

24 October 2011

**Dear Shareholder,**

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

We are pleased to notify you of a GM to be held at MITIE's offices, Ground Floor East, The Cottons Centre, Cottons Lane, 47/49 Tooley Street, London, SE1 2QG on 10 November 2011 at 9.30am. The formal Notice of GM (the "Notice") and the details of the resolutions on which you can vote are set out in this document.

We appreciate that you may not be able to attend the GM 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.

Your Board of Directors (the "Directors") remains 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 various equity-based incentive schemes such as traditional all employee and discretionary share plans and through subsidiary equity participation under schemes known as the MITIE Model. MITIE, which stands for Management Incentive Through Investment Equity, has historically grown by using the MITIE Model to give entrepreneurial managers the opportunity to create wealth by taking the risk of taking equity stakes in new businesses or more mature businesses in conjunction with MITIE and then, dependent on a pre-agreed pricing structure, offering to sell that stake to MITIE between the fifth and tenth years from the date of establishment of the business, predominantly in exchange for ordinary shares in MITIE ("MITIE Shares"), at the option of MITIE. Recipients of shares are generally restricted from selling the MITIE Shares for a minimum of two years.

The Directors believe that the culture of MITIE and of its subsidiary undertakings (the "Group") of employee equity ownership has been, and remains, a significant driver of the Group's growth. It differentiates the Group in its markets and assists in attracting and retaining skilled and committed employees. MITIE invests heavily in the development and incentivisation of its people to ensure the sustainable profitable growth of the Group, in accordance with its strategy and delivering value to shareholders. The Directors believe that MITIE's future success is dependent on its ability to attract and retain the best people in its industry and introduce and nurture the new skills that will be critical in enabling the Group's continued growth, market development and new markets entry. It is for this reason that the Directors propose resolutions 1 – 3 (inclusive) to introduce three MITIE Model schemes (together the "Schemes") for certain employees within MITIE Technical Facilities Management, MITIE Ireland and MITIE Business Services.

If approved by shareholders, the Schemes will offer certain employees the opportunity to invest in the relevant MITIE business and their shares may be bought by MITIE, generally between five and ten years after the start of the relevant Scheme, based on the average of the preceding two years' profit after tax above an indexed threshold at a pre-determined multiple. The key principles of all Schemes along with the details of each particular offering are set out further in the appendices. No PLC Director nor their related parties will participate in the proposed Schemes.

We are also seeking approval to enter into a transaction with Kenneth Robson, a current employee and the son of Bill Robson, a Director of MITIE, pursuant to which MITIE will acquire 40,000 B shares in MITIE Property Services (UK) Limited from Kenneth for a total consideration of £553,600. The requirement to seek MITIE shareholder approval has arisen in connection with the purchase of minority interests by MITIE in MITIE Property Services (UK) Limited (as announced to the London Stock Exchange (the "LSE") on 17 August 2011), pursuant to certain provisions of the Companies Act relating to substantial property transactions and Kenneth's relationship with Bill Robson. Subject to this approval, the consideration will be satisfied as to £10,600.47 in cash and as to £542,999.53

by the issue of 227,482 new ordinary shares in MITIE. Application will be made to the UK Listing Authority and the LSE following the GM for the new MITIE Shares to be admitted to the Official List and to trading on the LSE and it is expected that admission will occur prior to 30 November 2011. These shares will rank pari passu with existing ordinary MITIE Shares, save that they will have a trading restriction applied until 17 August 2013 and will be issued to Kenneth Robson in certificated form (although the shares are capable of being held in uncertificated form through CREST) by 30 November 2011.

A copy of the draft shareholders' agreement and articles of association for each of the Schemes is 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 GM and will also be available for inspection at the place of the meeting from 9.15am on the day of the meeting until its conclusion.

#### **Recommendation**

The Directors (excluding Bill Robson who will not vote in respect of Resolution 4 due to the nature of the transaction) believe that the proposed resolutions 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.

