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IMPORTANT: You must read the following disclaimer before reading, accessing, or making any other use of the attached document. This electronic transmission applies to the attached document and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached prospectus and circular (the “**Prospectus**”) relating to Mitie Group plc (the “**Company**”) dated 25 June 2020 received by means of electronic communication. In accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document to any other person. The Prospectus has been prepared solely in connection with the proposed rights issue (the “**Rights Issue**”) of up to 805,069,771 new ordinary shares at 25 pence per share (the “**New Ordinary Shares**”) in the capital of the Company.

This document has been approved by the UK Financial Conduct Authority (the “**FCA**”) in accordance with section 85 of the Financial Services and Markets Act 2000, as amended, and will be made available to the public and has been filed with the FCA in accordance with the Listing Rules and Prospectus Rules made by the FCA under section 73A of the Financial Services and Market Act 2000, as amended. This document together with the documents incorporated into it by reference (as set out in Part XX “*Documents Incorporated by Reference*” of this document) will be made available to the public in accordance with Prospectus Rule 3.2.1 by the same being made available, free of charge, at <https://www.mitie.com/investors/>.

Prospective investors are advised to access such information prior to making an investment decision.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT MAY ONLY BE DISTRIBUTED, OUTSIDE THE UNITED STATES, IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR, WITHIN THE UNITED STATES, TO QUALIFIED INSTITUTIONAL BUYERS (“**QIBs**”) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) OR IN RELIANCE ON ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES REFERRED TO IN THIS DOCUMENT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR UNDER THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED, TAKEN UP, EXERCISED, RESOLD, RENOUNCED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, EXCEPT (1), WITHIN THE UNITED STATES, TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB AS DEFINED IN, OR IN RELIANCE ON, RULE 144A, OR IN RELIANCE ON ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR (2), OUTSIDE THE UNITED STATES, IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

There will be no public offer of securities in the United States and the securities referred to herein have not been approved, disapproved or recommended by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the securities referred to herein or confirmed the accuracy, adequacy or completeness of this document. Any representation to the contrary is a criminal offence in the United States.

This electronic transmission and the attached document and the offer of New Ordinary Shares when made are only addressed to and directed at persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (“**Qualified Investors**”). This electronic transmission and the attached document must not be

acted on or relied on in any member state of the European Economic Area other than the United Kingdom, by persons who are not Qualified Investors.

The making or acceptance of the proposed offer of nil paid rights, fully paid rights and/or New Ordinary Shares to persons who have registered addresses outside the UK, or who are resident in, or citizens of, countries other than the UK may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the UK wishing to take up rights under or otherwise participate in the Rights Issue to satisfy himself, herself or itself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories.

Subject to certain exceptions, the provisional allotment letters, the nil paid rights, the fully paid rights and the New Ordinary Shares may not be transferred or sold to, or renounced or delivered in, the United States, Canada, Australia, Japan, Switzerland, Hong Kong or South Africa or any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation. No offer of New Ordinary Shares is being made by virtue of this document or the Provisional Allotment Letters into the United States, Canada, Australia, Japan, Switzerland, Hong Kong or South Africa.

Confirmation of Your Representation: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to the Company, Jefferies International Limited (“**Jefferies**”), J.P. Morgan Securities plc, which conducts its UK investment banking activities under the marketing name J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”), Barclays Bank PLC (“**Barclays**”), Banco Santander, S.A. (“**Santander**” and, together with Jefferies, J.P. Morgan Cazenove and Barclays, the “**Underwriters**”) or Evercore Partners International LLP (“**Evercore**”) that (i) you are (a), if located within the United States, a QIB acquiring such securities for its own account or for the account of another QIB or (b), if located outside the United States, acquiring such securities in “offshore transactions”, as defined in, and in reliance on, Regulation S under the Securities Act; (ii) if you are in the UK, you are a relevant person, and/or a relevant person who is acting on behalf of, relevant persons in the UK and/or Qualified Investors to the extent you are acting on behalf of persons or entities in the UK or the EEA; (iii) if you are in any member state of the European Economic Area other than the UK, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors to the extent you are acting on behalf of persons or entities in the EEA other than the UK; and (iv) you are an institutional investor that is eligible to receive this document and you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Underwriters, Evercore nor any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the attached document, you consent to receiving it in electronic form.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters and Evercore by the Financial Services and Markets Act 2000, as amended (“**FSMA**”) or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Underwriters, Evercore, nor any of their respective affiliates, directors, officers, employees or advisers accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the New Ordinary Shares. The Underwriters, Evercore and each of their respective affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by the Underwriters, Evercore or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in the attached document.

Restriction: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general

solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Each of the Underwriters and Evercore is acting exclusively for the Company and no one else in connection with the Acquisition. Each of the Underwriters and Evercore will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer of the New Ordinary Shares and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the offer of the New Ordinary Shares or any transaction or arrangement referred to in the attached document.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN PERSONAL FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK, SOLICITOR, ACCOUNTANT, FUND MANAGER OR OTHER APPROPRIATE INDEPENDENT FINANCIAL ADVISER, WHO IS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER.

This document comprises: (i) a circular prepared in accordance with the Listing Rules of the Financial Conduct Authority (the “FCA”) made under section 73A of the FSMA for the purposes of the General Meeting convened pursuant to the Notice of General Meeting set out at the end of this document; and (ii) a prospectus relating to Mitie Group plc (the “Company”) prepared in accordance with the prospectus regulation rules of the FCA made under section 73(A) of the FSMA (the “**Prospectus Regulation Rules**”). This document has been approved by the FCA in accordance with section 85 of the FSMA, will be made available to the public and has been filed with the FCA in accordance with the Prospectus Regulation Rules. This document together with the documents incorporated into it by reference (as set out in Part XX of this document) will be made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules by the same being made available, free of charge, at <https://www.mitie.com/investors/> and at the Company’s registered office at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU.

The prospectus contained herein has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The FCA only approves the prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation; such approval should not be considered as an endorsement of the issuer that is, or the quality of the securities that are, the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company and its directors, whose names and principal functions appear on page 167 of this document (the “**Directors**”), accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and makes no omission likely to affect its import.

If you sell or have sold or have otherwise transferred all of your Shares (other than ex-rights) held in certificated form before 8.00 a.m. (London time) on 14 July 2020 (the “**Ex-Rights Date**”), please send this document, together with any Provisional Allotment Letter, if and when received, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States or any of the Restricted Territories. If you sell or have sold or have otherwise transferred all or some of your Existing Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. If you sell or have sold or have otherwise transferred only part of your holding of Existing Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, you should refer to the instruction regarding split applications in Part IX of this document and in the Provisional Allotment Letter.

The distribution of this document, the Provisional Allotment Letter and the transfer of Nil Paid Rights, Fully Paid Rights and New Shares into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this document, the enclosures and the Provisional Allotment Letter and any other such documents should not be distributed, forwarded to or transmitted in or into the United States or the Restricted Territories.

This document does not constitute an invitation or offer to sell or the solicitation of an invitation or an offer to buy New Shares or to take up entitlements to Nil Paid Rights or Fully Paid Rights in any jurisdiction in which such offer or solicitation is unlawful.



Mitie Group plc

(incorporated and registered in Scotland with registered number SC019230)

Proposed 11 for 5 Rights Issue of 805,069,771 New Shares at 25 pence per New Share to raise approximately £201 million

And

Circular and Notice of General Meeting

*Sponsor, Joint Global Co-ordinator
and Joint Bookrunner*

Jefferies

Barclays

Joint Bookrunners

*Joint Global Co-ordinator
and Joint Bookrunner*

J.P. Morgan Cazenove

Santander

Financial Adviser

Evercore

A Notice of General Meeting of the Company, to be held at Linklaters LLP, One Silk Street, London, EC2Y 8HQ at 11.00 a.m. on 13 July 2020, is set out at the end of this document. You are able to appoint one or more proxies to exercise all or any of your rights to vote at the General Meeting. Given the UK Government’s current guidance on social distancing and restrictions on attendance at public gatherings, you will be unable to attend the General Meeting. Accordingly, you are encouraged to appoint the Chairman of the General Meeting as your proxy to ensure that your vote is able to be cast in accordance with your wishes. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. Please see the notes accompanying the Notice of General Meeting for details regarding the methods available to appoint a proxy, which in each case must be received by the Registrar, Link Asset Services, by not later than 11.00 a.m. on 9 July 2020 (or, in the case of an adjournment, at close of business two business days before the day of the adjourned general meeting).

The Shares are listed on the Official List maintained by the FCA and traded on the London Stock Exchange's main market for listed securities. Application will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively (together, "**Admission**"). It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Shares (nil paid) will commence at 8.00 a.m. (London time) on 14 July 2020.

Your attention is drawn to the letter of recommendation from the Chairman which is set out in Part VII of this document which recommends that you vote in favour of the Resolution to be proposed at the General Meeting. You should read the whole of this document and any documents incorporated by reference. Your attention is also drawn to Part II of this document, which sets out certain risks and other factors that should be considered by Shareholders when deciding on what action to take in relation to the Rights Issue, and by others when deciding whether or not to purchase Nil Paid Rights, Fully Paid Rights or New Shares.

Jefferies International Limited ("**Jefferies**") is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Securities plc, which conducts its UK investment banking activities under the marketing name J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**") is authorised in the United Kingdom by the Prudential Regulation Authority (the "**PRA**") and regulated in the United Kingdom by the FCA and the PRA. Barclays Bank PLC ("**Barclays**") is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA. Banco Santander, S.A. ("**Santander**" and together with Jefferies, J.P. Morgan Cazenove and Barclays, the "**Underwriters**") is authorised by the Bank of Spain and subject to limited regulation in the United Kingdom by the FCA and PRA. Evercore Partners International LLP ("**Evercore**" or the "**Financial Adviser**") is authorised and regulated by the FCA in the United Kingdom. Barclays owns approximately 4.58% of Interserve Group Limited, the ultimate parent company of How Group. Each of the Underwriters and the Financial Adviser is acting exclusively for the Company and no one else in connection with the Rights Issue and Admission, will not regard any other person (whether or not a recipient of this document) as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for providing advice, in relation to the Rights Issue or Admission or any other transaction or arrangement referred to herein.

The Underwriters, the Financial Adviser and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to the Company, for which they would have received customary fees. The Underwriters, the Financial Adviser and any of their respective affiliates may provide such services to the Company and any of its respective affiliates in the future. Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters and the Financial Adviser by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Underwriters, the Financial Adviser nor any of their respective affiliates, directors, officers, employees or advisers accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the New Shares, the Provisional Allotment Letters, the Rights Issue or Admission. The Underwriters, the Financial Adviser and their respective affiliates, directors, officers, employees and advisers accordingly disclaim to the fullest extent permitted by law all and any liability whatsoever, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this document or any such statement.

Jefferies and the Financial Adviser have given and not withdrawn their consent to the issue of this document with the inclusion of the references to their respective names in the form and context in which they are included.

Subject to, among other things, the passing of the Resolution at the General Meeting, it is expected that Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or the Restricted Territories) will be sent a Provisional Allotment Letter on or about 13 July 2020, and that Qualifying CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or the Restricted Territories) will receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 14 July 2020. The Nil Paid Rights so credited are expected to be enabled for settlement by Euroclear as soon as practicable after Admission.

In connection with the Rights Issue, the Underwriters and any of their respective affiliates may, in accordance with applicable legal and regulatory provisions, take up a portion of the Nil Paid Rights, the Fully Paid Rights and the New Shares in the Rights Issue as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Nil Paid Rights, Fully Paid Rights and New Shares) and may offer or sell such securities otherwise than in connection with the Rights Issue (including through coordinated action to dispose of any New Shares which they are required to subscribe for as underwriters), provided that the Underwriters and their respective affiliates may not engage in short selling for the purpose of hedging their commitments under the Underwriting Agreement (subject to certain exceptions contained in the Underwriting Agreement). Accordingly, references in this Prospectus to Nil Paid Rights, Fully Paid Rights and New Shares being offered or placed should be read as including any offering or placement of Nil Paid Rights, Fully Paid Rights and New Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including margin loans) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Nil Paid Rights, Fully Paid Rights and New Shares. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

The latest time and date for acceptance of and payment in full for the New Shares by holders of the Nil Paid Rights is expected to be 11.00 a.m. on 28 July 2020. The procedures for delivery of the Nil Paid Rights, acceptance and payment are set out in Part IX of this document and, for Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, those with registered addresses in the United States or the Restricted Territories) also in the Provisional Allotment Letter. Overseas Shareholders with registered addresses in the United States or the Restricted Territories should refer to paragraph 2.6 of Part IX of this document.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue.

Notice to Overseas Shareholders

This document does not constitute an offer of Nil Paid Rights, Fully Paid Rights or New Shares to any person with a registered address, or who is located, in the United States or the Restricted Territories or in any other jurisdiction in which such an offer or solicitation is unlawful.

The Nil Paid Rights, the Fully Paid Rights, the New Shares and the Provisional Allotment Letters have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Shares in the United States.

The Nil Paid Rights, the Fully Paid Rights and the New Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state’s securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Nil Paid Rights, the Fully Paid Rights or the New Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

In addition, until 40 days after the commencement of the Rights Issue, an offer or sale of Nil Paid Rights, Fully Paid Rights or New Shares within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

The Underwriters may arrange for the offer of New Shares in the United States not taken up in the Rights Issue only to persons reasonably believed to be “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act in reliance on an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Nil Paid Rights, the Fully Paid Rights and the New Shares offered outside the United States are being offered in reliance on Regulation S under the Securities Act. **Prospective investors are hereby notified that sellers of the Nil Paid Rights, the Fully Paid Rights or the New Shares may be relying on the exemption from registration provisions under Section 5 of the Securities Act, as amended, provided by Rule 144A thereunder.**

The Nil Paid Rights, the Fully Paid Rights and the New Shares have not been and will not be registered or qualified for distribution to the public under the relevant laws of any state, province or territory of any

Restricted Territory and, subject to certain exceptions, may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within any Restricted Territory.

All Overseas Shareholders and any person (including, without limitation, a nominee or trustee) who has a contractual or legal obligation to forward this document or any Provisional Allotment Letter, if and when received, or other document to a jurisdiction outside the United Kingdom should read the information set out in paragraph 2.6 of Part IX of this document.

Notice to All Investors

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in the Nil Paid Rights, the Fully Paid Rights or the New Shares is prohibited. By accepting delivery of this document, each offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares agrees to the foregoing.

The distribution of this document and/or the Provisional Allotment Letters and/or the transfer of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, such documents should not be distributed, forwarded to or transmitted in or into the United States or the Restricted Territories. The Nil Paid Rights, the Fully Paid Rights, the New Shares and the Provisional Allotment Letters are not transferable, except in accordance with, and the distribution of this document is subject to, the restrictions set out in paragraph 2.6 of Part IX of this document. No action has been taken by the Company or by the Underwriters that would permit an offer of the New Shares or rights thereto or possession or distribution of this document or any other offering or publicity material or the Provisional Allotment Letters, the Nil Paid Rights or the Fully Paid Rights in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or by the Underwriters. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time subsequent to its date.

With the exception of those elements of the specific documents incorporated by reference into this document as described in Part XX of this document, which will be made available on Mitie's website, the content of the Company's website does not form part of this document.

Capitalised terms have the meanings ascribed to them in Part XXI of this document.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Nil Paid Rights, the Fully Paid Rights and the New Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares may decline and investors could lose all or part of their investment; the Nil Paid Rights, the Fully Paid Rights and the New Shares offer no guaranteed income and no capital protection; and an investment in the Nil Paid Rights, the Fully Paid Rights and/or the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any

contractual, legal or regulatory selling restrictions in relation to the offer of New Shares. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Nil Paid Rights, the Fully Paid Rights and/or the New Shares.

Each Distributor is responsible for undertaking its own Target Market Assessment in respect of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares and determining appropriate distribution channels.

WHERE TO FIND HELP

Part VIII of this document answers some of the questions most often asked by shareholders about rights issues. If you have further questions, please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

This document is dated 25 June 2020.

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PART I

SUMMARY

A. INTRODUCTION AND WARNINGS

A.1.1 *Name and international securities identifier number (ISIN) of the securities*

Mitie Group plc ordinary shares; ISIN code GB0004657408

A.1.2 *Identity and contact details of the issuer, including their legal entity identifier (LEI)*

The issuer of New Shares is Mitie Group plc. Mitie Group plc is a public limited company, incorporated in Scotland. Its registered office is at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. The Company's telephone number is + 44(0) 330 678 0710 and its legal entity identifier is 213800MTCLTKEHWZMJ03.

A.1.3 *Identity and contact details of the competent authority approving the prospectus*

This document has been approved by the FCA, as competent authority in the United Kingdom, with its head office at 12 Endeavour Square, London E20 1JN, United Kingdom, and telephone number +44 20 7066 1000, in accordance with the Prospectus Regulation.

A.1.4 *Date of approval of the document*

This document was approved as a prospectus by the FCA on 25 June 2020.

A.1.5 *Warning*

This summary has been prepared in accordance with Article 7 of the Prospectus Regulation and should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Any investor could lose all or part of their invested capital and, where any investor's liability is not limited to the amount of the investment, it could lose more than the invested capital. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of a Member State, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or if it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in the securities.

B. KEY INFORMATION ON THE ISSUER

B.1 *Who is the issuer of the securities?*

B.1.1 *Domicile, legal form, Legal Entity Identifier (LEI), jurisdiction of incorporation and country of operation*

The issuer of the securities is Mitie Group plc.

Mitie Group plc is incorporated in Scotland, has its registered office in Scotland and its LEI is 213800MTCLTKEHWZMJ03. The Company was incorporated and registered as a private company limited by shares in Scotland on 16 July 1936 with registered number SC019230 under the Companies Act 1929. The Company was re-registered on 16 February 1982 as a public company limited by shares under the Companies Acts 1948 and 1980 with the name Highgate & Job Group plc and subsequently changed its name to Mitie Group plc on 5 October 1989.

B.1.2 *Principal activities*

Mitie is one of the United Kingdom's leading facilities management and professional services companies, with approximately 47,500 employees as at 31 March 2020 and sales of £2.2 billion in FY19/20.

Mitie offers a range of facilities management and professional services, including: engineering maintenance and repair services and projects; energy and carbon management; digital transformation services; manned guarding and technology-based security services; cleaning and environmental services; and front-of-house, vetting and document management services. Mitie also provides specialised services specific to a customer, such as immigration detention and escorting and forensic health services, or that address a specific need or value, such as waste management and landscaping services.

Mitie has a large, diverse customer base. In the private sector, Mitie supports a wide range of customers across a variety of industries, including banking and the professional services, retail and leisure, manufacturing, construction, utilities, transport and logistics, healthcare and pharmaceuticals, industrial, and

technology and communications. In the public sector, Mitie is recognised as a strategic supplier to central and local governments, providing essential services to the NHS, local authorities, police forces, schools and universities as well as strategic and critical government assets and other critical national infrastructure.

On 25 June 2020, Mitie and How Group Limited (a wholly owned subsidiary of Interserve Group Limited) entered into an agreement for the sale and purchase of Interserve Facilities Management by Mitie. Interserve Facilities Management is a leading UK-focused facilities management business, providing services across multiple end-markets. In the year ended 31 December 2019, Interserve Facilities Management's revenue was £1,369 million, its operating profit was £38 million and its EBITDA (excluding minority interests) was £43 million.

B.1.3 *Major shareholders*

As at 22 June 2020 (being the latest practicable date prior to the publication of this document), insofar as it is known to the Company by virtue of notifications made pursuant to the Companies Act and/or Chapter 5 of the Disclosure Guidance and Transparency Rules, the following persons are, directly or indirectly, interested (within the meaning of the Companies Act) in 3 per cent. or more of the Company's issued share capital (being the threshold for notification of interests that will apply to Shareholders as of Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

Shareholder	Number of Shares	Percentage of Share Capital
Silchester International Investors LLP	62,210,238	17.00%
Fidelity International Limited	18,906,903	5.17%
Heronbridge Investment Management.....	18,366,728	5.02%
Harris Associates L.P.	18,203,437	4.97%
Aggregate of Standard Life Aberdeen plc.	18,130,724	4.95%
Brandes Investment Partners LP.....	18,117,242	4.95%

B.1.4 *Key managing directors*

Phillip Bentley is the Chief Executive Officer and Andrew Peeler is the Chief Financial Officer of the Company.

B.1.5 *Identity of statutory auditors*

BDO LLP, with its address at 55 Baker Street, London, W1U 7EU, United Kingdom, is the statutory auditor to the Company.

B.2 *What is the key financial information regarding the issuer?*

The tables below set out the Group's summary financial information for the periods indicated.

The financial information in the table below has been extracted without material adjustment from Mitie's audited consolidated financial statements as of and for the year ended 31 March 2020 ("FY19/20") (the "2020 Financial Statements"), audited consolidated financial statements as of and for the year ended 31 March 2019 ("FY18/19") (the "2019 Financial Statements") and audited consolidated financial statements as of and for the year ended 31 March 2018 ("FY17/18") (the "2018 Financial Statements"), respectively (as noted).

Summary Consolidated Income Statement Data

	FY19/20			FY18/19 ⁽¹⁾			FY17/18 ⁽²⁾		
	Before Other Items	Other Items	Total	Before Other Items	Other Items	Total	Before Other Items	Other Items	Total
	(£ millions)								
Continuing operations									
Revenue	2,173.7	—	2,173.7	2,221.4	—	2,221.4	2,203.7	—	2,203.7
Cost of sales	(1,886.2)	—	(1,886.2)	(1,923.9)	—	(1,923.9)	(1,894.8)	—	(1,894.8)
Gross profit	287.5	—	287.5	297.5	—	297.5	308.9	—	308.9
Administrative expenses	(201.4)	(21.5)	(222.9)	(209.3)	(38.0)	(247.3)	(219.3) ⁽³⁾	(97.9)	(317.2) ⁽³⁾
Operating profit/(loss)	86.1	(21.5)	64.6	88.2	(38.0)	50.2	89.6	(97.9)	(8.3)
Finance income	0.4	—	0.4	0.2	—	0.2	0.2	—	0.2
Finance costs	(16.6)	—	(16.6)	(14.0)	—	(14.0)	(16.6)	—	(16.6)
Net finance costs	(16.2)	—	(16.2)	(13.8)	—	(13.8)	(16.4)	—	(16.4)
Profit/(loss) before tax	69.9	(21.5)	48.4	74.4	(38.0)	36.4	73.2	(97.9)	(24.7)
Tax	(11.9)	4.0	(7.9)	(13.8)	7.4	(6.4)	(12.0)	10.7	(1.3)
Profit/(loss) from continuing operations after tax	58.0	(17.5)	40.5	60.6	(30.6)	30.0	61.2	(87.2)	(26.0)
Discontinued operations									
Profit/(loss) from discontinued operations	2.3	47.7	50.0	3.1	(2.2)	0.9	—	—	—
Profit/(loss) for the year	60.3	30.2	90.5	63.7	(32.8)	30.9	61.2	(87.2)	(26.0)

Notes:

- (1) As presented in the 2019 Financial Statements. In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the 2020 Financial Statements include Mitie's consolidated income statement for comparative purposes for FY18/19 on a re-presented basis to reflect catering as a discontinued operation.
- (2) As presented in the 2018 Financial Statements. In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the 2019 Financial Statements include Mitie's consolidated income statement for comparative purposes for FY17/18 on a re-presented basis to reflect the pest control business and social housing repairs and maintenance business as discontinued operations, as incorporated by reference in this Prospectus. However, such comparative income statement information for FY 17/18 has not been re-presented in the 2020 Annual Report and Accounts and consequently does not reflect catering as a discontinued operation, and therefore such amounts are not directly comparable. Information regarding the catering business's revenue and operating profit (loss) before other items for FY 2017/18 is included in Note 3 to the 2019 Annual Report and Accounts.
- (3) Net, including share of profit of joint ventures and associates of £0.8 million, as presented in the 2018 Financial Statements.

Summary Consolidated Balance Sheet Data

	As at 31 March		
	2020	2019	2018
	(£ millions)		
Assets			
Total non-current assets	507.4	433.1	426.9
Total current assets	535.4	550.8	459.4
Total assets	1,042.8	983.9	886.3
Liabilities			
Total current liabilities	(588.6)	(680.4)	(569.0)
Total non-current liabilities	(373.7)	(315.9)	(341.3)
Total liabilities	(962.3)	(996.3)	(910.3)
Net assets/(liabilities)	80.5	(12.4)	(24.0)
Equity			
Equity attributable to equity holders of the parent	80.5	(12.4)	(24.0)

As at 31 March			
	2020	2019	2018
	(£ millions)		
	FY19/20	FY18/19	FY17/18
	(£ millions)		
Net cash generated from/(used in) operating activities	50.0	39.8	(9.8)
Net cash generated from/(used in) investing activities.....	45.6	25.1	(32.1)
Net cash used in financing activities.....	(79.5)	(16.3)	(27.8)
Net increase/(decrease) in cash and cash equivalents.....	16.1	48.6	(69.7)
Net cash and cash equivalents at the beginning of the year.....	108.4	59.8	129.1
Effect of foreign exchange rate changes.....	0.1	—	0.4
Net Cash and cash equivalents at the end of the year.....	124.6	108.4	59.8

Pro forma financial information

The *pro forma* financial information has been prepared for illustrative purposes only in accordance with Article 7 of the Prospectus Regulation. Because of its nature, the *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent Mitie's actual financial position or results. It may not, therefore, give a true picture of Mitie's financial position or results nor is it indicative of the results that may, or may not, be expected to be achieved in the future.

	Consolidated Net Assets as at 31 March 2020 ⁽¹⁾	Proceeds from the Rights Issue ⁽²⁾	<i>Pro forma</i> Consolidated Net Assets as at 31 March 2020
	(£ millions)		
Assets			
Total non-current assets.....	507.4	—	507.4
Total current assets.....	535.4	190.0	725.4
Total assets	1,042.8	190.0	1,232.8
Liabilities			
Total current liabilities	(588.6)	—	(588.6)
Total non-current liabilities	(373.7)	—	(373.7)
Total liabilities.....	(962.3)	—	(962.3)
Net assets	80.5	190.0	270.5
Net debt⁽³⁾	(167.9)	190.0	22.1

Notes:

(1) The information in this column has been extracted, without material adjustment, from the 2020 Financial Statements.

(2) The estimated net proceeds of the Rights Issue of approximately £190 million (being gross proceeds of approximately £201 million less estimated fees and expenses relating to the Rights Issue of approximately £11 million, including VAT where relevant).

(3) *Pro forma* Net Debt has been calculated as follows:

	Consolidated as at 31 March 2020	Proceeds from the Rights Issue	<i>Pro forma</i> consolidated as at 31 March 2020
		(£ millions)	
Cash and cash equivalents.....	124.6	190.0	314.6
Bank loans – under committed facilities.....	(49.0)	—	(49.0)
Private placement notes.....	(177.9)	—	(177.9)
Derivative financial instruments.....	28.2	—	28.2
Lease liabilities.....	(93.8)	—	(93.8)
Net debt.....	(167.9)	190.0	22.1

The *pro forma* net assets and liabilities statement has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 March 2020.

No account has been taken of the results and financial performance of the Group since 31 March 2020 nor of any other event save as disclosed above.

There are no qualifications in the audit opinions on the 2020 Financial Statements and the 2019 Financial Statements incorporated by reference in this document. The audit opinion on the 2018 Financial Statements incorporated by reference in this document included the following qualification: “*The financial statements have been qualified on the basis that they do not agree with the requirement contained in IAS 1 to present a third balance sheet for the year ended 31 March 2016. Subsequently we have been unable to determine the financial impact of any line item reclassification adjustment that may have arisen from this re-presentation to the income statement for the year ended 31 March 2017. Notwithstanding the foregoing, as described within Note 1 to the basis of preparation for the financial statements, had these adjustments been presented in accordance with IAS 1, they would have had no impact on the reported net assets for the year ended 31 March 2016 or the reported loss for the year ended 31 March 2017.*”

B.3 What are the key risks that are specific to the issuer?

The COVID-19 pandemic may negatively impact Mitie’s ability to comply with financial covenants under its material financing arrangements and its liquidity.

The COVID-19 pandemic has impacted Mitie’s and Interserve Facilities Management’s businesses and is expected, if the Acquisition completes, to impact the business of the Enlarged Group; the ultimate impact on their businesses and financial results will depend on future developments.

Mitie and Interserve Facilities Management are (and, if the Acquisition completes, the Enlarged Group will be) exposed to political, social and macroeconomic risks relating to the United Kingdom’s exit from the European Union (“Brexit”).

General economic conditions could adversely affect demand for services provided by Mitie and Interserve Facilities Management (and, if the Acquisition completes, the Enlarged Group), or their financial performance and other aspects of their businesses.

Mitie and Interserve Facilities Management are (and, if the Acquisition completes, the Enlarged Group will be) subject to the risk of renegotiation or early termination of customer contracts.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to the risk of changes in public sector policies, including reduced demand for facilities management services and public sector expenditure levels and budgets.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to risks associated with bidding for and entering into multi-year and/or fixed-price contracts.

Failure to realise bid opportunities and to secure new contracts and contract renewals can involve significant wasted costs, missed opportunities for growth and loss of revenue and profit.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) reliant on maintaining its customer base and the continued spending power of that customer base.

The Acquisition is conditional on certain conditions that may not be satisfied.

Mitie may not be or may not have been able to identify all risks associated with the Acquisition, which may result in unexpected liabilities and costs.

The anticipated benefits and targeted synergies in connection with the Acquisition are based on certain assumptions and estimates that may prove inaccurate.

KEY INFORMATION ON THE SECURITIES

C.1 *What are the main features of the securities?*

C.1.1 *Type, class, ISIN*

The Rights Issue is being made to all Shareholders on the register of members of the Company at close of business on 9 July 2020 (the “**Record Date**”). Pursuant to the Rights Issue, the Company is proposing to offer 805,069,771 New Shares to Qualifying Shareholders at 25 pence per New Share. Each New Share is expected to be issued at a premium of 23 pence to its nominal value of 2.5 pence.

When admitted to trading on the LSE, the New Shares will be registered with ISIN number GB0004657408. The ISIN for the Nil Paid Rights is GB00BJK09942 and the ISIN for the Fully Paid Rights is GB00BJK09B66.

C.1.2 *Currency, denomination, par value, number of securities issued and duration*

The New Shares are denominated in United Kingdom pounds sterling. As at 22 June 2020 (being the latest practicable date prior to the date of this document) the Company had in issue 373,685,164 Shares of 2.5 pence each (fully paid), of which 7,744,359 Shares were registered as treasury shares retaining no voting rights.

C.1.3 *Rights attached to the securities*

The New Shares will, when issued and fully paid, rank equally in all respects with the Existing Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of the issue of the New Shares.

C.1.4 *Rank of securities in the issuers’ capital structure in the event of insolvency*

The Shares do not carry any rights as respects to capital to participate in a distribution (including on a winding-up) other than those that exist as a matter of law.

C.1.5 *Restrictions on the free transferability of the securities*

There are no restrictions on the free transferability of the Existing Shares or the New Shares.

C.1.6 *Dividend or pay-out policy*

The Board has determined not to recommend a final dividend for FY19/20 due to the uncertainties arising out of the COVID-19 situation. More generally, the Board’s intention is to hold the dividend flat in line with amounts paid in immediately preceding years at least until transformation is complete, when the Board will review the dividend policy.

C.2 *Where will securities be traded?*

Application will be made to the FCA for the New Shares to be issued and to be admitted to the premium listing segment of the Official List, and to the LSE for the New Shares to be admitted to trading on its main market for listed securities.

C.3 *What are the key risks that are specific to the securities?*

The price of the New Shares, the Nil Paid Rights or the Fully Paid Rights may fluctuate.

A trading market for the New Shares, the Nil Paid Rights or the Fully Paid Rights may not develop.

Shareholders who do not (or are not permitted to) take up their Nil Paid Rights may be subject to a dilution of their ownership upon the issue of New Shares.

D. KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

D.1 *Under which conditions and timetable can I invest in this security?*

It is expected that Admission of the New Shares to listing and trading on the LSE will become effective and that unconditional dealings will commence at 8:00 a.m. on 29 July 2020.

Pursuant to the Rights Issue, the Company is proposing to offer 805,069,771 New Shares to Qualifying Shareholders on the terms and conditions set out in this document and the Provisional Allotment Letter. The offer is to be made at 25 pence per New Share, payable in full on acceptance by no later than 11.00 a.m. on 28 July 2020. The Rights Issue is expected to raise approximately £190 million, net of expenses. The Issue Price of 25 per New Share represents a 40.7 per cent. discount to the theoretical ex-rights price based on the closing middle-market price of 80 pence per Share on 24 June 2020 (being the last Business Day before the announcement of the terms of the Rights Issue).

The Rights Issue will be made on the basis of 11 New Shares at 25 pence per New Share for every 5 Existing Shares held by Qualifying Shareholders at the Record Date.

D.2 *Why is this document being produced?*

The Company proposes to issue 805,069,771 New Shares in connection with the Rights Issue.

Through the issue of the New Shares, the Company expects to raise gross proceeds of £201 million. The aggregate expenses of, or incidental to, the Rights Issue to be borne by the Company are estimated to be approximately £11 million, which the Company intends to pay out of the proceeds of the Rights Issue.

Net proceeds of approximately £80 million will form a portion of the consideration for the acquisition of Interserve Facilities Management (and, if the acquisition does not complete, Mitie will use these net proceeds in furtherance of its strategy, including both organic and inorganic opportunities). The remaining net proceeds of approximately £110 million will support Mitie's liquidity for the medium term. Following the implementation of the Rights Issue, Mitie will benefit from a more robust capital structure to support its ongoing transformation plan, with a significantly reduced level of net indebtedness, as well as an extended maturity profile and associated interest coverage and leverage covenant amendment on its debt.

PART II

RISK FACTORS

Any investment in the Company and the New Shares carries a number of risks. Prospective investors should review this document carefully and in its entirety (together with any documents incorporated by reference in it) and consult with their professional advisers before acquiring any New Shares. You should carefully consider the risks and uncertainties described below, together with all other information in this document and the information incorporated into this document by reference, before making any investment decision.

A number of factors affect the operating results, financial condition and prospects of the Company and/or Mitie. This section describes risk factors considered by the Directors to be material to the Company and/or Mitie as a whole. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Company's operating results, financial condition or prospects. If any such risks were to materialise, the price of Shares could decline as a consequence and investors could lose all or part of their investment.

1 RISKS RELATING TO THE BUSINESS AND INDUSTRY IN WHICH MITIE AND INTERSERVE FACILITIES MANAGEMENT OPERATE AND, IF THE ACQUISITION COMPLETES, IN WHICH THE ENLARGED GROUP WILL OPERATE

1.1 Risks related to Mitie's debt

The COVID-19 pandemic may negatively impact Mitie's ability to comply with financial covenants under its material financing arrangements and its liquidity

Mitie's operations and financial results have been adversely affected by the impact of the COVID-19 pandemic on many of its customers, which has resulted in lower revenue levels and profitability in recent months, in particular since the introduction of government restrictions on travel, leisure activities and business operations. If these factors continue to impact Mitie for a prolonged period of time, or the pandemic increases in severity, it may have a significant impact on Mitie's ability to satisfy financial covenants in its material financing arrangements and negatively impact its liquidity over the next 12 to 18 months.

Mitie has a number of debt financing arrangements, namely the Revolving Credit Facility and the Note Purchase Agreement relating to the US Private Placement Notes, that contain certain financial covenants that Mitie must observe. Under the Revolving Credit Facility and the Note Purchase Agreement, Mitie is subject to the following provisions:

- Mitie's ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA (the "**Leverage Ratio**") must not exceed 3.0x; and
- Mitie must maintain an interest cover ratio of Consolidated EBITDA to Consolidated Net Finance Costs (the "**Interest Coverage Ratio**") of not less than 4.0x.

These financial covenants are tested semi-annually, on 30 September and 31 March. As at 31 March 2020, Mitie's Net Debt (pre-IFRS 16) was £74.9 million, its Leverage Ratio was 0.72x and its Interest Coverage Ratio was 9.3x.

In connection with the Rights Issue and the preparation of the 2020 Financial Statements, the Board considered and approved its five-year financial forecasts, which are based on a current assessment of business prospects over the period, with an initial view of the on-going impact of COVID-19 on Mitie's business.

If Mitie's results over the relevant period were to be in line with its base case five-year financial forecasts, it would not be in breach of the financial covenants contained in its financing documents at any point within the 12-month period covered by the working capital statement set out in paragraph 24 of Part XIX of this document, even if the Rights Issue were not to proceed. In addition, if Mitie's results were to fall short of these base case forecasts but instead were to reflect what the Board considers to be a reasonable worst case scenario, and the Rights Issue were to proceed, Mitie would still not be in breach of these financial covenants at any point within the 12-month period covered by the working capital statement. If, however, the reasonable worst case scenario were to occur and the Rights Issue were not to proceed, and no other mitigating actions were to be taken by Mitie, it is expected that Mitie would be in breach of the covenant in relation to its Interest Coverage Ratio in respect of future semi-annual covenant testing dates on

30 September 2020, 31 March 2021 and 30 September 2021, and its Leverage Ratio in respect of covenant testing dates on 31 March 2021 and 30 September 2021.

If the COVID-19 pandemic increases in severity or it continues to negatively affect demand for Mitie's services for a prolonged period of time, it may have a significantly adverse impact on Mitie's liquidity during the next 12 to 18 months, which could negatively impact its ability to meet debt and other payment obligations as they come due while continuing to fund ordinary course operating activities at targeted levels. In particular, the Board forecasts that it would experience reduced liquidity headroom as compared to historical levels: (i) in April 2021, at expiration of the tax deferral arrangements in place as part of the government's "Time to Pay" initiative; (ii) in July 2021, upon expiration of its existing Revolving Credit Facility; and (iii) in December 2022, upon maturity of £121.5 million of US Private Placement Notes.

As a result of the potential covenant breaches arising under the reasonable worst case scenario, and in light of potential liquidity constraints that may arise in the next 12 to 18 months as a result of the impact of the COVID-19 pandemic on Mitie's operating activities and financial results, Mitie has agreed amendments to these covenants and an extension of its Revolving Credit Facility from 23 July 2021 to 16 December 2022. The amendments to Mitie's Revolving Credit Facility and Note Purchase Agreement, and the extension of the Revolving Credit Facility, are conditional upon the completion of the Rights Issue, and include restrictions on dividend payments if Mitie's Leverage Ratio is above 3.0x notwithstanding the agreed covenant amendment. If the Rights Issue were not to proceed, the amendments to these financing arrangements would not be implemented and the Revolving Credit Facility would not be extended.

If the Rights Issue does not proceed, and as a result the amendment and waiver arrangements agreed with the holders of the US Private Placement Notes and lenders under the Revolving Credit Facility and the extension to the Revolving Credit Facility do not become effective, Mitie may seek to take one or more actions designed to avoid a covenant breach in the event of the reasonable worst case scenario occurring and to support its liquidity over the next 12 to 18 months. Such actions may include, among other things, pursuing the disposal of one or more non-core assets in order to improve short-term liquidity, while simultaneously entering into further negotiations with its lenders and finance providers in order to secure a waiver or amendment of the financial covenants and term of its existing financing arrangements. However, any disposal of non-core assets is likely to be at a discount to the market valuation. Any such actions would likely require Mitie to incur additional costs (including, for example, amendment fees and increased interest payments) and the imposition of restrictions on the ability of management to pursue its strategy.

If Mitie were unable to avoid a breach of these financial covenants when tested then, at any time after the financial covenant breach, the requisite majority of holders of the US Private Placement Notes and lenders party to the Revolving Credit Facility would have the right to demand the accelerated payment in full of the relevant amounts (principal and other items, including make-whole amounts) outstanding at the time of the breach and/or a cross-default in relation to Mitie's other financing arrangements may occur. If such a repayment demand were to be made and a cross-default were to occur, Mitie does not expect that it would have access to funds immediately available to repay such amounts at that time, absent mitigating actions. In this circumstance, Shareholders are at risk of losing all or a substantial amount of their investment.

There can be no assurance that a reasonable worst case scenario will be avoided and, if it is not, that the alternative actions outlined above would be capable of implementation in the time available and/or would ultimately be successful. An inability to comply with its financial covenants over the longer term or to maintain sufficient liquidity could have a material adverse effect on Mitie's business, results of operations and financial condition.

1.2 Risks related to Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's operations and operating environment

The COVID-19 pandemic has impacted Mitie's and Interserve Facilities Management's businesses, and is expected, if the Acquisition completes, to impact the business of the Enlarged Group; the ultimate impact on their businesses and financial results will depend on future developments

The recent outbreak of a novel strain of coronavirus, COVID-19, has spread rapidly and globally across multiple countries around the world, including the United Kingdom. COVID-19 and responsive measures have caused significant social and economic disruption and protracted volatility in international markets and have negatively affected business operations across most public and private sectors. A number of governments have revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 could cause a

prolonged global economic crisis, recession or depression despite monetary and fiscal interventions by governments and central banks globally.

In the United Kingdom, restrictions have been put in place on travel and transportation and a variety of public and private sector entities are subject to prolonged closures. As a result of these events, each of Mitie and Interserve Facilities Management has seen a significant downturn in some areas of their respective businesses, particularly within the private sector. Customers in sectors such as transport and logistics, manufacturing, and property management have been significantly affected by COVID-19, as have general office-based customers. In particular, Mitie has experienced a reduction in demand for discretionary project work and variable services, such as non-essential maintenance, as customers aim to limit variable expenditure and, in many circumstances, are restricted from utilising facilities managed by Mitie. As these activities have historically been among Mitie's higher margin services, prolonged disruption from COVID-19 may have a significant impact on Mitie's and, if the Acquisition completes, the Enlarged Group's profitability.

In response to the pandemic and its economic and social impact, many customers have sought to introduce reductions in the scope of services they receive from Mitie, which has negatively impacted revenue over a short period. This reduction in revenue may significantly offset any revenue gains that Mitie generates as a result of increased demand during the course of the pandemic from public sector customers, such as the NHS, and for cleaning and security services from private and public customers, including from food and online retailers in response to changing consumer activity as a result of COVID-19. In addition, demand for these cleaning and security services may also decrease if customers' operating activities are restricted as a result of further governmental action or changes in consumer demand in the coming weeks and months. If operating restrictions remain in place for a significant period of time or, following the easing of restrictions, customers' facilities needs do not return to prior levels, customers may cancel or fail to renew contracts with Mitie, as described in *"Mitie and Interserve Facilities Management are (and, if the Acquisition completes, the Enlarged Group will be) subject to the risk of renegotiation or early termination of customer contracts"*, or bid processes and contract award decisions for targeted customers may be delayed or withdrawn if the disruption caused by the COVID-19 pandemic continues for a significant period of time. Mitie also faces potential exposure to bad debts as a result of the impact of COVID-19 on its customers, in particular in the retail, travel and leisure sectors, or customers may seek longer payment terms.

Interserve Facilities Management has also experienced a reduction in customer demand as a result of the pandemic, which has exposed it to similar risks in relation to its operating activities, projected future service levels and customer relationships. In addition, the COVID-19 pandemic has caused disruption to internal financial reporting processes that has resulted in a delay to completion of the annual audit of Interserve's financial results and the production of standalone historical financial statements of Interserve Facilities Management, which have also been contributed to by a cyber-attack announced by Interserve on 13 May 2020.

