulted in the Company's key senior executives and staff holding approximately 10% of MITIE's issued shares. The Board strongly believes that employee share ownership should continue to be encouraged and is in the interests of all the Company's shareholders. The Remuneration Committee has therefore recently conducted a comprehensive review of the Company's employee share plans. The review concluded that the Company's Executive Directors and certain other senior executives should participate in the proposed Long-Term Incentive Plan, for which we are seeking shareholder approval at the AGM. The existing Executive Share Option Scheme will continue to be used for other members of the Group's management subject to some proposed amendments. Section 1B details the key features and terms of the scheme.

3 Please read Section 2 (Electronic Communications and Constitutional Amendments) and action FORM 2

Electronic Communications and Constitutional Amendments

Recent changes in company law have introduced a new regime that allows companies to communicate with shareholders electronically. The new regime, if fully implemented, should lead to enhanced communication with shareholders that meets the needs of the investor community, as well as a reduction in the environmental impact of paper usage and printing. In order to take advantage of the electronic communications regime, the Company proposes to seek shareholder approval at the forthcoming AGM to adopt new articles of association and send information and documents to shareholders electronically. You will still be able to request that you continue to receive communications from the Company in hard-copy. If you wish to continue receiving hard-copy documents then you must complete Option B in Form 2, otherwise you will be deemed to have consented to receive electronic communications and will, in future, receive an email or letter notifying you whenever any document or information is available on the Company's website. Section 2 of this document sets out further details in respect of the new electronic communications regime and the principal proposed changes to the Memorandum and Articles of Association. The Board wishes to encourage all shareholders to elect for full electronic communication by actioning Option A on Form 2.

4 Please read Section 3 (Dividend Re-Investment Plan) – and if you wish to participate, complete FORM 3

Dividend Re-Investment Plan (DRIP)

We are recommending a final dividend of 2.7p per share for the financial year ending 31 March 2007 which will be paid to shareholders on 3 August 2007. This year we are introducing a Dividend Re-Investment Plan. This will enable you to elect to re-invest your dividend and receive further MITIE Group shares. Attached to this document is a mandate (Form 3) that you can complete and which will allow you to choose how you wish to receive your dividend. For this dividend, those choosing to participate in the DRIP must complete and return Form 3 to the Company's registrars no later than 13 July 2007. Shares purchased under the DRIP will be entered onto the share register by 13 August 2007. Share Certificates will be sent to participants by 17 August 2007. Further details are set out in Section 3.

5 Please return all completed forms to:

Computershare Investor Services PLC, PO Box 1075, Bristol BS13 8FB

The forms must be received by Computershare no later than 12 noon 24 July 2007. Completion of a Proxy Form does not prevent a member from attending the AGM and voting in person.

SECTION 1A

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 your ordinary shares in MITIE Group PLC, please pass this document and accompanying Proxy Form 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.

NOTICE OF SEVENTY-FIRST ANNUAL GENERAL MEETING OF MITIE GROUP PLC

Notice is hereby given that the seventy-first Annual General Meeting (AGM) of MITIE Group PLC will be held at The Merchants' Hall, The Promenade, Clifton Down, Bristol, BS8 3NH on Thursday, 26 July 2007 at 12 noon for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following **Ordinary Resolutions**:

Resolution 1

That the Accounts for the year ended 31 March 2007 and the Reports of the Directors and Auditors thereon be received.

Resolution 2

That the Directors' Remuneration Report for the year ended 31 March 2007 be approved.

Resolution 3

That a final dividend for the year ended 31 March 2007 of 2.7p per Ordinary Share of 2.5p each be declared.

Resolution 4

That Neville Roger Goodman be re-elected as a Director.

Resolution 5

That Colin Stephen Hale be re-elected as a Director.

Resolution 6

That William Robson be re-elected as a Director.

Resolution 7

That Ian Reginald Stewart be re-elected as a Director.

Resolution 8

That Graeme John Potts be elected as a Director.

Resolution 9

That Roger John Matthews be elected as a Director.

Resolution 10

That Deloitte & Touche LLP be reappointed as Auditors of the Company until the conclusion of the next general meeting before which accounts are laid, and that their remuneration be determined by the Directors.

SPECIAL BUSINESS

To consider and, if thought fit, pass Resolutions 11 to 15 as **Ordinary Resolutions**:

Resolution 11 - Increase in authorised share capital

That the authorised share capital of the Company be increased from 340,000,000 ordinary shares of 2.5p each to 500,000,000 ordinary shares of 2.5p each by the creation of 160,000,000 ordinary shares of 2.5p each ranking pari passu in all respects with the existing ordinary shares of the Company.

Resolution 12 - Introduction of the Long-Term Incentive Plan

That the rules of the MITIE Group Long-Term Incentive Plan (**LTIP**) produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be authorised to:

- a) adopt the LTIP and to do all such other acts and things as they may consider appropriate to implement it; and,
- b) establish further plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the LTIP.

Resolution 13 - Amendments to the MITIE Group PLC 2001 Executive Share Option Scheme rules

That the amendments to the rules of the MITIE Group PLC 2001 Executive Share Option Scheme (**ESOS**) described in Section 1B of this booklet and contained in the amended rules of the ESOS produced in draft to the meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be authorised to do all such acts and things as they consider appropriate to implement these amendments

Resolution 14 - Amendments to the MITIE Group PLC 2001 Savings Related Share Options Scheme rules

That the amendments to the rules of the MITIE Group PLC 2001 Savings Related Share Option Scheme (**SAYE Scheme**) described in Section 1B of this document and contained in the amended rules of the SAYE Scheme produced in draft to the meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be authorised to do all such acts and things as they consider appropriate to implement these amendments.