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 GENERAL MEETING OF MITIE GROUP PLC

Notice is hereby given that a general meeting ("GM") of MITIE Group PLC ("MITIE") will be held on 10 November 2011 at the offices of MITIE, Ground Floor East, The Cottons Centre, Cottons Lane, 47/49 Tooley Street, London, SE1 2QG at 9.30am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

**Ordinary Business**

**Resolution 1**

That:

- a) the MITIE Model scheme relating to MITIE Technical Facilities Management Limited (the "MTFM Scheme"), the principal terms of which are summarised in the circular to MITIE shareholders dated 24 October 2011, to be implemented by means of the shareholders' agreement and articles of association produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved and adopted; and
- b) the Directors be and are hereby authorised to do all acts and things that they consider necessary or desirable to give effect to the operation of the MTFM Scheme.

**Resolution 2**

That:

- a) the MITIE Model scheme relating to MITIE Facilities Management Limited (Ireland) (the "MFM Ireland Scheme"), the principal terms of which are summarised in the circular to MITIE shareholders dated 24 October 2011, to be implemented by means of the shareholders' agreement and articles of association produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved and adopted; and
- b) the Directors be and are hereby authorised to do all acts and things that they consider necessary or desirable to give effect to the operation of the MFM Ireland Scheme.

**Resolution 3**

That:

- a) the MITIE Model scheme relating to MITIE Business Services UK Limited (the "MBSUK Scheme"), the principal terms of which are summarised in the circular to MITIE shareholders dated 24 October 2011, to be implemented by means of the shareholders' agreement and articles of association produced to the meeting and initialled for the purposes of identification by the chairman of the meeting, be and is hereby approved and adopted; and
- b) the Directors be and are hereby authorised to do all acts and things that they consider necessary or desirable to give effect to the operation of the MBSUK Scheme.

**Resolution 4**

That the purchase by MITIE of 40,000 B ordinary shares of £1.00 each in MITIE Property Services (UK) Limited from Kenneth Robson, the son of Bill Robson, a Director of MITIE, amounting to £553,600 in value be and is hereby approved for the purposes of sections 190 and 196 Companies Act 2006.

**By order of the Board:**

**Marie-Claire Haines**  
**Group Company Secretary**  
24 October 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 Companies Act 2006 (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 MITIE's offices, Ground Floor East, The Cottons Centre, Cottons Lane, 47/49 Tooley Street, London, SE1 2QG, in good time before the meeting, which will commence at 9.30am. 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 8 November 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 GM 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. To ensure maximum transparency of shareholder voting, all voting at the meeting on all resolutions will be conducted by way of a poll rather than a show of hands. As soon as practicable following the meeting, the results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes withheld in respect of each of the resolutions proposed at the meeting will be announced via a regulatory information service and also placed on the MITIE website: [www.mitie.com](http://www.mitie.com)
8. As at 19 October 2011 (being the latest practicable date prior to the publication of this notice of general meeting) MITIE's issued share capital consists of 359,601,163 ordinary shares carrying one vote each. Therefore the total voting rights in MITIE as at 19 October 2011 are 359,601,163.
9. The following information is available within the investor pages 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.
10. You may not use any electronic address provided in this Notice to communicate with MITIE for any purposes other than those expressly stated.

## Principal terms of the Schemes

The GM is being held to seek the approval of MITIE shareholders for the introduction of the Schemes pursuant to which certain employees will be provided with the opportunity to invest in one of the Schemes, with the aim of allowing them to share in any additional value which they help to create. The Listing Rules (as issued by the Financial Services Authority) require the approval of MITIE's shareholders as the implementation of the Schemes may result in the employees holding MITIE Shares.

### General

The Directors believe that MITIE's success has been built in part upon its equity model (known as the MITIE Model) whereby management teams invest in new company start-ups and have the opportunity to be bought-out by MITIE, generally between five and ten years after the start of the relevant scheme, based on the average of the preceding two years' profit after taxation at a pre-determined multiple.