In addition, the extent to which funding levels for Interserve Facilities Management's public sector customers will be impacted by COVID-19 over the longer term cannot be determined at this time. Responsive measures undertaken by the government and future economic factors may negatively impact future tax receipts, which could negatively impact funds available for public sector facilities management services in the future, or government support for public services may lead to changes in demand for facilities management and professional services or the terms on which those services are sought as described in *"Mitie and Interserve Facilities Management are (and, if the Acquisition completes, the Enlarged Group will be) subject to the risk of changes in public sector policies, including reduced demand for facilities management services and public sector expenditure levels and budgets"*.

Each of Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's business operations may also be disrupted if significant portions of its workforce are unable to work effectively, including because of illness, quarantines, government actions, or other restrictions in connection with the pandemic, in particular, if stricter social distancing measures were imposed or there was an extended or subsequent lockdown, any of which could limit the ability to perform services at client locations.

The extent to which the COVID-19 pandemic impacts each of Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's business, results of operations and financial condition will depend on future developments, which are highly uncertain, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

For purposes of the statement in relation to the working capital of Mitie (and excluding the impact of Acquisition) set out in paragraph 24 of Part XIX of this document, Mitie has formed its view of a reasonable worst case scenario using the following COVID-19-specific assumptions:

- The restrictions on activities in the United Kingdom as a result of COVID-19 are assumed to remain in place until the end of June 2020, followed by a relaxation of restrictions before a second set of restrictions on activities at least as severe as the first, which are assumed to occur from August to October 2020;
- As a result, Mitie's revenue for FY20/21 and FY21/22 is assumed to decline by approximately 30 per cent. and 15 per cent., respectively, versus FY19/20; and
- Working capital, inclusive of bad debts, excluding the government's "Time to Pay" deferral, is assumed to come under pressure in FY20/21 resulting in a net negative cashflow impact of approximately £140 million. It is assumed that this dynamic slowly reverses to normalised levels during FY21/22.

Developments related to the pandemic may differ from these assumptions, and continued spread of the pandemic and measures taken to contain it could cause other risks to impact Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group, heighten the probability or potential impact of known risks such as those described in this Part II, and give rise to other risks that cannot be predicted at this time.

Mitie and Interserve Facilities Management are (and, if the Acquisition completes, the Enlarged Group will be) exposed to political, social and macroeconomic risks relating to the United Kingdom's exit from the European Union ("Brexit")

In March 2017, the United Kingdom gave notice of its intention to leave the EU under Article 50 of the Treaty on European Union. In October 2019, a withdrawal agreement (the "**Withdrawal Agreement**") setting out the terms of the United Kingdom's exit from the European Union, and a political declaration on the framework for the future relationship between the United Kingdom and European Union was agreed between the UK and EU governments. The Withdrawal Agreement, which became effective on 31 January 2020, includes the terms of a transition or "standstill" period until 31 December 2020, during which time the United Kingdom and European Union will continue to negotiate the terms of a trading arrangement which will apply following the standstill period when the United Kingdom will have formally withdrawn from the European Union but will still be treated for most purposes as an EU member state.

While the UK Government has stated that it will negotiate the terms of a future trading arrangement with the European Union, there is no guarantee that the terms of such arrangement will be ratified by the UK Government or the European Union prior to the end of the standstill period. The ongoing nature of these negotiations has led to volatility in consumer confidence levels and business investment in recent years, which are subject to further change depending on the outcome of continued negotiations between the United Kingdom and the European Union. A significant deterioration in investment levels could negatively impact spending and capital investment by Mitie's customers, including on larger facilities improvement projects, which would negatively impact Mitie's operating performance.

If the standstill period ends with no trading arrangement in place, the result may be significant macroeconomic deterioration, including, but not limited to, decreases in global stock exchange indices, trade wars, increased foreign exchange volatility (in particular a further weakening of the pound sterling and the euro against other leading currencies), decreasing consumer confidence and further decreases to the GDP in the UK. Brexit may impact the ability of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group to find appropriately skilled employees in the United Kingdom or may result in Mitie incurring additional costs to attract and retain skilled employees. As at 31 December 2019, approximately 12 per cent. of Mitie's employees were citizens of non-UK European Union countries. Although Mitie has undertaken initiatives to support these employees' efforts to obtain permanent resident or other right-to-work status, there can be no assurance that Mitie and, if the Acquisition completes, the Enlarged Group will not lose employees or face difficulty finding and retaining employees (from EU countries or otherwise) following the end of the Brexit transition period.

Brexit also creates risks arising from uncertainty in the regulatory environment of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group. As a significant proportion of the regulatory regime applicable to Mitie and Interserve Facilities Management in the United Kingdom is derived from European Union directives and regulations, Brexit could change the regulatory framework

applicable to operations of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

The withdrawal of the United Kingdom from the European Union and uncertainty with regards to its future trading arrangements with the EU continues to create significant political, social, and macroeconomic uncertainty, which could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

General economic conditions could adversely affect demand for services provided by Mitie and Interserve Facilities Management (and, if the Acquisition completes, the Enlarged Group), or their financial performance and other aspects of their businesses

Each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may be affected by general economic factors outside its control, such as political, financial and economic factors, including the impact of COVID-19 and responsive governmental and social actions being taken. Factors that may affect this operating environment and demand for facilities management services include inflation, business and government spending and potential economic deterioration. Worsening of these conditions may negatively impact the type and level of services (in particular variable and project services, which in some circumstances entail high levels of capital investment by customers) demanded by customers or cause customers to seek to renegotiate or terminate existing arrangements, as described in “*Mitie and Interserve Facilities Management are (and, if the Acquisition completes, the Enlarged Group will be) subject to the risk of renegotiation or early termination of customer contracts*”.

In addition, adverse changes in global economic conditions and uncertainty arising from such changes could reduce access to capital or credit for customers, increase the cost of debt and limit the ability of customers to manage interest rate risks. These factors could negatively impact the degree to which each of Mitie’s, Interserve Facilities Management’s and, if the Acquisition completes, the Enlarged Group’s customers contract for new business or are able to meet their obligations under existing contracts.

Each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group is also subject to risks arising as a result of changes in economic conditions that affect its financial position, as described in “*Fluctuations in exchange rates and interest rates, and any failure to hedge effectively against exchange rate and interest rate changes, could negatively impact Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group*”, and over the longer term could face higher costs or limited availability of credit during significant or prolonged periods of economic instability.

Any of these risks could result in higher operating costs, higher debt and reduced income and could have a negative impact on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Mitie and Interserve Facilities Management are (and, if the Acquisition completes, the Enlarged Group will be) subject to the risk of renegotiation or early termination of customer contracts

Although the majority of Mitie’s contracts are long term in nature, in some cases, contracts contain termination clauses permitting customers to terminate the contract at their discretion following the expiration of an agreed notice period, which is typically two to six months.

There can be no assurance that customers will not exercise their rights to terminate their contracts prior to expiration or threaten to exercise such rights in order to procure revisions to pricing or other contractual terms (including pricing terms, service levels or scope). As a result, events or incidents that lead to customer dissatisfaction, or to changes in customer strategy, circumstances or needs (including COVID-19), could lead to customer attempts to renegotiate existing arrangements and result in changes to Mitie’s customer relationships. Similarly, customers may look to renegotiate contracts prior to expiration if approached by a competing facilities management provider. Although migrating services to new facilities management providers can take up to six to twelve months, and many services that Mitie provides are essential for its customers to continue their ongoing operating activities, Mitie faces risk that the threat of cancellation may lead to material changes to its contractual arrangements and customer relationships.

A number of Interserve Facilities Management’s customer contracts contain similar provisions and, as a result, Interserve Facilities Management faces similar risks in relation to customer contracts, including the risk of early termination or renegotiation of customer contracts, and certain significant contracts have ceased in recent years and others may in the future. A number of Communities division services are delivered pursuant to private finance initiative (“PFI”) arrangements, which may include termination provisions and similar counterparty rights can create additional risks. These PFI arrangements generally relate to the

provision of essential services over a significant length of time (up to 20 to 40 years). As such, while they can provide long-term visibility on projected operating activities and revenue, and foster stable relationships with the customer, they may also be subject to termination by the customer and these revenue streams may be difficult to replace. Certain counterparties either have, or may claim to have, termination rights as a result of events of default in connection with the entry of Interserve Plc into administration in 2019. Discussions have taken place and are ongoing in relation to the implementation of waivers of any actual or claimed events of default.

Early termination of a contract without adequate compensation, or material renegotiation of contractual terms could result in lower than expected margins or losses under these contracts. If such termination or renegotiation related to a material contract or a significant number of smaller contracts, it could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to the risk of changes in public sector policies, including reduced demand for facilities management services and public sector expenditure levels and budgets

In FY19/20, Mitie derived approximately 30 per cent. of its revenue from contracts involving public sector customers, including central government, local authorities and other public sector bodies and agencies. Interserve Facilities Management has historically derived a majority of its revenue from contracts involving public sector customers. These customers may be affected by financial, budgetary, regulatory or political constraints or governmental policies, which could have a significant impact on the size, scope, type, timing and duration of contracts and orders placed by them and, therefore, on the level of business that Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group will derive from such customers.

As a result, a substantial part of the businesses of Mitie and Interserve Facilities Management are (and, if the Acquisition completes, a substantial part of the Enlarged Group's business will be) dependent on, and susceptible to changes in, local and central government laws, policies, budget priorities and regulatory or political constraints. In particular, these factors may include changes to public or political sentiment regarding public sector outsourcing or changes in local and central government following elections, which may impact public spending restrictions or reductions. Such changes could result in, among other risks, the following:

- a decrease in the number and size of contracts awarded to private companies;
- decisions not to, or to no longer, outsource services or activities;
- delays in placing work;
- cancellation, abandonment or significant reduction in the scope of activities;
- pressure on pricing or margins;
- withdrawal of projects;
- the bringing back "in-house" of services by customers;
- early termination of contracts, lower contract spend than anticipated or adoption of less favourable contracting models; and
- more significant regulatory and legislative barriers in obtaining or maintaining contracts.

For example, it is uncertain to what extent the impact of the COVID-19 pandemic will affect public sector demand and funding levels for facilities management and professional services. Although demand from public sector customers has remained steady in recent months, including as a result of continued government efforts to support these service partners, as well as increased demands on public sector bodies such as the NHS as a result of the pandemic, government policy or public sentiment following the pandemic may result in changes to demand or support for outsourced services. Mitie's largest public sector contracts due for renewal in the next 12 months are with the Cumbrian Collaboration and NHS Property Services, and there can be no assurance that Mitie will be able to renew these contracts as anticipated.

Any of these developments could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to risks associated with bidding for and entering into multi-year and/or fixed-price contracts

The profitability of contracts performed by each of Mitie and Interserve Facilities Management depends (and, if the Acquisition completes, the Enlarged Group will depend), amongst other things, upon its ability to price contracts at a level that is competitive with other companies, while also taking into consideration various factors that impact the margins sought on these contracts, some of which are outside the control of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable). This involves correctly assessing and agreeing pricing terms that provide for a fixed level of return on the contract, accurately anticipating the costs of performance (including, in particular, people and IT costs), anticipating the correct volume levels for the service in question, gauging employee and technology requirements and other obligations, evaluating contractual and operational risks, and the likelihood of change of scope by customers. Failure to do so may, in the absence of a contractual mechanism enabling recovery of such costs, expose each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group to, and require it to bear the risk of, cost overruns.

Upon entry into a long-term contract, each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group must also successfully manage both day-to-day and long-term operations in order to generate the targeted profit on these contracts, including adequately managing project costs. Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may also be required to incur significant upfront costs to begin work on a new contract, which may be higher than originally contemplated and which it may be unable to recover. Failure to appropriately manage and price these risks may result in a contract being loss-making during its initial term.

Mitie's customer contracts are typically structured as three- to five-year agreements (except in the case of project agreements, which are tied to the projected time to deliver the project), which exposes it to risks arising from its ability to accurately price and bid for contracts. Interserve Facilities Management's customer contracts are also typically structured for the provision of services over a multi-year period, in particular PFI arrangements in the public sector, the majority of which can last over 20 years. Bidding for long-term contracts typically requires management to make judgements on, amongst other things, contract requirements, likely future revenue and costs incurred by Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable). Many factors may influence management's judgements, some of which cannot be identified at the time of bidding for and entering into the contract. For example, Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group may overestimate volume or demand or underestimate labour or other resource requirements. As work under these contracts progresses, costs may need to be reduced in order to maintain profitability and margins at acceptable levels. Moreover, contracts may include provisions that prohibit Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group from relying on the information provided by a customer as part of the tender process, which would limit the remedies available to claim relief from the performance of its contract obligations or recover any additional costs incurred if such information were to prove to be incorrect. Therefore, even where the bid assumptions prove to be materially different from the bid assumptions, or where information provided by a customer (for example, about the condition of relevant assets or employee and/or associated pension costs) is incorrect or incomplete, Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable) may be required to continue to deliver services under the contract with limited ability to adjust its pricing. Such changes in costs or revenue may result in the realised contract margin being lower than that anticipated at the bid stage for a period of time, until Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable) is able to either agree new contract terms or take other actions to compensate for the increased costs and/or decreased revenue.

In addition, many of Mitie's contracts limit its ability to terminate the contract, for example permitting termination by Mitie only in instances of fundamental breach or non-payment by the customer. Many of Interserve Facilities Management's contracts contain similar provisions. A contract that remains low-margin for longer than expected or which becomes loss-making for a prolonged period may negatively impact the results of operations and profitability of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group. Contracts that are profitable but may require recognition of a cash outflow under IFRS 15, *Revenue from Contracts with Customers*, such as contracts that require significant up-front mobilisation costs that are only offset over the life of the agreement, may also negatively impact the results of operations of Mitie, Interserve Facilities Management or the Enlarged Group. Mitie, Interserve Facilities Management or the Enlarged Group may seek to amend the terms of these contracts. As an alternative, any of Mitie, Interserve Facilities Management or the Enlarged Group may seek to terminate any such contracts, although the costs of doing so may make these options unattractive. In addition, some loss-making contracts

may have an evergreen feature, which means a customer can renew them automatically, thereby extending the time during which Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group would need to provide services under a loss-making contract. As part of its work to improve the execution of its contracts under its current strategy, Mitie has implemented processes to monitor such costs and changes, enabling it to deliver more predictable performance over the life of the contract. However, there can be no assurance that such processes will be successful in mitigating the risk of inherently complex contracts.

Contracts also typically include performance-related measures for services, with related penalties being imposed on Mitie for non-performance or under-performance. Certain contracts also include cost saving targets or gainshare mechanisms which, if not carefully managed, can impact the profitability of a contract. Mitie and, if the Acquisition completes, the Enlarged Group may also be exposed to unforeseen changes in the scope, pricing or volumes of existing contracts that may occur as a result of changes in the general business or political landscape of its customers, or as a result of changes in end-customer behaviour, such as innovations in technology. Many of Interserve Facilities Management's contracts contain similar provisions and, as a result, it faces similar risks in performing its contracts.

Any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group may not be able to accurately predict the costs or revenue, or identify or quantify all the risks associated with its contracts, the complexity of the services provided, or the costs of terminating such contracts, which may result in lower than expected margins or losses under these contracts or the loss of customers, which could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Failure to realise bid opportunities and to secure new contracts and contract renewals can involve significant wasted costs, missed opportunities for growth and loss of revenue and profit

A significant number of Mitie's and Interserve Facilities Management's contracts, including renewals of existing contracts, are (and, if the Acquisition completes, many of the Enlarged Group's contracts are expected to be) awarded through formal competitive bidding processes. The realisation of opportunities for new bids and retenders for existing contracts can involve a lengthy and costly bidding process, particularly for public sector customers. Also, by their nature, large, longer-term contracts are irregular and relatively infrequent in coming to market. As a result, if any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group is unsuccessful in bidding for such contracts when they become available, or renewing arrangements with existing customers, it could adversely affect its operating and financial performance over a number of years.

Bidding for large and complex contracts is time-consuming, taking months or even years. In addition, there may be a long period between a successful tender and entering into definitive contractual documentation and the commencement of work on a contract, during which period the contract parameters may not be re-evaluated. Moreover, bidding processes are typically competitive, including competition from existing market participants or new market entrants, and may experience additional expense, delay or loss of awarded contracts if its competitors protest or challenge awards of contracts to Mitie or, if the Acquisition completes, the Enlarged Group. If Mitie fails to realise these opportunities, particularly having invested time and money in the bidding process, it could negatively impact its business, results of operations and financial condition. Interserve Facilities Management faces (and, if the Acquisition completes, the Enlarged Group will face) similar risks arising from efforts to bid for large and complex facilities management contracts.

Unsuccessful major bids or retenders could result in significant unrecovered bid costs being incurred and may affect the financial performance of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group. The inability to secure a major new contract could represent a significant missed opportunity for growth, and failure to renew existing contracts could lead to loss of significant existing revenue and profit streams. There can be no assurance that Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group will be able to successfully retender for contracts as existing contracts come up for renewal, whether on equally attractive terms or at all. Nine of Mitie's top 20 contracts by revenue for FY19/20 are due for renewal in FY20/21, and there is no assurance that these contracts will be renewed. If any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group were unable to win new bids for contracts with customers or if its reputation or relationship with customers were impaired, there can be no assurance that it will be able to replace its order book with contracts of similar magnitude or with similar terms. Failure to replace key contracts and/or customers on equivalent terms or at all could have a negative impact on the business, results of operations

and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) reliant on maintaining its customer base and the continued spending power of that customer base

Although Mitie has a large and diversified blue chip customer base, with the majority of individual contracts each contributing less than one per cent. of Mitie's revenue, it is subject to customer concentration risk, with its largest 20 customers accounted for approximately 47 per cent. of its consolidated revenue in FY19/20.

Although Mitie does not believe that the loss of a single customer would have a materially adverse effect on its operating results, the loss of a combination of its larger customers, or the reduction in spending power of its customers, could have a negative impact on revenue and profitability. Mitie experiences turnover in its customer base in the ordinary course of its business, based on, among other things, customers' decisions whether or not to retender for existing services or to hire Mitie for new projects. On average, approximately 20 per cent. of Mitie's contracts are up for renewal in a given year. Ordinary course contractual renewal cycles create risks that Mitie may not be able to retain sufficiently high numbers of existing customers (or retain them at similar service levels), or that it may not win new customers at a higher rate than it experiences losses of, or a reduction in services provided to, existing customers. Customers may decide not to renew existing contracts as they expire, or Mitie may be unable to win new contracts for a variety of reasons. For example, Mitie's operations in a particular industry or service area may be dependent on one or more customers who may contract for services with a competitor of Mitie due to better pricing or contract terms. Large customers or public service customers could also source services from a competitor of Mitie due to better pricing or contract terms. Although Mitie's contract renewal rate in FY19/20 was 90 per cent., if Mitie's reputation or relationship with its customers were impaired, it could have a material adverse effect on Mitie's business, results of operations and financial condition.

Interserve Facilities Management has significant customer concentration, in particular to UK Government and other public sector customers within its Central Government & Defence and its Communities divisions. As a result, it is exposed to similar customer concentration risks. The customer relationships of the Enlarged Group, the Acquisition completes, are also expected to expose it to customer concentration risks.

In addition, the economic impact of COVID-19 has resulted, and is expected to continue to result, in changes to customer behaviour. In particular, the impact of social distancing and other preventative measures, such as restrictions on travel, on-site working and other business operations, have contributed to a decline in revenues from variable and project works, which are expected to continue while these restrictions remain in place. In addition, customers may seek to exit existing arrangements or fail to renew service agreements as a result of the economic impact of COVID-19 and related measures. See "*The COVID-19 pandemic has impacted Mitie's and Interserve Facilities Management's businesses, and is expected, if the Acquisition completes, to impact the business of the Enlarged Group; the ultimate impact on their businesses and financial results will depend on future developments*" in this Part II.

Any of the foregoing could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie and Interserve Facilities Management operates (and, if the Acquisition completes, the Enlarged Group will operate) in increasingly competitive markets and any inability to successfully compete could result in a loss of market share and a decline in revenue and profitability

Each of Mitie and Interserve Facilities Management operates (and, if the Acquisition completes, the Enlarged Group will operate) in increasingly competitive markets and current and prospective customers evaluate each one against the merits and pricing of its competitors. Mitie primarily competes (and, if the Acquisition completes, the Enlarged Group is expected to operate) on the basis of performance, innovation of technology (including robotic process automation and the gathering and use of data analytics) and price. To implement its strategy, attract new customers and win new contracts, Mitie and, if Acquisition completes, the Enlarged Group will need to continue to design, develop, market and support services and technology on a competitive basis. In particular, Mitie and, if Acquisition completes, the Enlarged Group will need to continue to focus on investing in technology, processes and infrastructure to leverage growth in digitally enabled solutions. The success of new market entrants, as well as any existing and future competition or competitors deploying new business models, could result in other companies winning new or existing customers from Mitie and, if Acquisition completes, the Enlarged Group. If customers perceive any of Mitie,

Interserve Facilities Management or, if Acquisition completes, the Enlarged Group to be less innovative than its competitors, they may choose to award contracts to other service providers as part of the bid tender or retender process. Each of Mitie, Interserve Facilities Management and, if Acquisition completes, the Enlarged Group may also face increasing competition for tenders, including aggressive pricing actions by its competitors in order to win business, which may impact the margin it is able to earn on its contracts.

Increased competition could also negatively impact renegotiation of terms with existing customers, as contracts are renewed or retendered. This could result in any of Mitie, Interserve Facilities Management or, if the Acquisition competes, the Enlarged Group accepting less profitable contractual terms, or cause it to enter into new contracts at a lower price than would have been historically acceptable.

In addition, as a provider of goods and services to central government, local authorities and other public sector entities, competition for Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's services may be influenced by government policies designed to promote greater diversity of providers and/or new entrants to the market. Bids for public sector contracts are subject to a tender process and, in recent years, governments have sought to widen their choice of contractors, subjecting Mitie and Interserve Facilities Management to a more competitive bid process. Furthermore, policies giving preference to small and medium-sized enterprises or social enterprises and new procurement strategies implemented by customers (including public sector bodies) may place any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group at a competitive disadvantage and negatively impact its ability to win new bids and retenders of existing contracts.

If any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group is not able to respond swiftly and efficiently to technological and other changes or to otherwise remain competitive, this could have a material adverse effect on its business, results of operations and financial condition.

Neither Mitie nor Interserve Facilities Management can guarantee (and, if the Acquisition completes, the Enlarged Group will not be able to guarantee) that it will subsequently recognise as revenue the amounts anticipated from its order book

As at 31 March 2020, Mitie's order book, which represents total secured fixed-term contracted work from Mitie's continuing obligations, had a total aggregate value of £4.3 billion. The significant majority of Interserve Facilities Management's revenue is derived from long-term contracts, and it similarly evaluates its order book in the regular course of operations. There can be no assurance that either of Mitie or Interserve Facilities Management (or, if the Acquisition completes, the Enlarged Group) will be able to realise the anticipated value of any individual contract in its order book as future revenue or recover the upfront cash outflow necessary prior to the commencement of a new contract. Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may fail to recognise some or all of the related revenue or cash for a number of reasons, including:

- changes in the volume of demand or costs for goods and services (including Mitie's anticipated staff costs) under the contract;
- failure to mobilise internal or third-party resources in the delivery of contracts;
- failure to deliver contracted services as agreed or at all;
- breach of contract by Mitie, Interserve Facilities Management or the Enlarged Group (as applicable);
- breach of contract by a customer;
- governmental restrictions, including changes in law, policies, budgets and priorities, revocations of required governmental approvals and nationalisation of services, which occur after the date at which Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group calculates the value of its order book, or are imposed before such date without the knowledge of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable); and
- cancellation or termination of contracts on grounds of force majeure or for convenience; customer renegotiation of terms or other arrangements; or the occurrence of any condition subsequent that results in cancellation or termination of a contract, after the date at which Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable) calculates its order book.

In addition, a significant portion of revenues earned by each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, a significant portion of the Enlarged Group's revenues are expected to be) derived from variable services arrangements, some of which are undertaken over the course of multiple financial years. The ultimate scope, value and timing of performance of such variable services can be uncertain and may become subject to change. Therefore, management's expectations of revenue generation may not be a meaningful indicator of the related revenue in any given accounting period.

If realised revenues are significantly lower than projected due to any of the reasons outlined above, it could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to additional risks as a result of the complex nature of some of its contracts

Each of Mitie and Interserve Facilities Management manages and, if the Acquisition completes, the Enlarged Group will manage a large number of highly complex major contracts and, as a result, unforeseen risks may materialise. The financial and operating performance of Mitie and Interserve Facilities Management depends and, if the Acquisition completes, the financial and operating performance of the Enlarged Group will depend on identifying key issues and risks with respect to these projects and ensuring that the contractual arrangements adequately safeguard it against, or compensate it for, such risks. Each of Mitie's and Interserve Facilities Management's most significant contracts are (and, if the Acquisition completes, the Enlarged Group's most significant contracts will be) long-term, and it must adapt to changes that occur over the life of such contracts. Unanticipated changes may result in a failure to fully realise contract benefits, lower than expected profitability, unexpected costs to deliver services or failure to perform in line with customer expectations. Each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may also be required under its contracts to fund the cost of adapting to, and complying with, regulatory changes.

In addition, certain contracts may not have guaranteed volume requirements and, therefore, revenue and costs can be impacted by fluctuations in volumes. Any failure to meet volume requirements or other service level targets could result in a loss of revenue, in reputational damage or in a customer exercising any number of remedies to which it may be entitled under the contract, including the right to terminate the contract or impose specific performance obligations, claim service credits or compel any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group to reimburse the customer for the cost of remedial services. This could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

As a provider of services to central government, local authorities, other public sector bodies and agencies, and utilities, each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to procurement rules and regulations and procurement delays

For FY19/20, approximately 30 per cent. of Mitie's revenue was derived from contracts with local authorities, central government and other public sector bodies and agencies. Interserve Facilities Management has historically derived a majority of its revenue from contracts involving public sector customers. As a provider of goods and services to these customers, each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group must comply with specific public procurement regulations and other requirements, which are complex, subject to interpretation and can change from time to time. Compliance with these requirements, although mandatory when entering into certain contracts, may increase bidding, performance and compliance costs, even on contracts which are not won. If procurement requirements or "eligibility to bid" criteria change, Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may not be eligible to bid for such contracts or the costs of bidding for or complying with such contracts could increase and have a negative effect on the financial condition and results of operations of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Failure to comply with procurement rules and regulations could result in a reduction in the number or value of contracts awarded to Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group, exclusion from future tenders or retenders, or contract modifications or terminations. Failure to comply with these procurement rules and regulations could contribute to Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group being unable to contract with the public sector body or utility concerned either at all or for a period of time and could negatively impact its reputation and ability to win work in the future.

In addition, public sector contracts may require relevant approvals from central government ministers, senior civil servants, central government departments or other public sector entities. It is possible that, due to difficulties obtaining such approvals, certain significant contracts may be delayed before the procurement process has started, during the tender stage, or during the period between being appointed as the preferred bidder and execution of final contracts. Delays in awarding public contracts may also arise from challenges to the award of the contracts by competitors. These matters are beyond the control of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group, and any resulting delays could have a material adverse effect on the business, financial condition and results of operations of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Certain of Mitie's and Interserve Facilities Management's (and, if the Acquisition completes, the Enlarged Group's) contracts may contain unfavourable provisions

Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's contracts with central government, local authorities, public sector bodies and agencies or private sector customers with significant bargaining power may contain provisions that give such customers contractual rights and remedies, some of which, although customary in the sectors in which they operate, can be onerous for Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group. These provisions may sometimes include very high or uncapped liabilities (whether as a result of market practice or by operation of law), potentially onerous key performance indicators, onerous remediation or maintenance costs, provisions with respect to liquidated damages, and provisions which give customers a right to take over the assets and/or the management of a contract in certain circumstances. Certain contracts also allow customers to claim extensive costs in the event of termination (for cause) without notice or to terminate contracts at will (without cause), in whole or in part, after expiry of the applicable notice period. If any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group fails to meet any of the onerous obligations in its contracts, it could be subject to claims for significant damages, which could have a material adverse effect on its business, results of operations and financial condition.

Mitie and Interserve Facilities Management (and, if the Acquisition completes, the Enlarged Group) could be negatively impacted by a failure to meet contractual performance criteria or customer expectations, including through a failure of subcontractors to fulfil their obligations

The success of each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group depends on its ability to meet the contractual requirements that it has entered into with its customers. Although the majority of the services provided by Mitie are self-delivered, subcontractors may, from time to time, be employed to assist in the delivery of goods and services under certain contracts. Each of Mitie and Interserve Facilities Management is and, if the Acquisition completes, the Enlarged Group will be, therefore, reliant not only on the performance of its own employees but also on the performance of its subcontractors and, in particular, reliant on subcontractors fulfilling their obligations in a timely and satisfactory manner and in compliance with applicable terms and conditions. The ability of subcontractors to meet their obligations may be affected by periods of economic slowdown or recession, or shortages of labour, goods or equipment. If this were to occur, any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group may be unable to satisfy contractual obligations owed to its customers in accordance with applicable contractual terms, which could result in additional costs in addressing such a problem, termination of contracts and damage to its reputation and relationships with its customers.

Failure to meet the performance criteria of a contract could result in:

- the termination of a contract, claims for loss, or compensation arrangements under the contract being triggered;
- reputational damage; and/or
- an adverse effect on the ability to win tenders for existing customers or new bids for contracts.

In addition, each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) generally subject to specific procurement requirements, particularly in its contracts with public sector customers, which may, in effect, limit the subcontractors which it may use and the terms upon which it engages subcontractors. Therefore, if any of these subcontractors fail to meet its obligations, Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may not have readily available alternatives. Any of these events could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

If Mitie (and, if the Acquisition completes, the Enlarged Group) is unable to achieve the anticipated benefits of its transformation activities, its business, financial condition and results of operations could be adversely affected

Mitie's and, if the Acquisition completes, the Enlarged Group's financial performance and future prospects depend significantly on Mitie's ability to continue the implementation of its multi-year transformation programme and revised strategy, including its ability to align its organisational model, cost base and projected strategic growth areas. The COVID-19 pandemic has caused delays to Mitie's implementation of its transformation programme, and there remains uncertainty over the time period during which Mitie will be able to continue these initiatives.

One of Mitie's key priorities is to focus its business on the attractive, growing and profitable markets where it has an established leading sector presence and offering, including by further leveraging its current capabilities to focus on growth, costs and free cash flow across existing and targeted customer relationships. However, there can be no guarantee that demand for Mitie's and, if the Acquisition completes, the Enlarged Group's services in these sectors, or utilisation of the advanced service capabilities within its Technical Services and Business Services offerings (or in capabilities acquired as part of the Acquisition), will grow at expected rates over the time period anticipated or provide the contract opportunities that Mitie expects. Mitie intends to continue to make a number of improvements to, and investments in, its processes to simplify the organisation and remove certain complexities in processes and systems, however, there can be no assurance that Mitie and, if the Acquisition completes, the Enlarged Group will be able to successfully deliver this simplification strategy or to do so on its targeted timetable. In addition, although improvements have been made in the contract award and monitoring processes and the implementation of an enhanced post-win operational process, designed to reduce the likelihood of unprofitable contracts, these processes will take time and cost money to implement and may not be wholly successful given the inherent uncertainties and complexities in Mitie's and, if the Acquisition completes, the Enlarged Group's contracts.

In recent years, Mitie's transformation programme has required one-off project costs of approximately £55 million from strategic projects and technology platform investment and approximately £40 million in exceptional costs, M&A costs and legacy liabilities associated with discontinued businesses, in addition to a reduction in historical off-balance sheet finance of approximately £50 million and investment of approximately £50 million to pay suppliers faster. If either Mitie or, if the Acquisition completes, the Enlarged Group fails to invest as expected or if it is delayed making such investments, it may be competitively disadvantaged and lose market share in one of its identified growth markets. The success of Mitie's strategy is also contingent upon the continued ability of Mitie's and, if the Acquisition completes, the Enlarged Group's management and employees to deliver efficient services to customers, to meet customer expectations and demands and to successfully bid for new contracts. There is a risk that customers may decide not to renew existing contracts as they expire or that Mitie and, if the Acquisition completes, the Enlarged Group may be unable to win new contracts, either as a result of management time being diverted by implementation of the transformation programme or a failure to achieve expected improvements from investments and/or improvements in processes as part of the transformation programme.

In addition, part of Mitie's transformation plan involves monitoring its markets for acquisition opportunities in core service areas, including the potential Acquisition. The identification of acquisition targets, and the acquisition and integration processes, may create risks for Mitie and, if the Acquisition completes, the Enlarged Group, including difficulties in identifying potential acquisition opportunities that support core service areas, undertaking acquisition and, in particular, integration processes, and ongoing management of the business and service delivery. The integration of acquired businesses and any unexpected delays may be costly or fail to achieve the targeted benefits, lead to difficulties in delivering as expected on contracts and maintaining effective internal controls during assimilation processes, or require the diversion of management and employee time and attention from other business concerns. In addition, it may be difficult to manage the integration without adversely affecting Mitie's existing operations, customer relationships and reputation. See "*The Enlarged Group may experience difficulties in integrating the existing business carried on by Mitie and Interserve Facilities Management*" in this Part II.

In the event that Mitie or, if the Acquisition completes, the Enlarged Group is unable to achieve one or more of the anticipated benefits of its transformation programme, this could have a material adverse effect on its growth prospects and future profitability. Furthermore, depending on changing market, operational and financial conditions and management's future expectations, Mitie or, if the Acquisition completes, the Enlarged Group may decide to alter or discontinue certain aspects of its stated strategy, which may have a negative impact on its results in the future.

Mitie (and, if the Acquisition completes, the Enlarged Group) may be unable to achieve expected cost reductions and operational efficiencies targeted as part of its transformation programme

Part of Mitie's transformation programme involves operational efficiency. This includes reducing general and administrative expenses, standardising and investing in processes and systems, and the use of offshoring and automation. These initiatives have delivered approximately £45 million of run-rate savings across personnel, improved information services, systems and finance functions, consolidating supplier spend and reduced reliance on contractors to date, and Mitie aims to further leverage its current capabilities to focus on costs as one of the three pillars of its transformation programme. There can be no assurance that Mitie or, if the Acquisition completes, the Enlarged Group will be successful in achieving these cost savings on the expected timetable, at expected levels or at all. The Acquisition may also negatively impact Mitie's ability to achieve the expected benefits of the transformation programme, including for reasons described in "Risks Related to the Acquisition" in this Part II.

In addition, Mitie's operations and competitive position are (and, if the Acquisition completes, the Enlarged Group's operations will be) dependent on the procurement, development and implementation of digital solutions. Mitie and, if the Acquisition completes, the Enlarged Group may not be successful in anticipating, managing or adopting technological changes on a timely basis, which could reduce profitability or disrupt operations, and could negatively impact its ability to win new contracts and meet customer expectations. For example, there has been a recent push to implement cloud technology and automation as part of Mitie's customer management offering, and Mitie aims to drive efficiencies from improved customer-facing and internal technological capabilities. Mitie intends to continue investment in modernising its technology infrastructure, in particular in Technical Services as part of Project Forte, which will require Mitie and, if the Acquisition completes, the Enlarged Group to incur costs that may offset the cost savings it aims to achieve. There can be no assurance that these investments will be successful in achieving the anticipated operational efficiencies on its targeted timetable or at all, which could have a material adverse effect on the business, results of operations and financial condition of Mitie and, if the Acquisition completes, the Enlarged Group.

Failure of Mitie's or Interserve Facilities Management's (or, if the Acquisition completes, the Enlarged Group's) information technology ("IT") systems, data security and/or data protection policies may result in losses

Each of Mitie's and Interserve Facilities Management's operations are (and, if the Acquisition completes, the Enlarged Group's operations will be) dependent on the efficient operation of its IT systems and processes, certain aspects of which it has developed internally. As a result, Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group faces the risk that IT systems used or developed internally or externally may fail and/or that sensitive information held by them may be lost or compromised, whether as a result of, among other things, human error, inadequate internal or external processes or systems, or failure in IT infrastructure. Unexpected costs and losses can also arise due to natural and other catastrophes and external events beyond Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's control. Each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may also be affected by the performance failures of third parties, including third-party providers of services that support its IT infrastructure. Significant problems with IT infrastructure could halt or delay any of Mitie's, Interserve Facilities Management's or, if the Acquisition completes, the Enlarged Group's ability to provide services to its customers, hinder its ability to conduct and expand its business and result in significant remediation costs.

In the normal course of business, each of Mitie and Interserve Facilities Management collects, processes and retains (and, if the Acquisition completes, the Enlarged Group will collect, process and retain) sensitive and confidential information about its customers, employees and operations. Hacking, phishing attacks, ransomware, insider threats, physical breaches or other actions may cause this confidential information to be misused. If any such risks materialise, Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may face significant challenges and incur significant costs related to coordination with third-party service providers to resolve these issues. Each of Mitie and Interserve Facilities Management has (and, if the Acquisition completes, the Enlarged Group will have) programmes in place that are intended to detect, contain and respond to cybersecurity breaches, and that provide employee awareness training regarding cyber risks; however, due to evolving and advanced sophisticated attack vectors, cyber-attacks remain increasingly difficult to detect and defend successfully. Any cybersecurity breach of systems maintained or used by Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group could lead to reputational damage, exposure to the risks of litigation and liability or business disruptions, even if the breach is the fault of a third-party service provider.

Although measures have been put in place to protect Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's IT systems, including business continuity and disaster recovery plans, cybersecurity and backup protocols, there can be no assurances that these will be adequate in managing such risks and/or sufficient in preventing a loss of sensitive information. For example, Interserve was subject to a cyber-attack that was announced by Interserve on 13 May 2020. The attack affected elements of Interserve's lateral IT systems (including enterprise resource planning and human resources systems), including elements related to Interserve Facilities Management. Once the cyber-attack was discovered, Interserve commenced work with the National Cyber Security Centre and Strategic Incident Response teams to investigate, contain and remedy the situation, which is ongoing. Interserve has also notified the Information Commissioner ("ICO") of the incident, as discussed further below (see "*Data privacy compliance breaches or failure to protect confidential information could harm the reputation of Mitie and Interserve Facilities Management (and, if the Acquisition completes, the Enlarged Group) and create exposure to litigation or other legal or regulatory actions*" in this Part II). In addition, the attack has contributed to disruption to Interserve Facilities Management internal financial reporting processes caused by the COVID-19 pandemic (see "*The COVID-19 pandemic has impacted Mitie's and Interserve Facilities Management's businesses, and is expected, if the Acquisition completes, to impact the business of the Enlarged Group; the ultimate impact on their businesses and financial results will depend on future developments*" in this Part II).

An information security breach could have a number of adverse consequences including: censure and fines by national regulators; loss of confidence in the "Mitie" or "Interserve Facilities Management" brand and the reputation of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group; specific loss of trust by customers, especially those in government and financial sectors; and disruption to service delivery and integrity.

Given the nature of its business, Mitie continuously evaluates and implements upgrades to its IT infrastructure, and it (and, if the Acquisition completes, the Enlarged Group) may incur additional costs to remain at the forefront of technological development to manage the security of its IT systems and infrastructure. Technology developments and IT upgrades comprise a key part of Mitie's transformation programme, including developments of Mitie's internal systems and capabilities across customer service, finance, personnel and other functions as well as customer-facing invoicing and service management programmes. There are inherent risks associated with upgrading such systems, including accurately capturing data and system disruptions. While Mitie believes it takes appropriate actions to mitigate these risks through testing, training, and staging implementation, there can be no assurances that it will successfully launch these systems as planned or that the systems will be implemented without disruptions to its operations and, if the Acquisition completes, the operations of the Enlarged Group.

Failure to manage risks arising from reliance on its IT infrastructure and systems or to manage them in an efficient manner by any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group, could cause significant disruptions to its operations, affect the accuracy of its reporting, cause delays and potentially lead to reputational damage, all of which could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Data privacy compliance breaches or failure to protect confidential information could harm the reputation of Mitie and Interserve Facilities Management (and, if the Acquisition completes, the Enlarged Group) and create exposure to litigation or other legal or regulatory actions

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to a number of laws relating to privacy and data protection, including, in particular, the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") the United Kingdom's Data Protection Act 2018 and the EU Privacy and Electronic Communications Regulations. Such laws govern Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's ability to collect, use and transfer personal data, including data relating to its customers and business partners, as well as any such data relating to its employees and others. In processing services and transactions, each of Mitie and Interserve Facilities Management receives and stores (and, if the Acquisition completes, the Enlarged Group will receive and store) a large volume of personal data. Each of Mitie and Interserve Facilities Management also relies (and, if the Acquisition completes, the Enlarged Group will rely) on third-party service providers to collect and process certain personal data and to maintain certain databases. Therefore, each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws.

As discussed above, on 13 May 2020 Interserve announced that it was subject to a cyber-attack, which it reported to the ICO on 5 May 2020. The ICO has advised that it considers it likely that Interserve or members of Interserve Group (which could include Interserve Facilities Management) are in breach or likely to be in breach of certain articles of the GDPR (Articles 24 and 32) and that Interserve or members of the Interserve Group (which could include Interserve Facilities Management) are likely to be subject to regulatory action in respect of the matter, which could result in a remedial order or fine. The ICO investigation is ongoing as discussed further below. See *“Failure of Mitie’s, Interserve Facilities Management’s or, if the Acquisition completes, the Enlarged Group’s information technology (“IT”) systems, data security and/or data protection policies may result in losses”* in this Part II.

Mitie has invested in a dedicated data privacy function to manage risks and processes associated with privacy and data protection. Although each of Mitie and Interserve Facilities Management strives to comply with all applicable laws and regulations relating to privacy and data protection, such laws are subject to frequent evolution and, following Brexit, it is expected that the data collected and processed by Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group will be subject to regulation by a different regulator in the United Kingdom to the EU. It is possible that applicable privacy and data protection laws and regulations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or Mitie’s, Interserve Facilities Management’s and, if the Acquisition completes, the Enlarged Group’s practices. That concern is particularly relevant for the GDPR, given that it only recently came into force and that different Member State regulators may differ as to its interpretation and their approach to enforcement, and for the Privacy and Electronic Communications Regulations (“**PECR**”), which are currently under review.

Any perceived or actual failure by any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group, including their respective third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection or other consumer protection laws or regulations may harm its reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers, result in litigation or other actions being brought and the imposition of significant fines and, as a result, could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Damage to any of Mitie’s or Interserve Facilities Management’s (or, if the Acquisition completes, the Enlarged Group’s) reputation or negative publicity could have a material adverse effect on its business, results of operations and financial condition

Each of Mitie’s and Interserve Facilities Management’s business is (and, if the Acquisition completes, the Enlarged Group will be) dependent upon its ability to retain and develop long-term relationships with customers, which is in large part reliant on its reputation. Each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may be vulnerable to adverse market perception because it operates in sectors where integrity and customer trust and confidence are particularly important. There has in recent years been significant public scrutiny and/or controversy arising from the outsourcing of politically or socially sensitive services, and the increased use of social media has heightened this risk.