Resolution 15 - General power of allotment

That the Directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (subject to the restrictions set out below) in substitution for any existing authority conferred on the Directors under the said Section 80 provided that this authority shall expire 15 months after the date of the passing of this Resolution or at the conclusion of the next AGM of the Company, whichever comes first, save that the Company may 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. The power to allot under this Resolution shall be limited to: (a) in the event of the prior adoption of Resolution 11, the allotment of no more than 116,379,826 shares (being an aggregate nominal value of £2,909,495 and representing 37.2% of the issued share capital) or, (b) in the event that Resolution 11 is not adopted, the allotment of no more than 27,304,377 shares (being an aggregate nominal value of £682,609 and equating to 8.7% of the issued share capital).

To consider and if thought fit, pass Resolutions 16 to 19 as **Special Resolutions**:

Resolution 16 - Dis-application of pre-emption rights

That, subject to the passing of Resolution 15, the Directors be generally empowered, pursuant to Section 95 of the Companies Act 1985, to allot equity securities (within the meaning of Section 94 of the said Act) for cash as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment, provided that this power shall be limited:-

- a) to the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares of 2.5p each where the equity securities respectively attributable to the interests of all such Shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or any stock exchange in any territory or in relation to fractional entitlements; and,

- b) otherwise than pursuant to the sub-paragraph (a) above, the allotment of equity securities up to an aggregate number of 15,634,781 Ordinary shares (having a nominal value of £390,870) and equating to 5% of the issued share capital; and,

where such authorities shall expire 15 months after the date of the passing of this Resolution or at the conclusion of the next AGM of the Company, whichever comes first, save that the Company may before such expiry make an offer or agreement that would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Resolution 17 - Amendments to the Memorandum of Association

That the new Memorandum of Association produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be and is hereby adopted by the Company as its Memorandum of Association in substitution for its existing memorandum of association.

Resolution 18 - Amendments to the Articles of Association

That the regulations produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be and they are hereby adopted by the Company as its Articles of Association in substitution for its existing articles of association.

Resolution 19 - Purchase of own shares

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 2.5p each in the Company, on such terms and in such manner as the Board of Directors of the Company may from time to time determine, provided that:

- a) the maximum number of ordinary shares that may be purchased is 31,269,562 (equating to 10% of the issued share capital);
- b) the minimum price that may be paid for an ordinary share is 2.5p, exclusive of expenses; and,
- c) the maximum price that may be paid for an ordinary share is an amount equal to 5% above the average of the middle market quotation of an ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange on the five business days immediately preceding the day on which the ordinary share is purchased, exclusive of expenses; and,

this authority shall expire 15 months after the date of the passing of this Resolution or at the conclusion of the next AGM of the Company, whichever comes first, except in relation to purchases of shares, the contract for which was concluded before the expiry of this authority and which might be executed wholly or partly after such expiry.

Registered Office:

35 Duchess Road
Rutherglen
Glasgow
G73 1AU

By order of the Board

Richard Allan
Group Company Secretary

Registered number: SC 19230

15 June 2007

EXPLANATORY NOTES TO AGM RESOLUTIONS

Report and Accounts (Resolution 1)

The Directors of the Company must present the accounts 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 40 to 44 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 2.7p per ordinary share is recommended by the Directors for payment to shareholders who are on the Register at close of business on 6 July 2007. If approved, the date of payment of the final dividend will be 3 August 2007. An interim dividend of 2.4p per ordinary share was paid on 30 March 2007.

Re-election of Directors (Resolutions 4 to 9)

The Company's Articles of Association require that one third of its Directors (excluding a first appointee) retire each year and that every director who is subject to rotation retires at least once every 3 years. The Articles further state that any Director appointed during the year must stand for re-election at the next AGM. Directors' biographies can be found on page 36 of the Annual Report and Accounts.

Re-appointment and remuneration of Auditors (Resolution 10)

Resolution 10 proposes the reappointment of the Deloitte & Touche LLP as Auditors of the Company and authorises the Directors to set their remuneration.

Increase in authorised share capital (Resolution 11)

The Companies Act 2006 (**2006 Act**) will abolish the concept of authorised share capital in October 2008. The Company last increased its authorised share capital in 2001. In order to ensure sufficient capacity for corporate activity, the Directors recommend that the Company's authorised share capital is increased by 47.1% from 340,000,000 shares to 500,000,000 shares. There are no current plans to issue this increase in shares other than in accordance with Resolutions 15 and 16 (as set out in the relevant notes below).

Employee Share Option Schemes (Resolutions 12 to 14)

Resolutions 12 to 14 ask shareholders to approve a new Long-Term Incentive Plan (**LTIP**) and to approve amendments to the rules of the existing share option schemes to update them in line with the LTIP and ensure the rules are reflective of current best practice and regulation. Further explanatory details are set out in Section 1 of this booklet.

Directors' authority to allot shares (Resolution 15)

The Directors may only allot ordinary shares or grant rights over ordinary 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. There are no current plans to exercise this authority other than in connection with employee share-based incentive schemes, acquisitions under the MITIE Model and Non-Executive Director remuneration. 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. The Company does not currently hold any treasury shares. The extent of the power to allot is dependent upon the passing of Resolution 11 - increasing the authorised share capital from 340,000,000 to 500,000,000 2.5p ordinary shares. If Resolution 11 is passed then the power will be limited to one third of the issued share capital plus 12,147,952 shares representing the Company's outstanding commitment as at 11 June 2007 in respect of options granted under the Company's ESOS and SAYE Schemes (equating to 3.9% of the issued share capital of the Company as at 11 June 2007 or 4.3% of the issued share capital if the maximum number of ordinary shares were purchased under the authority proposed Resolution 19). If Resolution 11 is not passed then, in order to comply with The Association of British Insurers (ABI) Guidelines, the power will be limited to the current authorised but unissued share capital - being 27,304,377 shares (equating to 8.7% of the Company's issued share capital).