In our more mature businesses, the opportunity to invest in equity in this way has not been generally available to employees who joined after the business started, or where the business has expanded through acquisition. We have therefore used the principles of the MITIE Model to enable employees to invest in such mature businesses; these arrangements are known internally as 'second generation' equity schemes. Shareholder consent was obtained in respect of previous second generation equity schemes: MITIE Cleaning Services Limited in 2004; MITIE Property Services (UK) Limited in 2006; and MITIE Security Holdings Limited in 2007.

The Directors believe that the culture of MITIE and of its subsidiary undertakings (the "Group") of employee equity ownership has been, and remains, a significant driver in the Group's growth performance. It differentiates the Group in its markets and assists in attracting and retaining skilled and committed employees. MITIE invests heavily in the development and incentivisation of its people to ensure the sustainable profitable growth of the Group, in accordance with its strategy. The Directors believe that MITIE's future success is dependent on its ability to attract and retain the best people in its industry and introduce and nurture the new skills that will be critical in enabling the Group's continued growth, market development and new markets entry.

### Principal features

The principal common features of each of the Schemes are as follows:

<b>Share capital structure</b>	The share capital of the business will generally be reorganised into A shares, B shares and C shares. MITIE's relevant intermediate holding company will own all of the A shares and, where applicable, B shares. Employees participating in the Scheme will subscribe for B shares and MITIE will own one C share. The minimum number of B shares that employees may subscribe for is 1,000 shares and there is no maximum entitlement;
<b>Earnout Period</b>	The B shareholders will have the opportunity to offer their respective shareholdings to MITIE, between the seventh day following the AGM held in 2016 (the "Earliest Earnout Date") and the AGM held in 2021;
<b>Earnout Valuation</b>	If MITIE elects to purchase a B shareholder's shares, the price payable for such shares shall be calculated by valuing the B shares by reference to the profit after taxation of the business (calculated in accordance with the articles of association) in excess of the cumulatively Index Linked Profit Threshold, averaged over the preceding two financial years (ending 31 March) multiplied by the lower of: (i) 10 reducing to 4 if the return on investment exceeds a multiple of 25, and (ii) MITIE's then average price / earning ratio ("P/E Ratio") less half of one point;
<b>Earnout consideration</b>	At MITIE's sole discretion, the consideration for the B shareholders' respective shareholdings may be payable in cash, MITIE Shares or a mixture of both. In respect of the initial earnout, if the consideration is paid in MITIE Shares, such MITIE Shares will not be able to be sold, transferred or otherwise disposed of for up to two years;
<b>Transfer of shares</b>	<p>B shareholders may only transfer their B shares in accordance with the articles of association and the shareholders' agreement, to MITIE. At any time up until the Earliest Earnout Date, other than in the event of an offer being made for the relevant MITIE subsidiary, the A shareholder or the C shareholder, no transfer of any of the B shares is permitted in the case of Good Leavers and Bad Leavers (as defined below).</p> <p>Between the Earliest Earnout Date and the tenth anniversary of the date of the issue of the B shares pursuant to the Scheme, B shareholders may, by way of serving a transfer request notice in the Notice Period (as defined below), offer to sell their B shares to MITIE. The B shareholders can offer a minimum of 20% and up to a maximum of 80% of their shareholding at the Earliest Earnout Date and can offer their remaining shares after a maximum further period of two years, unless otherwise agreed.</p> <p>On receiving the transfer request notice from a B shareholder specifying the number of B shares he/she wishes MITIE to consider purchasing, MITIE will elect within 30 days whether or not to purchase any or all of the shares. If MITIE elects to purchase a B shareholders' shares, it will issue a transfer notice, setting out the offer price for such shares, which shall be calculated as the adjusted profit after taxation of the business over and above the cumulatively Index Linked Profit Threshold averaged over the preceding two years multiplied by the relevant multiple (the "Earnout Formula"). The Profit Threshold is equal to the underlying profitability of the business prior to the subscription. The resulting valuation will be allocated to the B shareholders on a pro rata basis. Profit after taxation and the Earnout Valuation is calculated in accordance with the articles of association for each business.</p> <p>The transfer request notice may only be served in the period between 7 and 14 days after an annual general meeting of MITIE ("AGM") (the "Notice Period").</p>