Each of Mitie’s, Interserve Facilities Management’s and, if the Acquisition completes, the Enlarged Group’s reputation may suffer harm as a result of the actions of others that provide services in the same or similar sectors. For example, Mitie’s, Interserve Facilities Management’s and, if the Acquisition completes, the Enlarged Group’s reputation may be affected by the negative publicity created by the compulsory liquidation of UK construction services company, Carillion, in January 2018, which led to significant concern about the financial strength and viability of companies operating in the outsourced services sector. Any actual or perceived weaknesses in Mitie’s, Interserve Facilities Management’s and, if the Acquisition completes, the Enlarged Group’s financial position could negatively impact its relationships with potential and existing customers and suppliers, including the terms on which it is able to gain access to finance in the future.

Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may also attract attention from time to time where misconduct has been alleged and/or where claims have been made about operational performance. In the last five years, there has been a degree of negative publicity in relation to public sector contracts generally, which has been focused on customer policies and how such policies have been implemented, rather than company-specific operational issues. Actual or perceived defects in Mitie’s, Interserve Facilities Management’s or, if the Acquisition completes, the Enlarged Group’s performance under any of its contracts, in particular if at a high-profile location or site with substantial historical or cultural significance, could be used as evidence of the inappropriateness of outsourcing in

general or to Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group specifically, which could have a negative impact on its business.

Each of Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's reputation may also be impacted by its failure to deliver contracts or undertake operating activities to the standards expected by its customers, which may lead to customers turning to competitors for tenders of new contracts or retenders of existing contracts or, in some cases, to seek to terminate contracts with Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group prior to their expiration. For example, customers, employees and other stakeholders are increasingly conscious of the environmental, social and governance impact of businesses and counterparties. Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's operating activities may not in all circumstances meet the expectations of its customers or other parties, which could negatively impact its reputation. In addition, the reputation of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group may be negatively affected by actions taken by its employees. Any incident where a Mitie, Interserve Facilities Management or, if the Acquisition completes, Enlarged Group employee or contractor fails to adhere to internal policies and procedures or culture and values could lead to reputational damage amongst key stakeholders.

Damage to Mitie's, Interserve Facilities Management's or, if the Acquisition completes, the Enlarged Group's reputation, whether as a result of actual or perceived issues with its performance or otherwise, has the potential to severely impact its ability to bid on or retender for contracts and win or retain business streams, and therefore could have a material adverse effect on its business, financial condition and results of operations.

Mitie's or Interserve Facilities Management's (or, if the Acquisition completes, the Enlarged Group's) business could be adversely affected by a negative customer audit or investigation by government entities, agencies or regulators

Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may, in the ordinary course of business, directly or indirectly through its customers, be subject to customer audit and investigation by government bodies, agencies or regulators. Depending on the type of audit or investigation, these entities and regulators may review the performance of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group under its contracts, cost structure and compliance with applicable laws, regulations and standards. Such entities and regulators may also review the adequacy of, and compliance with, internal control systems and policies. If an audit uncovers inadequate internal control systems and policies, improper allocation of costs to a specific contract, or any improper or illegal activities, Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group (as applicable) may be subject to enhanced scrutiny, may be unable to obtain reimbursement for costs that have been deemed improperly allocated (or may be required to refund such amounts if already paid), or may have civil and criminal penalties and administrative sanctions imposed upon it, including termination of contracts, forfeitures of profits, suspension of payments, contractual penalties or other payments, fines and suspension or prohibition on doing business with the relevant central government or local authorities. Accordingly, any such negative audit or investigation could materially affect the competitive position, financial condition and results of operations of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie's and Interserve Facilities Management's operations are (and, if the Acquisition completes, the Enlarged Group's operations will be) dependent upon its ability to retain key management, to attract skilled personnel and to maintain good employee relations

Each of Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's future success is dependent on its ability to attract and retain key management and suitably qualified people to execute its strategy and foster its culture. Any inability to recruit, retain and reward suitably talented employees, as well as failure to implement appropriate development plans and consistent processes across the business could negatively impact the operational and financial performance of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group and its ability to win future opportunities and grow the business.

In some of the sectors in which Mitie and Interserve Facilities Management operate (and, if the Acquisition completes, the Enlarged Group will operate), there is a scarcity of resources for key positions and ongoing competition for suitably qualified and experienced personnel from other companies and organisations. In some cases, Mitie competes and, if the Acquisition completes, the Enlarged Group will compete for

employees with businesses in other sectors that may be more profitable and offer higher salary levels or otherwise be more attractive to potential employees, which may put it at a competitive disadvantage.

Senior management has contributed to Mitie's ability to obtain, generate, manage and develop customer relationships and revenue opportunities and to implement its programme of transformation activities. Mitie is (and, if the Acquisition completes, the Enlarged Group will be) therefore reliant on a defined group of key personnel. The continuing success of Mitie depends (and, if the Acquisition completes, the Enlarged Group will depend) on its ability to retain qualified and experienced management and plan for management succession.

As at 31 March 2020, Mitie employed approximately 47,500 people, and its ability to undertake facilities management services at a high level depends on fostering and maintaining a supportive, inclusive and flexible culture. The breadth of Mitie's operations can create challenges to maintaining a consistent culture, and failure to do so could have a negative impact on employee retention and customer service levels. In addition, as at 1 November 2019, Interserve Facilities Management employed approximately 30,000 people, and these risks may increase as a result of the Acquisition. In addition, a number of Mitie's and Interserve Facilities Management's respective employees operate under collective bargaining agreements or as part of works councils. These arrangements may result in additional labour costs or more extensive obligations and procedures in relation to employees. Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may become subject to additional collective bargaining agreements in the future or its non-unionised workers may unionise, all of which may have an adverse effect on its costs, operations and business. Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may also be subject to labour disputes with these employees. There can be no assurance that Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group will be able to manage labour relations to minimise disruption to customer service in the future.

Each of Mitie and Interserve Facilities Management relies (and, if the Acquisition completes, the Enlarged Group will rely) on vendors, suppliers and other third parties in the ordinary course of its operations, and any failure on the part of these third parties could have a material adverse effect on its business, results of operations and financial condition

Each of Mitie and Interserve Facilities Management relies (and, if the Acquisition completes, the Enlarged Group will rely) on third parties for various aspects of its operations, including the provision of vehicles, supplies used in the provision of facilities management and professional service activities, and other key equipment and goods, as well as the provision of IT software and services and other back-office services. If these third parties fail to perform their obligations in a timely manner or at satisfactory quality and cost levels, Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may fail to deliver on contracts successfully, its reputation could suffer, and/or its costs could increase. The COVID-19 pandemic has caused disruption to supply chains globally, which has required Mitie to work closely with suppliers to maintain access to the products it uses to serve its customers, but significant shortages could negatively affect Mitie's and, if the Acquisition completes, the Enlarged Group's ability to undertake contracted work. The ability of these third parties to perform may be largely outside Mitie's control. Interserve Facilities Management also faces risks arising from availability of supply due to the COVID-19 pandemic. In addition, COVID-19 may cause suppliers to seek accelerated payments.

Mitie strives to formalise agreements with vendors, suppliers and other third parties that define their expected service levels. In the event that one or more of these third parties fails to perform, ceases operations or becomes insolvent, replacement services may not be readily available on equivalent terms, or at all. If a third-party vendor or supplier fails to perform adequately, Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group may be required to incur remedial costs, experience delays or be subject to negative publicity. Moreover, regulatory compliance issues or significant changes in the competitive marketplace among vendors, suppliers or other third parties could force Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group to renegotiate existing agreements on less favourable terms.

Much of Mitie's software and technology systems are licensed from third parties or rely upon software or programmes licensed from third parties, and Interserve Facilities Management also utilises a variety of software applications and programmes licensed from third parties. These include licensing agreements with major software providers. If such third-party licensors were to terminate, limit the scope of, or increase the fees of the relevant licenses, or if Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group is found not to be in compliance with certain licensing requirements under the respective agreement, it could be forced to identify an alternative provider, which could include modification

of systems or processes. Any such changes could be costly or interrupt operating activities, which could have a material adverse effect on the business, financial condition and results of operations of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to risks in relation to the health and safety of its employees and environmental impact

Each of Mitie and Interserve Facilities Management is committed to protecting the health, safety and well-being of those who work for or with it as well as those who come into contact with its operations and monitoring the environmental impact of its operations. Mitie uses a systematic approach to managing health, safety and environmental impact that is consistent with internationally recognised standards and monitors performance regularly and intervenes if performance does not meet the continual improvement targets it sets. There can be no assurance, however, that these measures utilised by Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group will be successful in managing health and safety challenges across its operations or meeting environmental goals across the business.

If there is a serious breach of health, safety or environmental controls or obligations, an incident which requires any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group to respond to a health and safety situation or an incident which requires it to investigate whether such controls or obligations were appropriately followed, it could disrupt business operations, have a negative reputational impact and lead to additional costs, including in the form of penalties or remediation costs. Failure to prevent or respond effectively to such breaches could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Failure to comply with laws, regulations and restrictions may result in fines or other sanctions being levied on Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to the laws, regulations and restrictions of the United Kingdom and the other countries in which it operates. These include anti-corruption laws (such as the UK Bribery Act 2010), economic sanctions programmes, tax laws, labour laws, data protection regulation, consumer protection regulations and regulations specific to participants in the defence and security sector. Mitie is also, as a consequence of its Shares being admitted to the premium listing segment of the Official List of the FCA, subject to further rules and requirements. In addition, a number of the contracts entered into by Mitie and Interserve Facilities Management are (and, if the Acquisition completes, contracts entered into by the Enlarged Group will be) subject to regulation by the FCA.

Each of Mitie and Interserve Facilities Management incurs, and expects to continue to incur, substantial costs and expenditures, and commits a significant amount of management time and resources, to comply with increasingly complex and restrictive laws and regulations. In FY18/19, Mitie incurred £1.1 million (FY17/18: £2.3 million) in legal and professional costs in connection with (i) an investigation by the FRC into the treatment of healthcare goodwill and accrued income in the consolidated accounts for FY15/16 (investigation discontinued on 20 November 2017) and (ii) an investigation by the FCA into the timeliness of a profit warning announced in September 2016 and the manner of preparation and content of its financial information, position and results for FY15/16 (investigation discontinued on 26 June 2018), as well as Mitie's internal investigations into these matters. Any future investigations could incur additional costs and require significant management time and resources.

Each of Mitie and Interserve Facilities Management has also implemented codes of conduct, internal controls and other policies to ensure compliance. Changes in such laws and regulations may constrain each of Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's ability to provide services to customers or increase the costs of providing such services. Each of Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's systems may not detect all applicable new or amended laws and regulations or it may fail to implement all necessary changes, including by the effective date of such laws or regulations. Each may also fail to implement such changes successfully, including in relation to newly acquired businesses. Furthermore, internal control systems of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group, no matter how well designed and updated, can provide only reasonable assurance that compliance-related problems will be detected. Mitie has, in the past, experienced such failures, including in relation to breaches of financial controls in certain contracts.

A failure to comply with applicable laws and regulations could result in civil penalties, including fines, disgorgement of profits, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licences, as well as criminal fines and imprisonment, and could negatively impact Mitie's, Interserve Facilities Management's or, if the Acquisition completes, the Enlarged Group's reputation. Due to the public nature of many of the services provided by each of Mitie and Interserve Facilities Management, actions by employees, even outside the work environment, can affect its reputation. Failure of the internal control system to manage such risks could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

The termination, expiration or non-renewal of licenses and permits may prevent Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group from carrying out certain of its operations

Each of Mitie and Interserve Facilities Management requires (and, if the Acquisition completes, the Enlarged Group will require) certain licenses and permits to operate its business. If any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group fails to meet a specific requirement of a license or permit, the license or permit may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or permit will be met. Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may also be unable to renew an expired license or permit.

In addition, certain of Mitie's and Interserve Facilities Management's contracts with governments may require employees to maintain various levels of security clearances, and Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may be required to maintain certain facility security clearances complying with the requirements of government and regulatory agencies. Obtaining and maintaining security clearances for employees and facilities can be a difficult and lengthy process, especially in the case of employees not native to the country of employment. In addition, Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may need to obtain and retain the necessary eligible status, approvals, consents and/or licences required by the relevant invitation to tender or contract from the relevant government body or department. The failure to obtain or retain the necessary eligible status, approvals, consents and/or licences to contract with such major customers or to meet the established criteria for obtaining or retaining the contract, could result in the loss of an existing contract or the loss of opportunity to bid for a new contract. The termination, expiration or nonrenewal of any of Mitie's, Interserve Facilities Management's or, if the Acquisition completes, the Enlarged Group's security clearances, licenses or permits may have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Mitie is (and, if the Acquisition completes, the Enlarged Group will be) subject to risks associated with divesting non-core businesses

Mitie's strategy aims to transform its business into a more focused and predictable business with improving returns and sustainable free cash flow. An important aspect of this strategy is its ongoing portfolio review and the disposal of non-core businesses, such as the disposals of Mitie's pest control business and social housing repairs and maintenance business in FY18/19 and the disposal of its catering and outside events business in FY19/20. Disposals of non-core assets pose a number of risks. In particular, Mitie and, if the Acquisition completes, the Enlarged Group may be unable to find viable purchasers for businesses to be disposed, or mitigate stranded costs that arise as a result of such disposals. Furthermore, activities arising from the ongoing portfolio review and any subsequent disposals will require additional time and resources of key management. To the extent that Mitie and, if the Acquisition completes, the Enlarged Group is unable to proceed with a disposal in the preferred timeframe, or to raise the anticipated level of disposal proceeds, or if further management or other resources are required to carry out those activities than was initially anticipated, it may have a negative financial impact. Mitie and, if the Acquisition completes, the Enlarged Group may not be able to achieve cost reductions or efficiencies in line with its disposal plans or at all and will also experience a decline in revenue from the sale of these businesses.

Mitie and, if the Acquisition completes, the Enlarged Group may remain at risk of potential litigation and business claims in relation to divested businesses where it has provided warranties and/or indemnities to the purchaser or has continuing obligations. Claims that may arise in connection with such obligations and liabilities may divert management's attention and may result in the incurrence of additional costs, all of which could have a material adverse effect on the business, results of operations and financial condition of Mitie and, if the Acquisition completes, the Enlarged Group. Where appropriate, Mitie has taken a provision

for these obligations and liabilities, but it is possible that the actual costs incurred in settling any claims will materially exceed those provisions.

It can be difficult or expensive to obtain insurance coverage and there can be no assurance that sufficient coverage will be secured or maintained

Each of Mitie and Interserve Facilities Management maintains commercial insurance to cover the risks associated with the ordinary operation of its business. However, there can be no assurance that Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group will be able to obtain similar levels of cover on acceptable terms going forward or at all. In addition, even with such insurance in place, the risk remains that Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may incur liabilities to customers and other third parties which exceed the limits of such insurance cover or are not covered by it. If any of Mitie's, Interserve Facilities Managements or, if the Acquisition completes, the Enlarged Group's insurers fail, refuse to renew or revoke coverage or otherwise cannot satisfy their insurance requirements to each of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable), then the overall risk exposure and operational expenses could increase and business operations could be disrupted, which would have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Litigation or investigations that could divert management time and resources and result in penalties, fines or sanctions, variation or revocation of licences, permits, permissions and authorisations, or reputational damage

From time to time, each of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group may become involved in legal proceedings or other investigations that may be costly if they are not determined in favour of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable), may divert management's attention away from the running of the business and could result in adverse publicity for, or negative perceptions regarding, Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group (as applicable). In addition, any such legal proceedings or investigations could result in the withdrawal or non-renewal of licences, permits and/or permissions to operate or other penalties, fines or sanction. Any such event could affect Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's relations with current and potential customers and have an adverse impact on its reputation. As such, these events could have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to regulatory, governmental and other sectoral inquiries and investigations in the normal course of its business. The impact of these inquiries and investigations may be difficult to assess or quantify. In addition, any provisioning for such legal proceedings, inquiries and investigations may be inaccurate or inadequate, which may have a material impact. An unfavourable judgment against any of Mitie, Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group could have a material adverse effect on its business, results of operations and financial condition.

Failure to adequately defend intellectual property rights or third-party claims of intellectual property rights violations could result in a loss of future business to competitors

Each of Mitie's and Interserve Facilities Management's respective intellectual property consists mainly of trademarks in the jurisdictions in which they each operate. Each of Mitie and Interserve Facilities Management relies (and, if the Acquisition completes, the Enlarged Group will rely) on a variety of laws and contractual restrictions to protect its intellectual property rights, registered intellectual property protection, laws governing unregistered intellectual property, trade secrets and unfair competition and non-disclosure and confidentiality provisions.

Each of Mitie and Interserve Facilities Management protects its intellectual property using any available legal means, including, where necessary, pursuing legal action. However, these means may not adequately protect Mitie's, Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's rights or permit it to gain or keep any competitive advantage. Mitie, Interserve Facilities Management and if the Acquisition completes, the Enlarged Group may be required to defend claims of intellectual property infringement, infringement of third-party proprietary rights or breach of confidence, and its success will depend on its ability to do so. Any claims, even if they are without merit, may be burdensome, expensive and time consuming to defend, subject Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group to damages, divert management time and attention and/or require it to

develop new technologies to deliver services to customers, which could have a material adverse effect on its business, results of operations and financial condition.

1.3 Risks related to Mitie's and Interserve Facilities Management's respective financial information

Each of Mitie and Interserve Facilities Management is subject to changes in accounting policies, which could have a material impact on its results of operation

The implementation of accounting policies continues to require significant management time and additional costs and may cause Mitie's and Interserve Facilities Management's future results to differ materially from its results from prior years. Mitie adopted IFRS 16, *Leases*, effective 1 April 2019. Under Mitie's IFRS 16 policy, assets and liabilities for all leases must be recognised, unless the lease term is less than 12 months, or the underlying asset is of low value. The adoption of IFRS 16 has had a number of impacts on Mitie's results, including,

- In the consolidated income statement, the impact on profit before tax for FY19/20 has been modest (£1.9 million reduction), but there have been more significant impacts on individual line items, including a reduction in operating lease rentals, but an increase in depreciation, resulting in EBITDA improving by £24.8 million;
- On the consolidated balance sheet, IFRS 16 has resulted in a gross up of property, plant and equipment (by £87.0 million) and lease liabilities (by £93.0 million) as at 31 March 2020, which has increased the reported value of Net Debt; and
- In the consolidated cashflow statement, there has been no overall impact of IFRS 16 on the movement in FY19/20 in cash and cash equivalents, but there have been significant impacts on individual line items, including an improvement in operating cash flows before movements in working capital of £24.8 million, due to the removal of operating lease charges, interest payments have also increased by £3.1 million and the capital element of lease rental payments has increased by £20.6 million.

Mitie's financial statements are also prepared in conformity with accounting policies that require management to make estimates, assumptions and judgements that affect the amounts reported in its consolidated financial statements and accompanying notes. These accounting policies affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenue generated and expenses incurred during the reporting periods. Should the estimates, assumptions and judgements prove to be incorrect, this could have a negative impact on Mitie's financial condition and results of operations.

Interserve Facilities Management's financial statements for the year ended 31 December 2019 have not been prepared or subject to independent audit

As described in “*The COVID-19 pandemic has impacted Mitie's and Interserve Facilities Management's businesses, and is expected, if the Acquisition completes, to impact the business of the Enlarged Group; the ultimate impact on their businesses and financial results will depend on future developments*” and “*Failure of Mitie's, Interserve Facilities Management's or, if the Acquisition completes, the Enlarged Group's information technology (“IT”) systems, data security and/or data protection policies may result in losses*” in this Part II, Interserve's internal financial reporting processes have been disrupted by the COVID-19 pandemic and such disruption has been contributed to by a cyber-attack. This disruption has caused a delay to completion of the annual audit of Interserve's financial results for the year ended 31 December 2019 and the production of standalone historical financial statements of Interserve Facilities Management for the same period, which have not yet been completed as of the date of this document.

The production of Interserve Facilities Management's standalone financial statements for the year ended 31 December 2019 is expected to be completed in the coming months and included in the Acquisition Circular and Prospectus expected to be published following completion of the Rights Issue. However, there can be no assurance regarding the outcome of an independent audit thereon, or that the financial information in such statements presented in the Acquisition Circular and Prospectus will conform with the Interserve Facilities Management historical financial data presented in this document. In particular, the Interserve Facilities Management historical financial data included in this prospectus is unaudited, has been provided on the basis of information in Interserve Facilities Management's management accounts and, as such, does not reflect the impact of consolidation and other adjustments historically required for purposes of creating Interserve's statutory accounts. In addition the Interserve Facilities Management historical financial data presented in this prospectus has been prepared on a pre-IFRS 16 basis.

The production of Interserve Facilities Management's standalone financial statements for the year ended 31 December 2019 is expected to be completed in the coming months. However, there can be no assurance regarding the specific timing of the completion of these financial statements or that the financial information in such statements presented in the Acquisition Circular and Prospectus will conform with the Interserve Facilities Management historical financial data presented in this document. In addition to the factors stated above, the Interserve Facilities Management financial data in this document has been prepared on the basis of Interserve and Interserve Facilities Management's accounting policies. These accounting policies may differ in material respects from the accounting policies of Mitie, including in relation to matters of judgment, revenue recognition, accrued and deferred income, contract costs, amortisation and impairment of contract assets and goodwill, among other matters. The Interserve Facilities Management historical financial information, once prepared, that is expected to be included in the Acquisition Circular and Prospectus will be prepared in accordance with the accounting policies of Mitie. Differences between Interserve Facilities Management's standalone financial statements and the Interserve Facilities Management historical financial data presented in this prospectus may arise as a result of these differences in accounting policies.

Mitie has recognised substantial impairments of the carrying value of goodwill and other assets, and Mitie and, if the Acquisition completes, the Enlarged Group may recognise additional impairments in the future

The valuation of goodwill is complex and typically requires a high level of judgement. The goodwill and intangible acquired in business combinations is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. Mitie tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The results of the impairment test are further reviewed after the year end in light of any significant changes in the environment. The key assumptions affecting the CGUs within each division are short-term growth rates, terminal growth rates and discount rates. If Mitie's and, if the Acquisition completes, the Enlarged Group's assumptions are for any reason not met or change, the value of goodwill may need to be written off. There can be no assurance that Mitie's current or its (and, if the Acquisition completes, the Enlarged Group's) future assumptions are correct and impairments of goodwill caused by, for example, a decrease in expected cash flows, deterioration in market conditions, adverse changes in actual or expected operational performance or external parameters such as changes in interest rates, could require Mitie and, if the Acquisition completes, the Enlarged Group to record impairment charges which could have a material adverse effect on the business, results of operations and financial condition of Mitie and, if the Acquisition completes, the Enlarged Group.

Mitie is (and, if the Acquisition completes, the Enlarged Group will be) exposed to funding risks in relation to its defined benefit pension schemes

Mitie operates one defined benefit pension scheme (the "**Mitie Group plc Pension Scheme**"), and it makes contributions to additional industry multi-employers defined benefit schemes, including the Plumbing & Mechanical Services (UK) Industry Pension Scheme, other schemes in respect of certain employees who joined Mitie under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("**TUPE**") or on the acquisition of subsidiary companies with smaller obligations.

The Mitie Group plc Pension Scheme is closed to new members but certain sections remain open to future accrual. As at 31 March 2020, the estimated deficit for accounting purposes, which is the difference between the value of the Mitie Group plc Pension Scheme's assets and the present value of the future liabilities, was £46.7 million (excluding impacts for deferred tax). The most recent triennial valuation was completed in 2019 (valuation date 31 March 2017). The next triennial valuation will assess the funding position as at 31 March 2020. For FY19/20, Mitie paid contributions of £10.4 million into the Mitie Group plc Pension Scheme. Mitie will pay a further £55.4 million to this scheme by 31 March 2025.

A member update issued in October 2018 in respect of the Plumbing & Mechanical Services (UK) Industry Pension Scheme noted that the draft triennial valuation as at 5 April 2017 showed a surplus on a technical provisions basis. However, Mitie has recognised the following liabilities in respect of participation in the scheme:

- provision of £20 million within the 2020 Financial Statements accounts in respect of the liability of Robert Prettie & Co. Limited under Section 75 of the Pensions Act 1995; and
- a contingent liability of £2.4 million in respect of Mitie Property Services (UK) Limited's participation in the scheme under Section 75 of the Pensions Act 1995. This has been disclosed as a contingent liability due to uncertainty regarding the amount of the liability and whether a debt has been triggered.

There can be no assurance that further contributions to defined benefit pension schemes in which Mitie participates (and, if the Acquisition completes, the Enlarged Group will participate) will not be required in the future. A significant increase in the value of the liabilities of the defined benefit pension schemes and/or a reduction in the value of the assets supporting such schemes can lead to increased deficits at future formal actuarial valuations, typically resulting in increased employer contributions, which could be material for Mitie. Factors that may affect this and are beyond the control of Mitie and, if the Acquisition completes, the Enlarged Group include investment returns, discount rates for valuing liabilities, life expectancy and inflation.

Interserve Facilities Management participates in two sections of Interserve's main defined benefit scheme as well as two smaller group defined benefit pension schemes. It also participates in various public sector defined benefit pension schemes, including the Railways Pension Scheme, Local Government Pension Schemes, NHS Pension Schemes and Civil Service Pension Schemes. Interserve Facilities Management recently ceased to participate in the Plumbing & Mechanical Services (UK) Industry Pension Scheme and has triggered an exit debt under the Section 75 of the Pensions Act 1995. The amount of this debt is not yet finalised. Interserve Facilities Management received a trustee estimate, which implied a debt estimate of £2.1 million. Interserve has informed the trustee that this estimate was based on incorrect membership assumptions. Interserve's own internal estimate puts the value of the debt at less than £1 million but the amount is yet to be confirmed with the trustee. As work with the trustee continues, the final amount of the debt may be higher or lower than the £2.1 million estimate. It has also triggered exit debts in respect of several of the Local Government Pension Schemes in which it has participated. The overall pension/liability position in the 2019 group accounts is currently expected to include £2.3 million in respect of Local Government Pension Scheme exit debts and a historical pay capping issue, and there may be other Local Government Pension Scheme Debts that have been triggered, although a significant amount of time can be required to finalise the amounts.

It is uncertain the extent to which COVID-19 will affect future valuations, given the significant market volatility in recent months as a result of the pandemic and guidance from the UK Pensions Regulator regarding normalisation factors that may be reflected in any valuation analysis and funding plans.

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) exposed to certain tax risks

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to tax rules in the jurisdictions in which it operates. Changes in tax rates, tax relief and tax laws, changes in practice or interpretation of the law by the relevant tax authorities, increasing challenges by relevant tax authorities, or any failure to manage tax risks adequately could result in increased charges, financial loss, penalties and reputational damage. In addition, tax enforcement has become a higher priority for many tax authorities in jurisdictions in which each of Mitie, Interserve Facilities Management operate (and in which, if the Acquisition completes, the Enlarged Group will), which has led to an increase in tax audits, enquiries and challenges, or the testing through litigation of the boundaries of the correct interpretation of legislation. Tax authorities may also actively pursue additional taxes based on retroactive changes to tax laws and Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged may have disagreements with tax authorities which could result in a material restatement to its tax position. Any of these factors could have a negative impact on the results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Fluctuations in exchange rates and interest rates, and any failure to hedge effectively against exchange rate and interest rate changes, could negatively impact Mitie and Interserve Facilities Management (and, if the Acquisition completes, the Enlarged Group)

Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to risks associated with fluctuations in exchange rates and interest rates in the ordinary course of its business. Each of Mitie and Interserve Facilities Management incurs (and, if the Acquisition completes, the Enlarged Group will incur) expenses in the ordinary course in currencies other than pounds sterling, including biannual interest payments by Mitie (and, if the Acquisition completes, the Enlarged Group) on the US-dollar denominated US Private Placement Notes. Mitie seeks to hedge against these risks through the use of derivative instruments, such as forward exchange contracts and interest rate and currency swaps. Although this strategy has been effective in the past, there can be no assurance that it will continue to be so under all situations in the future.

Mitie is also (and, if the Acquisition completes, the Enlarged Group will be) subject to interest rate risk as a result of debt incurred at variable interest rates. As at 31 March 2020, 31 per cent. of Mitie's debt was

variable rate. The level of Mitie's variable rate debt fluctuates throughout the year, with an average of 36 per cent. in FY19/20. As a result, Mitie's and, if the Acquisition completes, the Enlarged Group's interest costs will increase in the event of rising interest rates.

Significant foreign exchange or interest rate fluctuations, or a failure to implement and maintain effective hedging strategies to mitigate the risk of such fluctuations, may have a material adverse effect on the business, results of operations and financial condition of Mitie, Interserve Facilities Management and, if the Acquisition completes, the Enlarged Group.

Mitie financial information for the two months ended 31 May 2020 included in this document may be subject to change

This document includes unaudited preliminary financial information for the two months ended 31 May 2020, as discussed in Part VII, which has not been reviewed or audited by Mitie's independent auditor. This preliminary financial information is not a comprehensive statement of Mitie's financial results for this period, and its actual results may differ materially from these estimates due to the completion of financial closing procedures, final adjustments and other developments that may arise between now and the time the closing procedures for the three months ending 30 June 2020 are completed. There can be no assurance that these estimates will be realised, and estimates are subject to risks and uncertainties, many of which are not within Mitie's control. Significant changes between the Mitie financial information included in this document for the two months ended 31 May 2020 and Mitie's financial results for the three months ending 30 June 2020 could have a material adverse effect on the market price of Shares.

2 RISKS RELATED TO THE RIGHTS ISSUE

The price of the New Shares, the Nil Paid Rights or the Fully Paid Rights may fluctuate

The market price of the New Shares, the Nil Paid Rights or the Fully Paid Rights could be subject to significant fluctuations due to a change in sentiment in the market or in response to various facts and events, including variations in the Company's operating results and/or business developments of the Company or Interserve Facilities Management or, if the Acquisition completes, the Enlarged Group. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Company's or Interserve Facilities Management's operating performance or prospects. Furthermore, the Company's and Interserve Facilities Management's and, if the Acquisition completes, the Enlarged Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Nil Paid Rights, Fully Paid Rights and/or New Shares. As a result, Shareholders may not be able to sell their New Shares at a price equal to or greater than the acquisition price for those New Shares.

The Board has also determined that no final dividend will be recommended for FY19/20. The lack of dividend may affect the value of the Shares and could significantly affect the value of a Shareholder's investment. Furthermore, there can be no assurance whether and when the dividend will be reinstated.

A trading market for the New Shares, the Nil Paid Rights or the Fully Paid Rights may not develop

Application has been made to admit the Nil Paid Rights, Fully Paid Rights and New Shares to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective at 8.00 a.m. on 14 July 2020. There can be no assurance, however, that Admission will become effective or that an active trading market in the Nil Paid Rights, the Fully Paid Rights or the New Shares will develop upon or following Admission. In addition, because the trading price of the Nil Paid Rights and Fully Paid Rights depends on the trading price of the Shares, the Nil Paid Rights and the Fully Paid Rights prices may be volatile and subject to the same risks as noted above.

Shareholders who do not (or are not permitted to) take up their Nil Paid Rights may be subject to a dilution of their ownership upon the issue of New Shares

If a Shareholder, including a Shareholder with a registered address in the United States or the Restricted Territories, does not respond to the Rights Issue by 11.00 a.m. on 28 July 2020, being the latest time and date for acceptance and payment in full for that Shareholder's provisional allotment of New Shares, that Shareholder's Nil Paid Rights will lapse and the Company has made arrangements under which the Joint Global Coordinators, within two Business Days following the expiration of the latest time and date for acceptance and payment, will endeavour to find subscribers for New Shares not taken up by Shareholders.

There is no assurance that this procedure will be successful. Consequently, such Shareholders may not receive compensation for their Nil Paid Rights.

Such Shareholders' proportionate ownership and voting interests in Mitie will be reduced by approximately 69 per cent. and the percentage that their existing Shares will represent of the total share capital of Mitie will be reduced accordingly. Even if a Shareholder elects to sell its unexercised Nil Paid Rights, or such Nil Paid Rights are sold on its behalf in accordance with the process described above, the consideration it receives may not be sufficient to compensate it fully for the dilution of its percentage ownership of Mitie's share capital that will be caused as a result of the Rights Issue.

Shareholders located outside the United Kingdom may not be able to subscribe for New Shares in the Rights Issue

In the case of an allotment of Shares for cash, Shareholders have certain statutory pre-emption rights (unless those rights are disapplied by a special resolution of the Shareholders at a general meeting) and a non-pre-emptive issue could dilute the interests of Shareholders.

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in the Rights Issue. In particular, holders of Shares who are located in the United States may not be able to take up their rights under the Rights Issue unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. The Rights Issue will not be registered under the Securities Act. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of Shares carried out by the Company. Qualifying Shareholders who have a registered address in or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights or to acquire Fully Paid Rights or New Shares.

New Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. If a Shareholder is not able to (or does not) take up its Nil Paid Rights under the Rights Issue, then it will suffer dilution, as described above, and it may not receive the economic benefit of such Nil Paid Rights because there is no assurance that the procedure in respect of Nil Paid Rights not taken up, will be successful either in selling the Nil Paid Rights or in respect of the prices obtained.

Any future issue of Shares (in particular in connection with the Acquisition) will further dilute the holdings of Shareholders

The Company expects to issue approximately 358 million ordinary shares in the capital of Mitie to How Group (or certain of its nominees) representing approximately 23.4 per cent. of the share capital of Mitie immediately following such issue (the "**Consideration Shares**") in part consideration for the Acquisition. Shareholders will therefore own a smaller percentage of the Company following completion of the Acquisition than they currently own. As a consequence, Shareholders will be able to exercise a lower percentage of voting rights following completion of the Acquisition and the influence that may be exerted by them in respect of the Enlarged Group will be reduced.

Other than the Rights Issue and the Acquisition, the Company has no current plans for an offering of Shares. However, it is possible that the Company may decide to offer additional Shares in the future, either to raise capital or for other purposes. If Shareholders of the Company do not take up such offer of Shares or are not eligible to participate in such offering, their proportionate ownership and voting interests in the Company would be reduced and the percentage that their Shares would represent of the total share capital of the Company would be reduced accordingly. An additional offering, or significant sales of Shares by major Shareholders, could have a material adverse effect on the market price of Shares.

Substantial future sales of Shares by How Group (or certain of its nominees) could adversely affect the market price of Shares

Following completion of the Acquisition, as a result of (and immediately following) the issuance of the Consideration Shares, How Group is expected to own approximately 23.4 per cent. of the share capital of Mitie.

How Group (and its nominees) has agreed that the Consideration Shares shall be subject to certain lock up and orderly market restrictions. No Consideration Shares may be disposed of in the 90 day period following

Completion. During the 90 day period commencing 91 days following Completion, a first single block of Consideration Shares to realise net proceeds of up to £25 million may be disposed of. During the 90 day period commencing 181 days following Completion, a second single block of Consideration Shares to realise net proceeds of up to £25 million may be disposed of (the value of each of the first single block and the second single block being subject to adjustment in connection with any release of value under the escrow arrangement). No Consideration Shares may be disposed of in the period commencing immediately after any second single block disposal and ending 360 days following Completion. During the 90 day period commencing 361 days following Completion, a third single block of such number of Consideration Shares as is equal to 5 per cent. of the total issued share capital of the Company may be disposed of. No Consideration Shares may be disposed of in the period commencing immediately after any third single block disposal and ending 450 days following Completion. During the 90 day period commencing 451 days following Completion, a fourth single block of such number of Consideration Shares as is equal to 10 per cent. of the total issued share capital of the Company may be disposed of. No Consideration Shares may be disposed of in the period commencing immediately after any fourth single block disposal and ending 540 days following Completion. The lock up and orderly market restrictions are subject to certain customary exceptions and do not apply to certain disposals, including: (i) any disposal to which the Company gives prior consent; (ii) an acceptance of a general offer for the Company made under the UK Takeover Code (including an irrevocable to accept); (iii) any disposal pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; and (iv) a disposal pursuant to a compromise or arrangement under section 896 of the Companies Act providing for the acquisition by any person of 50 per cent. or more of the ordinary share capital of the Company.

Future sales of substantial amounts of Shares by How Group (or its nominees) following the expiration of the applicable lock-up periods or in accordance with the exceptions to such lock-up arrangements, or the perception that such sales were imminent, could adversely affect the prevailing market price of the Shares.

Following Completion, How Group may be able to exert influence over the Company

Following completion of the Acquisition, How Group is expected to own approximately 23.4 per cent. of the Shares in issue at that time. How Group will, through the votes it will be able to exercise at general meetings of the Company, be able to exercise a significant degree of influence over the Enlarged Group's operations and over its shareholders' meetings, such as in relation to the declaration of dividends, the appointment and removal of Directors, the approval of significant transactions entered into by the Group and changes in the Group's capital structure.

There can be no assurance that the interests of How Group will align with the interests of the Group or other Shareholders.

Investors in the Nil Paid Rights, the Fully Paid Rights and/or New Shares may be subject to exchange rate risk.

The New Shares, Nil Paid Rights and Fully Paid Rights are priced in pounds sterling. Accordingly, any investor outside the United Kingdom is subject to adverse movements to their local currency against pounds sterling.

It may not be possible to effect service of process upon the Company or the Directors or enforce court judgments against the Company or the Directors

The Company is incorporated in and registered in Scotland. A significant amount of the Company's assets is located in the United Kingdom. In addition, the majority of the Directors and senior management are located in the United Kingdom. As a result, it may not be possible for investors outside the United Kingdom to effect service of process against the Company or the Directors or to enforce the judgment of a court outside the United Kingdom against the Company or the Directors.

3 RISKS RELATED TO THE ACQUISITION

The Acquisition is conditional on certain conditions that may not be satisfied

Completion under the Share Purchase Agreement (as defined below) is subject to, and can only occur upon satisfaction or waiver of the following conditions:

- (a) the approval of the Resolution by the Shareholders at the General Meeting and Admission;
- (b) the approval of the Acquisition Resolutions by the Shareholders at the Acquisition General Meeting;
- (c) the receipt of requisite level of clearance from the Competitions and Markets Authority in respect of the Acquisition;

- (d) any material waivers or approvals required in relation to the Landmarc joint venture having been obtained;
- (e) the amendment of certain of Interserve Facilities Management's pensions schemes to allow independent operation of certain sections thereunder, the receipt of pensions trustee consent and a clearance statement issued by the Pensions Regulator;
- (f) the consent of the lenders under the Revolving Credit Facility and the holders of the US Private Placement Notes under the Note Purchase Agreement, in each case to the extent required thereunder in respect of the Acquisition; and
- (g) no termination event subsisting relating to Interserve Facilities Management's cyber incident having directly resulted in a material adverse effect to Interserve Facilities Management.

The Acquisition will be classified as a class 1 transaction pursuant to the Listing Rules. The Acquisition Circular and Prospectus and notice of Acquisition General Meeting are expected to be published in or around Q4 2020, and the Acquisition General Meeting where Shareholders will be asked to approve the Acquisition Resolutions is expected to take place thereafter.

Although the parties to the Share Purchase Agreement have obligations in relation to the satisfaction of the conditions to the Acquisition, these conditions may not be fulfilled (or waived, where capable of being waived) and the Acquisition may not complete. If the Acquisition does not complete, or it does not complete on the timing anticipated, it could have a material adverse effect on the market price of the Shares.

Mitie may not be or may not have been able to identify all risks associated with the Acquisition, which may result in unexpected liabilities and costs

The due diligence activities undertaken by Mitie in preparation for the Acquisition may not have identified all risks and liabilities associated with the Acquisition. When conducting due diligence, Mitie has relied on the resources available, including information provided by How Group and, in some circumstances, third-party investigations and analysis. Accordingly, Mitie cannot be certain that its due diligence investigation has revealed or highlighted all relevant facts that may be necessary or helpful in evaluating the merits of acquiring Interserve Facilities Management. For example, as a result of the Acquisition, Mitie may assume unexpected litigation risk arising in connection with Interserve Facilities Management's pending and future litigation. There may be liabilities or issues that Mitie failed or was unable to discover in the course of performing its due diligence investigations into Interserve Facilities Management in connection with the Acquisition.

Prior to publication of the Acquisition Circular and Prospectus, Mitie may learn of additional information about Interserve Facilities Management that adversely affects the Enlarged Group, such as issues relating to Interserve Facilities Management's customer and supplier relationships or financial performance, unknown or contingent liabilities, information resulting in adverse accounting and financial consequences (such as the need to make large provisions or write-downs) or issues relating to compliance with applicable laws and regulations. Any such liabilities or issues, individually or in the aggregate, could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects.

In addition, the terms and conditions of the Share Purchase Agreement do not include a due diligence condition or a no material adverse change condition which would permit the Company to unilaterally decide not to put the acquisition to shareholders, and if Mitie's Board were not to recommend that Shareholders support the Acquisition at the Acquisition General Meeting then Mitie could be required to pay a break fee of £2.5 million. If How Group terminates the Share Purchase Agreement in circumstances where the General Meeting or the Acquisition General Meeting is not convened and held by the requisite time and date (other than as a direct consequence of a breach by How Group of its obligations to provide historical financial information and certain assistance in connection with the Acquisition Circular and Prospectus), the Board has qualified, changed or withdrawn its recommendation for Shareholders to vote in favour of the Resolution or the Acquisition Resolutions or the Lender Condition is not fulfilled, then the Company has agreed to pay a break fee of £2.5 million, or where lower, an amount equal to 1 per cent. of the market capitalisation of the Company as calculated, in accordance with the Listing Rules, at 5.00 p.m. on the last Business Day prior to the date of the Share Purchase Agreement.

The anticipated benefits and targeted synergies in connection with the Acquisition are based on certain assumptions and estimates that may prove inaccurate

Through the Acquisition, Mitie aims to enhance its market position, build its public sector exposure, achieve cost synergies and support its financial profile.

The Enlarged Group's ability to realise these benefits and synergies is dependent on a number of estimates and assumptions that may prove to be incorrect. In particular, targeted synergies are based on Mitie's estimates regarding (i) completion of the Acquisition, (ii) the financial condition of Interserve Facilities Management (see "*Interserve Facilities Management's financial statements for the year ended 31 December 2019 have not been prepared or subject to independent audit*" in this Part II), (iii) market conditions in the industries in which the Enlarged Group will operate, (iv) the ability to integrate Interserve Facilities Management (including transitioning onto Mitie systems) and to implement strategic plans, including cost savings targets, (v) the ability to maintain all respective customer relationships on existing terms, (vi) the level of costs required in connection with integration activities and targeted synergies (vii) the ability to undertake integration processes without interruption to ongoing business operations (including relationships with customers, employees, suppliers and other market participants), (viii) the impact of the recent cyber-attack on the business and operations of Interserve Facilities Management (see "*Failure of Mitie's, Interserve Facilities Management's or, if the Acquisition completes, the Enlarged Group's information technology ("IT") systems, data security and/or data protection policies may result in losses*" in this Part II), and (ix) macroeconomic developments and the impact of other factors (including the COVID-19 pandemic) on the Enlarged Group's operations and those of existing and targeted customers, among others.

In particular, planning for post-completion integration processes is at an early stage, and the activities and investments that will be required to achieve targeted cost-savings and synergies, as well as the timing for realising such cost-savings and synergies, will continue to be identified in the coming months. As a result, these activities may require more management attention than currently anticipated, and the potential costs required to implement these initiatives could change significantly as these plans are further developed. These costs may also be required prior to realisation of the corresponding targeted synergies and other benefits of the Acquisition, if realised at all. Changes to market conditions, customer relationships or other factors may also result in management modifying cost-reduction targets in affected areas of the business or extending the time frame required to achieve them.