Dis-application of pre-emption rights (Resolution 16)

If the Directors wish to allot unissued shares (and other equity securities) for cash, under section 89(1) of the Companies Act 1985, the Directors are required to first offer such shares to existing shareholders in proportion to their existing holdings - i.e. a right of pre-emption. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary 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 16 therefore, authorises the Directors to allot securities for cash up to a maximum number of 15,634,781 which equates to 5% of the Company's issued ordinary share capital as at 11 June 2007. This Resolution is in line with standard practice and guidelines.

Amendments to the Company's Constitution (Resolutions 17 and 18)

Shareholders are asked this year to approve various amendments to the Company's constitution details of which are set out in Section 2 of this booklet.

Authority to purchase own shares (Resolution 19)

The Companies Act 1985 (**1985 Act**) permits a company to purchase its own shares provided that the purchase has been authorised by the Company in a general meeting. In certain circumstances, it may be advantageous for the Company to purchase its own shares and Resolution 19 seeks the authority from shareholders to continue to do so. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority. Save to the extent purchases are made pursuant to the 1985 Act, any shares so purchased will be cancelled and the number of shares in issue reduced accordingly. The Company may hold in treasury any of its own shares that it purchases pursuant to the 1985 Act and the authority conferred by this Resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share option scheme awards with treasury shares. Once held in treasury, the Company 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 the Company's assets may be made to the Company in respect of the treasury shares. The Resolution is proposed as a Special Resolution and specifies the maximum number of ordinary shares that may be acquired (equating to 10% of the Company's issued share capital as at 11 June 2007) and the maximum and minimum prices at which they may be bought.

Proxy appointment

Only holders of ordinary shares are entitled to attend and vote at this Meeting. Any member entitled to attend may appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. A Proxy Form (Form 1) is attached to this notice and instructions for completion are shown on the form. To be effective, forms of proxy duly completed must be received by the Company's Registrars, Computershare Investor Services PLC, PO Box 1075, Bristol BS13 8FB not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Completion of a form of proxy does not preclude a member from attending the Meeting and voting in person.

CREST voting

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 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 3RA50) by the latest time for receipt of proxy appointments specified above. For this purpose, the time 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 CREST Co 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. Pursuant to Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 the Company may treat as invalid a CREST Proxy Instruction if the Company has actual notice that:

- the information in the instruction is correct;
- the person expressed to have sent the instruction did not in fact send it; or
- the person sending the instruction on behalf of the relevant shareholder did not have the authority to do so.

Entitlement to vote at AGM

The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members registered in the Register of Members of the Company as at 6.00pm on 24 July 2007 shall be entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after 6.00pm on 24 July 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Availability of documents

The following documents will be available for inspection at the Registered Office and Head Office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Notice until the date of the meeting, and at the place of the AGM from 11.45am until its conclusion:

- The Register of Directors' interests in the share capital of the Company;
- Copies of the Directors' service agreements and letters of appointment;
- The Memorandum and Articles of Association of the Company together with the proposed amendments.

A copy of the draft rules of the MITIE Group Long-Term Incentive Plan, the rules of the MITIE Group PLC 2001 Executive Share Option Scheme, the MITIE Group PLC 2001 Savings Related Share Option Scheme and the Memorandum and Articles of Association of the Company marked to show the proposed amendments will be available for inspection at New Bridge Street Consultants LLP at 20 Little Britain, London EC1A 7DH during normal business hours on any weekday (Saturdays and English public holidays excepted) until the close of the AGM and at the place of the AGM for at least 15 minutes prior to and during the AGM.

SECTION 1B

REMUNERATION REVIEW

This Section provides further explanation relating to the LTIP and information about share ownership and the proposed amendments to the existing share option schemes.

Key features of the LTIP

It is intended that the first annual grant will be made following the AGM in July 2007 and thereafter grants will be made annually following the announcement of results.

Awards will typically be structured as conditional awards of shares or nil cost options, which will vest after a three year period subject to continued employment and the satisfaction of the performance condition, set out below.

In any financial year an eligible employee may receive awards with a market value on grant of up to 100% of base salary (as at the date of grant), although in exceptional circumstances, such as recruitment, awards of up to 200% of base salary may be granted.

The performance condition will measure the Company's earnings per share (**EPS**) growth over a three year performance period. For the 2007 grants, 25% of the shares subject to an award will vest if the Company's adjusted EPS growth over the period is equal to Retail Price Index (**RPI**) plus 5% per annum, with full vesting for adjusted EPS growth of RPI plus 14% per annum. Between these points, vesting will be straight line.

It is currently anticipated that awards will be made to around 30 senior executives at the Company, including the Executive Directors. It is currently the Remuneration Committee's (Committee) intention that all Executive Directors (other than any director who had expressed an intention to retire from office) participate annually, and that the focus below board level is on key individuals who do not have and/or are not anticipated in the future to have, the opportunity to participate in significant minority interests in Group companies.