	On the fifteenth day after the AGM in 2021, MITIE shall have the option to acquire all remaining shares from B shareholders for the lower of: (i) the original price paid for the B shares; and (ii) a lower amount if the business has not exceeded the cumulatively Index Linked Profit Threshold. MITIE is not obliged to acquire the B shares from the B shareholders;
<b>Good Leaver</b>	Good Leavers are those B shareholders leaving the employment of the MITIE group of companies due to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (or Irish equivalent), physical or mental incapacity, retirement, death or having been designated a Good Leaver by the C shareholder. In the case of a Good Leaver, a transfer request notice is deemed to be given by the B shareholder to MITIE in the relevant Notice Period in respect of all his/her B shares. The price to be paid for the B shares of a Good Leaver shall, in most circumstances, be calculated by valuing such shares by reference to an Earnout Valuation in accordance with the articles of association. MITIE is not obliged to acquire a Good Leaver's B shares upon receipt of a deemed transfer notice request;
<b>Bad Leaver</b>	Bad Leavers are those B shareholders leaving the employment of the MITIE group of companies due to any reason that does not make them a Good Leaver. In the case of a Bad Leaver, a transfer request notice is deemed to be given by the B shareholder to MITIE in the relevant Notice Period in respect of all his/her B shares. The price to be paid for such shares shall be the lower of: (i) the original price paid for the B shares; and, (ii) a lower amount if the business has not exceeded the cumulatively Index Linked Profit Threshold. MITIE is not obliged to acquire a Bad Leaver's B shares upon receipt of a deemed transfer request notice;
<b>Dividend rights</b>	In respect of dividends, the A shareholder is given preferential rights in relation to dividends compared with the B shareholders and the C shareholder entitling the A shareholder, inter alia, to a dividend, if declared, equal to the cumulatively Index Linked Profit Threshold in every financial year; all shareholders will be entitled thereafter to such dividend, if any, as the subsidiary board may decide in its absolute discretion to declare and pay; should there be any balance of profits available for distribution thereafter, the A shareholder is entitled to a dividend per A share equal in aggregate to one-half of the balance of profits available for distribution, less the dividend already declared; and, should there be any balance of profits remaining and if the subsidiary board decides to declare a further dividend, they be distributed pro-rata equally among the A shareholders, B shareholders and C shareholders.  Following the tenth anniversary of the subscription for the B shares and C share pursuant to the Scheme, the entitlement of the B shareholders and C shareholders to dividends terminates;
<b>Return of capital</b>	On a return of capital, the A shareholder has preferential rights compared with the B shareholders and the C shareholder;
<b>Voting rights</b>	The C shareholder will hold voting rights equivalent to 50.1% of the voting rights of the company eroding against the A shares. The B shareholders will hold the equivalent to one vote per B share;
<b>Directors</b>	The C shareholder shall be entitled to appoint any number of directors to the board; the quorum for a meeting of the board shall be two directors (one of whom must have been appointed by the C shareholder); and, no resolution of the board may be validly passed unless at least one director appointed by the C shareholder has voted in favour of the resolution;
<b>Third party offer for the Company</b>	If a third party offer is made for all the issued share capital of the company, and the A shareholder and the C shareholder wish to accept the offer, there shall be a deemed acceptance of the third party offer by the B shareholders at such arm's length consideration as certified by the company's auditors when applying the formula set out in the clause dealing with Takeover offers as specified in the articles of association.
<b>Takeover offer for MITIE</b>	In the case of a takeover offer for either the A shareholder or the C shareholder becoming wholly unconditional, each B shareholder has the right, conditional upon receipt of the approval of MITIE shareholders if required by the Panel on Takeovers and Mergers or any other approval or consent required by law, regulation or the Takeover Code (issued by the Panel on Takeovers and Mergers), to require MITIE to purchase all the B shares held by him/her at a price based on the profits in excess of the cumulative Index Linked Profit Threshold, calculated and capped in accordance with a formula specified in the articles of association. MITIE may elect to satisfy the purchase price in cash, MITIE Shares or a mixture of both.