In addition, a corresponding benefit may not be available to offset the costs, including transaction and integration costs, incurred by Mitie in connection with the Acquisition, or any such benefits may not be the size or realised on the timing expected. If the benefits of the Acquisition are not realised to the extent or on the timing anticipated, or at all, it could have a material adverse effect on the business, results of operations and financial condition of the Enlarged Group and on the market price of the Shares.

The Enlarged Group may experience difficulties in integrating the existing business carried on by Mitie and Interserve Facilities Management

Mitie and Interserve Facilities Management currently operate and, until Completion, will continue to operate, as two separate and independent businesses. The Acquisition will lead to the combination of these two businesses and the success of the Enlarged Group will depend, in part, on the ability of the Enlarged Group to realise anticipated benefits and cost savings.

Mitie may experience difficulties in integrating Interserve Facilities Management and the anticipated benefits of the Acquisition may not be realised fully or may take longer to realise or require higher investment or expenditure levels than expected. Failure to integrate Interserve Facilities Management effectively may give rise to a number of risks, including a failure to deliver as expected on contracts, to maintain effective internal controls or to assimilate Interserve Facilities Management into existing systems and processes. The integration of Interserve Facilities Management and any unexpected delays may require the diversion of management and employee time and attention from other business concerns. In addition, it may be difficult to manage the integration without adversely affecting Mitie's existing operations, customer relationships and reputation. As a result, integration activities could lead to a loss of customers or key personnel. Some of the potential challenges in combining the businesses into the Enlarged Group may not become known until after Completion, in particular due to the substantial increase in the scale of the combined operations of the Enlarged Group.

Any of these factors could limit the anticipated benefits of the Acquisition or cause delays in achieving them, which could have a material adverse effect on the business, results of operations and financial condition of the Enlarged Group.

Interserve Facilities Management operates through a number of joint venture arrangements, which may create risks for the Enlarged Group

Interserve Facilities Management's operations include services provided through three material joint ventures: Landmarc (with PAE, Inc.) for facilities management services provided to the Ministry of Defence, the Sussex Partnership (with the University of Sussex) for facilities management services at the university and related properties, OneAIM (with Jacobs Clean Energy Limited) for facilities management services provided to Sellafield Ltd. Participation in joint projects contains an inherent risk in their management as the Enlarged Group will not have full control over these joint ventures. Joint venture partners may also have economic or business interests or goals that are inconsistent with those of the Enlarged Group, be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements or experience financial, operational or other difficulties, any of which may materially adversely affect the success of the relevant investment.

Following completion of the Acquisition, the Enlarged Group may face additional risks in relation to these joint venture arrangements, including as a result of integrating existing operations, developing future service offerings and carrying out bid and other development activities with the relevant joint venture partner. In addition, the Acquisition may result in other costs to the Enlarged Group as a result of any change of control provisions that may be contained in certain existing Interserve Facilities Management joint venture agreements, which could in some circumstances trigger or be claimed to trigger an event of default under such agreements. Should an event of default be triggered under an existing Interserve Facilities Management joint venture agreement, including as a result of the Acquisition, it may result in termination of or loss of rights related to the joint venture or entitle the partner under the agreement to purchase a portion of or the remaining share of the joint venture entity at a discount to fair value. As these arrangements are material to Interserve Facilities Management's operating and financial performance, any loss of rights or of the ability to continue operating under such arrangements following completion could have a material adverse effect on the business, results of operations and financial condition of the Enlarged Group.

Further, the Enlarged Group (through the relevant joint venture company) may not be able to control the decision-making process of the joint ventures without reference to the joint venture partners. Similarly, the Enlarged Group's reputation and brand is affected by the reputation of its joint venture partners, which will be outside of the Enlarged Group's control. As a result, the Enlarged Group may be affected by any material damage to the business reputation of one of its joint venture partners, which could, in turn, materially adversely affect its own reputation.

Any of these risks could have a material adverse effect on the business, results of operations and financial condition of the Enlarged Group.

If the Rights Issue completes but the Acquisition does not then complete, the portion of the proceeds of the Rights Issue allocated for the Acquisition will be retained by Mitie

If the Rights Issue is completed but the Acquisition does not then complete, Mitie will have raised additional proceeds in the Rights Issue to fund the Acquisition that will not subsequently be used to pay the purchase price for the Acquisition. In this event, the Directors' current intention is that the additional proceeds be retained by Mitie to enable it to accelerate organic investments and consider other consolidation opportunities within the UK facilities management sector, in line with its published strategy.

There are limits on the Company's recourse against How Group in the event of a breach of the Share Purchase Agreement

The Share Purchase Agreement contains customary financial limitations, timing limitations and other limitations and exclusions on the ability of the Company to claim against How Group for specific indemnities or breaches of the Share Purchase Agreement. In particular, there is an overall cap on liability of How Group of £40 million. In addition, the liability of the Insurer under the Warranty and Indemnity Insurance Policy is subject to further customary limitations. Further details of these limitations of liability are described in Part X of this document. Accordingly, Mitie may not have recourse against, or otherwise be able to recover from How Group or under the Warranty and Indemnity Insurance Policy in respect of material losses which it may suffer in respect of a breach of warranty or otherwise in respect of liabilities of Interserve Facilities Management. If any material liabilities arose and it was not possible to make a claim under the warranties or indemnities in respect thereof, or if any losses could not be fully recovered in respect of claims under the Share Purchase Agreement, there may be a material adverse effect on the business, results of operations and financial condition of the Enlarged Group.

Acquisition related costs may exceed Mitie's expectations

Mitie expects to incur costs in relation to the Acquisition, including integration and post-Completion costs in order to successfully combine the operations of Mitie and Interserve Facilities Management. The actual costs of the integration process may exceed those estimated and there may be further additional and unforeseen expenses incurred in connection with the Acquisition. In addition, Mitie will incur legal, accounting and transaction fees and other costs relating to the Acquisition, some of which are payable whether or not the Acquisition is completed.

Risks of executing the Acquisition could cause the market price of the Shares to decline

The market price of the Shares may decline as a result of the Acquisition if, among other reasons, the integration of Interserve Facilities Management's business with that of Mitie is delayed or unsuccessful, Mitie does not achieve the expected benefits of the Acquisition as rapidly or to the extent anticipated or at all, the effect of the Acquisition on Mitie's financial results is not consistent with the expectations of investors, or Shareholders sell a significant number of Shares after Completion.

Change of control clauses in Interserve Facilities Management's contracts may be triggered or leveraged by counterparties in connection with the Acquisition

Certain of Interserve Facilities Management's customer contracts contain change of control clauses which would be triggered by the Acquisition, requiring the consent of the relevant counterparty. While a number of these clauses only give rise to a right for the counterparty to terminate the contract based on grounds of national interest or security, conflict of interest, security, service or reputational impact, or financial standing relating to the new entity, the relevant counterparties may seek to withhold consent for the purposes of renegotiating contracts to be on more favourable terms or seek to terminate their arrangements with Interserve Facilities Management. Mitie considers it unlikely that such counterparties would seek to terminate their arrangements with the Enlarged Group, if the Acquisition completes, particularly given that the majority of these contracts are in place with public sector customers, including central government, local authorities and other public sector bodies who are, in turn, current customers and clients of Mitie. Furthermore, as the contracts in place are already on customer friendly terms, Mitie considers it unlikely that customers will withhold consent for the purposes of renegotiating such contracts.

The Enlarged Group may require additional funding for further capital investment or growth plans over the long-term, and such funding may result in further restrictions on the Enlarged Group's business operations

Although Mitie has no current plans or anticipated need for additional financing beyond the matters set out in this document, over the longer term the Enlarged Group may seek additional financing to provide further capital to maintain or expand its business. Mitie cannot predict with certainty whether such financing would be available on favourable terms, or at all, to the Enlarged Group. The Enlarged Group may raise additional funds by issuing equity, equity-linked securities or debt securities, or by borrowing from banks or other resources. It cannot be certain that it will be able to obtain any additional financing required on terms that are acceptable to it, or at all. If the Enlarged Group fails to obtain additional financing on acceptable terms, it may not be able to implement fully new investment or growth plans. Additional debt financing may restrict the commercial and financial flexibility of the Enlarged Group through additional debt service obligations or restrictive covenants. Any of the foregoing could have a material adverse effect on the business, results of operations and financial condition of the Enlarged Group.

PART III

IMPORTANT INFORMATION

Notice to All Investors

This document comprises (i) a prospectus for the purposes of Article 6 of the Prospectus Regulation and amendments thereto and is issued in compliance with the Listing Rules; and (ii) a circular prepared in accordance with the Listing Rules.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Rights Issue. Neither the Company, the Underwriters, the Financial Adviser nor any of their respective representatives, is making any representation to any offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Shares regarding the legality of an investment in the Nil Paid Rights, the Fully Paid Rights and/or the New Shares by such offeree. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

Investors should rely solely on the information contained in this document and the information incorporated by reference into this document (and any supplementary prospectus produced to supplement the information contained in this document) when making a decision as to whether to acquire New Shares, Nil Paid Rights or Fully Paid Rights. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, the Underwriters or the Financial Adviser. None of the Company, the Directors, the Underwriters or the Financial Adviser, or any of their respective representatives, is making any representation to any Shareholder or purchaser of the New Shares or Existing Shares regarding the legality of an investment by such Shareholder under the laws applicable to such Shareholder or purchaser.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the Prospectus Regulation and Rule 3.4.1 of the Prospectus Regulation Rules, neither the delivery of this document nor any issue or sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Company and its subsidiaries taken as a whole since the date of this document or that the information contained herein is correct as at any time subsequent to its date. The Company will update the information provided in this document by means of a supplement hereto if required by law or regulation pursuant to Article 23 of the Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules. The Prospectus and any supplement thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules.

None of the Underwriters, the Financial Adviser nor any of their respective affiliates, directors, officers, employees or advisers accept any responsibility whatsoever for, or make any representation or warranty, express or implied, as to the contents of this document, including as to the accuracy, completeness or verification of the information set forth in this document or for any other statement made or purported to be made by it or on behalf of it, the Company, the Directors or any other person, in connection with the Company, the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Rights Issue or Admission, and nothing in this document should be relied upon as a promise of representation in this respect, whether as to the past or the future. Each of the Underwriters, the Financial Adviser and their respective affiliates, directors, officers, employees and advisers accordingly disclaim to the fullest extent permitted by law all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this document or any such statement.

The prospective investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this document or their investment decision; (ii) they have relied only on the information contained in this document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the New Shares, Nil Paid Rights or Fully Paid Rights (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Underwriters.

The Nil Paid Rights, the Fully Paid Rights and the New Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state's securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the

offering of the Nil Paid Rights, the Fully Paid Rights or the New Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

In connection with the Rights Issue, the Underwriters and any of their respective affiliates may take up a portion of the Nil Paid Rights, the Fully Paid Rights and the New Shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Shares, Nil Paid Rights and Fully Paid Rights) and may offer or sell such security otherwise than in connection with the Rights Issue. Accordingly, references in this document to Nil Paid Rights, Fully Paid Rights or New Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Underwriters and any of their affiliates acting as investors for their own account. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. Except as required by applicable law or regulation, none of the Underwriters propose to make any public disclosure in relation to such transactions.

Notice to Investors in the United States of America

The New Shares and any entitlements thereto have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any State or other jurisdiction of the United States.

Subject to certain exceptions, neither this Prospectus nor the Provisional Allotment Letter, constitutes or will constitute, or forms or will form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, New Shares to any Shareholder with a registered address in, or who is resident or located in, the United States. Subject to certain exceptions, if you are in the United States, you may not acquire any New Shares offered hereby.

Notwithstanding the foregoing, the Company reserves the right to deliver the Provisional Allotment Letter to, and the New Shares may be offered to and acquired by, investors in the United States reasonably believed by the Company to be QIBs in reliance on Rule 144A in offerings exempt from, or in transactions not subject to, the registration requirements of the US Securities Act. The New Shares are being offered outside the United States in reliance on Regulation S of the US Securities Act.

A QIB will be permitted to subscribe for the New Shares only if the QIB (i) returns a duly completed and executed investor representation letter to the Company, in accordance with the instructions of its custodian or nominee; and (ii) such investor representation letter has been accepted by the Company in writing.

Any envelope containing a Provisional Allotment Letter and post-marked from the United States will not be valid unless it contains a duly executed investor representation letter in the appropriate form, which is accepted by the Company in writing. Similarly, any Provisional Allotment Letter in which the exercising holder requests New Shares to be issued in registered form and gives an address in the United States will not be valid unless it contains a duly executed investor representation letter, which is accepted by the Company in writing. The payments paid in respect of a Provisional Allotment Letter that do not meet the foregoing criteria will be returned without interest, at the risk of the payer.

No representation has been, or will be, made by the Company, the Joint Global Co-ordinators or the Sponsor or any of their respective Affiliates as to the availability of Rule 144 under the US Securities Act or any other exemption under the US Securities Act or any state securities laws for the re-offer, pledge or transfer of the New Shares.

Any person in the United States who obtains a copy of this Prospectus or the Provisional Allotment Letter and who is not a QIB is required to disregard it.

Overseas Territories Other than the United States of America

The distribution of this document in certain jurisdictions other than the UK may be restricted by law. No action has been taken by the Company or the Underwriters to distribute this document (or any other offering or publicity materials relating to the Nil Paid Rights, Fully Paid Rights or New Shares) in any other jurisdiction where action for that purpose may be required or doing so is restricted by law.

Accordingly, neither this document nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Shareholders who held Shares on the Record Date and who have registered addresses in or who are resident in, or who are citizens of, all countries other than the UK should refer to paragraph 2.6 of Part IX of this document.

Presentation of Financial Information

Mitie

Mitie's financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board as adopted by the European Union. The Company publishes its respective financial statements in pounds sterling ("**£**" or "**pounds sterling**"). References to "pence" represent pence in the United Kingdom. References to "**USD**", "**dollars**" or "**\$**" are to US dollars.

The consolidated financial statements of Mitie as at and for the years ended 31 March 2020 (the "**2020 Financial Statements**"), 31 March 2019 (the "**2019 Financial Statements**") and 31 March 2018 (the "**2018 Financial Statements**") were audited by BDO LLP and their audit opinions are incorporated by reference herein.

Prior to 1 April 2019, Mitie reported on the basis of six business divisions (Engineering Services, Security, Professional Services, Cleaning and Environmental Services, Care & Custody and Catering (which business was sold during FY19/20)), and historical operations during FY17/18 also included Property Management and, as discontinued operations, Healthcare. Mitie's results of operations for FY18/19 and FY17/18, as incorporated by reference in this Prospectus, were reported on the basis of these six divisions. Effective 1 April 2019 (for purposes of the 2020 Financial Statements), Mitie reorganised its reporting on the basis of three market-facing business divisions: Technical Services, Business Services and Specialist Services. Mitie's 2020 Financial Statements reflect this divisional structure for FY19/20. In addition, Mitie's 2020 Financial Statements include certain financial information for FY18/19 reflecting the realigned divisional structure for purposes of comparison.

This document includes unaudited preliminary financial information for the two months ended 31 May 2020, as discussed in Part VII, which has not been reviewed or audited by Mitie's independent auditor. This preliminary financial information is not a comprehensive statement of Mitie's financial results for this period, and its actual results may differ materially from these estimates due to the completion of financial closing procedures, final adjustments and other developments that may arise between now and the time the closing procedures for the three months ending 30 June 2020 are completed. There can be no assurance that these estimates will be realised, and estimates are subject to risks and uncertainties, many of which are not within Mitie's control.

IFRS 16 (Leases)

IFRS 16 (Leases) became effective for Mitie on 1 April 2019. The 2020 Financial Statements give effect to the entry into force of IFRS 16. The new standard replaces the previous accounting standard, IAS 17 (Leases), including related interpretations. Mitie has applied exemptions for short-term leases and leases of low value items and chose to adopt the modified retrospective transition approach for IFRS 16 under which, prior to reflecting the impact of lease incentives, dilapidations provision and lease related accruals and prepayments, Mitie evaluated its lease liability using incremental borrowing rates assessed at the date of transition with a right of use asset of equal value. There was no impact to equity reserves as of 1 April 2019 as a result of the adoption of IFRS 16. There have been no IFRS 16 adjustments made to the consolidated income statements for the periods prior to 1 April 2019. See note 1 of the 2020 Financial Statements.

Interserve Facilities Management

This document contains limited unaudited historical financial data on the Interserve Facilities Management Group for the year ended 31 December 2019, including revenue, operating profit and EBITDA for that period. This financial data has been prepared by Interserve's management from the management accounts of the Interserve Facilities Management business, reflecting the scope of operations subject to the Acquisition. The operating profit and EBITDA for the year ended 31 December 2019 are presented before exceptional items and exclude certain discontinued activities and contracts. In addition, as this financial data has been

provided on the basis of information in Interserve Facilities Management's management accounts, it does not reflect the impact of consolidation and other adjustments historically required for purposes of creating Interserve's statutory accounts. See "*Interserve Facilities Management's financial statements for the year ended 31 December 2019 have not been prepared or subject to independent audit*" in Part II of this document.

The Interserve Facilities Management unaudited historical revenue, operating profit and EBITDA data presented in this document does not comprise a complete set of historical financial statements prepared under IFRS as endorsed in the Union based on Regulation (EC) No 1606/2002, and it is incomplete in that it does not present an income statement, balance sheet or statement of cash flows.

The Interserve Facilities Management unaudited historical financial data included in this prospectus has been prepared on the basis of Interserve and Interserve Facilities Management's accounting policies. These accounting policies may differ in material respects from the accounting policies of Mitie, including in relation to matters of judgment, revenue recognition, accrued and deferred income, contract costs, amortisation and impairment of contract assets and goodwill, among other matters. The Interserve Facilities Management historical financial information, once prepared, that is expected to be included in the Acquisition Circular and Prospectus will be prepared in accordance with the accounting policies of Mitie. Differences between Interserve Facilities Management's standalone financial statements that will be included in the Acquisition Circular and Prospectus and the Interserve Facilities Management historical financial data presented in this prospectus may arise as a result of these differences in accounting policies. The Interserve Facilities Management unaudited historical financial data presented in this prospectus has been prepared on a pre-IFRS 16 basis

The Interserve Facilities Management historical revenue, operating profit and EBITDA data presented in this document has not been subject to audit, compilation or examination (and accordingly no opinion or any other form of assurance) by Interserve Facilities Management's independent auditor nor any other auditor. The production of Interserve Facilities Management's standalone financial statements for the year ended 31 December 2019 is expected to be completed in the coming months. However, there can be no assurance regarding the specific timing of the completion of these financial statements or that the financial information in such statements presented in the Acquisition Circular and Prospectus (including due to the alignment of accounting policies with Mitie) will conform with the unaudited Interserve Facilities Management historical financial data presented in this document.

Interserve Facilities Management's EBITDA for the year ended 31 December 2019 is derived from operating profit as presented in Interserve Facilities Management's management accounts for that period, reflecting the scope of the Acquisition perimeter and adjustments referenced above.

	2019 (£ millions) (unaudited)
Operating profit.....	37.6
Depreciation.....	9.8
EBITDA (including minority interests).....	47.4
Exclusion of minority interests.....	(4.1)
EBITDA	43.3

Unaudited Pro Forma Financial Information

In this document, any reference to "*pro forma*" financial information is to information which has been extracted without material adjustment from the unaudited *pro forma* financial information contained in Part XVII of this document. The unaudited *pro forma* statement of net assets contained in that section is intended to show how the Rights Issue might have affected the net assets of Mitie as if the Rights Issue had occurred on 31 March 2020.

The unaudited *pro forma* financial information is for illustrative purposes only. Because of its nature, the *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent the Company's financial position. Future results of operations may differ materially from those presented in the *pro forma* information due to various factors.

Rounding

The financial information presented in a number of tables in this Prospectus has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Alternative Performance Measures

This document contains certain alternative performance measures that are not defined or recognised under IFRS as adopted by the European Union, including Net Debt, operating profit before other items and Organic Revenue. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based require a level of judgement and can vary from company to company.

These alternative performance measures include:

- **Adjusted Consolidated EBITDA:** represents Mitie's Consolidated EBITDA adjusted to reflect the full year effect of acquisitions and disposals.
- **Average Daily Net Debt:** represents the sum of Mitie's daily Net Debt from 1 April to 31 March of a given financial year, divided by the number of days in that year (excluding the impact of IFRS 16, *Leases*, as applicable).
- **Basic earnings per share from continuing operation before other items:** represents Mitie's basic earnings per share from continuing operation less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items.
- **Consolidated EBITDA:** represents Mitie's consolidated operating profit/(loss) from continuing and discontinued operations plus depreciation, amortisation and impairment charges, reflecting covenant adjustments (comprising the impact of restructuring activities, disposals of non-current assets, disposals of discontinued operations, provisions, one-off costs incurred on an acquisition, unrealised gains or losses on derivatives, income/charges attributable to post-employment benefit schemes (other than current service costs attributable thereto), and charges associated with share based payment schemes) on a pre-IFRS 16 basis.
- **Consolidated Net Finance Costs:** represents Mitie's finance costs incurred (without taking account of dividends on preference shares), less all interest and other financing charges received or receivable, but excluding finance costs associated with post-employment benefit schemes, each on a consolidated basis, including any share of any proportionate consolidated joint ventures, but without taking account of certain unrealised derivative gains or losses or non-cash charges required as a consequence of discounting the net present value of any deferred consideration liabilities and excluding the impact of finance costs from the adoption of IFRS 16, *Leases*.
- **Consolidated Total Net Borrowings:** represents Net Debt (pre-IFRS 16) less the impact of hedge accounting and upfront fees.
- **Free Cash Inflow:** represents cash generated from operations adjusted for lease payments including interest paid (reclassified under IFRS 16), capital expenditure, interest (excluding IFRS 16) and tax.
- **Headline EBITDA:** represents Mitie's operating profit/(loss) before other items from continuing and discontinued operations plus depreciation and amortisation (excluding the impact of acquisitions and disposals during the year). Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items.
- **Interest Coverage Ratio:** reflects Mitie's Consolidated EBITDA to Consolidated Net Finance Costs.
- **Leverage Ratio:** reflects Mitie's Consolidated Total Net Borrowings divided by Adjusted Consolidated EBITDA.
- **Operating profit before other items:** represents Mitie's operating profit/(loss) less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items.

- **Operating Profit Margin before other items:** represents Mitie's operating profit/(loss) less other items to revenue from continuing operations. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items.
- **Organic Revenue:** reflects revenue from continuing operations as adjusted to remove the impact of acquisitions acquired 12 months, or earlier, prior to the relevant reporting date.
- **Net Debt:** reflects Mitie's bank loans, the US Private Placement Notes, derivative financial instruments hedging private placement notes and obligations under lease liabilities after adoption of IFRS 16, *Leases*, less cash and cash equivalents.
- **Net Debt (pre-IFRS 16):** reflects Mitie's Net Debt excluding the impact of IFRS 16, *Leases*.
- **Profit before tax before other items:** represents Mitie's profit before tax less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items.
- **Profit from continuing operations after tax before other items:** represents Mitie's profit from continuing operations after tax less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items.
- **Profit for the year before other items:** represents Mitie's profit for the year less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items.

The calculation of these alternative performance measures and reconciliations to the relevant nearest IFRS measure (or, in the case of Headline EBITDA, to operating profit before other items, which is itself an alternative performance measure) are provided in Part XV of this document and the portions of Mitie's 2020 Annual Report and Accounts and 2019 Annual Report and Accounts incorporated by reference herein.

These alternative performance measures are included because Mitie believes that they are important supplemental measures of operating performance and give a balanced view of, and relevant information on, Mitie's financial performance, position and cash flows. These are not measures of operating performance derived in accordance with IFRS and should not be considered a substitute for Mitie's historical financial results based on IFRS. In addition, these measures are not intended to be an indication of Mitie's ability to fund its cash requirements. Consideration should be given to the types of events and transactions that are excluded from the calculation of underlying revenue, underlying operating profit and underlying operating margin. These alternative performance measures are not uniformly defined by all companies and therefore comparability may be limited.

Mitie's alternative performance measures show the performance of Mitie excluding specific items that the Directors believe do not directly reflect Mitie's underlying operations. Such items include impairment of goodwill, the cost of restructuring programmes, acquisition and disposal costs (including the write-off and amortisation of acquisition related intangible assets), the results of and costs associated with disposals, and other exceptional items and their related tax effect, that are presented in Mitie's consolidated income statement. For a more detailed description of non-underlying items see Note 4 of Mitie's 2020 Financial Statements, 2019 Financial Statements and 2018 Financial Statements, which are incorporated by reference in this document as described in Part XX.

Other Operating Data

This document also contains key performance indicators which are used by Mitie to assess the operating performance of its businesses. These key performance indicators include:

- **All injury frequency rate:** reflects time employees are unable to work due to employment-related injury, reflected per million employee hours worked across the organisation.
- **CO₂ emissions:** reflects total emissions of CO₂ in the course of Mitie's operating activities, measured in tonnes.
- **Employee engagement:** is based on a survey of Mitie colleagues to gauge engagement levels within the organisation, expressed as a percentage.
- **Net Promoter Score (NPS):** is based on surveys of Mitie customers to gauge overall satisfaction with the relevant product or service and loyalty.

- **Order book:** is comprised of short-term contractual revenue (less than one year) and long-term contractual revenue (longer than one year) and represents the revenue which Mitie will recognise from clients when it satisfies the remaining performance obligations in its contracts.
- **Staff turnover:** is calculated as the number of employees leaving voluntarily over a 12-month period against Mitie's overall headcount, expressed as a percentage.

For additional disclosure, see pages 24 to 26 of the 2020 Annual Report and Accounts and pages 14 to 15 of the 2019 Annual Report and Accounts incorporated by reference in this Prospectus as described in Part XX.

Forward-Looking Statements

Certain information contained in this Prospectus, including information as to Mitie's strategy, market position, plans or future financial or operating performance, constitutes "forward-looking statements". Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside Mitie's control and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such factors include, but are not limited to: (i) general macroeconomic conditions and real estate activity in the markets in which Mitie operates; (ii) Mitie's earnings, financial position, cash flows, return on capital, and capital expenditures; and (iii) Mitie's ability to implement its business strategy.

These statements are further qualified by the risk factors disclosed in or incorporated by reference in this Prospectus that could cause actual results to differ materially from those in the forward-looking statements. See "*Risk Factors*".

These forward-looking statements speak only as at the date of this Prospectus. Except as required by the FCA, the London Stock Exchange, the Part VI Rules, Market Abuse Regulation ("**MAR**") or applicable law, the Company does not have any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, further events or otherwise. Except as required by the FCA, the London Stock Exchange, the Part VI Rules, MAR or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Market Data

This document includes market data and projections about Mitie markets obtained from industry surveys, industry publications, market research and other publicly available third-party information, certain of which Mitie has access through the payment of a subscription fee. Where information has been sourced from a third party, Mitie confirms that the information has been accurately reproduced and, as far as Mitie is aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third-party information has been used, the source of such information has been identified wherever it appears in this document. Industry surveys and industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Mitie has not independently verified this data or determined the reasonableness of such assumptions.

Available Information

If, at any time, the Company is neither subject to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company will furnish, upon request, to any holder or beneficial holder of the Nil Paid Rights, the Fully Paid Rights or the New Shares, or any prospective purchaser designated by any such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. In such cases, the Company will also furnish to each such owner all notices of general Shareholders' meetings and other reports and communications that Mitie generally makes available to Shareholders.

Definitions

Certain terms used in this document, including all capitalised terms and certain technical and other terms, are defined and explained in Part XXI of this document.

No Internet Site is Part of this Document

Without prejudice to the documents incorporated by reference into this document, which will be made available on Mitie's website, information contained in or otherwise accessible through the website of the Company is not a part of this document, and prospective investors should not rely on it. With the exception of those elements of the specific documents incorporated by reference into this document as described in Part XX of this document, all references in this document to these internet sites are inactive textual references to these internet addresses and are for information only.

PART IV

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE AND THE ACQUISITION

Each of the times and dates in the table below is indicative only and may be subject to change.⁽¹⁾⁽²⁾

Announcement of Rights Issue and Acquisition	25 June 2020
Publication of this document and the Notice of General Meeting	25 June 2020
Latest time and date for receipt of Forms of Proxy.....	11.00 a.m. on 9 July 2020
Record Date for entitlements under the Rights Issue	Close of business on 9 July 2020
General Meeting	11.00 a.m. on 13 July 2020
Despatch of Provisional Allotment Letters (to Qualifying Non-CREST Shareholders only) ⁽³⁾	on or about 13 July 2020
Special Dealing Service open for applications	13 July 2020
Admission and Dealings in New Shares, nil paid, commence on the London Stock Exchange	8.00 a.m. on 14 July 2020
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only).....	As soon as practicable after 8.00 a.m. on 14 July 2020
Nil Paid Rights and Fully Paid Rights enabled in CREST	As soon as practicable after 8.00 a.m. on 14 July 2020
Ex-Rights Date	14 July 2020
Latest time and date for receipt of instructions under Special Dealing Service in respect of Cashless Take-up or disposal of Nil Paid Right.....	11.00 a.m. on 21 July 2020
Recommended latest time for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form)	4.30 p.m. on 22 July 2020
Latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights into a CREST stock account	3.00 p.m. on 23 July 2020
Latest time and date for splitting Provisional Allotment Letters.....	3.00 p.m. on 24 July 2020
Dealings carried out in relation to Cashless Take-up or disposal of Nil Paid Rights under Special Dealing Service	24 July 2020
Settlement of dealings in relation to Cashless Take-up or disposal of Nil Paid Rights under Special Dealing Service.....	27 July 2020
Latest time and date for acceptance in CREST and payment in full and registration of renounced Provisional Allotment Letters	11.00 a.m. on 28 July 2020
Despatch of cheques in relation to proceeds of disposal of Nil Paid Rights under Special Dealing Service.....	by no later than 28 July 2020
Expected date of announcement of results of the Rights Issue	29 July 2020
Dealings in the New Shares, fully paid, to commence on the London Stock Exchange.....	8.00 a.m. on 29 July 2020
New Shares credited to CREST stock accounts (uncertificated holders only) ⁽⁴⁾	As soon as practicable after 8.00 a.m. on 29 July 2020

Despatch of definitive share certificates for New Shares in certificated form (to Qualifying Non-CREST Shareholders only) ⁽³⁾ and premium payments (if applicable) in respect of Nil Paid Rights not taken up.....	by no later than 10 August 2020
Publication of Acquisition Circular and Prospectus.....	in or around Q4 2020
Completion of the Acquisition.....	in or around Q4 2020
Long Stop Date for the Acquisition	31 March 2021

General Notes:

- (1) The times and dates set out in the timetable above and referred to throughout this document and in the Provisional Allotment Letter may be adjusted by the Company by announcement through a Regulatory Information Service, in which event details of the new dates will also be notified to the Financial Conduct Authority, the London Stock Exchange and, where appropriate, Shareholders. Notwithstanding the foregoing, Shareholders may not receive any further written communication.
- (2) References to times in this document are to London time, unless otherwise stated.
- (3) Subject to certain restrictions relating to Overseas Shareholders. See paragraph 2.6 of Part IX of this document.
- (4) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Existing Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.

PART V

RIGHTS ISSUE STATISTICS

Price per New Share	25 pence
Basis of Rights Issue	11 New Shares at 25 pence per New Share for every 5 Existing Shares ⁽¹⁾
Number of Shares in issue as at 22 June 2020 ⁽²⁾⁽³⁾	365,940,805
Number of New Shares to be issued by the Company ⁽⁴⁾	805,069,771
Number of Shares in issue immediately following completion of the Rights Issue ⁽³⁾	1,171,010,576
New Shares as a percentage of enlarged issued share capital of the Company immediately following completion of the Rights Issue ⁽³⁾⁽⁴⁾	68.8 per cent.
Estimated expenses in connection with the Rights Issue (inclusive of VAT)	£11 million
Estimated net proceeds receivable by the Company after expenses	£190 million

Notes:

- (1) Held by Qualifying Shareholders (being Shareholders on the register of members of the Company at the Record Date with the exclusion of persons with a registered address or located or resident in (subject to certain exceptions) the United States or another Restricted Territory).
- (2) Being the latest practicable date prior to the date of this document.
- (3) Excludes 7,744,359 Shares held in treasury.
- (4) On the assumption that no further Shares are issued as a result of the exercise of any options or awards vesting under any Employee Share Plans between 22 June 2020 (being the latest practicable date prior to the date of this document) and Admission becoming effective.

PART VI

DIRECTORS AND ADVISERS

Mitie Directors	Derek Mapp (<i>Chairman</i>) Phillip Bentley (<i>Chief Executive Officer</i>) Andrew Peeler (<i>Chief Financial Officer</i>) Nivedita Krishnamurthy Bhagat (<i>Non-Executive Director</i>) Jennifer Duvalier (<i>Non-Executive Director</i>) Mary Reilly (<i>Non-Executive Director</i>) Baroness Philippa Couttie (<i>Non-Executive Director</i>) Roger Yates (<i>Senior Independent Director</i>)
Company Secretary	Peter Dickinson
Registered office of the Company	Mitie Group plc 35 Duchess Road Rutherglen Glasgow G73 1AU United Kingdom
Sponsor, Joint Global Co-ordinator and Joint Bookrunner	Jefferies International Limited 100 Bishopsgate London EC2N 4JL United Kingdom
Joint Global Co-ordinator and Joint Bookrunner	J.P. Morgan Securities plc 25 Bank Street, Canary Wharf London E14 5JP United Kingdom
Financial Adviser to the Company	Evercore Partners International LLP 15 Stanhope Gate London W1K 1LN United Kingdom
Joint Bookrunner	Barclays Bank PLC 5 The North Colonnade, London E14 4BB
Joint Bookrunner	Banco Santander, S.A. Paseo de Pereda 9 12 Santander Spain
English and US legal advisers to the Company	Linklaters LLP One Silk Street London EC2Y 8HQ United Kingdom
English and US legal advisers to the Underwriters	White & Case LLP 5 Old Broad Street London EC2N 1DW United Kingdom

Registrar	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Receiving Agent	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Reporting Accountant and Auditors	BDO LLP 55 Baker Street London W1U 7EU United Kingdom

PART VII

LETTER FROM THE CHAIRMAN OF MITIE GROUP PLC

(Incorporated and registered in Scotland with registered number SC019230)

Directors:

Derek Mapp (*Non-Executive Chairman*)
Phillip Keague Bentley (*Chief Executive Officer*)
Andrew Michael Peeler (*Chief Financial Officer*)
Nivedita Krishnamurthy Bhagat (*Independent Non-Executive Director*)
Jennifer Susan Duvalier (*Independent Non-Executive Director*)
Mary Margaret Reilly (*Independent Non-Executive Director*)
Philippa Couttie (*Independent Non-Executive Director*)
Roger Philip Yates (*Senior Independent Director*)

Registered Office:

35 Duchess Road
Rutherglen
Glasgow
G73 1AU
United Kingdom

25 June 2020

Dear Shareholder

11 for 5 Rights Issue at 25 pence per New Share

1 Introduction

Mitie has today announced a proposed capital raise by way of a Rights Issue to raise gross proceeds of approximately £201 million and entry into a share purchase agreement in relation to the acquisition of Interserve Facilities Management.

I am writing to give you further details of the Rights Issue, including the background to and reasons for the Interserve Facilities Management Acquisition, the capital raise and the use of proceeds, and to explain why the Board considers the Rights Issue to be in the best interests of Shareholders.

2 Background to and Reasons for the Rights Issue

Overview of Mitie's Business

Mitie is one of the United Kingdom's leading facilities management and professional services companies, with approximately 47,500 employees as at 31 March 2020 and sales of £2.2 billion in FY19/20.

Mitie delivers services to a diverse, blue-chip customer base, with approximately 70 per cent. of revenue generated from private sector customers, including in industries such as banking and the professional services, retail and leisure, manufacturing, construction, utilities, transport and logistics, healthcare and pharmaceuticals, industrial, and technology and communications, and approximately 30 per cent. from the public sector, including central government, local authorities and other public sector bodies and agencies.

Mitie operates through three principal business divisions: Technical Services, Business Services and Specialist Services, as set out below:

- **Technical Services:** including management and delivery of engineering, maintenance, repair and project services, energy and carbon management services, and water and real estate services.
- **Business Services:** including personal and technology-led security services, cleaning and environmental services, front-of-house (reception), vetting and document management services, as well as remote monitoring and mobile response for fire and security systems.
- **Specialist Services:** offers a number of specialised services, including forensic health services, managing certain immigration care and custody services on behalf of the Home Office, as well as landscaping, waste management and sustainability.

It is serving clients by deploying advanced technology and using smart analytics to provide valuable insight and deliver efficiencies to enhance work environments.

Transformation Programme and Mitie Management

From 2017 onward, Mitie has been focused on a clear strategic five-year plan, focused on customers, technology, costs and people. This transformation programme has been driven by Mitie's leadership team and investments self-supported through operating cash flow, proceeds from the disposal of non-core assets

and borrowings during this period. This five-year plan is broken down in two phases, phase I: Build Foundations and phase II: Accelerated Value Creation.

As part of this strategy, Mitie aims to: ensure operational excellence and efficiency; attract and retain highly motivated, well trained, high performing employees who continue to support and drive Mitie's 90 per cent. client retention rates; and embrace technology and innovation across the Group. Where appropriate, Mitie also looks at targeted merger and acquisition opportunities to enhance and differentiate its service offering.

Build Foundations: This initial phase was focused on reversing revenue declines, simplifying the portfolio through non-core disposals and increasing balance sheet strength. Through Project Helix, Mitie has delivered approximately £45 million of run-rate savings across personnel, improved information services, systems and finance functions, consolidating supplier spend and reduced reliance on contractors. Integrating Vision Security Group ("VSG") supported scale and savings across the security service offering. Investment through this period delivered organic revenue growth at a compound annual growth rate of approximately 6 per cent. from FY16/17 to FY19/20, while cost related work streams and strategic disposals have reduced Mitie's total indebtedness by approximately £100 million. As part of this drive to simplify Mitie, in 2019 the Security and Cleaning divisions were consolidated under a single Business Services management team, Technical Services was newly created to incorporate engineering services, projects and "smart building" management services, and Care & Custody, Waste and Landscapes were consolidated into a single Specialist Services division.

During this phase Mitie has sought to simplify and re-align its portfolio towards its core customer proposition via a number of non-core disposals and complementary acquisitions. These include:

- The disposal in FY19/20 of Mitie's catering and outside events business to CH&Co Catering Group Limited for cash consideration of up to £85 million (including post-closing performance payments in FY20/21 and FY22/23);
- The disposal in FY18/19 of Mitie's social housing repairs and maintenance business to Mears Group plc for cash consideration of up to £35 million (including a post-closing performance payment in FY21/22);
- The acquisition in FY18/19 of VSG, a leading security services provider, from Compass Group, for cash consideration of £12.7 million (including post-closing purchase price adjustments);
- The acquisition in FY18/19 of Global Aware International Group, a provider of intelligent software and security solutions; and
- The disposal in FY18/19 of Mitie's pest control business to Rentokil Initial for cash consideration of £38.4 million (including post-closing purchase price adjustments).

Accelerated Value Creation: The second phase is focused, over the medium term, on leveraging the gains made during phase I through three core principles: growth, costs and free cash flow.

Growth initiatives are supported by Mitie's continued market leadership in core Technical Services and Business Services, further enhancements in customer-facing technology to improve service capabilities, and deepening relationships with strategic clients. Harnessing Mitie's breadth of core capabilities, increasingly optimised Strategic Account Management is expected to drive improved monetisation of the high-quality client base.

Cost targets aim to utilise Mitie's improved technologically-enabled capabilities for workforce and workflow management and process automation for transaction and service booking, supporting improvement in cost-to-serve across a scalable and differentiated technology offer. Project Forte, a transformational programme targeting overall delivery of approximately £25 million of cost savings within Technical Services and approximately £5 million of savings from Group-wide automation. Mitie has delayed certain aspects of Project Forte by six months, and continues supply chain management initiatives that are already underway, with an aim to realise overall benefits in FY22/23.

Mitie aims to drive free cash flow through these continued initiatives, realising the benefits of costly transformation activities undertaken in recent years and targeting accelerated deleveraging.

Mitie's transformation programme has been supported by its extended executive leadership and division heads, under the leadership of CEO Phil Bentley, who joined Mitie in 2016.

Mitie's transformation programme has significantly improved Mitie's total financing position and financial performance during this period. These initiatives have improved Mitie's financial strength and customer

service levels, supported employee engagement, Net Promoter Score (NPS) and market share growth, and helped Mitie build its pipeline for future business. From the first half of FY17/18 to FY19/20, Mitie's Net Debt (pre-IFRS 16) decreased from £172.6 million to £74.9 million. In FY19/20, Mitie generated revenue of £2,173.7 million, as compared to £2,085.3 million in FY18/19 (re-presented for discontinued operations) and £1,893.5 million in FY17/18 (re-presented for discontinued operations), and operating profit before other items from continuing operations of £86.1 million, as compared to £79.6 million in FY18/19 (re-presented for discontinued operations) and £74.5 million (re-presented for discontinued operations) in FY17/18.

Impact of COVID-19 and Rationale for the Rights Issue

Mitie has established three overriding priorities to guide its response to the COVID-19 situation: protecting the health and safety of colleagues, clients, other business partners and the communities that it serves; ensuring that its businesses are able to continue to operate with minimal disruption and to deliver the essential services it provides to its clients; and preserving Mitie's financial strength.

As reported on 27 March 2020 and 28 April 2020, for FY19/20, Mitie continued to trade in line with guidance as issued on 30 January 2020, save for a reported material downturn in the final two weeks of the financial year as a result of the COVID-19 pandemic. Due to the inherent uncertainties arising out of the COVID-19 situation, the Board concluded that it was not possible to provide guidance with regard to the anticipated financial performance for FY20/21 until the outlook becomes clearer.

Whilst the COVID-19 pandemic has had an impact on Mitie's performance through the start of FY20/21, the business is proving to be more resilient than initially expected, particularly with regard to the fixed contract element of the business. Customers in sectors such as transport and logistics, manufacturing, and property management have been more heavily affected, as have general office-based customers. Mitie has also experienced a reduction in demand for discretionary project work and variable services, such as non-essential maintenance. However, this negative impact on customer demand has been mitigated to some extent by increasing demand for cleaning and security services, in particular from food and online retailers, as well as new projects in the public sector such as testing centre capabilities and Nightingale hospitals. Branch-based and infrastructure maintenance services, including to customers in the finance, professional and banking sectors, are expected to continue while branches remain open, and services critical to infrastructure such as telecommunications and pharmaceutical manufacturing are also expected to remain stable. However, the operating and financial disruption being experienced by customers and communities across the United Kingdom may persist for a significant amount of time and continue to negatively affect Mitie in the coming months.