Share ownership guidelines

A second conclusion of the remuneration review was that the Executive Directors will be required to build and maintain a shareholding in Company shares worth 100% of their base salary. The appropriate level for a senior executive, below board level, will be 50% of their base salary. Therefore, until such time as a shareholding is built, they will be expected to retain no fewer than 50% of shares (net of taxes) that vest under the LTIP. This will support our belief in employee share ownership.

Amendment to the overall share dilution limits

In addition to the new LTIP, the Company is also proposing that the 3.5% in the three year share dilution limit that is currently contained in the Rules of the MITIE Group PLC 2001 Executive Share Option Scheme (ESOS) and the MITIE Group PLC 2001 Savings Related Share Option Scheme (SAYE Scheme) should be removed. This flow rate limit is no longer a recommendation of The Association of British Insurers (ABI) Guidelines on executive remuneration and hampers the Company's grant policy. As a result, it conflicts with one of the main tenets of the Company's culture that is, the encouragement of employee share ownership. The overall 12% in ten year share dilution limit that applies to all of the Company's share schemes and the 6% in ten year dilution limit that applies to discretionary schemes will be retained. However, the Company will endeavour to restrict executive (i.e. discretionary) share schemes to a 5% in ten year dilution limit, and will endeavour to restrict all its share schemes collectively to a 10% in ten year dilution limit. As is standard practice, the share dilution limits will not apply to grants satisfied through the market purchase of shares.

As at 11 June 2007, potential dilution of the Company's issued share capital was equal to 7.1% of the issued share capital in respect of all outstanding options granted under the ESOS and SAYE Scheme, and 3.9% of the issued share capital in respect of the ESOS (the discretionary scheme).

Amendments to the Executive Share Option Scheme

As part of the review of executive remuneration, the Committee has reviewed the Company's existing share option schemes and proposed to update them to reflect current best practice and regulation and to take account of the proposed introduction of the LTIP. The ESOS will therefore be focused on staff below main board and executive committee level. This has resulted in four sets of proposed amendments to the ESOS, in addition to the overall share dilution limits, namely:

- a) imposing an annual limit to the grant of options;
- b) adopting a revised EPS performance threshold;
- c) amending the rules in light of the age discrimination rules; and,
- d) amending the rules in order to permit and reflect the grant of share appreciation rights and the satisfaction of outstanding unapproved options with share appreciation rights.

Currently the individual grant limit is expressed as options over shares worth four times remuneration in ten years. It is proposed that this is replaced with an annual individual grant limit of 100% of their base salary. Executive share options have to date been granted subject to a pre-vesting performance condition requiring EPS growth to exceed 10% per annum in the three years following grant. The Company wishes to replace this with a threshold that it considers to be more appropriate for the managerial seniority of future recipients (i.e. staff below main board and executive committee level). For the executive options to be granted to middle management shortly after the 2007 AGM the EPS threshold will be RPI plus 4%. Although not technically requiring shareholder approval, the Company is also proposing to amend the rules of the ESOS so that it will comply with the new age discrimination regulations. For example, employees within two years of retirement are currently excluded from being granted options; this restriction will be removed.

Finally, it is proposed that various amendments should be made to the rules of the ESOS in order to permit and reflect the grant of share appreciation rights and the satisfaction of outstanding unapproved ESOS options with share appreciation rights. Share appreciation rights are where an option holder receives shares equal in value to the gain under his option but does not receive shares representing the value of the option price. In effect, an option is net settled in shares. This means that the number of shares to which an option holder may become entitled depends on the Company's share price on the date of exercise of the option. Consequently, if an option is settled as a share appreciation right fewer shares will be required to satisfy that option and the Company will adjust the number of unissued shares which count towards the ESOS dilution limit at the exercise date. The Company's proposed treatment of share appreciation rights is in line with current institutional investor guidelines.

It is intended that grants will be made under all three schemes following the AGM.

SUMMARY OF THE PRINCIPAL TERMS OF THE MITIE GROUP LONG-TERM INCENTIVE PLAN (THE "LTIP")

Operation

The Remuneration Committee of the Board of Directors of the Company (**Committee**) will supervise the operation of the LTIP.

Eligibility

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to participate in the LTIP at the discretion of the Committee.

Grant of awards

The Committee may grant awards to acquire ordinary shares in the Company (**Shares**) within six weeks following the Company's announcement of its results for any period. The Committee may also grant awards within six weeks of shareholder approval of the LTIP or at any other time when the Committee considers there are exceptional circumstances which justify the granting of awards. It is intended that the first awards will be made shortly following the adoption of the LTIP. The Committee may grant awards as conditional shares, a nil (or nominal) cost option with a short exercise period or as forfeitable shares. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so. An award may not be granted more than 10 years after shareholder approval of the LTIP. No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

Individual limit

An employee may not receive awards in any financial year over Shares having a market value in excess of 100% of his/her annual base salary in that financial year. In exceptional circumstances, such as recruitment or retention, this limit may be increased to 200% of an employee's annual base salary.

Performance conditions

Awards granted to senior executives will be subject to performance conditions set by the Committee that reflect the Company's performance over a fixed three year period (**Performance Period**). The performance conditions applicable to the initial grant of awards will require adjusted earnings per share (**EPS**) growth in excess of inflation (**RPI**) as follows:

EPS growth over the Performance Period	Level of vesting
Less than RPI + 5% per annum	0%
RPI + 5% per annum	25%
RPI + 14% per annum or above	100%
Between RPI + 5% and RPI + 14% per annum	Pro rata between 25% and 100%

The Committee can set different performance conditions from those described above for future awards provided that, in the reasonable opinion of the Committee, the new targets are not materially less challenging in the circumstances than those described above. The Committee may also vary the performance conditions applying to existing awards if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Vesting of awards

Awards normally vest three years after the date of grant to the extent that the applicable performance conditions (see above) have been satisfied and provided the participant is still employed in the Company's group.