The details of each Scheme are set out further in the following appendices.

#### Scope of MITIE shareholders' approval

The features of the Schemes, as set out in the articles of association and the shareholders' agreements, cannot be altered to the advantage of the employee shareholders without the prior approval of MITIE shareholders in general meeting, except as set out below and for minor amendments to benefit the administration of the Schemes, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for employee shareholders in the Schemes or for any member company of the business:

- The persons to whom, or for whom, securities, cash or other benefits are provided under the Schemes;
- Limitations on the number or amount of the securities, cash or other benefits subject to the Schemes;
- The maximum entitlement for any one participant; and
- The basis for determining a participant's entitlement to, and terms of, securities, cash or other benefit to be provided under the Schemes and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division, or consolidation of shares or reduction of capital or any other variation of capital.

Any benefits under the Schemes are not pensionable.

Where applicable, the Profit Threshold may be adjusted following any sale or acquisition or change in business structure or other corporate activity which, in the opinion of MITIE, requires such adjustment in order to ensure that the value of the B shares has not been varied.

## MITIE Technical Facilities Management

The principal features of the MITIE Technical Facilities Management equity scheme (the "MTFM Scheme") are outlined below.

### Business information

MITIE Technical Facilities Management Limited ("MTFM") is incorporated in England and Wales with registration number 906936. The registered office of MTFM is 8 Monarch Court, The Brooms, Emersons Green, Bristol BS16 7FH.

The current directors of MTFM are Martin Holt, Ian Howarth and Peter Mosley.

Following approval of the MTFM Scheme, it is proposed that:

- The existing share capital be re-designated into new A shares and held by MITIE Technical Facilities Management Holdings Limited;
- Up to 2,666,667 £0.01 B shares will be issued and held by MITIE Technical Facilities Management Holdings Limited at a subscription price of £1.00 per share;
- Up to 1,333,333 £0.01 B shares will be issued and held by employees who have subscribed at a subscription price of £1.00 per share; and
- 1 £1.00 C share will be held by MITIE.

Following the issue of shares, MITIE will ultimately hold 99.8% of the nominal value of the entire issued share capital of MTFM.

MTFM undertakes technical facilities management and energy services. The annual proforma revenue of the business for the year ended 31 March 2011 was £366m, with proforma profits before tax and amortisation of £16.8m for the same period. MTFM was acquired by MITIE from Dalkia plc in August 2009 and integrated with MITIE's engineering maintenance business. As part of an internal group reorganisation, all large integrated facilities management contracts (the "Excluded Contracts") will be transferred out of the MTFM business and will be managed by a different division of MITIE. The exclusion of these contracts has been taken into account in setting the Profit Threshold.

### Principal features of the MTFM Scheme

Employees invited to participate in the MTFM Scheme will subscribe for B shares on the terms set out in the articles of association and shareholders' agreement on the condition that MITIE shareholders pass the resolution set out in the Notice of GM.

The maximum number of employee B shareholders will be 120. Following the issue of the B shares to the B shareholders, each such B shareholder shall be bound by the terms of the articles of association of MTFM and the shareholders' agreement (to which all shareholders are bound). The principal terms of these documents are set out below:

<b>Subscription</b>	Up to 1,333,333 £0.01 B shares may be issued and held by employees who will subscribe at a subscription price of £1.00 per share, conditional upon the approval of the Scheme by the shareholders of MITIE;
<b>Profit Threshold</b>	An annual profit before tax and amortisation cumulatively Index Linked threshold of £16,800,000 after the deduction of corporation tax (based on the estimated profitability of the business for the year ended 31 March 2011, after adjustment for the exclusion of such profits attributable to the Excluded Contracts) and which will be ring-fenced by way of a dividend right for the A shareholder;
<b>Index Linked</b>	The application of an annual increase to the Profit Threshold equal to the higher of 6% or the annual change in the UK Retail Prices Index ("RPI") plus 1% on 31 March in each year, the first such increase to be calculated for the year ending 31 March 2012, based on the relevant index for that financial year;
<b>Borrowing limit</b>	The MTFM business has an aggregate borrowing limit or such other amount as is agreed between MITIE and MTFM from time to time. MTFM may request an enhanced borrowing facility, at an interest rate equivalent to MITIE's then prevailing weighted average cost of capital as calculated in accordance with the shareholders' agreement. If the borrowings of MTFM exceed this limit, the B shareholders will be obliged to subscribe for additional shares in MTFM pro rata to their then existing respective shareholdings; and, if the B shareholders do not or cannot so subscribe, the A shareholder may subscribe for the shortfall and therefore dilute the holdings of those B shareholders who fail to subscribe for additional B shares.