In response to a deterioration of trading conditions across the business, Mitie has utilised government initiatives where available, and also implemented a number of self-help measures including:

Government:

- Deferred payment of certain VAT, National Insurance contributions, corporation tax and PAYE amounts under the "Time to Pay" initiative until April 2021, including a benefit of approximately £33 million in FY19/20
- Peak of approximately 7,000 employees have been furloughed and the majority of these remain furloughed

Self Help:

- Reduced overheads to target delivery of approximately £25 million of cost savings during FY20/21
- Reviewed and deferred non-essential and uncommitted capital expenditure by approximately £5 million
- The Board and CEO, and the executive team volunteered reductions in their fees and salaries of 30 per cent. and 20 per cent., respectively, resulting in approximately £2.5 million in savings from April to June 2020, and have volunteered further reductions until 30 September 2020
- Deferral of pay rises of approximately £5 million
- Committed to not paying a final dividend for FY19/20

Mitie has maintained strong relationships with its private and public sector customers during the course of the COVID-19 pandemic, and it is working to meet customers' facilities management and professional services needs as operating, travel and leisure restrictions are eased in the coming months. However, recognising the uncertainty of the current situation, in addition to the measures above, the Board believes

the Rights Issue to be a prudent measure to further strengthen Mitie's balance sheet, working capital and liquidity position in order to enable Mitie to further leverage the benefits of the first phase of its transformation programme and support the continued implementation of its phase II initiatives to drive continued growth, cost savings and free cash flow across the business. The Board is confident that the steps being taken will ensure sufficient liquidity even in the event that trading reflects the reasonable worst case scenario, which assumes:

- The restrictions on activities in the United Kingdom as a result of COVID-19 are assumed to remain in place until the end of June 2020, followed by a relaxation of restrictions before a second set of restrictions on activities at least as severe as the first, which are assumed to occur from August to October 2020;
- As a result, Mitie's revenue for FY20/21 and FY21/22 is assumed to decline by approximately 30 per cent. and 15 per cent., respectively, versus FY19/20; and
- Working capital, inclusive of bad debts, excluding the government's "Time to Pay" deferral, is assumed to come under pressure in FY20/21 resulting in a net negative cashflow impact of approximately £140 million. It is assumed that this dynamic slowly reverses to normalised levels during FY21/22.

Mitie has reached a comprehensive agreement with the holders of its US Private Placement Notes and the lenders to its Revolving Credit Facility (the "**Banks**") to grant covenant amendments under these respective financing arrangements and with the Banks in relation to an extension of the Revolving Credit Facility. As discussed in paragraph 3 "*Amendments to Mitie's US Private Placement Notes and Revolving Credit Facility*" below, these arrangements are conditional on completion of the Rights Issue.

As such, the Rights Issue and associated agreement with the Banks is expected to mitigate the indebtedness risks and provide Mitie with a strong financial position and liquidity to trade through the COVID-19 pandemic and be suitably placed to capture opportunities to support the Group's long-term growth prospects.

Proposed Acquisition of Interserve Facilities Management

In December 2019, Mitie presented its strategy to enable the Group to achieve the Board's long-term vision of market leadership, with the following targets: (i) #1 market share, (ii) <2x Total Financial Obligations Leverage, (iii) £200 million annual EBITDA and (iv) £3 billion of annual revenue. Since then, Mitie has also had to contend with the impact of the COVID-19 pandemic on its business which it has addressed proactively with a range of decisive management actions.

The Board has also been particularly focused on identifying ways in which Mitie can enhance its commercial and financial position in the post COVID-19 environment. In this light, the acquisition of Interserve Facilities Management is expected to act as a catalyst for Mitie to achieve its longer-term vision through the following key benefits:

Enhance Mitie's position as a leading UK integrated facility management provider with strong positions across service lines and a differentiated service offering

The Acquisition will enhance Mitie's position as a leading integrated facility management provider in the UK. Interserve Facilities Management is a UK-focused facilities management business, providing services across multiple end-markets, providing customers with a range of hard, soft and specialist facilities management services, such as mechanical & engineering services, building fabric maintenance, grounds maintenance, cleaning, waste management, security and logistics services. For the year ended 31 December 2019, Interserve Facilities Management's revenue was £1,369 million, its operating profit was £38 million and its EBITDA⁽¹⁾ was £43 million, allowing Mitie to accelerate its transformation towards its long-term "1-2-3" vision targets.

Enhanced service portfolio with customer and sector diversification

Through the combination of two highly complementary service portfolios, the Enlarged Group will enjoy established positions across key service lines including engineering, security and cleaning services with enhanced customer and sector diversification, and a balanced exposure between public and private sectors.

⁽¹⁾ Excluding minority interests – see Part II: "Important Information—Presentation of Financial Information—Interserve Facilities Management".

Ability to build scale and leverage investment in technology to deliver superior service offering

With scale, and a robust capital structure, the Enlarged Group will advance its transformation plan and leverage continued investments in technology to target efficiencies and differentiated service propositions to both public and private customers. Mitie expects, in particular, significant value creation opportunity from:

- enhanced position in engineering and security services, enabling efficiencies and improved margin performance;
- improved capacity to fund technology and innovation with the ability to transfer Mitie's leading capabilities to Interserve Facilities Management's estate and explore upselling opportunities to Interserve Facilities Management customers; and
- operational improvements in Interserve Facilities Management's commercial, financial, HR and IT systems and processes to bring them in line with Mitie's standards.

Consolidation platform in the UK facilities management space

The Enlarged Group will also be able to explore further infill consolidation opportunities in a still fragmented UK facilities management market over time.

Significantly enhance Mitie's exposure to the public sector and provide the Enlarged Group with a balance between public and private sectors

Mitie has identified the public sector as a key growth opportunity and has recently renewed its focus on this area with a formal appointment to the Crown Commercial Service frameworks for Security (in January 2019) and Defence (in April 2019). Mitie's appointment was an important step for Mitie in cementing its strategic supplier partnership with government and in enhancing its support for the public sector around its market-leading and tech-enabled security and engineering services, in particular. Interserve Facilities Management's highly complementary service and client portfolio will support Mitie's efforts to accelerate the growth of its government and public services offering.

With approximately 44 per cent. of its 2019 revenue in the Central Government & Defence (CG&D) division and approximately 21 per cent. in the Communities division, Interserve Facilities Management has a particularly strong positioning with the Ministry of Defence, Central Government and hospitals (including PFI arrangements), which tend to have longer-term contracts, and where Mitie has limited presence and scale today.

Central Government & Defence (CG&D)

The acquisition of Interserve Facilities Management will provide Mitie with strong positions in UK Government and UK defence services and expertise in delivering large complex contracts including overseas integrated support provider ("ISP") contracts for the Ministry of Defence and integrated facilities management contracts across the Department for Environment, Food and Rural Affairs estate. Interserve Facilities Management enjoys strong relationships with the Ministry of Defence and other government customers and stakeholders, with high retention rates and a high proportion of engineering and security services contracts at attractive margins.

Communities

The acquisition of Interserve Facilities Management will contribute a portfolio of long term facilities management contracts delivered to PFI customers, which provide a long-term income profile in the healthcare, schools and emergency service sectors, with a high proportion of integrated facility management and bundled contracts enjoying attractive margins and high retention rates.

Accordingly, the Board expects the Acquisition to provide a significant uplift in public sector work, thereby accelerating Mitie's presence in a key strategic growth area and supporting balanced underlying exposure to public and private sectors.

In addition, Interserve Facilities Management Business & Industry division has developed core expertise in the provision of total facilities management services to critical operating environments, including regulated, manufacturing and corporate sectors, that will complement Mitie's existing private sector business.

Unlock significant cost synergies

The Board estimates that, as a result of and contingent on completion of the Acquisition, the Enlarged Group will be in a position to deliver run rate synergies of approximately £30 million which are expected to be achieved by the end of the second full year of ownership (FY22/23).

Recurring cost synergies

Substantial cost synergies have been identified across the following areas:

- duplication of corporate costs and functional overheads (approximately £15 million): rationalisation of overlapping headcount in back office, sales and business development, finance, human resources, operational support and procurement functions;
- improved supplier terms by leveraging the enlarged scale and enhanced financial position of the Enlarged Group as well as making greater use of strategic sourcing (approximately £10 million); and
- integration of supporting infrastructure costs in IT and real estate, through streamlining of the IT application estate and office consolidation (approximately £5 million). This is expected to be an enabler for improved process and cost efficiency.

The cost savings from duplication of corporate costs and functional overheads includes approximately £13 million of savings from the rationalisation of overlapping headcount in the UK. It is expected that the Enlarged Group would have approximately 77,500 employees at completion of the Acquisition. Fewer than 600 back office, sales and business development, finance, human resources roles across the Enlarged Group are currently anticipated to be rationalised, over the three years after completion of the Acquisition. The combined business will seek to bring the best of both organisations together.

Other growth opportunities

In addition to the combination benefits highlighted above, the Board will target additional revenue synergies from selling additional services to existing customers through cross-selling of bundled services. In addition, it will seek to improve the technology offering to non-overlapping clients in particular in the public sector space, thereby improving service quality and increasing customer retention.

Absent the Acquisition, Mitie would not be able to achieve these targeted synergies.

Enhance Mitie's financial profile to secure sustainable long-term growth and margin accretion

The Acquisition is expected to be accretive to Mitie's earnings per share in the first full year following Completion, which is currently expected to take place in or around Q4 2020.

Interserve Facilities Management has a strong trading financial profile with revenue of £1,369 million, operating profit of £38 million and EBITDA⁽¹⁾ of £43 million for the year ended 31 December 2019, underpinned by large profitable long-term public sector contracts and a blue-chip private customer base with a track record of high retention. The Acquisition, including the synergies to be extracted from the combination, will therefore improve Mitie's financial profile and the Enlarged Group will benefit from a strong capital structure with a low leverage as a resilient platform able to withstand the obstacles presented by COVID-19 and deliver long-term profitable growth.

Return on invested capital is projected to exceed the cost of capital by FY21/22, excluding synergies, on a post-tax basis.

Further strengthen Mitie's management team with high performing and experienced individuals focused on delivering exceptional customer service

Interserve Facilities Management's senior management team will bring significant operating and management expertise to the Enlarged Group. The broader Interserve Facilities Management team has extensive experience in the facility management industry and strong commercial capabilities, with a particular focus on large integrated facility management contracts with both public sector and regulated, manufacturing and corporate clients.

3 Amendments to Mitie's Note Purchase Agreement and Revolving Credit Facility

Mitie has reached a comprehensive arrangement with the holders of its US Private Placement Notes and the lenders under its Revolving Credit Facility in order to address potential issues that arise under a reasonable worst case scenario over the next 12 months as a result of the deterioration in trading conditions arising from COVID-19.

⁽¹⁾ Excluding minority interests – see Part II: “Important Information—Presentation of Financial Information—Interserve Facilities Management”.

These arrangements provide Mitie with the benefit of amended financial covenants contained in the Note Purchase Agreement and the Revolving Credit Facility, as set out below:

	<u>Previous</u>	<u>Sept. 2020</u>	<u>March 2021</u>	<u>Sept. 2021</u>	<u>March 2022</u>	<u>Sept. 2022</u>
Interest Coverage Ratio	> 4.0x	> 3.0x	> 1.0x	> 2.5x	> 3.5x	> 4.0x
Leverage Ratio	< 3.0x	< 3.0x (unchanged)	< 4.0x	< 3.5x	< 3.0x	< 3.0x

In addition, Mitie has agreed with the lenders under its Revolving Credit Facility a 17-month extension of the facility, providing liquidity of £250 million under the facility through to 16 December 2022.

In return for this increased flexibility, Mitie has agreed to amend various provisions of the Revolving Credit Facility and the Note Purchase Agreement, including restrictions on dividend payments if Mitie's Leverage Ratio is above 3.0x notwithstanding the agreed covenant amendment. For more detail on these amendments, please see paragraph 18 of Part XVII of this document.

These covenant amendments, the extension of the Revolving Credit Facility and any other amendments to the terms of the Revolving Credit Facility and the Note Purchase Agreement are conditional upon the completion of the Rights Issue. As a result, if the Rights Issue were not to proceed: (i) the Revolving Credit Facility would not be extended, would terminate on 23 July 2021 and the other amendments would not be implemented, and (ii) if the reasonable worst case scenario were to occur, Mitie could breach certain covenants under its financing arrangements during the 12-month period covered by the working capital statement set out in paragraph 24 of Part XIX of this document.

For more detail in relation to these arrangements, see paragraph 18 of Part XIX of this document.

4 Interserve Facilities Management Share Purchase Agreement

On 25 June 2020, the Company and How Group entered into an agreement for the sale and purchase of the entire issued share capital of Interserve Facilities Management by the Company (the "**Share Purchase Agreement**"). On Completion, Interserve Facilities Management will become a wholly-owned subsidiary of the Company.

Completion is conditional upon, amongst other things, approval by Shareholders of the Resolution at the General Meeting and of the Acquisition Resolutions at the Acquisition General Meeting. The Company expects Completion to be in or around Q4 2020.

Pursuant to the terms of the Share Purchase Agreement, the consideration, on Completion, for the purchase of the entire issued share capital of Interserve Facilities Management shall be as follows:

- (a) the Company will issue approximately 358 million ordinary shares in the capital of Mitie to How Group (or certain of its nominees) representing approximately 23.4 per cent. of the share capital of Mitie following the Rights issue and the issue of such shares (the "**Consideration Shares**"); and
- (b) the Company will pay How Group £120 million.

The consideration has been determined on the basis that Interserve Facilities Management will be delivered cash-free/debt-free and with an agreed normalised level of working capital. The consideration will be adjusted for any cash or debt (including debt-like balances) and variance to the agreed normalised level of working capital as at the date of Completion, based on a customary completion accounts mechanism.

The Acquisition is classified as a class 1 transaction pursuant to the Listing Rules. The Acquisition Circular and Prospectus and notice of Acquisition General Meeting are expected to be published in or around Q4 2020, and the Acquisition General Meeting where Shareholders will be asked to approve the Acquisition Resolutions is expected to take place thereafter. Mitie does not intend to raise further funds from the issuance of shares in connection with publication of the Acquisition Circular and Prospectus and completion of the Acquisition.

See Part X "*Terms and Conditions of the Acquisition*" for a summary of additional terms of the Share Purchase Agreement.

5 Use of Proceeds

The Company estimates the net proceeds of the Rights Issue will be approximately £190 million.

Net proceeds of approximately £80 million will form a portion of the Acquisition consideration, as described in Part X “*Terms and Conditions of the Acquisition*”. If the Acquisition does not complete, Mitie will use these net proceeds in furtherance of its strategy as described in this document, including both organic and inorganic opportunities.

The remaining net proceeds of approximately £110 million will support Mitie’s liquidity for the medium term. Following the implementation of the Rights Issue, Mitie will benefit from a more robust capital structure to support its ongoing transformation plan, with a significantly reduced level of net indebtedness, as well as an extended maturity profile and associated interest cover and leverage covenant agreements on its debt.

6 Financial Impact of the Rights Issue and Acquisition

Had the Rights Issue taken place as at the last balance sheet date, being 31 March 2020, the effect on the balance sheet would have been an increase in cash of £190.0 million. Mitie’s *pro forma* Net Debt (Cash) would have been £(22.1) million.

Your attention is drawn to Part XV of this document, which contains an unaudited *pro forma* statement of net assets of Mitie Group plc that illustrates the impact of the Rights Issue on the net assets and liabilities of Mitie Group plc as at 31 March 2020 as if it had taken place at that date. The *pro forma* statement of net assets does not consider the impact of the Acquisition.

The Directors believe that the Acquisition would have enhanced (i) Mitie’s net assets as at 31 March 2020¹, if the Acquisition had completed on that date, and (ii) Mitie’s earnings for FY19/20², if the Acquisition had completed on 1 April 2019. This statement should not be interpreted to mean that, following the completion of the Acquisition, Mitie’s earnings will necessarily match or exceed its historical published earnings or that Mitie’s net assets will reflect the position projected as at the date of this document. A fair value exercise has not been performed on the assets and liabilities of Interserve Facilities Management. Following completion of the Acquisition, Mitie will undertake an exercise to identify the fair value of the assets and liabilities acquired.

7 Principal Terms of the Rights Issue

Pursuant to the Rights Issue, the Company is proposing to offer 805,069,771 New Shares to Qualifying Shareholders. The offer is to be made at 25 pence per New Share, payable in full on acceptance by no later than 11.00 a.m. on 28 July 2020. The Rights Issue is expected to raise approximately £190 million, net of expenses. The Issue Price represents a 40.7 per cent. discount to the theoretical ex-rights price based on the closing middle-market price of 80 pence per Share on 24 June 2020 (being the last Business Day before the announcement of the terms of the Rights Issue).

The Rights Issue will be made on the basis of:

11 New Shares at 25 pence per New Share for every 5 Existing Shares

held by Qualifying Shareholders at the close of business on the Record Date.

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders but will be aggregated and issued into the market for the benefit of the Company. Holdings of Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue is fully underwritten by the Underwriters, pursuant to the terms of the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in Part XIX of this document.

The Rights Issue will result in 805,069,771 New Shares being issued (representing approximately 220 per cent. of the existing issued share capital of the Company and 68.8 per cent. of the enlarged issued share capital of the Company immediately following completion of the Rights Issue, assuming that no Shares are

¹ Based on Mitie’s consolidated financial statements for FY19/20 and Interserve Facilities Management’s unaudited net assets as at 31 December 2019.

² Based on Mitie’s consolidated financial statements for FY19/20 and Interserve Facilities Management’s unaudited financial information for the year ended 31 December 2019.

issued to satisfy the vesting of awards or the exercise of options under the Employee Share Plans between 22 June 2020 (being the latest practicable date prior to the date of this document) and the Admission becoming effective).

The Rights Issue is conditional, *inter alia*, upon:

- the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission;
- Admission becoming effective by not later than 8.00 a.m. on 14 July 2020 (or such later time and/or date as the Joint Global Coordinators and the Company may agree); and
- the passing of the Resolution (without amendment, or with such amendments as the Joint Global Coordinators, acting jointly for themselves and the other Joint Bookrunners, may have agreed with the Company.

New Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. A Resolution authorising the allotment of the New Shares in connection with the Rights Issue is proposed to the Shareholders for approval at the General Meeting in order to provide the directors of the Company with the necessary authority and power to allot sufficient ordinary shares to undertake the Rights Issue. If a Shareholder is not able to (or does not) take up his or her Nil Paid Rights under the Rights Issue, then his or her shareholding in the Company will be diluted as a result of the Rights Issue. The Resolution, if passed, will be relied upon for the purposes of the Rights Issue.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Shares. Application will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Shares (nil paid) will commence at 8.00 a.m. on 14 July 2020.

Some questions and answers, together with details of further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Parts VIII and IX of this document and, where relevant, will also be set out in the Provisional Allotment Letter.

Overseas Shareholders should refer to paragraph 2.6 of Part IX of this document for further information on their ability to participate in the Rights Issue.

8 Current Trading and Prospects

Although the outbreak of COVID-19 has continued to impact Mitie's performance through the start of FY20/21, the business is proving to be more resilient than initially expected, especially on the fixed contract element of the business. Mitie operates across a diverse range of sectors for both public and private customers who have seen a varying impact on their end markets. Mitie's public sector customers have largely been resilient, however many private sector customers have experienced a volatile trading environment.

Mitie has approximately 37,500 employees working on the frontline every day, keeping Mitie's customers' facilities operational. This reflects the strategic importance and essential nature of the Group's services and, in some instances, has led to an increase in demand for critical services, including supermarkets and online retailers, while new contracts were won with three NHS Nightingale hospitals and 11 drive-in regional Coronavirus testing centres. Conversely, discretionary variable work and engineering projects, including painting and roofing, have seen a significant slowdown, and many offices and retail outlets have been closed during lockdown impacting Mitie's revenues.

Group revenue from continuing operations for the two months ended 31 May 2020 was £301.4 million which was 12 per cent. lower than the same period in the prior year. Included in this revenue decline were revenues associated with the loss/scope reduction of two significant high-margin public sector contracts – MOJ and NHS Properties – which expected represented 3 per cent. of the year on year revenue reduction, partly offset by new customers such as GSK and BMW.

Technical Services

As expected, the majority of the Group's revenue decline for the two months ended 31 May 2020 came from the Technical Services division which has a significant contribution from discretionary variable work and engineering projects. Reported revenue was £104.5 million, down 24.1 per cent. when compared to the same two-month period last year. While this represents a significant decline, the fixed element declined 2 per cent. year-on-year, representing the strong relationship with customers, while variable works and projects contracted 39 per cent. and 50 per cent., respectively, in the two-month period.

Technical Services has seen a decline in revenues from customers across finance & professional, manufacturing, transport & logistics, retail, and technology & communications representing approximately 40 per cent. of divisional revenues. Healthcare and pharmaceuticals, utilities and leisure have proven more resilient, representing approximately 20 per cent.

Business Services

Business Services, which accounted for just over half of Group revenue, reported a revenue of £161.9 million, 3 per cent. lower than the same two-month period last year. The loss of revenue from MOJ impacted the division's result. Business Services has been more resilient during the COVID-19 period with additional cleaning and security services provided to key clients across several sectors. The division launched "Citrox Protect", a specialist cleaning product exclusive to Mitie in the facilities management market, which aims to mitigate some of the lower revenues from customers hit by closures or reduced services.

The division has seen an uplift in demand for services from the retail sector with new wins and renewals at four of the United Kingdom's largest supermarket retailers. This sector represents approximately 30 per cent. of the divisional revenues and witnessed growth during this period, benefitting both security and cleaning. Similarly, the Group also saw demand increase in healthcare and NHS Hospitals. Technology & communications representing approximately 7 per cent. of divisional revenues has proved to be resilient with a flat performance. Office services, largely the vetting business (which is linked to the aviation sector) has reported a significant decline.

Despite a new win at a UK port customer, revenue fell across the transport & logistics sector, which represents approximately 10 per cent. of divisional revenues, largely focused across security and office services (vetting). Finance & professional and property management together represent approximately 23 per cent. of divisional revenues and, whilst they provided some early additional revenue due to "deep cleans", they have witnessed some drop-off as offices and buildings remained closed for much of the period.

Specialist Services

Specialist Services, which accounted for 12 per cent. of Group revenue, reported revenue of £35.0 million for the two months ended 31 May 2020, 10 per cent. lower than the same two-month period last year. Care & Custody saw a reduction in variable escorting services, which, in conjunction with one client loss, resulted in revenue of £17.4 million, down 8 per cent. New wins and extensions were recorded. Waste reported a 14 per cent. decline in revenue to £11.3 million as customers within the finance and professional, leisure and transport sectors had less need for their services. This was in part mitigated by an increase in services to the healthcare sector and NHS. Landscaping saw a 10 per cent. revenue decline to £6.3 million as property managers, leisure and transport & logistics customers reduced services.

Cost management

During this period, the Group has taken decisive actions in response to COVID-19, including reducing overhead costs from a combination of salary reductions and deferring non-essential and uncommitted capex. In addition, Mitie has accessed the government-supported job retention scheme and in total has furloughed approximately 7,000 staff. In the first two months of FY20/21, central costs reduced by £2.4 million.

The two-year Project Forte programme is targeting overall delivery of approximately £25 million of cost savings within Technical Services and approximately £5 million from Group-wide automation over a two-year period and plans to re-invest £15-20 million in customer service capabilities and relationship management and in developing its technologically enabled service offering. Mitie has delayed certain aspects of Project Forte by six months, in order to conserve cash resources, and continues supply chain management initiatives that are already underway, with an aim to realise benefits from the Maximo upgrade and the Oracle to SAP implementation in FY21/22.

Net Debt

Mitie has reported a continued improvement in net debt, resulting in Average Daily Net Debt for the two months ended 31 May 2020 of £85.9 million (prior year period £217.4 million). During the two-month period, Mitie benefited from the deferral of £103 million in taxes from the HMRC “Time to Pay” initiative. Mitie has continued to pay suppliers on time. As it moves through June, Mitie continues to see performance in line with April and May and its Average Daily Net Debt as at 22 June 2020 was £75 million.

Medium term outcome of COVID-19

COVID-19 has had a very different impact on each sector and on each customer. Demand from some Mitie customers has proven remarkably resilient whilst others have been hit hard. How each customer recovers will also be very different, but Mitie believes that it is uniquely positioned to continue providing support.

Mitie anticipates a slow return to office occupation, with occupancy levels projected to be approximately one-third of pre-pandemic levels for the duration of this calendar year, as customers implement social distancing measures and their employees and/or customers limit the use of public transport. Mitie also anticipates a structural shift as companies move to agile working and reduce their office estates. Aviation and transport are expected to have a slow recovery, as confidence takes time to rebuild and, for all sectors, financial pressure will limit discretionary spend.

Mitie’s response is to flex its business model, managing costs with less overtime, a reduction in temporary staff hours and a reduction in equipment hire to mitigate the downside. Mitie believes that its customers are likely to seek more advanced specialised work to support these buildings as and when they re-open. Mitie has launched a comprehensive guide to get facilities back up and running, “Getting Britain Back to Business”, which provides a detailed checklist covering key aspects of facilities management. Mitie has also created a COVID-19 Checklist Assured service, “Mitie Building Confidence”, which outlines key steps required to enable businesses and their employees to feel confident returning to their properties. Thirdly, Mitie has launched specific products to mitigate some of the COVID-19 impact, which include “Citrox Protect”, thermal imaging, energy reduction and on-the-spot testing.

In the short term, Mitie anticipates its order book will reduce as customers defer facilities management decisions; one upside is that expected renewals are being pushed out. New business and contract extensions have been achieved in the first two months of the financial year, including a two-year extension to Mitie’s engineering and facilities management contract for Groupe PSA. The extension adds cleaning and waste management to the services Mitie already delivers.

Over the medium term, Mitie continues to expect to deliver on those goals set out at the launch of Accelerated Value Creation, as part of the second phase of its transformation programme, namely operating profit margin improvement towards 5 per cent. Mitie’s goal is for average net debt to EBITDA coverage ratio to be < 1 with a smooth debt maturity profile.

9 Risk Factors and Further Information

Shareholders should consider fully and carefully the risk factors associated with Mitie, as set out in Part II of this document.

Shareholders should read the whole of this document and not rely solely on the information set out in this letter.

10 Dividend Policy

The Board has determined not to recommend a final dividend for FY19/20 due to the uncertainties arising out of the COVID-19 situation. More generally, the Board’s intention is to hold the dividend flat in line with amounts paid in immediately preceding years at least until transformation is complete, when the Board will review the dividend policy.

11 Employee Share Plans and Share Incentive Plan

The number of Shares subject to awards or options outstanding under the Employee Share Plans (excluding the SIP) and the exercise price (if any) may be adjusted, in accordance with the rules of the relevant Employee Share Plans, to take account of the issue of the New Shares pursuant to the Rights Issue. Holders of awards or options under the Employee Share Plans will be contacted separately and in due course with further information on how their awards and options may be affected by the Rights Issue.

Participants in the SIP, as beneficial holders of the Shares held in the SIP, will be able to instruct the plan trustee in relation to the rights attaching to their Shares, in accordance with the rules. Participants will be contacted separately and in due course with further information.

12 Further Information

Your attention is drawn to the further information set out in Parts VIII to XXII of this document. Shareholders and prospective investors should read the whole of this document and not rely solely on the information set out in this letter. In addition, you should consider the risk factors set out on pages 14 to 44 of this document.

13 General Meeting

You will find set out at the end of this document a notice convening a general meeting of Mitie to be held at Linklaters LLP, One Silk Street, London, EC2Y 8HQ at 11.00 a.m. on 13 July 2020. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolution. A summary and explanation of the Resolution is set out below, but please note that this does not contain the full text of the Resolution and you should read this section in conjunction with the Resolution in the Notice of General Meeting at the end of this document.

14 Resolution

The resolution to provide the directors of the Company with the necessary authority and power to allot sufficient ordinary shares to undertake the Rights Issue, to apply until the conclusion of the Annual General Meeting (“AGM”) of the Company to be held in 2020, is to be proposed at the General Meeting as an ordinary resolution. This resolution will pass if more than 50.0 per cent. of the votes cast (either in person or by proxy) are in favour.

15 Overseas Shareholders

The ability of certain Shareholders to participate in the Rights Issue is restricted by the relevant securities laws of the jurisdictions in which they are located. The attention of Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of or located in countries other than the United Kingdom, is drawn to the information in paragraph 2.6 of Part IX of this document.

New Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. However, subject to certain exceptions, Provisional Allotment Letters will only be sent to Qualifying Non-CREST Shareholders with registered addresses outside the United States and the Restricted Territories and only the CREST stock accounts of Qualifying CREST Shareholders with registered addresses outside the United States and the Restricted Territories will be credited.

Notwithstanding any other provision of this document or the Provisional Allotment Letter, the Company reserves the right to permit any Shareholder on the register at the Record Date to take up his or her rights if the Company in its sole and absolute discretion is satisfied that the transaction in question will not violate applicable laws.

The provisions of paragraph 2.6 of Part IX of this document will apply generally to Overseas Shareholders who cannot or do not take up the New Shares provisionally allotted to them.

16 UK and US Taxation

Certain information about UK and US taxation in relation to the Rights Issue is set out in Part XVIII of this document. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom or the United States, you should consult your own independent tax adviser without delay.

17 Actions to be Taken

17.1 Action to be Taken in Respect of the General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at 11.00 a.m. on 13 July 2020 at Linklaters LLP, One Silk Street, London, EC2Y 8HQ. At the General Meeting, the Resolution will be proposed for approval. Shareholders are strongly encouraged to vote on the Resolution. However, in light of the guidance regarding precautions to be taken in light of the COVID-19 outbreak (detailed in paragraph 19 of this Part VII below), Shareholders will be unable to attend the General

Meeting. Accordingly, Shareholders are encouraged to vote as outlined below and to raise questions in advance of the General Meeting, given they will not be able to attend the General Meeting in person.

Shareholders are able to complete and return a form of proxy in accordance with the procedures set out below in order to vote in advance of the General Meeting. Arrangements have also been made to allow Shareholders to submit questions to the Board in advance of the General Meeting via the company's website (see paragraph 20 of this Part VII). Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy, which will ensure their votes are cast in accordance with their wishes, even where the Shareholder, or another person they might wish to appoint as proxy, is unable to attend the meeting in person. If a Shareholder appoints a person other than the Chairman of the General Meeting as proxy, that person will not be permitted to attend and vote at the General Meeting under current UK Government guidance and restrictions.

The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. The methods available to appoint a proxy are set out below:

- (A) appointing a proxy electronically via the shareholder portal (www.mitie-shares.com). If a Shareholder has not previously registered to use the shareholder portal, they will first be asked to register as a new user, for which that Shareholder will need their investor code (which can be found on their share certificate and dividend confirmation), family name and postcode (if resident in the United Kingdom);
- (B) if you are an institutional investor, appointing a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's Registrar. Before appointing a proxy through Proxymity, a Shareholder will need to have agreed to Proxymity's associated terms and conditions. It is important that Shareholders read these carefully as they will be bound by them and they will govern the electronic appointment of their proxy. Further information in relation to Proxymity is available at www.proxymity.io;
- (C) requesting a hard copy form of proxy from the Registrar, Link Asset Services, on 0371 664 0321 and returning the completed form of proxy to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU³; or
- (D) in the case of CREST members, using the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting set out in Part XXII of this document,

and in each case with instructions to be received by Link Asset Services as soon as possible, but in any event by no later than 11.00 a.m. on 9 July 2020 (or, in the case of an adjournment, not later than two business days before the time fixed for the holding of the adjourned meeting).

Further details relating to voting by proxy are set out in the notes to the Notice of General Meeting at the end of this document.

17.2 Action to be Taken in Respect of the Rights Issue

If you are a Qualifying Non-CREST Shareholder with a registered address outside the United States and the Restricted Territories (subject to certain exceptions), you will be sent a Provisional Allotment Letter giving you details of your Nil Paid Rights by post on or about 13 July 2020. If you are a Qualifying CREST Shareholder, you will not be sent a Provisional Allotment Letter. Instead, provided that you have a registered address outside the United States and the Restricted Territories (subject to certain exceptions), you will receive a credit to your appropriate stock accounts in CREST in respect of Nil Paid Rights, which it is expected will take place as soon as practicable after 8.00 a.m. on 14 July 2020. Such crediting does not in itself constitute an offer of New Shares.

If you sell or have sold or otherwise transferred all of your Shares held (other than ex-rights) in certificated form before 14 July 2020, please forward this document and any Provisional Allotment Letter, if and when received, at once to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States and the Restricted Territories.

³ Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If you sell or have sold or otherwise transferred all or some of your Shares (other than ex-rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

If you sell or have sold or otherwise transferred only part of your holding of Existing Shares (other than ex-rights) held in certificated form before the Ex-Rights Date, you should refer to the instruction regarding split applications in Part IX of this document and in the Provisional Allotment Letter.

The latest time and date for acceptance and payment in full in respect of the Rights Issue is expected to be 11.00 a.m. on 28 July 2020, unless otherwise announced by the Company. The procedure for acceptance and payment is set out in Part IX of this document and, if applicable, in the Provisional Allotment Letter.

For Qualifying Non-CREST Shareholders, the New Shares will be issued in certificated form and will be represented by definitive share certificates, which are expected to be despatched by no later than 10 August 2020 to the registered address of the person(s) entitled to them.

For Qualifying CREST Shareholders who take up their rights, the Receiving Agent will instruct CREST to credit the stock accounts of the Qualifying CREST Shareholders with their entitlements to New Shares. It is expected that this will take place by 8.00 a.m. on 29 July 2020.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document and the Rights Issue.

If you are in any doubt as to the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA or, if you are outside the United Kingdom, by another appropriately authorised independent financial adviser.

17.3 Special Dealing Service

Mitie has engaged Link Asset Services to make available the Special Dealing Service in order for Qualifying Non-CREST Shareholders (who are individuals and whose registered addresses are in the United Kingdom or any other jurisdiction in the EEA) to sell all of the Nil Paid Rights to which they are entitled or to effect a Cashless Take-up should they wish. Further information about the Special Dealing Service is set out in paragraph (E) of Part VIII of this document and the Special Dealing Service Terms and Conditions will be posted to Qualifying Non-CREST Shareholders together with the Provisional Allotment Letter.

18 COVID-19

The Board is closely monitoring the evolving COVID-19 situation and public health concerns in the United Kingdom and elsewhere. Under the UK Government's current guidance on social distancing and prohibition on public gatherings, the Board has made the decision to hold the General Meeting as a closed meeting. Accordingly, it will not be possible for Shareholders to attend the General Meeting in person. I would like to thank all Shareholders for their co-operation and understanding in these challenging and unprecedented times.

The Board very much regrets that it will be necessary to restrict attendance at the General Meeting, but the health and well-being of employees, Shareholders and the wider community in which the Group operates is of paramount importance for the Board. However, the Board is also committed to ensuring that Shareholders can exercise their right to vote and ask questions in advance of the General Meeting.

The Board strongly encourages the Shareholders to appoint the Chairman of the General Meeting as their proxy to vote in advance of the General Meeting, utilising one of the methods details in paragraph 18 of this Part VII above. Shareholders are encouraged to appoint a proxy as early as possible.

We would expect only the Chairman and a very limited number of Directors and employees to be in attendance at the General Meeting to ensure a quorum and to conduct the business of the meeting and social distancing measures will be in place in order to comply with current requirements. Please be aware that in accordance with current UK Government restrictions, any Shareholder who attempts to attend the General Meeting in person will not be permitted entry.

Given the potential for the COVID-19 situation in the UK to change rapidly, the Board will keep the situation under review and may need to make further changes to the arrangements relating to the General

Meeting, including how it is conducted. Shareholders should continue to monitor the Company's website and announcements for any updates in relation to the General Meeting. Shareholders should also continue to monitor and act in accordance with any guidance and/or directions issued by the UK Government and relevant health authorities and act accordingly.

19 Shareholder Questions

Shareholders may submit questions to the Board in advance of the General Meeting via email at investorrelations@mitie.com.

20 Directors' Intentions

The Directors are fully supportive of the Rights Issue. Each of the Directors who holds Shares has undertaken to exercise all voting rights attaching to his or her Shares to vote in favour of the Resolution at the General Meeting (or any adjournment of the General Meeting) and take up in full his or her rights in respect of his or her Shares to subscribe for New Shares under the Rights Issue.

21 Importance of Your Vote

The Rights Issue, the amendments and waivers in respect of the Note Purchase Agreement and the Revolving Credit Facility and the extension of the Revolving Credit Facility are intended to support Mitie's liquidity through the periods of trading disruption caused by COVID-19. The Resolution, as set out in paragraph 18 above, must be passed by Shareholders at the General Meeting in order for the Rights Issue to proceed.

If the Rights Issue were not to proceed (meaning that the amendments, and extension relating to the Revolving Credit Facility and the Note Purchase Agreement described in paragraph 3 above do not become effective), and Mitie's results were to reflect what the Board considers to be a reasonable worst case scenario, it is expected that absent mitigating actions Mitie would be in breach of the covenant in relation to its Interest Coverage Ratio under the Note Purchase Agreement and the Revolving Credit Facility in respect of future semi-annual covenant testing dates on 30 September 2020, 31 March 2021 and 30 September 2021, and its Leverage Ratio in respect of covenant testing dates on 31 March 2021 and 30 September 2021.

Accordingly, if the Rights Issue does not proceed, Mitie would take a number of coordinated actions designed to avoid a covenant breach in the event of the reasonable worst case scenario occurring and to support its liquidity over the next 12 to 18 months. Such actions would include, among other things, pursuing the disposal of one or more non-core assets in order to improve short-term liquidity, while simultaneously entering into further negotiations with its lenders and finance providers in order to secure a waiver or amendment of the financial covenants and term of its existing financing arrangements. While it may be challenging to complete the disposal of one or more of Mitie's non-core assets prior to the end of September 2020 (the next covenant testing date under the Note Purchase Agreement and the Revolving Credit Facility), Mitie believes that it will be in the interests of its lenders and finance providers to work with Mitie to find an alternative capital structure or solution which is acceptable to such lenders. Accordingly, the Directors believe they have a reasonable basis to conclude that the combination of mitigating actions described above would enable Mitie to avoid a default under any of its financing arrangements (including the Note Purchase Agreement and the Revolving Credit Facility) during the next 12 months. However, any disposal of non-core assets is likely to be at a discount to the market valuation, and re-negotiations with lenders are likely to cause Mitie to incur significant costs (including, for example, amendment fees and increased interest payments) and to accept the imposition of restrictions on the ability of management to pursue its strategy.

If Mitie were unable to implement the mitigating actions described above and to avoid a breach of these financial covenants when tested, it could lead to a repayment demand by the holders of the US Private Placement Notes (including "make-whole") and lenders party to the Revolving Credit Facility and/or a cross-default in relation to Mitie's other financing arrangements may occur. In such case, Mitie does not expect that it would have access to funds immediately available to repay such amounts at that time, absent mitigating actions. In this circumstance, Shareholders are at risk of losing all or a substantial amount of their investment.

There can be no assurance that a reasonable worst case scenario will be avoided and, if it is not, that any mitigating actions could be implemented in a timely manner or at all and, accordingly, the Board believes that the successful completion of the Rights Issue is in the best interests of Shareholders as a whole.

As such, Shareholders are asked to vote in favour of the Resolution at the General Meeting so that, assuming that the other conditions to the Rights Issue are satisfied, the Rights Issue can proceed.

22 Financial Advice

The Board has received financial advice from Jefferies and Evercore in relation to the Rights Issue. In providing such financial advice to the Board, Jefferies and Evercore have relied upon the Board's commercial assessments of the Rights Issue.

23 Board Recommendation

The Board believes the Rights Issue and the Resolution are in the best interests of the Company and the Shareholders as a whole and, accordingly, unanimously recommends that the Shareholders vote in favour of the Resolution, as the Directors each intend to do in respect of their own legal and beneficial holdings, amounting to 2,239,313 Shares (representing approximately 0.6 per cent. of the Company's existing issued share capital as at 22 June 2020, being the latest practicable date prior to the date of this document).

Yours faithfully

Derek Mapp
Chairman

PART VIII

QUESTIONS AND ANSWERS ABOUT THE RIGHTS ISSUE

The questions and answers set out in this Part VIII are intended to be in general terms only and, as such, you should read Part IX of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, duly authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This Part VIII deals with general questions relating to the Rights Issue and more specific questions relating to Shares held by persons resident in the United Kingdom who hold their Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 2.6 of Part IX of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your rights. If you hold your Shares in uncertificated form (that is, through CREST) you should read Part IX of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Shares are in certificated or uncertificated form, please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For more information, please see “where to find help” on page 5 of this document.

Times and dates referred to in this Part VIII have been included on the basis of the expected timetable for the Rights Issue set out in Part IV of this document.

What is a rights issue?

A rights issue is a way for companies to raise money. Companies do this by giving their existing shareholders a right to buy further shares in proportion to their existing shareholdings.

The offer under this Rights Issue is at a price of 25 pence per New Share. If you hold Shares on the Record Date and, subject to certain exceptions, do not have a registered address in the United States or the Restricted Territories, you will be entitled to buy New Shares pursuant to the Rights Issue unless you have sold or otherwise transferred those Shares (other than ex-rights) prior to 8.00 a.m. (London time) on the Ex-Rights Date. If you hold your Existing Shares in certificated form, your entitlement will be set out in your Provisional Allotment Letter.

New Shares are being offered to Qualifying Shareholders in the Rights Issue at a discount to the Share price on the last dealing day before the details of the Rights Issue were announced on 25 June 2020. The Issue Price of 25 pence per New Share represents a 40.7 per cent. discount to the theoretical ex-rights price based on the closing middle-market price quotation derived from the London Stock Exchange's Daily Official List of 80 pence per Share on 24 June 2020 (being the last Business Day before the announcement of the terms of the Rights Issue).

The Rights Issue is on the basis of 11 New Shares at 25 pence per New Share for every 5 Existing Shares held by Qualifying Shareholders as at the close of business on the Record Date.

If you are a Qualifying Shareholder and you do not want to buy the New Shares to which you are entitled, you can instead sell or transfer your rights (called Nil Paid Rights) to those New Shares and receive the net proceeds, if any, of the sale or transfer in cash. This is referred to as “dealing nil paid”.

What happens next?

The Company has called a General Meeting to be held at 11.00 a.m. on 13 July 2020 at Linklaters LLP, One Silk Street, London, EC2Y 8HQ. Please see the Notice of General Meeting at the end of this document. As you will see from the contents of the Notice of General Meeting, the Board is seeking shareholder approval for the allotment of the New Shares associated with the Rights Issue in order to implement the Rights Issue. If you are not able to (or do not) take up your Nil Paid Rights under the Rights Issue, then your shareholding in the Company will be diluted as a result of the Rights Issue.

You are able to appoint one or more proxies to exercise all or any of your rights to vote at the General Meeting. In light of the UK Government's current guidance on social distancing and restrictions on public gatherings, you are encouraged to appoint the Chairman of the General Meeting as your proxy, which will ensure your vote is cast in accordance with your wishes, given you will be unable to attend the meeting in person. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically.

To appoint a proxy, either:

- (a) request a hard copy form of proxy from the Registrar, Link Asset Services, on 0371 664 0321 and return the form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority to the Registrars, Link Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes; or
- (b) complete the online form of proxy via the Mitie shareholder portal (www.mitie-shares.com). If you have not previously registered to use the shareholder portal, you will first be asked to register as a new user, for which that member will require its investor code (which can be found on your share certificate and dividend confirmation), family name and postcode (if resident in the United Kingdom);
- (c) if you are an institutional investor, appoint your proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's Registrar. Before appointing a proxy through Proxymity, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. Further information in relation to Proxymity is available at www.proxymity.io; or
- (d) in the case of CREST members, using the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting set out in Part XXII of this document,

in each case that the proxy is received by Link Asset Services no later than 11.00 a.m. on 9 July 2020 (or, in the case of an adjournment, not later than two business days before the time fixed for the holding of the adjourned meeting).