Leaving employment

As a general rule, an award will lapse upon a participant ceasing to hold employment or being a director within the Company's group. However, if a participant ceases to be an employee or a director because of his/her death, injury, disability, retirement, redundancy, his/her employing company or the business for which he/she works being sold out of the Company's group or in other circumstances at the discretion of the Committee, then his/her award will vest when he/she leaves. The extent to which an award will vest in these situations will depend upon two factors:

- the extent to which the performance conditions have been satisfied by reference to the date of cessation; and,
- the pro-rata vesting of the award to reflect the reduced period of time between its grant and vesting, although the Committee can decide not to vest an award on a pro-rata basis if it regards it as inappropriate to do so in the particular circumstances.

If a participant ceases to be an employee or director in the Company's group for one of the reasons specified above, the Committee can decide that his award will vest on the date when it would have vested if he had not ceased such employment or office, subject to:

- the performance conditions measured at that time; and,
- the time of cessation as described above, calculated on a pro-rata basis.

Corporate events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to:

- the extent that the performance conditions have been satisfied at the relevant date; and,
- the pro-rata vesting of the awards to reflect the reduced period of time between their grant and vesting, although the Committee can decide not to pro-rata an award if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

Participants' rights

Awards of conditional Shares and options will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have received their shares. Holders of awards of forfeitable Shares will have shareholder rights from when the awards are made except they may be required to waive their rights to receive dividends. The Committee may decide that participants will receive a payment (in cash and/or Shares) on or shortly following the vesting of their awards, of an amount equivalent to the dividends that would have been paid on those Shares between the time when the awards were granted and the time when they vest.

Rights attaching to Shares

Any Shares allotted when an award vests or is exercised will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustment as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

Overall LTIP limits

The LTIP may operate over new issue Shares, treasury Shares or Shares purchased in the market. In any ten calendar year period, the Company will not issue (or grant rights to issue) more than: 12% of the issued ordinary share capital of the Company under the LTIP and any other employee share plan adopted by the Company; or 6% of the issued ordinary share capital of the Company under the LTIP and any other discretionary share plan adopted by the Company. However, as explained above, the Company will endeavour to keep within a 5% dilution limit in respect of all discretionary schemes and an overall limit of 10% in respect of all employee share plans.

Treasury shares will count as new issue Shares for the purposes of these limits unless the ABI decides that they need not count. However, Shares purchased in the market will not count as new shares for the purpose of the limits (in line with ABI guidelines).

Alterations to the LTIP

The Committee may, at any time, amend the LTIP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired and the adjustment of awards. The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award provided the Committee does not consider that such changes are to the material advantage of participants.

Overseas Long-Term Incentive Plans

The shareholder resolution to approve the LTIP will allow the Board to establish further plans for overseas territories, any such plan to be similar to the LTIP, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the LTIP.

SECTION 2
ELECTRONIC COMMUNICATIONS AND CONSTITUTIONAL AMENDMENTS
SUMMARY OF THE PRINCIPAL CHANGES PROPOSED IN THE NEW ARTICLES
AND MEMORANDUM OF ASSOCIATION

Set out below is a summary of those provisions contained in the new Memorandum and Articles of Association (**New Articles**) which represent the principal changes from those contained in the existing Memorandum and Articles of Association (**Existing Articles**).

New electronic communications regime - communications by the Company to shareholders

As a result of the new electronic communications regime, there are now three main ways in which the Company can send or supply documents or information (including notices of meetings) to shareholders:

- a) In *hard copy* as under the Existing Articles (proposed New Article 154.1(a));
- b) In *electronic form* to individual shareholders who have agreed that the document or information may be so sent or supplied (and have not revoked that agreement), as under the Existing Articles, except that, under the New Articles, this applies to all as opposed to limited documents or information (proposed New Article 154.1(b)); and,
- c) By making it available on a website (proposed New Article 154.1(c)). A shareholder who fails to respond within 28 days of the AGM (by 23 August 2007) to a request to receive documents or information electronically will be taken to have agreed. The Company must notify such person that the document or information is available on the website, give the address of the website and how to access the document or information.

Documents or information sent or supplied:

- a) in electronic form, shall be deemed to have been received at the time the document or information was sent or supplied; and,
- b) by means of a website shall be deemed to have been received when the material was first made available on the website or, if later, when the shareholder received, or is deemed to have received, notice of the fact that the material was available on the website.

Shareholders have a statutory right to require that any document or information received electronically by a particular shareholder be sent by the Company free of charge in hard copy within 21 days of a request. Documents or information sent or supplied in electronic form must be sent or supplied in such a way as to allow shareholders to read it and retain a copy of it.

New electronic communications regime - Communications to the Company

Under the New Articles, documents or information can continue to be sent to the Company in the same manner as under the Existing Articles. A document or information may also be sent or supplied to the Company in electronic form but only if and when the Company has agreed (generally or specifically) that the document or information may be sent or supplied in that form (and has not revoked that agreement), or the Company is deemed to have so agreed by section 2 of the 2006 Act. A document or information sent or supplied in electronic form is sufficiently authenticated if the identity of the sender is confirmed in a manner specified from time to time by the Company or, where no such manner has been specified by the Company, if the communication contains or is accompanied by a statement of the identity of the sender and the Company has no reason to doubt the truth of that statement.

Consequential alterations to the Articles

Various consequential alterations have been made to the Existing Articles to take account of the definitions and expressions used in the new electronic communications regime and also to update them to conform to the new 2006 Act.