## MITIE Ireland

The principal features of the MITIE Ireland equity scheme (the "MFM Ireland Scheme") are outlined below.

### Business information

MITIE Facilities Management Limited (Ireland) ("MFM Ireland") is incorporated in Ireland with registration number 472704. The registered office of MFM Ireland is Suite 20a, The Mall, Beacon Court, Sandyford, Dublin 18, Ireland.

The current directors of MFM Ireland are Martyn Freeman and Pdraig Byrne.

Following approval of the MFM Ireland Scheme, it is proposed that:

- 1,553,027 €0.15 A shares will be held by MITIE Investments Limited;
- 750,000 €0.01 B shares will be issued and held by MITIE Investments Limited at a subscription price of €1.00 per share and up to 250,000 €0.01 B shares will be issued and held by employees who have subscribed at a subscription price of €1.00 per share. Each subscriber will subscribe for separate classes of B shares with identical rights; and
- 1 €1.00 C share will be held by MITIE.

Following the issue of shares, MITIE will ultimately hold 98.97% of the nominal value of the entire issued share capital of MFM Ireland.

MFM Ireland undertakes a broad range of facilities management services. The annual revenue of the business for the year ended 31 March 2011 on a proforma basis was €32.9m, with proforma profits before tax and amortisation of €1.9m for the same period. It is proposed that following MITIE shareholder approval at the GM, MFM Ireland acquires the entire share capital of MITIE Limited (incorporated in Northern Ireland with registration number NI057012) which undertakes similar services in Northern Ireland. Both entities were acquired by MITIE from Dalkia Ireland Investments Limited in June 2010. Some smaller, existing facilities management contracts (the "Transferred Contracts") managed elsewhere in the MITIE group will be transferred to MFM Ireland which have been taken account of in setting the Profit Threshold (together with other necessary adjustments).

### Principal features of the MFM Ireland Scheme

Employees invited to participate in the MFM Ireland Scheme will subscribe for B shares on the terms set out in the articles of association and shareholders' agreement on the condition that MITIE shareholders pass the resolution set out in the notice of GM.

The maximum number of employee shareholders of B classes of shares ("B Shares" or "B Shareholders") will be 40. Following the issue of the B Shares to the B Shareholders, each such B Shareholder shall be bound by the terms of the articles of association of MFM Ireland and the shareholders' agreement (to which all shareholders are bound). The principal terms of these documents are set out below:

<b>Subscription</b>	Up to 250,000 €0.01 B Shares may be issued and held by employees who will subscribe at a subscription price of €1.00 per share, conditional upon the approval of the Scheme by the shareholders of MITIE;
<b>Profit Threshold</b>	An annual consolidated profit before tax and amortisation cumulatively Index Linked threshold of €1,892,000, after the deduction of corporation tax (based on the estimated profitability of the business for the year ended 31 March 2011, after adjustment for the profits attributable to the Transferred Contracts and other necessary adjustments) and which will be ring-fenced by way of a dividend right for the A shareholder;
<b>Currency conversion</b>	The sterling value of profits used in the calculation of any MITIE Shares to be attributed in consideration of the purchase of B Shares, will be the same sterling to euro exchange rate as is used to include MFM Ireland's financial results into MITIE's consolidated financial results in each of the two financial years used to calculate the Earnout Valuation;
<b>Index Linked</b>	The application of an annual increase to the Profit Threshold equal to the higher of 6% or the annual change in a blended index of Irish and UK RPI (pro-rated to the Irish and UK derived revenues) plus 1% on 31 March in each year, the first such increase to be calculated for the year ending 31 March 2012, based on the relevant index for that financial year;
<b>Borrowing limit</b>	The MFM Ireland business has an aggregate borrowing limit or such other enhanced borrowing amount as is agreed between MITIE and MFM Ireland from time to time. MFM Ireland may request an enhanced borrowing facility, at an interest rate equivalent to MITIE's then prevailing weighted average cost of capital as calculated in accordance with the shareholders' agreement. Should the borrowings of MFM Ireland exceed this limit, the B shareholders will be obliged to subscribe for additional shares in MFM Ireland pro rata to their then existing respective shareholdings; and, if the B Shareholders do not or cannot so subscribe, the A shareholder may subscribe for the shortfall and therefore dilute the holdings of those B Shareholders who fail to subscribe for additional B Shares;