If the Resolution is approved at the General Meeting, the Rights Issue will proceed (subject to certain conditions). The Provisional Allotment Letters are due to be despatched on or about 13 July 2020 to Qualifying Non-CREST Shareholders with registered addresses outside the United States and the Restricted Territories (subject to certain exceptions) and the Nil Paid Rights are due to be credited to the CREST stock accounts of Qualifying CREST Shareholders with registered addresses outside the United States and the Restricted Territories (subject to certain exceptions) as soon as practicable after 8.00 a.m. on 14 July 2020.

Can I sell some rights and use the proceeds to take up my remaining rights?

This is known as a Cashless Take-up or "tail-swallowing". You should contact your stockbroker or financial adviser who may be able to help if you wish to do this. Alternatively, if you are an individual certificated shareholder whose registered address is in the United Kingdom or any other EEA country, you can use the Special Dealing Service (see paragraph (E) below). Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 July 2020.

I hold my Existing Shares in certificated form. How do I know if I am able to acquire New Shares under the Rights Issue?

If you receive a Provisional Allotment Letter and are a Qualifying Non-CREST Shareholder with a registered address outside the United States and the Restricted Territories (subject to certain exceptions), then you should be eligible to acquire New Shares under the Rights Issue (as long as you have not sold or otherwise transferred all of your Existing Shares before 8.00 a.m. on the Ex-Rights Date, in which case you will need to follow the instructions on the front page of this document).

I hold my Existing Shares in certificated form. How will I be informed of how many New Shares I am entitled to buy?

Subject to Shareholders approving the Resolution at the General Meeting to be held on 13 July 2020, if you hold your Existing Shares in certificated form and are a Qualifying Non-CREST Shareholder with a registered address outside the United States and the Restricted Territories (subject to certain exceptions), you will be sent a Provisional Allotment Letter that shows:

- how many Existing Shares you held at the close of business on 9 July 2020 (the Record Date for the Rights Issue);
- how many New Shares you are entitled to buy; and
- how much you need to pay if you want to take up your right to buy all the New Shares provisionally allotted to you in full.

Subject to certain exceptions, if you have a registered address in the United States or the Restricted Territories, you will not receive a Provisional Allotment Letter.

I am a Qualifying Shareholder with a registered address in the United Kingdom and I hold my Existing Shares in certificated form. What are my choices and what should I do with the Provisional Allotment Letter?

(A) If you want to take up all of your rights

If you want to take up all of your rights to acquire the New Shares to which you are entitled, all you need to do is send the Provisional Allotment Letter, together with your cheque or banker's draft for the full amount, payable to Link Market Services Limited RE Project Orion Rights Issue A/C and crossed payee only, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, to arrive by no later than 11.00 a.m. on 28 July 2020. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Provisional Allotment Letter. Full instructions are set out in Part IX of this document and will be set out in the Provisional Allotment Letter.

Please note third-party cheques may not be accepted other than building society cheques or banker's drafts.

If payment is made by building society cheque (not being drawn on an account of the applicant) or a banker's draft, the building society or bank must endorse on the back of the cheque or draft the applicant's name and the number of an account held in the applicant's name at the building society or bank, such endorsement being validated by a stamp and an authorised signature. The account name should be the same as that shown on the application.

A definitive share certificate will then be sent to you for the New Shares that you take up. Your definitive share certificate for New Shares is expected to be despatched to you by no later than 10 August 2020. You will need your Provisional Allotment Letter to be returned to you if you want to deal in your Fully Paid Rights. Your Provisional Allotment Letter will not be returned to you unless you tick the appropriate box on the Provisional Allotment Letter.

(B) If you do not want to take up your rights at all

If you do not want to take up your rights, you do not need to do anything. If you do not return your Provisional Allotment Letter subscribing for the New Shares to which you are entitled by 11.00 a.m. on 28 July 2020, we have made arrangements under which the Joint Global Coordinators will try to find investors to take up your rights and the rights of others who have not taken up their rights. If the Joint Global Coordinators do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for your share of the amount of that premium, provided that this is £5.00 or more. Cheques are expected to be despatched by no later than 10 August and will be sent to your existing address appearing on the Company's register of members (or to the first-named holder if you hold your Existing Shares jointly). If the Joint Global Coordinators cannot find investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be £5.00 or more, you will not receive any payment, and any amounts of less than £5.00 will be aggregated and retained for the benefit of the Company. Alternatively, if you do not want to take up your rights, you can sell or transfer your Nil Paid Rights (see paragraph (D) below).

(C) If you want to take up some but not all of your rights

If you want to take up some but not all of your rights and wish to sell some or all of those you do not want to take up, you should first apply to have your Provisional Allotment Letter split by completing Form X on the Provisional Allotment Letter (unless you wish to use the Special Dealing Service), and returning it by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, to be received by 3.00 p.m. on 24 July 2020, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter. You should then deliver the split Provisional Allotment Letter representing the New Shares that you wish to accept together with your cheque or banker's draft to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by 11.00 a.m. on 28 July 2020.

Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 July 2020.

Further details are set out in Part IX of this document and will be set out in the Provisional Allotment Letter.

(D) If you want to sell all of your rights

If you want to sell all of your rights other than through the Special Dealing Service, you should complete and sign Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and pass the entire letter to your stockbroker, bank manager or other appropriate financial adviser or to the transferee (provided they are not in the United States or the Restricted Territories).

Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 July 2020.

(E) If you want to use the Special Dealing Service

If you are an individual certificated shareholder whose registered address is in the United Kingdom or any other EEA country, you can use the Special Dealing Service to either (i) sell all of your Nil Paid Rights or (ii) sell a sufficient number of Nil Paid Rights to raise money to take up the remainder (that is, effect a Cashless Take-up).

If you want to use the Special Dealing Service to sell all of your Nil Paid Rights, you should tick Box C on the front page of your Provisional Allotment Letter, sign and date it and return the Provisional Allotment Letter by 11.00 a.m. on 21 July 2020.

If you want to effect a Cashless Take-up, you should tick Box D of your Provisional Allotment Letter, sign and date it and return the Provisional Allotment Letter by 11.00 a.m. on 21 July 2020.

Link Asset Services will charge a commission of 1 per cent. of the gross proceeds of any sale of Nil Paid Rights effected using the Special Dealing Service, subject to a minimum of £15.00 per holding.

You should be aware that by returning your Provisional Allotment Letter and electing to use the Special Dealing Service, you will be deemed to be agreeing to the terms and conditions of the Special Dealing Service and make a legally binding agreement with Link Asset Services on those terms. The terms and conditions of the Special Dealing Service will be posted to you together with the Provisional Allotment Letter if you hold your Shares in certificated form.

If you have any questions relating to the Special Dealing Service, please telephone Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Further details about the Special Dealing Service are set out in paragraph 2.1.5 of Part IX of this document.

I acquired my Existing Shares prior to the Record Date and hold my Existing Shares in certificated form. What if I do not receive a Provisional Allotment Letter?

If the Shareholders approve the Resolution at the General Meeting to be held on 13 July 2020, and you do not receive a Provisional Allotment Letter but hold your Existing Shares in certificated form, this probably means that you are not able to acquire New Shares under the Rights Issue. Some Qualifying Non-CREST Shareholders, however, will not receive a Provisional Allotment Letter but may still be eligible to acquire New Shares under the Rights Issue, namely:

- Qualifying CREST Shareholders who held their Existing Shares in uncertificated form at close of business on 9 July 2020 and who have converted them to certificated form;
- Shareholders who bought Existing Shares before 14 July 2020 and who hold such Shares in certificated form but were not registered as the holders of those Shares at the close of business on 9 July 2020; and
- certain Overseas Shareholders.

If you do not receive a Provisional Allotment Letter but think that you should have received one, please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If I buy Shares after the Record Date, will I be eligible to participate in the Rights Issue?

If you bought Shares after the Record Date but prior to 8.00 a.m. on the Ex-Rights Date, you may be eligible to participate in the Rights Issue.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Shares on or after 14 July 2020, you will not be eligible to participate in the Rights Issue in respect of those Shares.

I hold my Existing Shares in certificated form. If I take up my rights, when will I receive the certificate representing my New Shares?

If you take up your rights under the Rights Issue, share certificates for the New Shares are expected to be posted by no later than 10 August 2020.

What if the number of New Shares to which I am entitled is not a whole number? Am I entitled to fractions of New Shares?

Your entitlement to New Shares will be calculated at the Record Date (other than in the case of those who bought Shares after the Record Date but prior to 8.00 a.m. on the Ex-Rights Date who are eligible to participate in the Rights Issue). If the result is not a whole number, you will not be provisionally allotted a New Share in respect of the fraction of a New Share and your entitlement will be rounded down to the nearest whole number. The New Shares representing the aggregated fractions that would otherwise be allotted to Shareholders will be issued in the market nil paid for the benefit of the Company.

Will I be taxed if I take up or sell my rights or if my rights are sold on my behalf?

If you are resident in the United Kingdom for tax purposes, you should not have to pay UK tax when you take up your rights, although the Rights Issue will affect the amount of UK tax you may pay when you subsequently sell your Shares.

However, assuming that you hold your Shares as an investment, rather than for the purposes of a trade, you may (subject to any available exemption or relief) be subject to tax on any proceeds that you receive from the sale of your rights as a chargeable gain. Similarly, assuming that you hold your Shares as an investment, if you allow, or are deemed to allow, your rights to lapse and receive a cash payment in respect of them, you may (subject to any available exemption or relief) be subject to tax on any proceeds as a chargeable gain.

However, if the proceeds are “small” as compared to the value of the Existing Shares in respect of which the rights arose (broadly, the proceeds do not exceed the greater of (a) £3,000 or (b) 5 per cent. of the value of the Existing Shares), a tax charge should not generally arise at that time. Rather, the proceeds will be deducted from the base cost of the holding of the Existing Shares for the purposes of computing a chargeable gain or allowable loss on a subsequent disposal. This treatment will not apply if the proceeds are greater than the base cost of the holding of Existing Shares.

The statements above are made on the same basis as and subject to the same assumptions and caveats as set out in the “UK Taxation” section in Part XVIII of this document. In particular, they do not consider or extend to the tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring or deemed to acquire their rights in connection with employment, dealers in securities, insurance companies and collective investment schemes). For further information, Qualifying Shareholders who are resident in the United Kingdom for tax purposes are directed to the “UK Taxation” section in Part XVIII of this document. The information contained therein is intended as a general guide to the current tax position in the United Kingdom and Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. Qualifying Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult an appropriate professional adviser as soon as possible. Please note that the Shareholder Helpline will not be able to assist you with taxation issues.

I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you do not want to buy the New Shares being offered to you under the Rights Issue, you can instead sell or transfer your rights (called “Nil Paid Rights”) to subscribe for those New Shares and receive the net proceeds of the sale or transfer in cash. This is referred to as “dealing nil paid”. This means that during the Rights Issue offer period (between 8.00 a.m. on 14 July 2020 and 11.00 a.m. on 28 July 2020) you can either purchase Shares (which will not carry any entitlement to participate in the Rights Issue) or you can trade in the Nil Paid Rights.

I hold my Existing Shares in certificated form. What if I want to sell the New Shares for which I have paid?

Provided that the New Shares have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X (the form of renunciation) on the receipted Provisional Allotment Letter in accordance with the instructions set out in the Provisional Allotment Letter until 11.00 a.m. on 28 July 2020. After that time, you will be able to sell your New Shares in the normal way. The share certificate relating to your New Shares is expected to be despatched to you by no later than 10 August 2020. Pending despatch of the share certificate, instruments of transfer will be certified by the Registrar against the register.

Further details are set out in Part IX of this document.

What should I do if I live outside the United Kingdom?

While you have an entitlement to participate in the Rights Issue, your ability to take up or sell rights to New Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your rights. Shareholders with registered addresses in the United States or the Restricted Territories are, subject to certain exceptions, not able to subscribe for New Shares under the Rights Issue. Your attention is drawn to the information in paragraph 2.6 of Part IX of this document.

The Company has made arrangements under which the Joint Global Coordinators will try to find investors to take up your rights and those of other Shareholders who have not taken up their rights. If the Joint Global Coordinators do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for your share of the amount of that premium, provided that this is £5.00 or more. Cheques are expected to be despatched by no later than 28 July 2020 and will be sent to your address appearing on the Company’s register of members (or to the first-named holder if you hold your Shares jointly). If the Joint Global Coordinators cannot find investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be £5.00 or more, you will not receive any payment and any such amount of less than £5.00 will be retained for the benefit of the Company.

Will the Rights Issue affect any future dividends the Company pays?

Following completion of the Rights Issue, any future dividend payments will be adjusted for the Rights Issue, taking into account the issued share capital of the Company as enlarged by the New Shares.

What if I hold awards and options under the Employee Share Plans?

Participants in the Employee Share Plans will be contacted separately and in due course with further information on how their awards and options granted under such plans may be affected by the Rights Issue.

How do I transfer my rights into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your New Shares to be in uncertificated form, you should complete Form X and the CREST Deposit Form (both on the Provisional Allotment Letter) and ensure they are delivered to CCSS to be received by 3.00 p.m. on 23 July 2020 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into the CREST system, you should refer to paragraph 2.2 of Part IX of this document for details on how to pay for the New Shares.

What should I do if I think my holding of Shares is incorrect?

If you have recently bought or sold Shares, your transaction may not be entered on the register of members of the Company in time to appear on the register at the Record Date. If you are concerned about the figure in the Provisional Allotment Letter or otherwise concerned that your holding of Shares is incorrect, please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART IX

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1 Introduction

Pursuant to the Rights Issue, the Company is proposing to offer 805,069,771 New Shares to Qualifying Shareholders. The offer is to be made at 25 pence per New Share, payable in full on acceptance by no later than 11.00 a.m. on 28 July 2020. The Rights Issue is expected to raise approximately £190 million, net of expenses. The Issue Price of 25 per New Share represents a 40.7 per cent. discount to the theoretical ex-rights price based on the closing middle-market price of 80 pence per Share on 24 June 2020 (being the last Business Day before the announcement of the terms of the Rights Issue).

The Rights Issue will be made on the basis of:

11 New Shares at 25 pence per New Share for every 5 Existing Shares

held by Qualifying Shareholders at the Record Date.

Times and dates referred to in this Part IX have been included on the basis of the expected timetable for the Rights Issue set out in Part IV of this document.

Qualifying Shareholders who do not or who are not permitted to take up their entitlements to New Shares will have their proportionate shareholdings in the Company diluted by approximately 68.8 per cent. Those Qualifying Shareholders who take up the New Shares provisionally allotted to them in full will, subject to the rounding down and sale of any fractions, retain the same proportionate voting and distribution rights as held by them at the Record Date. In each case, it is assumed that no Shares are issued to satisfy the vesting of awards or the exercise of options under the Employee Share Plans between the date of this document and Admission becoming effective.

The Nil Paid Rights (also described as New Shares, nil paid) are entitlements to acquire the New Shares subject to payment of the Issue Price. The Fully Paid Rights are entitlements to receive the New Shares, for which a subscription and payment has already been made.

Entitlements to New Shares will be rounded down to a whole number and fractions of New Shares will not be allotted to Qualifying Shareholders but will be aggregated and issued into the market for the benefit of the Company. Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

Shareholders or any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom should consider paragraph 2.6 below. The offer of New Shares under the Rights Issue will not be made into certain territories. Subject to the provisions of paragraph 2.6 below, Shareholders with a registered address in the United States or the Restricted Territories are not being sent this document and will not be sent Provisional Allotment Letters.

Application will be made to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and dealings on the London Stock Exchange in the New Shares (nil paid) will commence at 8.00 a.m. on 14 July 2020.

The Existing Shares are already admitted to CREST. No further application for admission to CREST is required for the New Shares and all of the New Shares when issued and fully paid may be held and transferred by means of CREST.

Applications will be made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions (imposed by the CREST Manual) have been satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied, in respect of the Nil Paid Rights and the Fully Paid Rights, on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

The ISIN for the New Shares will be the same as that of the Existing Shares, being GB0004657408. The ISIN for the Nil Paid Rights will be GB00BJK09942 and the ISIN for the Fully Paid Rights will be GB00BJK09B66.

None of the New Shares are being offered to the public other than pursuant to the Rights Issue.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Shares.

The Rights Issue is fully underwritten by the Underwriters, pursuant to the terms of the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in Part XIX of this document.

The Rights Issue will result in 805,069,771 New Shares being issued (representing approximately 220 per cent. of the existing issued share capital of the Company and 69 per cent. of the enlarged issued share capital of the Company immediately following completion of the Rights Issue, assuming that no Shares are issued to satisfy the vesting of awards or the exercise of options under the Employee Share Plans between the date of this document and Admission becoming effective).

The Rights Issue is conditional, *inter alia*, upon:

- (i) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms;
- (ii) Admission becoming effective by not later than 8.00 a.m. on 14 July 2020 (or such later time and/or date as the Joint Global Coordinators and the Company may agree); and
- (iii) the passing of the Resolution without amendment, or with such amendments as the Joint Global Coordinators, acting jointly for themselves and on behalf of the other Joint Bookrunners, may have agreed with the Company.

New Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. A Resolution authorising the allotment of the New Shares in connection with the Rights Issue is proposed to the Shareholders for approval at the General Meeting in order to provide the directors of the Company with the necessary authority and power to allot sufficient ordinary shares to undertake the Rights Issue. If a Shareholder is not able to (or does not) take up his or her Nil Paid Rights under the Rights Issue, then his or her shareholding in the Company will be diluted as a result of the Rights Issue. The Resolution, if passed, will be relied upon for the purposes of the Rights Issue.

The Underwriting Agreement is conditional upon certain matters being satisfied or not breached and may be terminated by the Joint Global Coordinators (acting jointly for themselves and on behalf of the other Joint Bookrunners) prior to Admission becoming effective upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. The Underwriting Agreement is not capable of termination following Admission. The Joint Global Coordinators (on behalf of themselves and the other Joint Bookrunners) may arrange sub-underwriting for some, all or none of the New Shares. A summary of certain terms and conditions of the Underwriting Agreement is contained in paragraph 20.1.6 of Part XIX of this document.

In connection with the Rights Issue, the Underwriters and any of their respective affiliates may take up a portion of the Nil Paid Rights, the Fully Paid Rights and the New Shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Shares, Nil Paid Rights and Fully Paid Rights) and may offer or sell such security otherwise than in connection with the Rights Issue. Accordingly, references in this document to Nil Paid Rights, Fully Paid Rights or New Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Underwriters and any of their affiliates acting as investors for their own account. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. Except as required by applicable law or regulation, none of the Underwriters propose to make any public disclosure in relation to such transactions.

In addition, the Company reserves the right to decide not to proceed with the Rights Issue at any time up to Admission and commencement of dealings in the New Shares (nil paid).

Subject, *inter alia*, to the conditions referred to above being satisfied (other than the condition relating to Admission) and save as provided in paragraph 2.6 below, it is intended that:

- (a) Provisional Allotment Letters in respect of Nil Paid Rights will be despatched to Qualifying Non-CREST Shareholders with registered addresses outside the United States and the Restricted Territories (subject to certain exceptions) on or about 13 July 2020;
- (b) the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders with registered addresses outside the United States and the Restricted Territories (subject to certain exceptions) with such Shareholders' entitlements to Nil Paid Rights as soon as practicable from 8.00 a.m. on 14 July 2020;
- (c) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by Euroclear as soon as practicable after the Company has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied, which is expected to be by 8.00 a.m. on 14 July 2020;
- (d) New Shares will be credited to the appropriate stock accounts of the relevant Qualifying CREST Shareholders and/or purchasers of Nil Paid Rights (or their renounees) who validly take up their rights, and the purchasers of Fully Paid Rights, as soon as practicable after 8.00 a.m. on 29 July 2020; and
- (e) share certificates for the New Shares will be despatched to relevant Qualifying Non-CREST Shareholders or their renounees by no later than 10 August 2020.

The offer will be made to Qualifying Non-CREST Shareholders by way of the Provisional Allotment Letter (as described in step (a) above) and to Qualifying CREST Shareholders by way of the enablement of the Nil Paid Rights and the Fully Paid Rights (as described in step (c) above) (such Shareholders' stock accounts having been credited as described in step (b) above).

The New Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of issue of the New Shares. There will be no restrictions on the free transferability of the New Shares save as provided in the Articles of Association. The rights attaching to the New Shares are governed by the Articles of Association, a summary of which is set out in paragraph 4 of Part XIX of this document.

All documents, including Provisional Allotment Letters (which constitute temporary documents of title) and cheques and certificates posted to, by or from Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending a Many-To-Many ("MTM") instruction to Euroclear will be deemed to have given the representations and warranties set out in paragraph 2.7 below, unless the requirement is waived by the Company.

2 Action to be Taken

The action to be taken in respect of the New Shares depends on whether, at the relevant time, the Nil Paid Rights or the Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying Non-CREST Shareholder with a registered address outside the United States and the Restricted Territories, please refer to paragraph 2.1 and paragraphs 2.3 to 2.10 below.

If you are a Qualifying CREST Shareholder with a registered address outside the United States and the Restricted Territories, please refer to paragraphs 2.2 to 2.10 below and to the CREST Manual for further information on the CREST procedures referred to below.

If you are a Qualifying Shareholder either: (i) subject to certain exceptions, with a registered address in the United States or the Restricted Territories; or (ii) holding Shares on behalf of or for the account or benefit of any person on a non-discretionary basis who, subject to certain exceptions, has a registered address in the United States or the Restricted Territories, please refer to paragraph 2.6 below.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

All enquiries in relation to the Provisional Allotment Letters should be addressed to Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in

England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2.1 Action to be Taken by Qualifying Non-CREST Shareholders in Relation to the Nil Paid Rights Represented by Provisional Allotment Letters

2.1.1 General

Provisional Allotment Letters are expected to be despatched to Qualifying Non-CREST Shareholders with registered addresses outside the United States and the Restricted Territories (subject to certain exceptions) on or about 13 July 2020. Each Provisional Allotment Letter will set out:

- (i) the holding at the close of business on the Record Date of Existing Shares in certificated form on which a Qualifying Non-CREST Shareholder's entitlement to New Shares has been based;
- (ii) the aggregate number of New Shares which have been provisionally allotted to that Qualifying Non-CREST Shareholder with respect to the Existing Shares referred to in paragraph (i) above;
- (iii) the amount payable by a Qualifying Non-CREST Shareholder at the Issue Price to take up his or her entitlement in full;
- (iv) the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of his or her entitlement or to convert all or part of his or her entitlement into uncertificated form;
- (v) the procedures to be followed if a Qualifying Non-CREST Shareholder who is eligible to use the Special Dealing Service wishes to sell all of his or her Nil Paid Rights or to effect a Cashless Take-up using the Special Dealing Service; and
- (vi) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation (where applicable).

On the basis that Provisional Allotment Letters are posted on or about 13 July 2020, and that dealings in Nil Paid Rights commence on 14 July 2020, the latest time and date for:

- (A) acceptance and payment in full will be 11.00 a.m. on 28 July 2020; and
- (B) receipt of instructions under the Special Dealing Service in respect of the sale of all Nil Paid Rights or a Cashless Take-up will be 11.00 a.m. on 21 July 2020.

If the Rights Issue is delayed so that Provisional Allotment Letters cannot be despatched on 13 July 2020 or if the timetable for the Rights Issue is otherwise amended, the expected timetable, as set out at the front of this document, will be adjusted accordingly, and the revised dates will be set out in the Provisional Allotment Letters and announced through a Regulatory Information Service. All references to times and/or dates in this Part IX should be read as being subject to such adjustment.

2.1.2 Procedure for Acceptance and Payment

- (i) *Qualifying Non-CREST Shareholders who wish to take up their entitlement in full*
Holders of Provisional Allotment Letters who wish to take up all of their entitlement must complete and return the Provisional Allotment Letter, together with a cheque or banker's draft in pounds sterling, made payable to Link Market Services Limited RE Project Orion Rights Issue A/C and crossed payee only for the full amount payable on acceptance, in accordance with the instructions printed on the Provisional Allotment Letter, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive as soon as possible and in any event so as to be received by not later than 11.00 a.m. on 28 July 2020. A reply-paid envelope will be enclosed with the Provisional Allotment Letter for this purpose and for use in the United Kingdom only. If you post your Provisional Allotment Letter within the United Kingdom by first-class post, it is recommended that you allow at least four days for delivery. The Receiving Agent will hold such monies on behalf of the Bank Subscriber, who is acting as principal, but subject to the requirement that the monies can only be applied in

acquiring redeemable preference shares in JerseyCo as provided in paragraph 2.5 of this Part IX.

(ii) *Qualifying Non-CREST Shareholders who wish to take up some (but not all) of their entitlement*

Holders of Provisional Allotment Letters who wish to take up some but not all of their Nil Paid Rights and wish to sell some or all of those rights which they do not want to take up (other than by effecting a Cashless Take-up using the Special Dealing Service described in paragraph 2.1.5 below) should first apply for split Provisional Allotment Letters by completing Form X on the Provisional Allotment Letter and returning it, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights or Fully Paid Rights (if appropriate) to be comprised in each split Provisional Allotment Letter, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 3.00 p.m. on 24 July 2020, the last date and time for splitting Provisional Allotment Letters. The Provisional Allotment Letter will then be cancelled and exchanged for the split Provisional Allotment Letters required. Such holders of Provisional Allotment Letters should then deliver the split Provisional Allotment Letter representing the rights they wish to take up together with a cheque or banker's draft in pounds sterling for this number of rights, payable to Link Market Services Limited RE Project Orion Rights Issue A/C and crossed Account Payee only so as to be received by not later than 11.00 a.m. on 28 July 2020, the last date and time for acceptance. The Receiving Agent will hold such monies on behalf of the Bank Subscriber, who is acting as principal, but subject to the requirement that the monies can only be applied in acquiring redeemable preference shares in JerseyCo as provided in paragraph 2.5 of this Part IX. The further split Provisional Allotment Letters (representing the New Shares that the Shareholder does not wish to take up) will be required in order to sell those rights not being taken up.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their rights, without selling or transferring the remainder, should complete Form X on the original Provisional Allotment Letter and return it, together with a covering letter confirming the number of rights to be taken up and a cheque or banker's draft in pounds sterling to pay for this number of Shares, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In this case, the Provisional Allotment Letter and payment must be received by 11.00 a.m. on 28 July 2020, the last date and time for acceptance. The Receiving Agent will hold such monies on behalf of the Bank Subscriber, who is acting as principal, but subject to the requirement that the monies can only be applied in acquiring redeemable preference shares in JerseyCo as provided in paragraph 2.5 of this Part IX.

(iii) *Company's discretion as to validity of acceptances*

If the Provisional Allotment Letter, accompanied by payment in full, is not received by 11.00 a.m. on 28 July 2020, the provisional allotment will (unless the Company has exercised its right to treat as valid an acceptance, as set out below) be deemed to have been declined and will lapse. The Company may elect, but shall not be obliged, to treat as valid Provisional Allotment Letters and accompanying remittances for the full amount due which are received prior to 5.00 p.m. on 28 July 2020.

The Company may elect, but shall not be obliged, to treat as a valid acceptance the receipt of:

- (I) appropriate remittance by 5.00 p.m. on 28 July 2020 from an authorised person (as defined in the FSMA) specifying the number of New Shares to be acquired and containing an undertaking by that person to lodge the relevant Provisional Allotment Letters, duly completed, in due course; or
- (II) a Provisional Allotment Letter and a cheque or other remittance for the full amount payable in respect of the relevant number of New Shares by 11.00 a.m.

on 28 July 2020 by post and the cover bears a legible postmark of not later than 11.00 a.m. on 28 July 2020.

The Company may also (in its sole discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the New Shares that appears to the Company to have been executed in, despatched from or that provides an address for delivery of definitive share certificates for New Shares in the United States or the Restricted Territories unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

The provisions of this paragraph (iii) and any other terms of the Rights Issue relating to Qualifying Non-CREST Shareholders may be waived, varied or modified as regards specific Qualifying Non-CREST Shareholder(s) or on a general basis by the Company, with the agreement of the Joint Global Coordinators.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph 2.1.2 is deemed to request that the New Shares to which they will become entitled be issued to them on the terms and conditions set out in this document and subject to the Articles.

(iv) *Payments*

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Link Market Services Limited RE Project Orion Rights Issue A/C and crossed Account Payee only. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or the Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Cheques must be drawn on the personal account to which the Qualifying Non-CREST Shareholder (or their nominee) has sole or joint title to the funds. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments. It is a term of the Rights Issue that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. Return of a completed Provisional Allotment Letter will constitute a warranty that the cheque will be honoured on first presentation. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If the New Shares have already been allotted to a Qualifying Non-CREST Shareholder prior to any payment not being so honoured upon first presentation or such acceptances being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Shares on behalf of such Qualifying Non-CREST Shareholder and hold the proceeds of sale (net of the Company's reasonable estimate of any loss it has suffered as a result of the same and of the expenses of the sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Shares, and of all amounts payable by such Qualifying Non-CREST Shareholder pursuant to the terms of the Rights Issue in respect of the acquisition of such New Shares) on behalf of such Qualifying Non-

CREST Shareholder. Neither the Company nor the Underwriters nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

Holders of Provisional Allotment Letters who wish to take up any of their entitlements must make the representations and warranties set out in paragraph 2.7 below.

2.1.3 Money Laundering Regulations

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Regulations, the Registrar, Link Asset Services, may require verification of the identity of the person by whom or on whose behalf a Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If an application is made by a UK-regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements is the responsibility of such broker or intermediary and not of the Registrar. In such case, the lodging agent’s stamp should be inserted on the Provisional Allotment Letter. The person(s) (the “**acceptor**”) who, by lodging a Provisional Allotment Letter with payment, and in accordance with the other terms as described above, accept(s), directly or indirectly, the allotment of the New Shares (the “**relevant shares**”) comprised in such Provisional Allotment Letter (being the provisional allottee or, in the case of renunciation, the person named in such Provisional Allotment Letter) shall thereby be deemed to agree to provide the Registrar and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements and agree for the Registrar to make a search using a credit reference agency for the purpose of confirming such identity where deemed necessary. A record of the search will be retained.

If the Registrar determines that the verification of identity requirements applies to an acceptance of an allotment and the verification of identity requirements has not been satisfied (which the Registrar shall in its absolute discretion determine) by 11.00 a.m. on 28 July 2020, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid, in which event the application monies will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn, or may confirm the allotment of the relevant shares to the acceptor but (notwithstanding any other term of the Rights Issue) such relevant shares will not be issued to him or her or registered in his or her name until the verification of identity requirements have been satisfied (which the Registrar shall in its absolute discretion determine). If the acceptance is not treated as invalid and the verification of identity requirements is not satisfied within such period as the Company may in its absolute discretion allow, being not less than seven days after a request for evidence of identity is despatched to the acceptor, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor absolutely, subject to the requirements of the Money Laundering Regulations. The Registrar is entitled in its absolute discretion to determine whether the verification of identity requirements applies to any acceptor and whether such requirements have been satisfied. None of the Company, the Underwriters or the Registrar will be liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

Return of a Provisional Allotment Letter with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance and an undertaking to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purpose of the Money Laundering Regulations. If the verification of identity requirements applies, failure to provide the necessary evidence of identity may result in your acceptance being treated as invalid or in delays in the despatch of a receipted fully paid Provisional Allotment Letter, share certificate or other documents relating to the Rights Issue (as applicable).

The verification of identity requirements will not usually apply:

- (i) if the acceptor is an organisation required to comply with the Money Laundering Directive 2018/843/EU of the European Parliament and of the Council of 9 July 2018 on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing;
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the acceptor (not being an acceptor who delivers his or her acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or
- (iv) if the aggregate subscription price for the relevant shares is less than €15,000 (or its pounds sterling equivalent).

Where the verification of identity requirements applies, please note the following as this will assist in satisfying the requirements. Satisfaction of the verification of identity requirements may be facilitated in the following ways:

- (A) if payment is made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and bears a UK bank sort code number in the top right-hand corner, the following applies. Cheques or banker's drafts should be made payable to Link Market Services Limited RE Project Orion Rights Issue A/C and crossed Account Payee only. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque/banker's draft to such effect. The account name should be the same as that shown on the application;
- (B) if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to in paragraph (a) above or which is subject to anti-money-laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Israel, Japan, Malaysia, Mexico, New Zealand, Norway, Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United Kingdom, the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation with the Provisional Allotment Letter that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Registrar or the relevant authority; or
- (C) if a Provisional Allotment Letter is lodged by hand by the acceptor in person, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and evidence of his or her address (for example, a recent bank statement).

In order to confirm the acceptability of any written assurance referred to in paragraph (b) above or any other case, the acceptor should contact the Receiving Agent, Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2.1.4 Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings on the London Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 14 July 2020. A transfer of Nil Paid Rights can be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it and delivery of the letter to the transferee or to a

stockbroker, bank or other appropriate financial adviser. The latest time and date for registration of renunciation of Provisional Allotment Letters, nil paid, is expected to be 11.00 a.m. on 28 July 2020.

In addition, Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom or in any other jurisdiction in the EEA can elect to sell all of their Nil Paid Rights or to effect a Cashless Take-up, in each case using the Special Dealing Service, details of which are set out in paragraph 2.1.5 below.

2.1.5 Special Dealing Service

(i) Qualifying Non-CREST Shareholders who wish to sell all of their entitlement using the Special Dealing Service

Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom or in any other jurisdiction in the EEA and who wish to sell all of the Nil Paid Rights to which they are entitled may elect to do so using the Special Dealing Service. Such Qualifying Non-CREST Shareholders should complete and return the Provisional Allotment Letter in accordance with the instructions printed thereon, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 11.00 a.m. on 21 July 2020, the latest time and date for requesting the sale of Nil Paid Rights through the Special Dealing Service.

A reply-paid envelope will be enclosed with the Provisional Allotment Letter for this purpose. If you post your Provisional Allotment Letter within the United Kingdom by first-class post, it is recommended that you allow at least four days for delivery. Please note that Link Asset Services will charge a commission of 1 per cent. of the gross proceeds of sale of all of the Nil Paid Rights to which the Qualifying Non-CREST Shareholder is entitled, subject to a minimum of £15.00, for effecting such sale through the Special Dealing Service.

Under the Special Dealing Service, Link Asset Services will collate all the instructions from Qualifying Non-CREST Shareholders wishing to use the service to sell all their Nil Paid Rights up to 11.00 a.m. on 21 July 2020 and instruct a broker to sell all such Nil Paid Rights on 24 July 2020.

Link Asset Services will aggregate instructions from all Qualifying Non-CREST Shareholders who have elected to sell all of their Nil Paid Rights under the Special Dealing Service that are received (or are treated as having been received). Such Nil Paid Rights in respect of which an instruction is received may be sold in several transactions and on separate days. Qualifying Non-CREST Shareholders would receive the average price obtained for the sale of all of the Nil Paid Rights aggregated for sale purposes in accordance with the above. This may result in Qualifying Non-CREST Shareholders who choose to sell all of their Nil Paid Rights through the Special Dealing Service receiving a higher or lower price than if their Nil Paid Rights were sold separately. This may also result in Qualifying Non-CREST Shareholders who choose to sell all of their Nil Paid Rights through the Special Dealing Service receiving a higher or lower price for their Nil Paid Rights than if all of their Nil Paid Rights had been sold in a single transaction or on a single day and such Qualifying Non-CREST Shareholders may receive the proceeds of sale later than if their Nil Paid Rights had been sold by another broker on an individual basis.

A Qualifying Non-CREST Shareholder who is considering giving an instruction to sell all of their Nil Paid Rights under the Special Dealing Service should note that there is no guarantee that the sale of Nil Paid Rights will be effected under the Special Dealing Service in relation to their Nil Paid Rights.

Whether such Qualifying Non-CREST Shareholder's Nil Paid Rights will be sold under the Special Dealing Service will depend on whether it is expected that the proceeds from the sale of the Nil Paid Rights of the majority of the Qualifying Non-CREST Shareholders who elect to sell all of their Nil Paid Rights and whose instructions are aggregated for sales purposes will exceed the commissions referred to above. If a Qualifying Non-CREST Shareholder's Nil Paid Rights are sold but the

proceeds obtained for the sale of such Nil Paid Rights are less than the commissions referred to above, such Qualifying Non-CREST Shareholder will not receive any proceeds.

(ii) **Qualifying Non-CREST Shareholders who wish to effect a Cashless Take-up using the Special Dealing Service**

Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom or in any other jurisdiction in the EEA and who wish to effect a Cashless Take-up may elect to do so using the Special Dealing Service. Such Qualifying Non-CREST Shareholders should complete and return the Provisional Allotment Letter in accordance with the instructions printed thereon, by post or by hand (during normal business hours) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 11.00 a.m. on 21 July 2020, the latest time and date for requesting a Cashless Take-up through the Special Dealing Service.

A reply-paid envelope will be enclosed with the Provisional Allotment Letter for this purpose. If you post your Provisional Allotment Letter within the United Kingdom by first-class post, it is recommended that you allow at least four days for delivery. Please note that Link Asset Services will charge a commission of 1 per cent. of the gross proceeds of sale of such number of Nil Paid Rights as is required to effect a Cashless Take-up for which a Qualifying Non-CREST Shareholder is entitled, subject to a minimum of £15.00.

Under the Special Dealing Service, Link Asset Services will collate all the instructions from Qualifying Shareholders wishing to use the service to effect a Cashless Take-up up to 11.00 a.m. on 21 July 2020 and instruct a broker to sell sufficient Nil Paid Rights for Qualifying Non-CREST Shareholders to take up the remainder of their Nil Paid Rights on 24 July 2020.

Link Asset Services will aggregate instructions from all Qualifying Non-CREST Shareholders who elect a Cashless Take-up under the Special Dealing Service that are received (or are treated as having been received). Such number of Nil Paid Rights which need to be sold to effect a Cashless Take-up for Qualifying Non-CREST Shareholders under the Special Dealing Service may be sold in several transactions and on separate days. Qualifying Non-CREST Shareholders would receive the average price obtained for the sale of all of the Nil Paid Rights aggregated for sale purposes in accordance with the above. This may result in Qualifying Non-CREST Shareholders who elect a Cashless Take-up under the Special Dealing Service receiving a higher or lower price than if their Nil Paid Rights were sold separately. This may also result in Qualifying Non-CREST Shareholders who choose to effect a Cashless Take-up under the Special Dealing Service receiving a higher or lower price for their Nil Paid Rights than if such Nil Paid Rights had been sold in a single transaction or on a single day.

A Qualifying Non-CREST Shareholder who is considering giving an instruction for Cashless Take-up under the Special Dealing Service should note that there is no guarantee that Cashless Take-up will be effected under the Special Dealing Service in relation to his or her Nil Paid Rights. Whether such Qualifying Non-CREST Shareholder's Nil Paid Rights will be sold under the Special Dealing Service will depend on whether it is expected that the proceeds from the sale of the Nil Paid Rights of the majority of the Qualifying Non-CREST Shareholders (the "**Majority Shareholders**") who elect for a Cashless Take-up under the Special Dealing Service and whose instructions are aggregated for sales purposes will be sufficient, after deducting the commissions referred to above, to take up one New Share for each of the Majority Shareholders. If a Qualifying Non-CREST Shareholder's Nil Paid Rights are sold, but the proceeds obtained for the sale of the Nil Paid Rights are not sufficient, after the deduction of the commissions referred to above, to acquire any New Shares at the Issue Price, such Qualifying Non-CREST Shareholder will not receive any New Shares.

(iii) General

By giving an instruction under the Special Dealing Service, a Qualifying Non-CREST Shareholder will be deemed to have represented, warranted and undertaken that he or she will not thereafter seek to take any action in respect of his or her Provisional Allotment Letter. By giving instruction under the Special Dealing Service, he or she will be deemed to have renounced his or her Nil Paid Rights, as applicable to his or her instruction.

The Special Dealing Service Terms and Conditions will be posted to Qualifying Non-CREST Shareholders together with the Provisional Allotment Letter. A Qualifying Non-CREST Shareholder who is eligible for and elects to use the Special Dealing Service agrees to the terms and conditions of the Rights Issue set out in this document and the Special Dealing Service Terms and Conditions (including how the price for the sale of their Nil Paid Rights is calculated and the commissions that will be deducted from the proceeds of their sale of such Nil Paid Rights). Qualifying Non-CREST Shareholders using the Special Dealing Service should note that they will be clients of Link Asset Services and not of the Company when using such service. Link Asset Services' liability to such a Qualifying Non-CREST Shareholder and its responsibility for providing the protections afforded by the UK regulatory regime to clients for whom such services are provided is as set out in the Special Dealing Service Terms and Conditions and neither Link Asset Services nor the Company shall have any liability or responsibility to a Qualifying Non-CREST Shareholder using the Special Dealing Service, except as set out in those Special Dealing Service Terms and Conditions. None of the Company, Link Asset Services or their agents shall be responsible for any loss or damage (whether actual or alleged) arising from the terms or timing of any sale, any settlement issues arising from any sale, any exercise of discretion in relation to any sale, or any failure to procure any sale, of Nil Paid Rights pursuant to the Special Dealing Service.

The Company, Link Asset Services and/or their agents shall each have sole discretion to determine the eligibility of Qualifying Non-CREST Shareholders and may each in their sole discretion interpret instructions (including handwritten markings) on the Provisional Allotment Letter, and none of the Company, Link Asset Services or their agents shall be responsible for any loss or damage (whether actual or alleged) arising from any such exercise of discretion. All remittances will be sent by post, at the risk of the Qualifying Non-CREST Shareholder entitled thereto, to the registered address of the relevant Qualifying Non-CREST Shareholder (or, in the case of joint holders, to the address of the joint holder whose name stands first in the register of Shareholders). No interest will be payable on any proceeds received from the sale of Nil Paid Rights under the Special Dealing Service.

The Company, Link Asset Services and/or their agents cannot offer financial, legal, tax or investment advice on the Special Dealing Service. The Special Dealing Service is an "execution only" service and not a recommendation to buy or sell the Nil Paid Rights. The Special Dealing Service Terms and Conditions apply to the Special Dealing Service. The value of Shares and any income from them can fluctuate and, when sold, investors may receive less than the original amount invested. Past performance is not a guide to future returns. The Special Dealing Service is provided by Link Asset Services, a trading name of Link Market Services Limited, which is authorised by the FCA.

2.1.6 Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant Provisional Allotment Letter and delivering it, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by not later than 11.00 a.m. on 28 July 2020. To do this, Qualifying Non-CREST Shareholders will need to have their fully paid Provisional Allotment Letters returned to them after acceptance has been effected by the Registrar. However, fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their

return is requested by ticking the appropriate box on the Provisional Allotment Letter. After 8:00 a.m. on 29 July 2020, the New Shares will be in registered form and transferable in the usual way (see paragraph 2.1.11 below).

2.1.7 Renunciation and Splitting of Provisional Allotment Letters

Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on the Provisional Allotment Letter (if it is not already marked “Original Duly Renounced”) and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, the letter will become a negotiable instrument in bearer form and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in the Provisional Allotment Letter may be transferred by delivery of the Provisional Allotment Letter to the transferee. The latest time and date for registration of renunciation of Provisional Allotment Letters, fully paid, is 11.00 a.m. on 28 July 2020.