Directors' indemnity

The Companies (Audit, Investigations and the Community Enterprise) Act 2004 inserted a new section 309A in the 1985 Act which allows a company to indemnify its directors against any liability incurred by a director to any person (other than the company or any associated company) in connection with any negligence, default, breach of duty or breach of trust in relation to the company. This was previously prohibited under section 310 in the 1985 Act. It also inserted a new section 337A in the 1985 Act which allows a company to provide its directors with funds to cover the costs incurred by a director in defending legal proceedings against him or her. Previously, a company has only been able to fund a director's defence costs once final judgment in their favour has been reached.

Since directors are increasingly being added as defendants in legal actions against companies, and litigation is often very lengthy and expensive, the Board believes that the risk of directors being placed under significant personal financial strain is increasing. The focus on directors and their duties will only increase when codification of directors' duties as set out in the 2006 Act comes into force later this year. The Board believes that the provision of appropriate indemnities and the funding

of directors' defence costs as they are incurred, now permitted by legislation, are reasonable protections for the directors and are important to ensure that the Company continues to attract and retain the highest calibre of directors.

The Board therefore proposes that the Memorandum and Articles of Association be amended to reflect the new statutory provisions. The effect of the proposed resolution is:

- a) to amend the wording of the existing indemnity in the Existing Article 154 to reflect the new provisions. The existing provisions reflect the language of the old statutory provisions and are therefore out of date. The New Articles ensure that the directors can collectively vote in respect of such indemnities; and,
- b) to insert in the new Memorandum of Association a power to fund defence costs and in the New Articles of Association to provide that the Company shall fund a director's defence costs should an action be brought against him or her. The New Articles ensure that the directors can collectively vote in respect of such funding.

Individual directors of the Company would still be liable to pay any damages awarded to the Company in an action against them by the Company, and to repay their defence costs, to the extent funded by the Company, if their defence was unsuccessful. Current legislation does not restrict the Company from indemnifying or funding the defence costs of the Company Secretary or other officers of the Company. The Board believes it is appropriate that such persons be indemnified in respect of their liabilities in such positions to the same extent as the directors

SECTION 3
DIVIDEND RE-INVESTMENT PLAN (DRIP)
TERMS & CONDITIONS

This Section forms the terms and conditions of the dividend re-investment plan ("DRIP"). Please read it carefully and retain it in case you need to refer to it in the future.

The information provided in this brochure should not be regarded as a recommendation to buy or hold shares in MITIE Group PLC ("Company"). The value of shares and the income from them can fall as well as rise and you may not recover the amount of money you invest. If you are in any doubt about what you should do, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have any enquiries about the DRIP, you can write to: Computershare Investor Services PLC, The Plan Administrator, The Pavilions, Bridgewater Road, Bristol BS99 3FA.

Introduction

MITIE Group PLC offers a DRIP that gives shareholders, the opportunity to use their cash dividend to buy ordinary shares in the Company through a special low-cost dealing arrangement. The DRIP is run and administered by Computershare Investor Services PLC or any successor administrator as may be appointed (the 'Plan Administrator'). Computershare Investor Services PLC is authorised and regulated by the Financial Services Authority ('FSA') in the conduct of this service. The DRIP is not run by the Company itself.

About the Plan

1. How does the DRIP operate?

Shareholders who are paid a cash dividend are given the opportunity to reinvest it in the Company's shares through a special dealing arrangement. If shareholders join the DRIP, then as many whole shares as possible will be purchased for them from their cash dividend, until further notice from the shareholder. A dealing charge and stamp duty reserve tax at the prevailing rate will be charged. Purchases are made on, or as soon as reasonably practicable after, the relevant payment date. The purchases are made on an execution-only basis and as a consequence of this no financial advice will be given.

In calculating the stamp duty and commission payments to be made to the broker or market maker for the transaction, Computershare will round up to the nearest penny; any potential difference will be kept for our own benefit.

2. Who can join the DRIP?

You may participate in the DRIP provided that you do not live in or are subject to the jurisdiction of any country where your participation in the DRIP would require the Company or Plan Administrator to comply with local governmental or regulatory procedures or similar formalities. Should we discover that you live in or are subject to the jurisdiction of such a country and that you have returned a completed mandate form, the Plan Administrator may, at its discretion, cancel your participation in the DRIP. If you are resident outside the UK, you are responsible for ensuring that you are legally permitted to join the DRIP and for completing all relevant formalities. If in doubt, you should consult your independent financial adviser. Where local legislation prohibits participation in the DRIP, this documentation should be regarded as for information only.

3. How much will it cost me to join the DRIP?

Shareholders will be charged a special dealing charge of 0.5% of the value of shares bought subject to a minimum fee of £1. You will also have to pay stamp duty reserve tax at the prevailing rate (currently 0.5%). For example, if £50 worth of shares were bought for you under the DRIP, a special dealing charge of £1 and stamp duty reserve tax of 25p would be deducted from the dividend amount (at the current level of stamp duty reserve tax).

4. Why are you charging shareholders to participate in the DRIP?

Under section 151 of the Companies Act 1985 it is not lawful for a company to give financial assistance to a person acquiring shares in that company. The Company is therefore obliged to pass on the direct costs of acquisition to participating shareholders.

5. At what price will the shares be bought and how many shares will I receive?

This will depend on the price of the Company's ordinary shares on the London Stock Exchange when the deal is carried out. The shares will be bought at the best price available at the time of dealing. You cannot specify a maximum or minimum price. Shares are bought on an execution-only basis.