## MITIE Business Services

The principal features of the MITIE Business Services equity scheme (the "MBSUK Scheme") are outlined below.

### Business information

MITIE Business Services UK Limited ("MBSUK") is a newly incorporated company in England and Wales with registration number 07807297. The registered office of MBSUK is 8 Monarch Court, The Brooms, Emersons Green, Bristol, BS16 7FH.

The current directors of MBSUK are Lorraine Barnet and Tim France.

Following approval of the MBSUK Scheme, it is proposed that:

- 216,750 £1.00 A shares will be issued and held by MITIE Investments Limited;
- Up to 208,250 £0.01 B shares will be issued and held by employees who have subscribed at a subscription price of £1.00 per share; and
- 1 £1.00 C share will be held by MITIE.

Following the issue of shares, MITIE will ultimately hold 99.05% of the nominal value of the entire issued share capital of MBSUK.

MBSUK will undertake document management and reprographic services outside of the London area. Contracts currently within MITIE's existing Business Services business which operate outside of London (the "Transferred Contracts"), will be undertaken by MBSUK under a group sub-contractor arrangement and have been taken into account when setting the Profit Threshold. The annual proforma revenue of the Transferred Contracts is £3m, with annual proforma profits before tax and amortisation of £0.2m.

### Principal features of the MBSUK Scheme

Employees invited to participate in the MBSUK Scheme will subscribe for B shares on the terms set out in the articles of association and shareholders' agreement on the condition that MITIE shareholders pass the resolution set out in the Notice of GM.

The maximum number of employee B shareholders will be 40. Following the issue of the A and B shares, each such shareholder shall be bound by the terms of the articles of association of MBSUK and the shareholders' agreement (to which all shareholders are bound). The principal terms of these documents are set out below:

<b>Subscription</b>	Up to 208,250 £0.01 B shares may be issued and held by employees who will subscribe at a subscription price of £1.00 per share, conditional upon the approval of the Scheme by the shareholders of MITIE;
<b>Profit Threshold</b>	An annual profit before tax and amortisation cumulatively Index Linked threshold of £204,176, after the deduction of corporation tax (based on estimated profitability of the Transferred Contracts) and which will be ring-fenced by way of a dividend right for the A shareholder;
<b>Index Linked</b>	An application of an annual increase to the Profit Threshold equal to the higher of 6% or the annual change in the UK RPI plus 1% on 31 March in each year, the first such increase to be calculated for the year ending 31 March 2012, based on the relevant index for that financial year;
<b>Borrowing limit</b>	The MBSUK business has an aggregate borrowing limit or such other enhanced borrowing amount as is agreed between MITIE and MBSUK from time to time. MBSUK may request an enhanced borrowing facility, at an interest rate equivalent to MITIE's then prevailing weighted average cost of capital as calculated in accordance with the shareholders' agreement. Should the borrowings of MBSUK exceed this limit, the A shareholder and the B shareholders will be obliged to subscribe for additional shares in MBSUK pro rata to their then existing respective shareholdings; and, if the B shareholders do not or cannot so subscribe, the A shareholder may subscribe for the shortfall and therefore dilute the holdings of those B shareholders who fail to subscribe for additional B shares.