If a holder of a Provisional Allotment Letter wishes to have only some of the New Shares registered in his or her name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights or (if appropriate) Fully Paid Rights but to different persons, he or she may have the Provisional Allotment Letter split, for which purpose he or she, or his or her agent, must complete and sign Form X on the Provisional Allotment Letter. The Provisional Allotment Letter must then be delivered by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by not later than 3.00 p.m. on 24 July 2020, to be cancelled and exchanged for the number of split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (if appropriate) Fully Paid Rights to be comprised in each split letter should be stated in an accompanying letter. Form X on split Provisional Allotment Letters will be marked “Original Duly Renounced” before issue. The aggregate number of Nil Paid Rights or (as appropriate) Fully Paid Rights comprised in the split Provisional Allotment Letters must equal the number of New Shares set out in the original Provisional Allotment Letter (less the number of New Shares representing rights that the holder wishes to take up if taking up his or her entitlement in part). The Receiving Agent will hold such monies on behalf of the Bank Subscriber, who is acting as principal, but subject to the requirement that the monies can only be applied in acquiring redeemable preference shares in JerseyCo as provided in paragraph 2.5 of this Part IX. The split Provisional Allotment Letter(s) (representing the New Shares the Shareholder does not wish to take up) will be required in order to sell those rights not being taken up.

The Company reserves the right to refuse to register any renunciation in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements, including (without limitation) any renunciation in the name of any person with an address outside the United Kingdom.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their rights, without transferring the remainder, should complete Form X on the original Provisional Allotment Letter and return it, together with a covering letter confirming the number of rights to be taken up and a cheque or banker’s draft in pounds sterling to pay for this number of New Shares, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In this case, the Provisional Allotment Letter and payment must be received by the Receiving Agent by 11.00 a.m. on 28 July 2020. The Receiving Agent will hold such monies on behalf of the Bank Subscriber, who is acting as principal, but subject to the requirement that the monies can only be applied in acquiring redeemable preference shares in JerseyCo as provided in paragraph 2.5 of this Part IX.

2.1.8 Registration in Names of Qualifying Shareholders

A Qualifying Shareholder who wishes to have all the New Shares to which he or she is entitled registered in his or her name must accept and make payment for such allotment in accordance with the provisions set out in this document and the Provisional Allotment Letter,

but need take no further action. A share certificate in respect of the New Shares subscribed for is expected to be sent to such Qualifying Shareholders by no later than 10 August 2020.

2.1.9 Registration in Names of Persons Other than Qualifying Shareholders Originally Entitled

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying Shareholder(s) originally entitled, the renouncee or his or her agent(s) must complete Form Y on the Provisional Allotment Letter (unless the renouncee is a CREST member who wishes to hold such New Shares in uncertificated form, in which case Form X and the CREST Deposit Form must be completed (see paragraph 2.2 below)) and deliver the entire Provisional Allotment Letter, when fully paid, by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than the latest time for registration of renunciations, which is expected to be 11.00 a.m. on 28 July 2020. Registration cannot be effected unless and until the New Shares comprised in a Provisional Allotment Letter are fully paid.

The New Shares comprised in several renounced Provisional Allotment Letters may be registered in the name of one holder (or joint holders) if Form Y on the Provisional Allotment Letter is completed on one Provisional Allotment Letter (the “**Principal Letter**”) and all the Provisional Allotment Letters are delivered in one batch. Details of each Provisional Allotment Letter (including the Principal Letter) should be listed in a separate letter.

2.1.10 Deposit of Nil Paid Rights or Fully Paid Rights into CREST

The Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Subject as provided in the next paragraph or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights represented by the Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address(es) appear on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form (both on the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited with the CCSS. In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that: (i) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS; and (ii) only the whole of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If you wish to deposit only some of the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must first apply for split Provisional Allotment Letters by following the instructions in paragraph 2.1.2 above. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited. The Consolidation Listing Form (as defined in the CREST Regulations) must not be used.

A holder of the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 July 2020. **In particular, having regard to processing times in CREST and on the part of the Receiving Agent, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form on the Provisional Allotment Letter duly completed) with the CCSS (to enable the person acquiring the Nil Paid Rights (or, if appropriate, the Fully Paid Rights) in CREST as a**

result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 July 2020) is 4.30 p.m. on 22 July 2020.

When Form X and the CREST Deposit Form (on the Provisional Allotment Letter) have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letters will cease to be renounceable or transferable by delivery and, for the avoidance of doubt, any entries in Form Y will not subsequently be recognised or acted upon by the Receiving Agent. All renunciations or transfers of Nil Paid Rights or Fully Paid Rights must be effected through the CREST system once such Nil Paid Rights or Fully Paid Rights have been deposited into CREST.

CREST sponsored members should contact their CREST sponsor as only their CREST sponsor will be able to take the necessary action to take up the entitlement or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of the CREST sponsored member.

2.1.11 Issue of New Shares in Definitive Form

Definitive share certificates in respect of the New Shares to be held in certificated form are expected to be despatched by post by no later than 10 August 2020 at the risk of the persons entitled thereto to Qualifying Non-CREST Shareholders (or their transferees who hold Fully Paid Rights in certificated form), or, in the case of joint holdings, to the first-named Shareholders, at their registered address (unless lodging agent details have been completed on the Provisional Allotment Letter). After despatch of the definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Shares will be certified by the Receiving Agent against the register.

2.2 Action to be Taken by Qualifying CREST Shareholders in Relation to Nil Paid Rights and Fully Paid Rights in CREST

2.2.1 General

It is expected that each Qualifying CREST Shareholder will receive a credit to his or her stock account in CREST of his or her entitlement to Nil Paid Rights on 14 July 2020. It is expected that such rights will be enabled by 8.00 a.m. on 14 July 2020. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares in uncertificated form held at the close of business on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The maximum number of New Shares that a Qualifying CREST Shareholder may take up is that which has been provisionally allotted to that Qualifying CREST Shareholder and for which he or she receives a credit of entitlement into his or her stock account in CREST. The minimum number of New Shares a Qualifying CREST Shareholder may take up is one.

The Nil Paid Rights will constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If, for any reason, it is impracticable to credit the stock accounts of Qualifying CREST Shareholders, or to enable the Nil Paid Rights by 8.00 a.m. on 14 July 2020, Provisional Allotment Letters shall, unless the Company determines otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document will be adjusted as appropriate. References to dates and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up their entitlements in respect of or otherwise to transfer Nil Paid Rights or Fully Paid Rights held by them in CREST (including CREST members who wish to effect a Cashless Take-up of Nil Paid Rights) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the

necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights (including effecting a Cashless Take-up of Nil Paid Rights).

2.2.2 Procedure for Acceptance and Payment

(i) *MTM instructions*

CREST members who wish to take up all or some of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an MTM instruction to Euroclear that, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;
- (b) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank (as this term is defined in the CREST Manual) of the Receiving Agent in pounds sterling in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in paragraph (a) above; and
- (c) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his or her Nil Paid Rights referred to in paragraph (a) above.

(ii) *Contents of MTM instructions*

The MTM instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of Nil Paid Rights to which the acceptance relates;
- (b) the participant ID of the accepting CREST member;
- (c) the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- (d) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 9RA01;
- (e) the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 20732MIT;
- (f) the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- (g) the amount payable by means of the CREST assured payment arrangements on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights referred to in paragraph (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 28 July 2020;
- (i) the Nil Paid Rights ISIN number, which is GB00BJK09942;
- (j) the Fully Paid Rights ISIN number, which is GB00BJK09B66;
- (k) the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST; and
- (l) a contact name and telephone number in the shared note field.

(iii) *Valid acceptance*

An MTM instruction complying with each of the requirements as to authentication and contents set out in paragraph (ii) above will constitute a valid acceptance where either:

- (a) the MTM instruction settles by not later than 11.00 a.m. on 28 July 2020; or
- (b) at the discretion of the Company:
 - (A) the MTM instruction is received by Euroclear by not later than 11.00 a.m. on 28 July 2020;
 - (B) a number of Nil Paid Rights at least equal to the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11.00 a.m. on 28 July 2020; and
 - (C) the relevant MTM instruction settles by 11.00 a.m. on 28 July 2020 (or such later time and/or date as the Company and the Joint Global Co-ordinators may decide).

An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Providers' Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM UK instruction by the Network Providers' Communications Host.

The provisions of this paragraph (iii) and any other terms of the Rights Issue relating to Qualifying CREST Shareholders may be waived, varied or modified as regards specific Qualifying CREST Shareholder(s) or on a general basis by the Company.

(iv) *Representations, warranties and undertakings of CREST members*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this paragraph 2.2.2 represents, warrants and undertakes to the Company and the Underwriters that he or she has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him or her, or by his or her CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement at 11.00 a.m. on 28 July 2020. In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that, at 11.00 a.m. on 28 July 2020 (or until such later time and date as the Company may determine), there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their CREST sponsor if they are in any doubt. Such CREST member or CREST sponsored member taking up entitlements must make the representations and warranties set out in paragraph 2.7 below.

If there is insufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Shares have already been allotted to such CREST member or CREST sponsored member, the Company may (in its absolute discretion as to the manner, timing and terms) make arrangements for the sale of such New Shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the Rights Issue in respect of the acquisition of such New Shares) on behalf of such CREST member or CREST sponsored member. Neither the Company nor any other person shall be

responsible for, or have any liability for, any loss, expense or damage suffered by such CREST member or CREST sponsored member as a result.

(v) *CREST procedures and timings*

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his or her CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 28 July 2020. In connection with this, CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vi) *CREST member's undertaking to pay*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this paragraph 2.2.2 undertakes to pay to the Receiving Agent, or procure the payment to the Receiving Agent of, the amount payable in pounds sterling on acceptance in accordance with the above procedures or in such other manner as the Receiving Agent may require, it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual), the creation of an RTGS payment obligation in pounds sterling in favour of the Receiving Agent's RTGS settlement bank (as defined in the CREST Manual) in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created (a) discharge in full the obligation of the CREST member (or CREST sponsored member) to pay the amount payable on acceptance and (b) request that the Fully Paid Rights and/or New Shares to which he or she will become entitled be issued to him or her on the terms set out in this document and subject to the Articles of Association of the Company. Such payment will be held by the Receiving Agent on behalf of the Bank Subscriber, who is acting as principal, but subject to the requirement that the monies can only be applied in acquiring redeemable preference shares in JerseyCo as provided in paragraph 2.5 of this Part IX.

If the payment obligations of the relevant CREST member or CREST sponsored member in relation to such New Shares are not discharged in full and such New Shares have already been allotted to the CREST member or CREST sponsored member, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such New Shares on behalf of the CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss it has suffered as a result of the same and of the expenses of the sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Shares, and of all amounts payable by such CREST member or CREST sponsored member pursuant to the terms of the Rights Issue in respect of the acquisition of such New Shares) or an amount equal to the original payment of the CREST member or CREST sponsored member. Neither the Company nor the Underwriters nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by the CREST member or CREST sponsored member as a result.

(vii) *Company's discretion as to rejection and validity of acceptances*

Having consulted with the Joint Global Coordinators and taken into account their reasonable comments the Company may:

- (a) reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 2.2.2. Where an acceptance is made as described in this paragraph 2.2.2, which is otherwise valid, and the MTM instruction concerned fails to settle by 11.00 a.m. on 28 July 2020 (or

by such later time and date as the Company has determined), the Company shall be entitled to assume, for the purposes of its right to reject an acceptance contained in this paragraph 2.2.2, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 2.2.2 unless the Company is aware of any reason outside the control of the CREST member or CREST sponsor (as appropriate) for the failure to settle;

- (b) treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 2.2.2;
- (c) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as the Company and the Joint Global Coordinators may determine;
- (d) treat a properly authenticated dematerialised instruction in this paragraph (d) (the “**first instruction**”) as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (e) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification, if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all or part of his or her Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by the Receiving Agent in connection with CREST.

2.2.3 Money Laundering Regulations

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is entitled to take reasonable measures to establish the identity of the person or persons (or the ultimate controller of such person or persons) on whose behalf you are making the application and any submission of an MTM instruction constitutes agreement for the Receiving Agent to make a search via a credit reference agency where deemed necessary. A record of search results will be retained. You must therefore contact the Receiving Agent before sending any MTM instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the verification of the identity requirements in the Money Laundering Regulations or the FSMA. Pending the provision of such information and other evidence as the Registrar may require to satisfy the verification of identity requirements, the Receiving Agent, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If such information and other evidence of identity has not been provided within a reasonable time, then the Receiving Agent will not permit the MTM instruction concerned to proceed to

settlement but without prejudice to the right of the Company and/or the Underwriters to take proceedings to recover any loss suffered by any of them as a result of failure by the applicant to provide such information and other evidence.

2.2.4 Dealings in Nil Paid Rights in CREST

Assuming the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence as soon as practicable after 8.00 a.m. on 14 July 2020. A transfer (in whole or in part) of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 28 July 2020.

2.2.5 Dealings in Fully Paid Rights in CREST

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document, the Fully Paid Rights may be transferred by means of CREST in the same manner as any other security that is admitted to CREST. The last time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 11.00 a.m. on 28 July 2020. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 28 July 2020. From 29 July 2020, the New Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable in the usual way (see paragraph 2.2.7 below).

2.2.6 Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights or, if appropriate, Fully Paid Rights from CREST is 4.30 p.m. on 22 July 2020, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights or, if appropriate, Fully Paid Rights following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 July 2020. You are recommended to refer to the CREST Manual for details of such procedures.

2.2.7 Issue of New Shares in CREST

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 28 July 2020 (the latest date for settlement of transfers of Fully Paid Rights in CREST). New Shares (in definitive form) will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST no later than the close of business on the Business Day after the date on which the Fully Paid Rights are disabled. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Shares with effect as soon as practicable after 8.00 a.m. on 29 July 2020.

2.2.8 Right to Allot/Issue in Certificated Form

Despite any other provision of this document, the Company reserves the right to allot and/or issue any Nil Paid Rights, Fully Paid Rights or New Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

2.3 Procedure in Respect of Rights Not Taken Up (Whether Certificated or in CREST) and Withdrawal

2.3.1 Procedure in Respect of New Shares Not Taken Up

If an entitlement to New Shares is not validly taken up by 11.00 a.m. on 28 July 2020, in accordance with the procedure laid down for acceptance and payment, then that Provisional Allotment Letter will be deemed to have been declined and will lapse. The Joint Global Coordinators will endeavour to procure, by not later than 4.30 p.m. on the second dealing day after the last date for acceptance under the Rights Issue, subscribers for all (or as many as

possible) of those New Shares not taken up at a price per New Share which is at least equal to the aggregate of the Issue Price and the expenses of procuring such subscribers (including any applicable brokerage and commissions and amounts in respect of value added tax).

Notwithstanding the above, the Joint Global Coordinators may cease or decline to endeavour to procure any such subscribers if, in their opinion, it is unlikely that any such subscribers can be procured at such a price and by such a time or if the procurement of subscribers would give rise to a breach of applicable law. If and to the extent that subscribers for New Shares cannot be procured on the basis outlined above, the relevant New Shares will be subscribed for by the Underwriters or sub-underwriters (if any) at the Issue Price pursuant to the terms of the Underwriting Agreement.

Any premium over the aggregate of the Issue Price and the expenses of procuring subscribers (including any applicable brokerage and commissions and amounts in respect of irrecoverable value added tax) shall be held in trust absolutely for and paid (subject as provided in this paragraph 2.3) to:

- (i) where the Nil Paid Rights were, at the time they were not taken up, represented by a Provisional Allotment Letter, the person whose name and address appeared on the Provisional Allotment Letter;
- (ii) where the Nil Paid Rights were, at the time they were not taken up, in uncertificated form, the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and
- (iii) where an entitlement to New Shares was not taken up by an Overseas Shareholder, that Overseas Shareholder.

New Shares for which subscribers are procured on this basis will be reallocated to the subscribers and the aggregate of any premiums (being the amount paid by the subscribers after deducting the Issue Price and the expenses of procuring the subscribers, including any applicable brokerage and commissions and amounts in respect of irrecoverable value added tax), if any, will be paid (without interest) to those persons entitled (as referred to above) *pro rata* to the relevant provisional allotments not taken up, save that amounts of less than £5.00 per holding will not be so paid but will be aggregated and retained for the benefit of the Company. Cheques for the amounts due will be sent by post, at the risk of the person(s) entitled, to their registered addresses (the registered address of the first-named holder in the case of joint holders), provided that, where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) CREST settlement bank in respect of the cash amount concerned in accordance with the CREST payment mechanism.

Any transactions undertaken pursuant to this paragraph 2.3 or paragraph 2.6.1 below shall be deemed to have been undertaken at the request of the persons entitled to the rights not taken up or other entitlements and neither the Company nor the Joint Global Coordinators nor any other person procuring subscribers shall be responsible for any loss, expense or damage (whether actual or alleged) arising from the terms or timing of any such subscription, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis so described. The Joint Global Coordinators will be entitled to retain any brokerage fees, commissions or other benefits received in connection with these arrangements.

It is a term of the Rights Issue that all New Shares validly taken up by subscribers under the Rights Issue may be allotted to such subscribers in the event that not all of the New Shares offered for subscription under the Rights Issue are taken up.

2.3.2 Withdrawal Rights

Persons who have the right to withdraw their acceptances under Rule 3.4.1 of the Prospectus Regulation Rules after a supplementary prospectus (if any) has been published and who wish to exercise such right of withdrawal must do so by lodging a written notice of withdrawal (which shall not include a notice sent by any form of electronic communication), which must include the Shareholder Investor Code or Allotment Number set out on the cover page of the Provisional Allotment Letter the full name and address of the person wishing to exercise such statutory withdrawal rights and, if such person is a CREST member, the participant ID and the

member account ID of such CREST member, with Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or email to Withdraw@linkgroup.co.uk, so as to be received no later than two business days after the date on which the supplementary prospectus was published, withdrawal becoming effective on receipt of the written notice of withdrawal. Notice of withdrawal given by any other means or which is deposited with or received by Link Asset Services, Corporate Actions after the expiry of such period will not constitute a valid withdrawal. Furthermore, based on advice received by the Company as to the effect of statutory withdrawal rights where the allotment contract is fully performed, the Company will not permit the exercise of withdrawal rights after payment by the relevant Shareholder of its subscription amount in full and the allotment of the New Shares to such Shareholder becoming unconditional. In such circumstances, Shareholders are advised to consult their professional advisers, including their legal advisers, as this may be a matter of law.

Provisional allotments of entitlements to New Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Shares will be subject to the provisions of paragraph 2.3.1 above as if the entitlement had not been validly taken up.

2.4 Taxation

The information contained in Part XVIII of this document is intended only as a general guide to the current tax position in the United Kingdom and the United States, and Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances.

2.5 Rights Issue Structure

The Rights Issue has been structured in a way that is expected to have the effect of creating distributable reserves approximately equal to the net proceeds of the Rights Issue less the par value of the New Shares issued by the Company. The Company and the Bank Subscriber have agreed to subscribe for ordinary shares in JerseyCo. The Bank Subscriber, as principal, will apply the proceeds of the Rights Issue to acquire redeemable preference shares in JerseyCo. The Underwriters will pay the proceeds that they receive from Qualifying Shareholders or renounees taking up New Shares under the Rights Issue together with such amounts as are payable by the Underwriters in respect of the New Shares which they subscribe for as principal pursuant to the Underwriting Agreement, after deducting commissions and expenses (as applicable), to an account with the Receiving Agent who will hold the proceeds on trust for the Bank Subscriber subject to certain conditions. Provided those conditions are met, the Bank Subscriber will use the proceeds to subscribe for redeemable preference shares in JerseyCo.

The Company will issue the New Shares to those persons entitled thereto in consideration for the Bank Subscriber transferring its holdings of redeemable preference shares and ordinary shares in JerseyCo to the Company. Accordingly, instead of receiving cash as consideration for the issue of the New Shares, at the conclusion of the Rights Issue the Company will own the entire issued share capital of JerseyCo, whose only asset will be its cash reserves, which will represent an amount equivalent to the net proceeds of the Rights Issue. The Company will be able to use this amount on redemption of the redeemable preference shares it holds in JerseyCo and, if required, during an interim period prior to redemption, by procuring that JerseyCo lends the amount to the Company (or one of the Company's subsidiaries).

Accordingly, by taking up New Shares under the Rights Issue and submitting a valid payment in respect thereof, a Qualifying Shareholder instructs the Receiving Agent: (i) to the extent of a successful application under the Rights Issue, to apply such payment (after deduction of certain agreed commissions and expenses) on behalf of the Bank Subscriber solely to subscribe for redeemable preference shares in JerseyCo; and (ii) to the extent of an unsuccessful application under the Rights Issue, to return the relevant payment without interest to the applicant. Further details of this structure are set out in paragraph 20 of Part XIX of this document.

2.6 Overseas Shareholders

2.6.1 General

This document has been approved by the FCA, being the competent authority in the United Kingdom. The making or acceptance of the proposed offer of Nil Paid Rights, Fully Paid Rights and/or New Shares to persons who have registered addresses outside the United Kingdom, or who are resident in, or citizens of, countries other than the United Kingdom may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the United Kingdom wishing to take up rights under or otherwise participate in the Rights Issue to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories.

The comments set out in this paragraph 2.6 are intended as a general guide only and any Overseas Shareholder who is in doubt as to his or her position should consult his or her professional adviser without delay.

Having considered the circumstances, the Board has formed the view that it is necessary or expedient to restrict the ability of persons in the Restricted Territories and the United States to take up rights to New Shares or otherwise participate in the Rights Issue due to the time and costs involved in the registration of this document and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Receipt of this document and/or Provisional Allotment Letter or the crediting of Nil Paid Rights to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make or accept an offer and, in those circumstances, this document and/or a Provisional Allotment Letter must be treated as sent for information only and should not be copied or redistributed.

New Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. However, Provisional Allotment Letters will not be sent to, and Nil Paid Rights will not be credited to CREST accounts of, Shareholders with registered addresses in the United States or the Restricted Territories or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

The crediting of Nil Paid Rights does not constitute an offer to Shareholders and, specifically, no offer is being made to Shareholders: (i) with a registered address in the United States or the Restricted Territories; or (ii) in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Shares. CREST Shareholders will be entitled to take up rights in the Rights Issue only if such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or a Provisional Allotment Letter and/or receiving a credit of Nil Paid Rights to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use the Provisional Allotment Letter or deal in Nil Paid Rights or Fully Paid Rights in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her of the Nil Paid Rights and Fully Paid Rights. In such circumstances, this document and the Provisional Allotment Letter are to be treated as sent for information only and should not be copied or redistributed.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this document and/or a Provisional Allotment Letter or whose stock account is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same or transfer Nil Paid Rights or Fully Paid Rights in or into any jurisdiction where to do so would or might contravene local security laws or regulations. If a Provisional Allotment Letter or a credit of Nil Paid Rights or Fully Paid Rights is received by any person in any such territory, or by his or her agent or nominee, he or she must not seek to take up

the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this document or a Provisional Allotment Letter or transfers Nil Paid Rights or Fully Paid Rights into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 2.6.

The Company reserves the right to treat as invalid and will not be bound to allot or issue any New Shares in respect of any acceptance or purported acceptance of the offer of New Shares which:

- (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or a Restricted Territory unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement;
- (ii) in the case of a Provisional Allotment Letter, provides an address for delivery of the share certificates or other statements of entitlement or advice in the United States or a Restricted Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates, statements or advice or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or
- (iii) in the case of a credit of New Shares in CREST, is to a CREST member or CREST sponsored member whose registered address would be in the United States or a Restricted Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to make such a credit or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements.

The attention of Overseas Shareholders with registered addresses in the United States and the Restricted Territories is drawn to paragraphs 2.3.1 above to 2.6.8 below.

The provisions of paragraph 2.3.1 above will apply to Overseas Shareholders who do not take up New Shares provisionally allotted to them or are unable to take up New Shares provisionally allotted to them because such action would result in a contravention of applicable law or regulatory requirements. Accordingly, such Shareholders will be treated as Shareholders that have not taken up their entitlement for the purposes of paragraph 2.3.1 above and the Joint Global Coordinators will use reasonable endeavours to procure subscribers for the relevant New Shares. The net proceeds of such sales (after deduction of expenses) will be paid to the relevant Shareholders *pro rata* to their holdings of Existing Shares at the close of business on the Record Date as soon as practicable after receipt, except that (i) individual amounts of less than £5.00 per holding will not be distributed but will be aggregated and retained for the benefit of the Company and (ii) amounts in respect of fractions will not be distributed but will be retained for the benefit of the Company. None of the Company, the Joint Global Coordinators or any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the acquisition or the procuring of it or any failure to procure subscribers.

Notwithstanding any other provision of this document or the Provisional Allotment Letter, the Company reserves the right to permit any Shareholder to participate in the Rights Issue on the terms and conditions set out in this document as if it were a Qualifying Shareholder if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the Company is so satisfied, the Company will arrange for the relevant Shareholder to be sent a Provisional Allotment Letter if he or she is a Qualifying Non-CREST Shareholder or, if he or she is a Qualifying CREST Shareholder, arrange for Nil Paid Rights to be credited to the relevant CREST stock account.

Those Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraphs 2.1.2 and 2.2.2 above.

Overseas Shareholders should note that all subscription monies must be paid in pounds sterling by cheque or banker's draft and should be drawn on a bank in the United Kingdom, made payable to Link Market Services Limited RE Project Orion Rights Issue A/C and crossed payee only.

2.6.2 United States of America

The Nil Paid Rights, the Fully Paid Rights and the New Shares have not been and will not be registered under the Securities Act, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Shares in the United States.

Accordingly, the Company is not extending the offer under the Rights Issue into the United States and, subject to certain exceptions, none of this document or the Provisional Allotment Letter constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Nil Paid Rights, Fully Paid Rights or New Shares in the United States. Subject to certain exceptions, neither this document nor a Provisional Allotment Letter will be sent to any Shareholder with a registered address in the United States.

Subject to certain exceptions, Provisional Allotment Letters or renunciations thereof sent from or post marked in the United States will be deemed to be invalid and all persons acquiring New Shares and wishing to hold such New Shares in registered form must provide an address for registration of the New Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Shares, Nil Paid Rights or Fully Paid Rights will be required to declare, warrant and agree that they have received a copy of this document and that they are not, and that, at the time of acquiring the New Shares, the Nil Paid Rights or the Fully Paid Rights, they will not be, in the United States or acting on behalf of or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Provisional Allotment Letter (or renunciation thereof) that appears to the Company or its agents to have been executed in or despatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Rights Issue, or which does not make the warranty set out in the Provisional Allotment Letter to the effect that the person accepting and/or renouncing the Provisional Allotment Letter does not have a registered address and is not otherwise located in the United States and is not acquiring the Nil Paid Rights, the Fully Paid Rights or the New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Shares in the United States or where the Company believes acceptance of such Provisional Allotment Letter may infringe applicable legal or regulatory requirements. The Company will not be bound to allot (on a non-provisional basis) or issue any New Shares, Nil Paid Rights or Fully Paid Rights to any person with an address in, or who is otherwise located in, the United States in whose favour a Provisional Allotment Letter or any Nil Paid Rights, Fully Paid Rights or New Shares may be transferred or renounced. In addition, the Company and the Underwriters reserve the right to reject any MTM instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Nil Paid Rights.

In addition, until 40 days after the commencement of the Rights Issue, an offer or sale of Nil Paid Rights, Fully Paid Rights or New Shares within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act. The provisions of paragraph 2.3 above will apply to any rights not taken up. Accordingly, subject to certain exceptions, Shareholders with a registered address in the United States will be treated as unexercising holders and the Joint Global Coordinators will endeavour to procure on behalf of such unexercising holders subscribers for the New Shares.

2.6.3 Member States of the EEA

In relation to each member state of the EEA (each a "Relevant Member State"), no New Shares, Nil Paid Rights or Fully Paid Rights have been offered or will be offered pursuant to the Rights Issue to the public in that Relevant Member State prior to the publication of this

document in relation to the New Shares, the Nil Paid Rights and the Fully Paid Rights, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that offers of Nil Paid Rights, Fully Paid Rights or New Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation:

- (A) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- (B) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation); or
- (C) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of New Shares, the Nil Paid Rights or the Fully Paid Rights shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any New Shares, Nil Paid Rights or Fully Paid Rights or to whom any offer is made under the Rights Issue will be deemed to have represented, acknowledged, and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to any Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares, Nil Paid Rights or Fully Paid Rights to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

In the case of the New Shares, the Nil Paid Rights or the Fully Paid Rights being offered to a financial intermediary, as that term is used in the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the New Shares, the Nil Paid Rights or the Fully Paid Rights acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Shares, Nil Paid Rights or Fully Paid Rights to the public other than their offer or resale in a Relevant Member State to “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation. The Company, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

2.6.4 Australia

This document, and any other document issued by the Company in connection with the Rights Issue, does not constitute a prospectus or other disclosure document under Part 6D.2 of the Corporations Act 2001 of the Commonwealth of Australia (the “**Corporations Act**”). It does not and is not required to contain all the information which would be required under the Corporations Act to be included in such a disclosure document, and has not been lodged with the Australian Securities and Investment Commission. The Nil Paid Rights, Fully Paid Rights and/or New Shares will be offered to persons in Australia only to the extent that such offers of securities for issue or sale do not need disclosure to investors under Part 6D.2 of the Corporations Act. Any offer of Nil Paid Rights, Fully Paid Rights and/or New Shares received in Australia is void to the extent that it needs disclosure to investors under the Corporations Act. In particular, offers for the issue or sale of Nil Paid Rights, Fully Paid Rights and/or New Shares will only be made in Australia in reliance on various exemptions from such disclosure to investors provided by section 708 of the Corporations Act. Any person to whom Nil Paid Rights, Fully Paid Rights and/or New Shares are issued or sold pursuant to an exemption provided by section 708 of the Corporations Act must not within 12 months after the issue or sale of those Nil Paid Rights, Fully Paid Rights and/or New Shares offer those Nil Paid Rights, Fully Paid Rights and/or New Shares for sale in Australia unless that offer is itself made in reliance on an exemption from disclosure provided by that section.

2.6.5 Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Nil Paid Rights, the Fully Paid Rights and/or the New Shares. The Nil Paid Rights, the Fully Paid Rights and the New Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the Nil Paid Rights, the Fully Paid Rights or the New Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Nil Paid Rights, the Fully Paid Rights or the New Shares constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the Nil Paid Rights, the Fully Paid Rights or the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

2.6.6 Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the distribution of the Nil Paid Rights, the Fully Paid Rights, the New Shares and/or the Provisional Allotment Letters. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of any securities described therein and any representation to the contrary is an offence.

This document does not constitute an offer of Nil Paid Rights, Fully Paid Rights, New Shares or Provisional Allotment Letters to any person in a province or territory of Canada and under no circumstances shall be construed as a public advertisement or public offering in any province or territory of Canada. Any distribution of securities in Canada will be made on a “private placement” basis exempt from the requirement that the Company prepare and file a prospectus with the securities commissions or similar regulatory authorities in Canada.

New Shares not taken up in the Rights Issue may be offered and sold by the Underwriters to purchasers in the provinces of British Columbia, Alberta, Ontario or Québec. Each purchaser of New Shares will be deemed to have represented to the Company, the Underwriters and any dealer selling the New Shares that:

- (A) where required by law, it is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable securities laws of the province in which it is resident, for its own account and not as agent for the benefit of another person;
- (B) it is not an individual and it is entitled under applicable Canadian securities laws to purchase the New Shares without the benefit of a prospectus under such securities laws, and without limiting the generality of the foregoing, is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 Prospectus Exemptions (“**NI 45-106**”) or Section 73.3(1) of the Securities Act (Ontario), as applicable, and is a “permitted client” as defined in section 1.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (“**NI 31-103**”) and is either: (i) purchasing the New Shares from a dealer permitted to rely on the “international dealer exemption” contained in section 8.18 of NI 31-103, in which case, the purchaser also acknowledges that the purchaser has received the notice required to be provided by such dealer under section 8.18 of NI 31-103; or (ii) purchasing the New Shares from a dealer registered as an “investment dealer” or “exempt market dealer” as defined under applicable securities laws;
- (C) it is not a person created or used solely to purchase or hold the New Shares as an “accredited investor” as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106;
- (D) it will not resell the New Shares except in compliance with applicable Canadian resale restrictions and acknowledges that Canadian securities laws may require resales to be made in accordance with prospectus requirements or exemptions from the prospectus requirements and that these resale restrictions may in some circumstances apply to resales of the New Shares outside Canada; and
- (E) where required by applicable law, it will execute, deliver and file such reports, undertakings and other documents relating to the purchase of the New Shares by the

purchaser as may be required, or assist the Company and the Underwriters, as applicable, in obtaining and filing such reports, undertakings and other documents.

Securities legislation in certain Canadian jurisdictions may provide a purchaser with remedies for rescission or damages if this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation in the purchaser's jurisdiction. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's jurisdiction for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, the Underwriters are not required to comply with the disclosure requirements thereof regarding underwriter conflicts of interest in connection with the distribution of the securities described herein.

2.6.7 Restricted Territories and Other Overseas Territories

Provisional Allotment Letters will be posted to Qualifying Non-CREST Shareholders with registered addresses outside the United States and the Restricted Territories (subject to certain exceptions) and Nil Paid Rights will be credited to the CREST stock accounts of Qualifying CREST Shareholders with registered addresses outside the United States and the Restricted Territories (subject to certain exceptions). Such Qualifying Shareholders may, subject to the laws of the relevant jurisdictions, participate in the Rights Issue in accordance with the instructions set out in this document and, if relevant, the Provisional Allotment Letter. In cases where Overseas Shareholders do not take up Nil Paid Rights, their entitlements will be sold if possible in accordance with the provisions of paragraph 2.3.1 above.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, all countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

If you are in any doubt as to your eligibility to accept the offer of New Shares or to deal with Nil Paid Rights or Fully Paid Rights, you should contact your appropriate professional adviser immediately.

2.6.8 Other Overseas Shareholders

Qualifying Shareholders who are located in other overseas territories should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights.

2.6.9 Waiver

The provisions of this paragraph 2.6 and of any other terms of the Rights Issue relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 2.6 supersede any terms of the Rights Issue inconsistent herewith. References in this paragraph 2.6 to Shareholders shall include references to the person or persons executing a Provisional Allotment Letter and, in the event of more than one person executing a Provisional Allotment Letter, the provisions of this paragraph 2.6 shall apply to them jointly and to each of them.

2.7 Representations and warranties relating to Shareholders

Qualifying Non-CREST Shareholders

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Shares comprised therein represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction: (a) such person is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Shares, from within the United States or the Restricted Territories; (b) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it; (c) such person is not acting on a non-discretionary

basis on behalf of, or for the account or benefit of, a person located within the United States or any Restricted Territory or any territory referred to in (b) above at the time the instruction to accept or renounce was given; and (d) such person is not acquiring Nil Paid Rights, Fully Paid Rights or New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Shares into the United States or any Restricted Territory or any territory referred to in (b) above. The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it: (a) appears to the Company to have been executed in or despatched from the United States or any Restricted Territory or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement; (b) provides an address in the United States or any Restricted Territory (or any jurisdiction outside the United Kingdom in which it would be unlawful to deliver share certificates or sales advice); or (c) purports to exclude the warranty required by this paragraph 2.7.

Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part IX represents and warrants to the Company and the Underwriters that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction: (a) he or she is not within the United States or any of the Restricted Territories; (b) he or she is not in any territory in which it is unlawful to make or accept an offer to subscribe for New Shares; (c) he or she is not accepting on a non-discretionary basis for, on behalf of, or for the account or benefit of, a person located within the United States or any Restricted Territory or any territory referred to in (b) above at the time the instruction to accept was given; and (d) he or she is not acquiring Nil Paid Rights, Fully Paid Rights or New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Shares into the United States or any Restricted Territory or any territory referred to in (b) above.

2.8 Times and Dates

The Company shall, in its discretion and after consultation with its financial and legal advisers, be entitled to amend the dates that Provisional Allotment Letters are despatched or dealings in Nil Paid Rights commence or amend or extend the latest time and date for acceptance under the Rights Issue and all related times and dates set out in this document and in such circumstances shall notify the FCA, and make an announcement via a Regulatory Information Service approved by the FCA.

In the event such an announcement is made, Qualifying Shareholders may not receive any further written communication in respect of such amendment or extension of the dates included in this document.

If a supplementary prospectus is issued by the Company two or fewer business days prior to the latest time and date for acceptance and payment in full under the Rights Issue specified in this document (or such later date as may be agreed between the Company and the Joint Global Coordinators, for themselves and on behalf of the other Joint Bookrunners), the latest date for acceptance under the Rights Issue shall be extended to the date that is three business days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

2.9 Governing Law

The terms and conditions of the Rights Issue as set out in this document and the Provisional Allotment Letter and any non-contractual obligations arising out of or in relation to the Rights Issue shall be governed by, and construed in accordance with, English law.

2.10 Jurisdiction

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter and any non-contractual obligations arising out of or in connection with them. By taking up or dealing with rights under the Rights Issue and/or by trading in Nil Paid or Fully Paid Rights in accordance

with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders, the Provisional Allotment Letter, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART X

TERMS AND CONDITIONS OF THE ACQUISITION

1 Share Purchase Agreement

1.1 *Parties and structure*

The Share Purchase Agreement was entered into on 25 June 2020 between the Company and How Group (a wholly owned subsidiary of Interserve Group Limited) for the sale and purchase, on the terms and subject to the conditions of the Share Purchase Agreement, of the entire issued share capital of Interserve Facilities Management by the Company.

1.2 *Consideration*

The consideration, on Completion, for the purchase of the entire issued share capital of Interserve Facilities Management shall be as follows:

- (a) the Company will issue approximately 358 million ordinary shares in the capital of Mitie to How Group (or certain of its nominees) representing approximately 23.4 per cent. of the share capital of Mitie following the Rights Issue and issue of such shares (the “**Consideration Shares**”); and
- (b) the Company will pay How Group £120 million.

The consideration has been determined on the basis that Interserve Facilities Management will be delivered cash-free/debt-free and with an agreed normalised level of working capital. The consideration will be adjusted for any cash or debt (including debt-like balances) and variance to the agreed normalised level of working capital as at the date of Completion, based on a customary completion accounts mechanism and made in cash.

How Group (and its nominees) has agreed that the Consideration Shares shall be subject to certain lock up and orderly market restrictions. No Consideration Shares may be disposed of in the 90 day period following Completion. During the 90 day period commencing 91 days following Completion, a first single block of Consideration Shares, resulting in net proceeds of up to £25 million, may be disposed. During the 90 day period commencing 181 days following Completion, a second single block of Consideration Shares, resulting in net proceeds of up to £25 million, may be disposed (the value of each of the first single block and the second single block being subject to adjustment in connection with any release of value under the escrow arrangement). No Consideration Shares may be disposed of in the period commencing immediately after any second single block disposal and ending 360 days following Completion. During the 90 day period commencing 361 days following Completion, a third single block of such number of Consideration Shares as is equal to 5 per cent. of the total issued share capital of the Company may be disposed of. No Consideration Shares may be disposed of in the period commencing immediately after any third single block disposal and ending 450 days following Completion. During the 90 day period commencing 451 days following Completion, a fourth single block of such number of Consideration Shares as is equal to 10 per cent. of the total issued share capital of the Company may be disposed. No Consideration Shares may be disposed of in the period commencing immediately after any fourth single block disposal and ending 540 days following Completion. The lock up and orderly market restrictions are subject to certain customary exceptions and do not apply to certain disposals, including: (i) any disposal to which the Company gives prior consent; (ii) an acceptance of a general offer for the Company made under the UK Takeover Code (including an irrevocable to accept); (iii) any disposal pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; and (iv) a disposal pursuant to a compromise or arrangement under section 896 of the Companies Act providing for the acquisition by any person of 50 per cent. or more of the ordinary share capital of the Company.

1.3 *Conditions*

Completion of the Acquisition is conditional upon the satisfaction or waiver of, where capable of being waived, the following conditions:

- (a) the approval of the Resolution by the Shareholders at the General Meeting and Admission (the “**Rights Issue Condition**”);

- (b) the approval of the Acquisition Resolutions by the Shareholders at the Acquisition General Meeting (the “**Acquisition Condition**”);
- (c) the receipt of requisite level of clearance from the Competitions and Markets Authority in respect of the Acquisition (the “**CMA Condition**”);
- (d) the amendment of certain of Interserve Facilities Management’s pensions schemes to allow independent operation of certain sections thereunder, the receipt of pensions trustee consent and a clearance statement issued by the Pensions Regulator (the “**Pensions Condition**”);
- (e) any material waivers or approvals required in relation to the Landmarc joint venture having been obtained (the “**JV Condition**”);
- (f) the consent of the lenders under the Revolving Credit Facility and the holders of the US Private Placement Notes, in each case to the extent required thereunder in respect of the Acquisition (the “**Lender Condition**”); and
- (g) no termination event subsisting relating to Interserve Facilities Management’s cyber incident having directly resulted in a material adverse effect to Interserve Facilities Management (the “**Cyber Condition**”).

Under the terms of the Share Purchase Agreement, the Company and How Group are required to use all reasonable endeavours respectively to procure that each of the Conditions for which they are responsible are satisfied as soon as practicable and no later than the Long Stop Date (or such later date as the parties may agree).

1.4 Conduct of business prior to Completion

How Group has agreed, subject to customary exceptions, that the business of Interserve Facilities Management will be carried on in the ordinary course and that certain specific actions (being customary in a private acquisition) will not be taken without the prior written consent of the Company, in each case prior to Completion. The Company has agreed that certain limited corporate actions will not be taken without the prior written consent of How Group prior to Completion, including not declaring, making or paying a dividend and not issuing new shares (other than in respect of the Rights Issue, the Consideration Shares or those issued in connection with the Company’s employee share plans).

1.5 Warranties, indemnities and limitations on liability

How Group has given warranties to the Company which are customary for a transaction of this nature including, certain fundamental warranties in respect of its power and authority to enter into and perform the Share Purchase Agreement and title to its shares in Interserve Facilities Management. How Group has also given warranties to the Company relating to Interserve Facilities Management’s business including, its tax position, financial information, litigation, material contracts, compliance with laws, employee-related matters, insurance, real estate, intellectual property, data protection and anti-corruption. How Group has also given warranties to the Company in relation to certain information included in this document and to be included in the Acquisition Circular and Prospectus directly relating to Interserve Facilities Management. How Group’s fundamental warranties and business warranties have been given at the date of the Share Purchase Agreement and How Group’s fundamental warranties will be repeated and its warranties relating to the Acquisition Circular and Prospectus given at Completion.

The Company has given warranties to How Group which are broadly reciprocal to the fundamental and business warranties provided by How Group. The Company’s fundamental warranties and business warranties have been given at the date of the Share Purchase Agreement and the Company’s fundamental warranties will be repeated at Completion.

The Share Purchase Agreement contains indemnities given by How Group in respect of, amongst other things, Interserve Facilities Management’s cyber incident and the reorganisation of Interserve Facilities Management undertaken prior to the Share Purchase Agreement.