It may be necessary to carry out several market transactions in order to acquire the number of shares needed for the DRIP. The prices at which the shares are purchased may vary between transactions, in which case deal prices will be averaged with all shareholders receiving the same price and this may operate to your advantage or disadvantage. The Plan Administrator may aggregate your order with orders received from other clients using this service. The broker may also aggregate the orders provided to him with orders for its other clients. This may result in a more or less favourable price than if your order had been executed separately.

6. What happens when money is left over after shares have been bought?

Because only whole shares will be bought under the DRIP, there will usually be a small 'cash surplus' left over afterwards that is insufficient to buy another whole share. This cash surplus will be carried forward on behalf of the relevant shareholders without interest and added to future cash dividends for re-investment in the Company's shares under the Plan. The Plan Administrator is required to keep the cash surplus in a designated client money account and is responsible for all cash in its possession. This account is maintained at The Royal Bank of Scotland, which is an approved bank. The Plan Administrator will not pay interest on the cash surplus.

However, in the following circumstances any cash surplus will be paid out without interest:

- > Any cash surplus will be sent to you if you send a written request to the Plan Administrator. However, any such request will also be treated as a notice that you wish to withdraw from the DRIP
- > Any cash surplus of £3 or over will be returned to you in any of the following circumstances:
 - a) if you withdraw from the DRIP
 - b) if you sell or transfer your shares
 - c) if the Plan Administrator receives proper notice of a shareholder's bankruptcy or mental incapacity
 - d) if the Plan Administrator receives proper notice of a corporate shareholder being placed in liquidation
 - e) if the Plan Administrator receives proper notice of a shareholder's death, any cash surplus of £3 or over will be returned to the deceased's estate
- > Any cash surplus of less than £3 will be retained by the Plan Administrator and donated to a registered charity of the Company's choice.

7. Will the DRIP apply to future dividends?

It is envisaged that the DRIP will continue to operate for the foreseeable future. However, the Company and the Plan Administrator reserve the right to suspend or terminate the DRIP at any time, in which case notice shall be given to all participants under the DRIP.

The Plan Administrator may amend the DRIP without notice where the amendment is required by reason of a statutory or regulatory provision, and the Plan Administrator shall inform participants under the DRIP in writing of the amendment as soon as practicable. In any other case the Plan Administrator may amend the DRIP by thirty days written notice to participants under the DRIP. Such amendment may include revision of the costs and charges associated with the DRIP. The Plan Administrator is not obliged to make the DRIP available for any particular dividend. If it is not made available, a cash dividend will be paid.

What you should do?

8. What should I do if I want to join the DRIP?

To join the DRIP, apply online at www.computershare.com/Investor/UK or alternatively complete and sign the mandate form attached to this booklet and return it to the Plan Administrator in the prepaid envelope provided. Instructions via fax, email, telephone or photocopied forms will not be accepted. The Plan Administrator must receive your completed mandate at least fifteen working days prior to the dividend payment date. Applications received by the Plan Administrator after that date will be effective for the following dividend.

If you hold your shares in uncertificated form in the CREST system you may elect to participate in the DRIP by means of the CREST procedures that require the use of the Dividend Election Input Message in accordance with the CREST Manual. Further details of these procedures are contained in this document under 'CREST Procedures'. Once a shareholder has elected to participate in the DRIP, all future dividends will be reinvested under the DRIP until either the shareholder withdraws from the DRIP (see question 10) or the DRIP is suspended.

9. What should I do if I do not want to join the DRIP?

If you want to continue to receive a cash dividend and do not want to join the DRIP, then you need take no action.

10. If I join the DRIP now, how can I withdraw from it in the future?

You can withdraw from the DRIP at any time by writing to the Plan Administrator. Your written notice must be received no later than fifteen working days before the dividend payment date if you do not wish to be included in the DRIP for that dividend. If you sell some of your shares or buy further shares we will assume you wish to continue to participate in the DRIP, unless you notify us otherwise. If you send a request to the Plan Administrator for surplus cash to be returned to you (see question 6), this will be treated as a notice that you wish to withdraw from the DRIP. If the Plan Administrator receives proper notice of a shareholder's death, bankruptcy or mental incapacity (or, in the case of a corporate shareholder, liquidation) participation in the DRIP will cease unless the shares are held jointly with others.

11. Can I join the DRIP for just some of my shares?

For administrative reasons, you have to join the DRIP for either your entire shareholding or not at all. The only possible exception to this rule is for very large corporate or nominee shareholdings, for which the Plan Administrator may permit participation on a lesser number of shares than the full holding, this partial re-investment applying for one dividend payment only. Applications for partial re-investment must be received in writing by the DRIP Administrator no later than fifteen working days prior to the relevant dividend date. A cash dividend will be paid on the balance of the shares not included in the Plan.

12. What are the timescales for joining the DRIP for the forthcoming dividend?

If you want to join the DRIP for the forthcoming dividend, then you should apply online or alternatively complete the enclosed mandate form and ensure that the Plan Administrator receives it at least fifteen working days prior to the dividend payment date.

Applications received after that date will be effective for the following dividend.

13. What documents will I receive?

For certificated and CREST shareholders, you will receive a share purchase advice which will tell you how many shares have been purchased for you, a tax voucher and a share certificate or CREST notification. All documents will be sent by post at the shareholder's risk within fifteen working days of the dividend payment date.

Neither the Company nor the Plan Administrator shall be liable for any failure to receive any document sent by the Company, Plan Administrator or shareholder. All notices shall be sent to the first named shareholder at the address on the share register.

14. What happens if I am a CREST sponsored member?

If you are a CREST Sponsored Member, you will receive a CREST notification instead of a share certificate. The CREST notification will show the additional shares credited to your CREST account.

15. CREST procedures

If you hold your shares in uncertificated form in CREST and will continue to do so at the record date for the relevant dividend, you may elect to participate in the DRIP by means of the CREST procedures to effect such an election. If you are a CREST Personal Member, or other CREST Sponsored Member, you should consult your CREST sponsor, who will be able to take the appropriate action on your behalf. The CREST procedures require you to use the Dividend Election Input Message in accordance with the CREST Manual.

The message should be correctly completed in order for a valid election to be made. However the Company and/or Plan Administrator reserves the right to treat as valid an election which is not complete in all respects.

A valid election made by means of Dividend Election Input Message will to the extent it relates to shares held in uncertificated form at the record date for the relevant dividend, supersede all previous written elections made in respect of holdings in the same member account. By inputting a Dividend Election Input Message as described above, you confirm your election to participate in the DRIP in accordance with the details input and with the Terms and Conditions of the DRIP as amended from time to time, and you appoint Computershare Investor Services PLC or any successor administrator of the DRIP as may be appointed from time to time as your agent to arrange the purchase of shares in MITIE Group plc in accordance with such Terms and Conditions.

The shares purchased on your behalf pursuant to the DRIP will be credited to your relevant CREST member account unless the Company or the Plan Administrator from time to time determines that such shares shall be issued to you in certificated form. You may only revoke an election which has been made by Dividend Election Input Message by utilising the CREST procedure for deletions described in the CREST Manual, unless the Company and Plan Administrator consents to a revocation in another form. The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by or on behalf of the Company prior to the deadline for receipt of withdrawals set out in these Terms and Conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and the Plan Administrator sufficient time to accept the deletion.

There is no facility to amend an election which has been made by Dividend Election Input Message; if you wish to change your election details, you must first delete the existing election as described above and then input Dividend Election Input Message with the required new details.

It is possible to revoke previous written elections made in respect of your uncertified holding to participate in the DRIP (without having to make a new election) by means of the 'Non-CREST Election' and 'Deletion Request Status' fields in the Dividend Election Input Message in accordance with the procedures described in the CREST Manual. The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by the Plan Administrator on behalf of the Company prior to the deadline for receipt of withdrawals set out in these Terms and Conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and Plan Administrator sufficient time to accept the deletion.

16. How does joining the DRIP affect my tax position?

The tax consequences for a shareholder electing for dividend re-investment will depend upon his/her personal circumstances. You are liable for tax on dividends reinvested under the DRIP on the same basis as if you had received the cash and arranged the investment yourself. You should therefore include the dividend in your tax return in the normal way. Please note that you may be liable to capital gains tax if you dispose of the shares. If you are in any doubt about your tax position, you seek independent advice.

Tax legislation can change from time to time.

17. Who will carry out the purchase of shares?

Instructions to purchase the shares under the DRIP will be placed with a broker (the 'Broker') appointed by the Plan Administrator. The Broker will be a member of the London Stock Exchange and authorised and regulated by the FSA. All dealings will be subject to and in accordance with the rules and regulations of the London Stock Exchange and the FSA.

18. Is there anything else of which I should be aware?

The Plan Administrator and its agents (including the Broker) may effect transactions notwithstanding that they have a direct or indirect material interest or a relationship of any description with another party which may involve a conflict with its duty to participants under the DRIP. The price of shares can alter significantly between the time that you join the DRIP and the time the shares are purchased. The Plan Administrator is authorised to disclose any information regarding shareholders or their participation in the Plan to any relevant authority, or as required by such authority, whether by compulsion of law or not. The Plan Administrator will not be liable for any disclosure made in good faith provided that the Plan Administrator believes that such disclosure has been made in accordance with the foregoing requirements.

Any personal data that we obtain from you in providing the DRIP will be held by us in accordance with the relevant legislation. We will only hold, use or otherwise process such of your personal data as is necessary to provide you with the DRIP. Your details will only be disclosed in accordance with the principles set out in the Data Protection Act 1998: to any person if that person has legal or regulatory powers over us; to the Broker; or any other person or body in order to facilitate the provision of the DRIP. You have a right to request to view the information that we hold on you. We may charge you a small fee for providing you with access to this information.

Each of the provisions of the Plan will be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable the remaining provisions will not in any way be affected. The Plan Administrator will take reasonable care in the administration of the DRIP and will be responsible to you for any losses or expenses suffered or incurred by you as a direct result of our breach of these terms and conditions, negligence, wilful default or fraud.

We do not accept liability for any indirect or consequential loss suffered by you or for any loss which does not arise as a result of the Plan Administrator's breach of these Terms and Conditions, wilful default, fraud or negligence.

The Plan Administrator has procedures in place to help resolve all complaints from customers effectively, a copy of which can be provided on request. The Plan Administrator is authorised and regulated by the FSA. If you have any complaints about the service provided to you, should write to the Plan Administrator at the address on page 1. The Plan Administrator is a member of the Financial Ombudsman Service, details of which are available on request. Furthermore you may request a statement describing your rights under the Financial Services Compensation scheme.

Nothing in these terms and conditions restricts any rights you may have under the rules of the Financial Services Authority (FSA) or under the Financial Services and Markets Act 2000, and to the extent that this statement is a financial promotion for the share dealing service provided by the Plan Administrator it has been approved by Computershare Investor Services PLC for the purpose of Section 21 (2) (b) of the Financial Services and Markets Act 2000 only.