Each party has obtained warranty and indemnity insurance in respect of the warranties in the Share Purchase Agreement and indemnities in the tax deed, subject to certain specified limitations agreed with the relevant insurers. Save in the case of fraud, each party’s sole recourse in respect of any warranty claim or indemnity in the tax deed shall be under the relevant insurance policy and the total aggregate liability of each of How Group and the Company under the Share Purchase

Agreement and the tax deed shall not exceed £1. The time limit for: (i) business warranty claims (other than tax) and claims under the agreement or the indemnities (with certain exceptions) is two years from Completion; and (ii) fundamental warranty claims and tax claims is seven years from Completion.

The total liability of How Group in respect of claims under the agreement and its indemnities (other than under the tax deed, which are covered by the warranty and indemnity insurance) is £40 million and such amount will be held for the relevant claims period in an escrow, whether in the form of Consideration Shares or cash as credit support. The Share Purchase Agreement also contains other customary limitations and exclusions on liability.

1.6 Transitional services

The parties have agreed to enter into certain transitional services arrangements from completion of the acquisition. These include:

- a transitional agreement to be entered into between How Group, as supplier, and Interserve Facilities Management, as customer, whereby following Completion Mitie would receive from How Group transitional services and, in particular, IT operations services and related information security services. The front-end terms of the transitional agreement are in agreed form and the Share Purchase Agreement establishes a framework for the parties to agree the scope, duration and relevant service charges of the applicable transitional services through a separation working group prior to Completion; and
- a reverse transitional agreement to be entered into between How Group, as customer, and Interserve Facilities Management, as supplier, whereby following Completion How Group would receive from Mitie reverse transitional services and, in particular, IT operations services and related information security services. The front-end terms of the reverse transitional agreement are in agreed form and mirror in all material respects those of the transitional agreement and the Share Purchase Agreement establishes a framework for the parties to agree the scope, duration and relevant service charges of the applicable reverse transitional services through a separation working group prior to Completion.

1.7 Termination and break fee

If one or more of the conditions is not fulfilled or waived, where capable of waiver, by the Long Stop Date (or such later date as the parties may agree) then, if the relevant condition is: (i) the Cyber Condition, the JV Condition or certain elements of the Pensions Condition, the Company may postpone the Long Stop Date by up to 30 Business Days or terminate; or (ii) the Rights Issue Condition, the Acquisition Condition or certain elements of the Pensions Condition, How Group may postpone the Long Stop Date by up to 30 Business Days or terminate. The Acquisition may be terminated prior to the Long Stop Date by: (i) How Group if the Resolution is not approved at the General Meeting by 30 September 2020 or the Acquisition Resolutions are not approved at the Acquisition General Meeting by 18 December 2020; and (ii) the Company if the JV Condition is not fulfilled or waived by 31 August 2020 or the Acquisition General Meeting will not be convened as a direct consequence of a breach by How Group of its obligations to provide historical financial information in connection with the Acquisition Circular and Prospectus as required under the Share Purchase Agreement.

If How Group terminates the Share Purchase Agreement in circumstances where the General Meeting or the Acquisition General Meeting is not convened and held by the requisite time and date (other than as a direct consequence of a breach by How Group of its obligations to provide historical financial information in connection with the Acquisition Circular and Prospectus), the Board has qualified, changed or withdrawn its recommendation for Shareholders to vote in favour of the Resolution or the Acquisition Resolutions or the Lender Condition is not fulfilled, then the Company has agreed to pay a break fee of £2.5 million, or where lower, an amount equal to 1 per cent. of the market capitalisation of the Company as calculated, in accordance with the Listing Rules, at 5.00 p.m. on the last Business Day prior to the date of the Share Purchase Agreement.

If the Company terminates the Share Purchase Agreement in circumstances where How Group has breached its obligations to provide historical financial information in connection with the Acquisition Circular and Prospectus as required under the Share Purchase Agreement, then How Group has agreed to pay the same quantum of *pro forma*.

1.8 *Costs*

The Company and How Group have each agreed to pay the costs and expenses incurred by them in connection with the preparation, negotiation, entering into and completion of the Share Purchase Agreement and any other agreements in respect of the Acquisition.

1.9 *Governing law*

The Share Purchase Agreement is governed by English law.

PART XI

INFORMATION ON MITIE GROUP PLC

The selected historical financial information and other historical financial information in relation to Mitie referred to in this Part XI has, unless otherwise stated, been extracted without material adjustment from the 2020 Annual Report and Accounts, the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts.

Investors should read the whole of this document and the documents incorporated herein by reference and should not rely solely on the financial information set out in this Part XI.

1 Overview

Mitie is one of the United Kingdom's leading facilities management and professional services companies, with approximately 47,500 employees as at 31 March 2020 and sales of £2.2 billion in FY19/20.

Mitie offers a range of facilities management and professional services, including: engineering maintenance and repair services and projects; energy and carbon management; digital transformation services; manned guarding and technology-based security services; cleaning and environmental services; and front-of-house, vetting and document management services. Mitie also provides specialised services specific to a customer, such as immigration detention and escorting and forensic health services, or that address a specific need or value, such as waste management and landscaping services.

Mitie has a large, diverse customer base. In the private sector, Mitie supports a wide range of customers across a variety of industries, including banking and the professional services, retail and leisure, manufacturing, construction, utilities, transport and logistics, healthcare and pharmaceuticals, industrial, and technology and communications. In the public sector, Mitie is recognised as a strategic supplier to central and local governments, providing essential services to the NHS, local authorities, police forces, schools and universities as well as strategic and critical government assets and other critical national infrastructure. In FY19/20, approximately 70 per cent. of Mitie's revenue was from private sector customers and approximately 30 per cent. was from public sector customers.

Mitie operates through three principal business divisions: Technical Services, Business Services and Specialist Services, as set out below:

- **Technical Services:** including management and delivery of engineering, maintenance, repair and project services, energy and carbon management services, and water and real estate services.
- **Business Services:** including personal and technology-led security services, cleaning and environmental services, front-of-house (reception), vetting and document management services, as well as remote monitoring and mobile response for fire and security systems.
- **Specialist Services:** offers a number of specialised services, including forensic health services, managing certain immigration care and custody services on behalf of the Home Office, as well as waste management and sustainability services and landscaping services.

The majority of Mitie's services are self-delivered and structured either through single or bundled service line arrangements or as part of a wider integrated facilities management solution.

Mitie's approach to facilities management and professional services utilises its expertise, care, technology and insight across a nationwide network to provide its customers with trusted support to their work environments. This differentiated service offering is supported by Mitie's technological capabilities and scale, enabling it to deliver technologically-enabled solutions across services while supporting the customer experience and create cost-to-serve efficiencies. Mitie's technology-enabled capabilities allow it to tailor and integrate services to meet customer needs, which supports winning new customers and deepen its relationships with existing ones. Key technologies include Mitie's analytical workplace solutions, as well as connected-facility capabilities from its MiTec centre in Belfast, Global Security Operations Centre ("GSOC") in Northampton and Service Operations Centre ("SOC") in Bracknell.

In FY19/20, Mitie generated revenue of £2,173.7 million, as compared to £2,085.3 million in FY18/19 (re-presented for discontinued operations) and £1,893.5 million in FY17/18 (re-presented for discontinued operations). In FY19/20, Mitie generated operating profit before other items from continuing operations of £86.1 million, as compared to £79.6 million in FY18/19 (re-presented for discontinued operations) and £76.1 million in FY17/18 (re-presented for discontinued operations).

2 Strengths and Strategy

The Long Term Vision

As announced at Mitie's capital markets day in December 2019, Mitie's long-term vision is centred around a number of goals, the pinnacle of which is driving and maintaining a market leading position in Mitie's core businesses. In an industry which historically has been highly fragmented, with low barriers to entry and ease of contract switching, and consequent low margins and commoditisation of the offer, Mitie's strategy is to gain economies of scale through market leadership positions, underpinned with an investment-led strategy to differentiate its offer through technology, superior service and a highly motivated workforce.

Underpinning this strategy is a set of beliefs, centred around 4 tenets:

- (i) Mitie works best with its customers when collaborating, and customers will remain loyal if Mitie delivers superior service and valuable insights;
- (ii) Mitie's people give their best when the Group shows that it cares;
- (iii) Technology is changing Mitie's industry, and it needs to be at the forefront of innovation and the digital transformation of the industry; and
- (iv) Continuous improvement and process simplification will drive a sustainable cost advantage.

As part of this strategy, Mitie aims to ensure operational excellence and efficiency, attract and retain highly motivated, well trained, high performing employees who continue to support and drive Mitie's 90 per cent. client retention rates and embrace technology and innovation across the Group. Where appropriate, Mitie also looks at targeted merger and acquisition opportunities to enhance and differentiate its service offering.

The Strategy Itself Is Underpinned By 4 Key Pillars:

Customers – An unrivalled list of blue-chip customers for whom Mitie is a core strategic partner in the day-to-day operations of their business. A highly diversified and resilient customer base across a wide range of private sector (approximately 70 per cent. of revenue in FY19/20) and public sector (approximately 30 per cent. of revenue in FY19/20) customers, Mitie is not reliant on any one customer and no customer accounts for more than 10 per cent. of sales. Focused on value, innovation, technical competence and experience and an increasing appetite for long-term relationships, Mitie is suitably positioned to deliver significant customer value. Strategic Account Management leverages the Group's capabilities and customer relationships to enhance Mitie's strategic importance and overall service. In the last three years, Mitie's Net Promoter Score (NPS) – the key customer measure of Mitie's service delivery – has increased by 57 points.

People – The Group is a people-focused enterprise, made up of approximately 47,500 employees as at 31 March 2020. Continuous investment ensures employees are well trained, appropriately experienced and deliver consistently high levels of customer service, as shown in Mitie's NPS score of +30. Core to the long-term aspirations of the Group, Mitie has a strong track record for ensuring the health and safety of employees whilst also maintaining the longevity of the workforce with targeted engagement and programmes, as measured by an employee engagement score that has risen from 25 per cent. to 46 per cent. of all staff "highly engaged". Working closely with customers, Mitie also has a long-term commitment of supporting the employee base through paying the living wage.

Costs – Focused on cost leadership across the peer group, Mitie harnesses optimal processes, technology and focused rationalisation of delivery to underpin operational excellence and higher operating margins, reflecting its market leadership positions. Mitie has a proven track of delivering £45 million of run-rate savings through the successful delivery of Project Helix and is currently progressing on its next phase of transformational operational efficiencies via Project Forte.

Technology – Mitie's business model is underpinned by increasing technological capabilities that enable the Group to effectively manage its workforce and deliver a fully optimised solution to customers. A controlled workflow ensures cost-efficient servicing and deploys the right resources at the right time. As a client offering, technology embeds Mitie's integrated approach into its customers' infrastructure, maximising value for the customer and enhancing retention of the customer base. Technology examples vary from remote monitoring and predictive maintenance of critical assets from Mitie's Service Operations Centre (SOC) in Technical Services; real time intelligence gathering and security monitoring from Mitie's Global Security Operations Centre (GSOC) in the Security division; to deploying the latest nanotechnology sprays to combat Coronaviruses in the Cleaning division – all backed by increasing process automation risk analytics and provision of real-time management information.

Pathway to Delivering the Group Strategy

From 2017, Mitie set about re-focussing the business through a medium-term plan split in two phases. The now delivered “Build Foundations” first phase has provided the business with the base to deliver the second phase, “Accelerated Value Creation”.

Build Foundations

This initial phase was focused on reversing revenue declines, simplifying the portfolio through non-core disposals and increasing balance sheet strength. Through Project Helix, Mitie has delivered approximately £45 million of run-rate savings across personnel, improved information services, systems and finance functions, consolidating supplier spend and reduced reliance on contractors. Investment through this period delivered revenue organic growth at a compound annual growth rate of approximately 6 per cent. from FY16/17 to FY19/20, while cost-related work streams and strategic disposals have reduced Mitie’s total indebtedness by approximately £100 million. Specifically, Mitie generated gross proceeds in excess of £130 million from disposals and made the strategic acquisition of Vision Security Group and Global Aware, complementary capabilities for Mitie’s Business Services division.

Accelerated Value Creation

The second phase is focused, over the medium term, on leveraging the gains made during the first phase through three core principles: growth, costs and free cash flow.

Growth initiatives are supported by Mitie’s continued market leadership in core Technical Services and Business Services, further enhancements in customer-facing technology to improve service capabilities, and deepening relationships with strategic customers. Harnessing Mitie’s breadth of core capabilities, increasingly optimised Strategic Account Management is expected to drive improved monetisation of the high-quality customer base.

Cost targets aim to utilise Mitie’s improved technologically-enabled capabilities for workforce and workflow management and process automation for transaction and service booking, supporting improvement in cost-to-serve across a scalable and differentiated technology offer. Project Forte, a transformational programme targeting overall delivery of approximately £25 million of cost savings within Technical Services and approximately £5 million of savings from Group-wide automation. Mitie has delayed certain aspects of Project Forte by six months, and continues supply chain management initiatives that are already underway, with an aim to realise overall benefits in FY22/23.

Mitie aims to drive free cash flow through these continued strategic initiatives, realising the benefits of costly transformation activities undertaken in recent years and targeting accelerated deleveraging.

3 History

Mitie was founded in 1987 and listed on the London Stock Exchange in 1988. Mitie expanded significantly in its first 20 years, including as a result of its merger with Highgate & Job Group plc in 1989 and primarily through the implementation of the “Mitie Model”. Under this model, Mitie would typically acquire (or incorporate) businesses with a focus on specific service lines, typically taking a 51 per cent. ownership share with the remaining 49 per cent. allocated to management shareholders. This model was structured to give Mitie a right to acquire minority interests at a price determined by reference to the performance of the individual business. All remaining minority interests were acquired by Mitie in 2017, and all subsidiary entities are now wholly owned directly or indirectly by Mitie.

Changes in senior management, including the appointment of Phil Bentley as CEO in December 2016, and a proactive approach to examining the business, including an external forensic accounting review instigated by the new executive leadership team have supported key transformation steps in recent years. In FY16/17, Mitie commenced a transformation programme with the aim of simplifying its operating structure, standardising internal processes, rationalising systems and removing inefficiencies in management structures. This programme has included simplification of Mitie’s business unit structure from seven business units to three in order to better leverage back office synergies and strengthen its service offering to customers. This programme has delivered approximately £45 million of run-rate cost savings by 31 March 2020, with a continued focus on strengthening and stabilising Mitie’s operating capabilities and practices.

In FY19/20, Mitie adopted the business division organisation set out in the “Overview” above. During FY18/19 and FY17/18, Mitie operated and reported its financial results according to six business divisions: Engineering Services, Security, Professional Services, Cleaning and Environmental Services, Care & Custody and Catering (which was sold to CH&CO during FY18/19 for a purchase price of up to

£85 million, including post-closing performance payments in FY20/21 and FY22/23), and historical operations during FY17/18 also included Property Management and, as discontinued operations, Healthcare. Mitie's re-alignment of its operating and financial reporting divisional structure is intended to support Mitie's ongoing transformation and operational simplification initiatives. In particular,

- engineering maintenance and projects related to the physical upkeep of buildings, as well as “smart building” management services including occupier services and water and energy management, were consolidated in Technical Services;
- security and cleaning and environmental divisions were consolidated as Business Services, which provide workplace services related to the upkeep and security of buildings as well as office services; and
- care & custody, along with waste management and landscapes services, were consolidated into the Specialist Services division.

4 Principal Services and Operating Sectors

Mitie provides its customers with a range of facilities management and professional services, including: engineering maintenance and repair services and projects; energy and carbon management; digital transformation services; manned guarding and technology-based security services; cleaning and environmental services; and front-of-house, vetting and document management services. Mitie also provides specialised services specific to a customer, such as immigration detention and escorting and forensic health services, or that address a specific need or value, such as waste management and landscaping services. Mitie operates through three principal business divisions: Technical Services, Business Services and Specialist Services.

The following table sets out Mitie's revenue and operating profit before other items for each business division for FY19/20 and FY18/19:

	FY19/20		FY18/19	
	Revenue	Operating profit before other items	Revenue	Operating profit before other items
	(£ millions)			
Technical Services	947.2	55.9	974.2	56.9
Business Services.....	986.9	42.2	894.0	39.0
Specialist Services	239.6	25.3	217.1	20.4
Care & Custody	110.2	7.7	107.3	3.9
Landscapes	47.8	8.6	46.7	9.3
Waste	81.6	9.0	63.1	7.2
Corporate centre.....	—	(37.3)	—	(36.7)
Total from continuing operations.....	2,173.7	86.1	2,085.3	79.6

Note:

- (1) As reported in the 2020 Annual Report and Accounts to reflect Mitie's business division structure for FY19/20. See “History” above for a description of Mitie's divisional structure re-alignment effective from 1 January 2020 (and effective 1 April 2019, for purposes of the 2020 Financial Statements).

Mitie's operations are primarily focused on serving customers located in the United Kingdom and the Republic of Ireland. Mitie also operates in Norway, Sweden, Poland and Finland, where it offers cleaning, catering, reception, janitorial, landscaping, office maintenance and general office management services, which comprised under 1 per cent. of revenue and gross profit in FY19/20.

Integrated facilities management

While Mitie organises its business into these three segments, as discussed in further detail below, it also provides an overarching facilities management and professional services offering that operates across its full suite of services. This integrated facilities management (“IFM”) service provides customers with an all-in-one solution, with a comprehensive service offering at a single site or, in most cases, across a network of

locations. These bespoke arrangements are designed to meet the customer's requirements, based on its industry, business and operations. Mitie's integrated facilities management approach is underpinned by four pillars:

- **Strategic account management:** utilising single point-of-control and accountability within Mitie enables services that match customers' evolving needs through a tailored, cost-effective and flexible service offering.
- **Technology:** proprietary digital platform and enterprise-wide data-analytic capabilities allow Mitie to evaluate the performance of the customer's portfolio and enable proactive decisions to unlock value, ensure more up-time and deliver greater efficiency.
- **One team:** establishing and fostering a shared vision and culture across services to provide leading service to each customer. Applying this approach at contract level encourages flexibility, reliability and cost-effectiveness, allowing Mitie to deliver complex and integrated service ranges for single-site and portfolio customers.
- **Partnership:** developing partnerships are essential to driving the culture of service transparency and collaboration at the heart of Mitie's integrated facilities management proposition, allowing for innovation and evolution to meet customers' facilities management needs.

Mitie's integrated IFM offering aims to leverage its scale and strength across service categories while utilising its technology solutions, as described in paragraph 6 "*Technology*" below. This technology-driven approach enables Mitie to tailor and, where appropriate, expand the customer's offering to meet its unique requirements. By combining these capabilities in a single solution, Mitie can provide its largest customers with a connected, insight-driven and proactive facilities management service.

Technical Services

Mitie's Technical Services business division provides public and private sector customers with a broad range of crucial project and repair and maintenance services that keep their organisations running. The Technical Services business division incorporates a range of key engineering, maintenance, repair and project services, energy and carbon management services and water and real estate services.

Mitie's Technical Services business division provides these services to public and private sector customers, such as Lloyds Banking Group, Essex County Council and Co-op, and recent customer wins include BMW, Toyota and GlaxoSmithKline. Public sector customers include the NHS, including work on the NHS Nightingale hospitals, and local ambulance and other services.

Mitie's Technical Services offerings have historically comprised its largest business, in particular engineering services. In FY19/20, Mitie derived 44 per cent. of its revenue from the Technical Services business division.

Engineering maintenance and repair

Mitie has extensive knowledge and experience maintaining and repairing buildings and assets in various industries. Maintenance areas include facilities mechanical systems, electrical and lighting systems and building fabric, such as repair, decoration and painting works. Across these areas, Mitie offers a flexible and proactive suite of services, which include mobile and site-based maintenance, mechanical and electrical maintenance and repair, and remote monitoring.

Mitie aims to provide customers with a "total" maintenance solution. This approach focuses on eliminating downtime and disruption for customers by applying a proactive (rather than reactive) approach to maintenance to disruption-free working environments. Mitie's maintenance services utilise technologically-advanced data-driven capabilities, in-house expertise and Mitie's national presence to deliver a comprehensive range of services tailored to customer needs, with a focus on up-time, energy efficiency, carbon impact and whole-life cost of the relevant asset or facility. These services consider the impact of specific maintenance cycles on the efficiency of equipment and the environment, including through targeted asset planning to ensure that up-time is maintained and asset life-expectancy extended to reduce on-going life-cycle costs. Automated monitoring capabilities support data-driven predictive maintenance regimes and accurate tracking of asset performance to provide early warning of any future issues that require attention.

Engineering projects

Mitie's engineering project capabilities deliver end-to-end services across a comprehensive range of refit works. These services include design and planning of building projects and systems, as well as highly

skilled contracting works. An experienced principal contractor, Mitie manages project-based services across the commercial, retail, industrial, social, education, housing, leisure and domestic property sectors.

- **Project design services:** tailored design solutions, detailed survey work and full coordination at the design phase (including 3D and building information modelling (BIM)). These capabilities include low-carbon designs, production of building log books, energy audits and energy monitoring and asset register production. Mitie is accredited by the Chartered Institute of Building Services Engineers (CIBSE) for low-carbon consultancy capabilities.
- **Mechanical and electrical services:** turnkey electrical solutions, from initial feasibility studies and planning to construction and completion. These services aim to make buildings more efficient, sustainable and cost-effective, utilising in-house BIM-compliant design capabilities and a qualified direct labour force. Mitie is accredited for a number of public sector frameworks by private sector frameworks by leading companies.
- **Lighting:** innovative lighting technologies and solutions, including lighting control and systems, colour rendering, energy efficiency, cost reduction, detailed reporting, emergency lighting design and installation and warranty management. Mitie's lighting service has attained numerous accreditations, including SafeContractor approval, the British Safety Council, and is a National Inspection Council Electrical Installation Contracting approved contractor.
- **Fire protection:** passive fire protection contract services, including design, installation and maintenance of fire prevention systems, structural fire protection, fire-rated compartmentation, acoustic and fire sealing, fire-rated ducting, specialist thermal insulation and hydrocarbon fire protection. Mitie has received FIRAS certification for certain installations and is a member of the Association for Specialist Fire Protection.
- **Air conditioning and renewable energy:** installation, service and maintenance, including air conditioning, free cooling and refrigeration, as well as capabilities across renewables technologies including wind turbines, heat pumps and photovoltaic panels. Mitie is accredited by the Ofgem Microgeneration Certification Scheme (MCS).
- **Roofing:** full-service commercial roofing offering, from initial survey and consultation to completion, including sheeting and cladding, asbestos cement removal, built-up felt systems, liquid-applied coatings, single-ply membranes, flat-to-pitched conversions, green roofing, slating and tiling, roof light renewal and guttering and rainwater systems. Mitie is accredited by the National Federation of Roofing Contractors (NFRC) and SafeContractor approved.
- **Painting and building fabric repair:** planning, organising and managing commercial painting and building fabric repair works, utilising a national skilled workforce and local branches to provide a range of services, including cyclical and planned programmes, internal and external painting, joinery works, fire protective coating, wallpapering and covering, ceiling coatings, as well as interior fit-out, structural works, window and door repairs, environmental improvements and disabled adaptations. Mitie has Constructionline platinum status and is a member of the Painting & Decorating Association, among other accreditations and certifications.

Energy services

Mitie offers targeted and end-to-end energy services, from standalone capabilities to fully outsourced energy management solutions, with an aim of helping customers reduce energy consumption and carbon impact. These services are undertaken utilising a four-part framework, which focuses on (i) advising customers on their buying and procurement practices, while aligning the customer's energy needs to its business and risk profile; (ii) developing strategic utility reduction plans, smart metering, and identifying opportunities to lower consumption; (iii) helping customer comply with environmental legislation and support employee environmental wellbeing; and (iv) optimising estate energy performance to reduce customers' carbon footprint through full-service and optimised building assessments and plans.

Mitie's energy services capabilities are supported by a team of experts, including chartered energy managers, engineers and analysts. Across these services, Mitie monitored approximately 92,000 energy meters.

Occupier services

Mitie is a leading provider of independent professional property advice, programme management and workplace transformation services. This offering aims to help customers optimise real estate through a range of advisory, programme management and workplace transformation services. Property advisory services

include portfolio assessments, commercialisation reviews, transaction management, benchmarking, and other advisory services. Programme management services support customers undertaking estate, rebranding or portfolio projects by providing central management, project management and construction contracting management capabilities. Workplace transformation services include support for design and space planning, utilisation studies, agile working and move management analyses, fit-out guidance, procurement support and analytical workplace planning.

Total building review

Mitie's total building review brings together its facilities management capabilities into one proposition. This service combines Mitie's expertise to provide support across multiple customer needs, including consideration of physical assets and condition, as well as their impact on the customer's people and activities. By examining each of these factors collectively, and utilising expertise and experience across Mitie's national network, specialist skillsets and data-driven analytics, a holistic plan can be developed to support customer needs.

Business Services

Mitie's Business Services business division provides personnel security services, as well as remote monitoring and mobile response for fire and security systems. Mitie's Business Services offering is a UK leader for front-of-house (reception) services and document management services, and it is one of the largest specialist cleaning providers in the United Kingdom.

Mitie's Business Services business division provides these services to public and private sector customers, including UK's biggest companies and most iconic buildings, such as NHS Trusts, the Home Office, the Bank of England, Lloyds Banking Group, GlaxoSmithKline, Sainsbury's and Co-op.

In FY19/20, Mitie derived 45 per cent. of its revenue from its Business Services business division.

Security services

Mitie is one of the largest intelligence-led securities companies in the United Kingdom, offering integrated, risk-based security solutions to fit customer needs. Across this offering, Mitie provides customers with a suite of security services that combine in-house expertise with technologically advanced solutions and data-driven capabilities. These services comprise a range of offerings that can be tailored to each customer's needs to create safe and secure environments. Mitie's security service offering utilised approximately 16,500 personnel and maintains approximately 51,000 security systems during FY19/20.

- **Security personnel:** in-person guarding services, utilising Mitie's fully licensed and highly trained personnel to strategically deploy guarding solutions according to customer needs.
- **Mobile security:** a range of mobile capabilities, including key-holding and rapid-response services, security patrols, vacant property security and inspection, alarm response services and wireless security systems to reduce unnecessary and costly false-alarm call-outs.
- **Fire and security systems:** integrated solutions to monitor lone workers and CCTV and alarm connections, including field-based engineers and remote management, solution design, risk assessments, and installation and integration.
- **Lone worker protection:** supporting safe-working environments, including through proactive monitoring and protection (including heartbeat monitors, push-for-help notification tools and guaranteed police-response capabilities) as well as risk assessments.

Mitie also provides a number of safety and compliance consultancy services across single-site and portfolio customers. Mitie's safety and compliance consultancy offering includes expertise in fire and security services, water and air quality services, doors and access services, electrical testing and property audit services. Additional safety and compliance consultancy services include identification risk areas and provide comprehensive assessment reports; safeguarding service evaluations, testing, maintenance and remedial services to adhere to required standards and legislation; and information and certification to help customers comply with their internal and commercial requirements.

Cleaning services

Mitie offers specialist cleaning and environmental services tailored to meet the exacting standards of a wide range of industries, including public sector and private sector customers at single-site locations and across national portfolios. These services include a variety of advanced and sector-specific capabilities, including

the automotive and industrial sector (and expertise in commercial and manufacturing ISO requirements), corporate and professional services, food and hygiene (with experience in hygiene standards, hazard analysis and critical control, and other regulatory requirements), pharmaceutical and clean room environments, public sector and education, retail and leisure, and transport and logistics.

Mitie's cleaning services offering focuses on quality, efficiency and sustainable delivery models, which utilise technologically-enabled specialist teams and know-how. In FY19/20, Mitie delivered approximately 18 million hours of cleaning services across its teams of approximately 18,000 cleaning personnel across the United Kingdom.

Office services

Mitie's office services offering includes a range of activities to help customers keep their offices and businesses running, including, front-of-house (reception), document management services and personnel vetting services.

- **Vetting:** background and pre-employment verification (passport, right to work, driving license and education) screening and criminality checks, through Procure and UKCRBs. Mitie processed approximately 70,000 references and 120,000 Disclosure and Barring Service (DBS) checks during FY19/20, and is the largest UK aviation screening provider.
- **Front-of-house:** tailored services to provide reception and concierge personnel, telephony and off-site switchboard personnel and capabilities, meeting space optimisation and management, and support for audio-visual meeting room capabilities.
- **Document management:** innovative document and information management services, including digital information management, traditional document management and on-site (mailroom, print room) solutions, and advisory services on digital/physical data environment set-up.

Specialist Services

Mitie's Specialist Services business division provides a number of specialised services, including for care and custody of individuals, landscaping services, and waste management and sustainability services. These services are provided to a wide variety of public and private sector customers, including key UK Government contracts for Care & Custody services in immigration facilities, and leading companies for waste management and landscape services.

In FY19/20, Mitie derived 11 per cent. of its revenue from its Specialist Services business division.

Care & Custody services

Mitie's Care & Custody business provides a range of critical public services to vulnerable adults in the immigration, justice and care sectors. Mitie is a key provider of immigration removal centre management and operations and secure escorting services (in-country and overseas) for the Home Office, caring for over 13,000 detainees. Mitie also delivers prison facilities management services for the Ministry of Justice and secure health services to over 40 police custody suites across England and Wales.

- **Immigration services:** specialist support in the delivery of immigration custodial services. A strategic partner to the Home Office, Mitie supports them in their work to effectively manage the immigration detention estate and flows of detainees in and out of the country, whilst upholding the welfare of those in its care. These services include providing secure escorting services throughout the United Kingdom and overseas, which involves securely escorting detainees around the immigration estate and back to their home countries of origin on scheduled and charter flights. Mitie also works closely with Border Force to provide services to manage holding rooms and short-term holding facilities at multiple air/sea ports and reporting centres throughout the United Kingdom.
- **Forensic health services:** delivery of critical medical support services to police forces across England and Wales, including to persons in custody and at sexual assault referral centres, as well as a limited range of custodial detention services on behalf of police services. Mitie's healthcare services are provided to 12 police services, including via two integrated forensic medical and liaison & diversion contracts, as well as delivering adult and youth comprehensive services across key points of intervention in the criminal justice system. Through these services, Mitie helps police forces address a wide range of health issues and vulnerabilities, which assist in their aim to reduce reoffending. These services implement a nurse-led model, which aims to provide customers with

value and supporting outcomes and call-out times, while improving career pathways for skilled Mitie employees.

Waste consulting and management services

Mitie's waste consulting and management business is a UK market leader, providing innovative waste reduction and treatment solutions. Mitie's waste consulting services are supported by significant experience in delivery best practice approaches to waste management and commercial recycling services. These activities utilise a "resource not waste" philosophy that prioritises waste avoidance and minimisation through a sustainability-led prevent, reduce, reuse and recycle approach, including for mixed recycling and food, confidential, paper and cardboard, clinical, hazardous, and electrical waste.

Mitie provides services including analyses of the customer's waste usage, planning for waste prevention and reduction techniques, exploring ways to re-use materially internally and find cost-effective, ethical and environmentally conscious disposal routes and recycling strategies where available. Mitie also coordinates energy recovery options, including anaerobic digestion and incineration, as well as landfill solutions for customer waste management. In addition, Mitie provides a variety of specialised hazardous waste disposal services, including clinical waste disposal services to the NHS.

Across these services, Mitie's customers experienced an average 10 per cent. reduction in waste management costs in FY19/20, and these services resulted in over 90,000 tonnes of waste being directed from landfill to other disposal methods during that time.

Landscape services

Mitie offers a horticultural and landscaping services, which provides customers with the specific services they need at their facilities and operating locations. These services include winter services, to treat walkways and roads and provide gritting and snow clearance; a flexible grounds maintenance service, which allows customers to choose the level of service required; hard and soft landscaping, including guidance on new developments and growth, paths, water features and site clearances; interior plants; interior office plants; and a Christmas decoration service. Across these services, Mitie sustained approximately 7,000 sites in the United Kingdom during FY19/20.

5 Customer Relationships and Order Book

Customer Relationships

Mitie has a large and diversified blue chip customer base. In FY19/20, Mitie's largest 20 customers accounted for approximately 47 per cent. of its consolidated revenue, with the majority of individual contracts each contributing less than one per cent. of Mitie's revenue. Approximately 70 per cent. of Mitie's revenue was derived from contracts with private sector customers, and the remaining 30 per cent. was derived from contracts with local authorities, central government and other public sector bodies and agencies.

Mitie's approach to customer engagement focuses on the ongoing management of customer relationships, including the UK Government (in its role as a customer and regulator), by senior leadership and on the customer experience through Net Promoter Score and other engagement programmes. Mitie's customer engagement also includes participation in industry forums and events, maintaining regular customer communications, including across its website and social media platforms, in addition to more tailored meetings and briefings. These initiatives aim to drive customer satisfaction, as well as performance and efficiency, utilising technology, research and innovation to support Mitie's reputation and brand. Sustainable performance, governance and transparency are at the heart of these efforts, implementing Mitie's vision and values and living out key social values through a focus on people and culture.

Order Book

As at 31 March 2020, Mitie's order book had a total aggregate value of £4.3 billion, excluding variable work, of which £1.3 billion was short term (expected to be recognised within one year) and £3.0 billion was long term (expected to be recognised beyond one year). As at 31 March 2020, Mitie estimated total pipeline opportunities of £7.9 billion.

The following table sets out Mitie's order book by business division as at 31 March 2020:

	As at 31 March 2020
	<i>(£ millions)</i>
Technical Services	1,914.2
Business Services	1,834.7
Specialist Services	545.5
Total	4,294.4

Major contract wins during FY19/20 included retaining key client business with Lloyds Banking Group, Essex County Council and Co-op; entry into the pharmaceutical sector with GlaxoSmithKline; and significant new business with BMW, Primark and Starbucks. In FY19/20, Mitie was appointed to the Crown Commercial Services Framework for Defence and Security and the Prison Operator Services framework, in addition to existing appointments to the FM framework and Management Consultancy Frameworks. Of Mitie's top 20 contracts for FY19/20, one contract was not renewed and one contract had a significant scope reduction resulting in an aggregate annual revenue reduction of approximately £85 million. In FY20/21, nine of these contracts are up for renewal.

Mitie experiences turnover in its customer base in the ordinary course of its business, based on, among other things, customers' decisions whether or not to retender for existing services or to hire Mitie for new projects. On average, approximately 20 per cent. of Mitie's contracts are up for renewal in a given year. Mitie's contract renewal rate in FY19/20 was 90 per cent.

Contractual Arrangements

Mitie's customer contracts are typically structured as three- to five-year agreements (except in the case of project agreements, which are tied to the projected time to deliver the project). These agreements outline the scope of facilities management and professional services that Mitie will provide, across one or more of its business divisions, as well as service levels for a range of performance metrics and reporting requirements. Mitie also undertakes a variety of discretionary project works and variable services, such as non-essential maintenance, either pursuant to additional service provisions in the relevant agreement or through separate arrangements.

Customer contracts in most cases do not include minimum volume requirements for services required. Fee tables and pricing terms, including performance-related measures for services and provisions regarding covered costs, are set out in the relevant agreement. Customer agreements typically include provisions for cost adjustments for statutory wage changes. Certain contracts also include cost saving targets or gainshare mechanisms. See Part II "*Risk Factors—Risks related to Mitie's operations and operating environment—Each of Mitie and Interserve Facilities Management is (and, if the Acquisition completes, the Enlarged Group will be) subject to risks associated with bidding for and entering into multi-year and/or fixed-price contracts*".

6 Technology

Mitie's service offering is underpinned by its technological capabilities. These include its technology-enabled service offerings, which combine various analytical resources, proprietary technologies and third-party systems to provide customers with technologically-enabled integrated facilities management and professional service solutions, and its internal technology infrastructure and systems to drive cost-effective service delivery.

Technology Focused Facilities Management Solutions

Mitie utilises technology to simplify and enhance the facilities management and professional services it provides to customers. These capabilities aim to support integrated services that support customers' specific needs, while automating and simplifying service and coordination processes.

Mitie's technology focused solutions provide customers with advanced services that utilise data-driven insights to enable predictive facilities management. These advanced solutions utilise an open source platform to integrate multiple systems and data sources, perform advanced data analytics and deliver solutions through easy-to-use customer interfaces, with uses from monitoring customers' facilities to enhancing the wellbeing of their employees. Mitie's sophisticated Service Operations Centre (SOC) provides remote monitoring of buildings and facilities and uses advanced algorithms to detect anomalies and trigger corrective actions prior to an asset failing. This solution also enables Mitie to reduce energy consumption for buildings, plant and equipment.

Other technology applications include Mitie's MiTec communications and technology centre, for remote alarm monitoring, CCTV, intruder, fire, access control and lone worker monitoring and dedicated client help desk and call-out capabilities. Mitie also operates its Global Security Operations Centre (GSOC), as a centre for intelligence and security industry experts to capture, translate, geolocate and alert to any major global incidents.

Mitie Technology Infrastructure and Systems

In recent years, Mitie has undertaken initiatives to simplify and upgrade its internal IT systems, including standardising systems on a smaller set of technologies and platforms and migrating a range of services to strategic outsourcing partner Wipro. These efforts have sought to support cost-efficiencies across Mitie's operating activities and to ensure cutting-edge technology security and controls are utilised across its operations.

As part of these transformation initiatives, core Mitie systems have been moved to cloud-based hosting solutions, including for SAP ERP, finance data warehouse systems and Hyperion systems, or developed based on cloud capabilities, such as its Data Lake, Mozaic and customer-facing dashboard solutions.

These capabilities support key customer-facing technologies, including a variety of AI-supported self-service, chatbot and dashboard features to assist customers with service monitoring, queries and requests. By utilising widely used third-party and open source solutions, Mitie's technology infrastructure supports straightforward and cost-effective integration with customer systems.

Mitie's technology-enabled service offering and internal processes are supported by a variety of leading third-party software and systems. Third-party technology partners include IBM, Vodafone and Microsoft. These services are typically utilised under standard commercial licencing arrangements.

7 Employees

Mitie employed approximately 47,500 staff as at 31 March 2020. Mitie also employed approximately 230 staff outside the United Kingdom and Republic of Ireland, who were primarily located in Norway, Sweden, Poland and Finland.

Mitie's success is underpinned by the ways that it leads and engages with its people. Employee engagement is based on Mitie's HR core standards, which set the framework for employee engagement, including onboarding and induction training and Mitie's Learning Hub, annual employee engagement surveys, internal communications, townhall and roadshow meetings, and social media platforms. Excellence is rewarded through Mitie's Celebration Hub, as well as recognition and reward programmes. A wide range of people-focused initiatives have supported employee engagement in recent years, including the "You Said, We Did", which saw the implementation of 30 new initiatives driven by employee feedback, and efforts to amplify employee voices and gather feedback, including opportunities to put questions to the CEO.

During FY19/20, on average, the Technical Services business division had approximately 9,266 employees, the Business Services division had approximately 35,211 employees, the Specialist Services division had approximately 2,995 employees and Mitie's central services function had approximately 95 employees, as set out in Note 7 to the 2020 Financial Statements. During FY19/20, the number of average employees in continuing operations decreased by 465 as compared to FY18/19. This decrease was primarily driven by the disposal of Mitie's catering and outside events business in September 2019.

A significant number of Mitie's employees joined following an acquisition or through an outsourcing arrangement for specific contracts. During FY19/20, approximately 15,600 employees were onboarded and approximately 21,000 employees were offboarded, either in the ordinary course as a result of customer or contract turnover or acquisitions and disposals. The vast majority of Mitie's employees are located in the United Kingdom and the Republic of Ireland.

The skills that these employees bring with them are critical to the success of Mitie's operations, ensuring that it delivers excellence in service and positive outcomes for clients, and it seeks to continually develop these skills through a variety of learning and leadership initiatives.

Approximately 13,800 of Mitie's employees are covered by a trade union recognition agreement. Mitie has a number of recognition agreements in place, including with the National Union of Rail, Maritime and Transport Workers (RMT), Unite the Union, the General Trade Union (GMB), the Public and Commercial Services Union (PCS), Usdaw, and Unison (healthcare) across its contract portfolio. In addition, a number of Mitie employees are members of other unrecognised unions, which are predominantly active in and around London.

Mitie maintains active dialogue with all of its recognised unions. This engagement informs the way that Mitie prices contracts and ultimately delivers services. Mitie maintains union representatives within its teams who work closely with account directors and on-site HR personnel to manage and mitigate any potential issues, providing Mitie staff with requisite support within their roles.

8 Intellectual Property

Mitie has registered trademarks relating to activities and intellectual property that are strategically important to the business, whether current or anticipated. These include Mitie's core trademarks, including the Mitie brand name and logo, as well as the brand and trading names of certain Mitie service offerings, including MiTec (technical security monitoring solution), Aria (a mobile facilities management and workplace application) and Mozaic (workplace environmental analytical software). The registration and administration of Mitie's trademark portfolio is managed by Mitie's legal team, in conjunction with its marketing team, with the assistance of external counsel.

9 Material Properties

As at 31 March 2020, Mitie leased or licenced approximately 80 properties in the United Kingdom and Republic of Ireland in its operations. Key locations include Mitie's head office at the Shard in London, its shared service centre at the Chocolate Factory, Bristol, its IT hub in Bracknell, as well as its GSOC in Belfast and SOC in Northampton.

Mitie owns no freehold properties and instead leases the majority of its properties for varying periods and on differing terms. None of these leases is considered to be material to Mitie.

10 Insurance

Mitie maintains insurance to cover risks associated with the ordinary operation of its business, including professional liability, directors' and officers' liability, public and products liability, property damage/business interruption, employer's liability/workers' compensation and other general insurances. Mitie periodically, and as part of the annual renewal process, conducts reviews to ensure that its insurance coverage satisfies the perceived risks associated with its operations subject to its risk appetite and the availability of insurance coverage for such risks.

11 Legal Proceedings and Investigations

Mitie has and may in the future become involved in, from time to time, claims and lawsuits arising in the ordinary course of its business. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Mitie is aware) during the 12 months preceding the date of this document, which may have, or have had in the recent past significant effects on Mitie's financial position or profitability.

Please refer to paragraph 22 of Part XIX of this document.

12 Risk Management

The Board is responsible for the management of the risks that Mitie faces. Mitie's risk management framework and associated risk appetite (the degree of risk that Mitie is prepared to accept in the pursuit of its objectives) are reviewed annually by the Board, but significant risks can be introduced at any time.

Mitie's risk management structure is designed to ensure a consistent approach to the identification, assessment, monitoring and management of risks across the business. This framework comprises top-down strategic risk management, which includes review by the Board and Audit Committee of the external environment, robust assessment of principal risks, setting risk appetite and parameters and action points; identification by the executive leadership team of principal risks, as well as directing delivery of strategic actions in line with the risk appetite and monitoring key risk indicators; and at the divisional level, executing strategic actions and reporting on key risk indicators.

Mitie also employs a bottom-up approach, founded on reporting of current and emerging risks by the divisional level, and identifying, evaluating and mitigating operational risks recorded in the risk register; work by the executive leadership team to consider the completeness of identified risks and adequacy of mitigating actions, as well as aggregation of risk exposure across the business; and assessment by the Board and Audit Committee of the effectiveness of the risk management system and reporting on principal risks and uncertainties.

13 Regulatory Overview

Mitie's clients include central government, local authorities and departments and other public sector bodies that provide public services or operate in publicly regulated business environments. Mitie may be subject to and seeks to comply with local, national or international regulations and regulations related to providing services in the sectors in which it operates. In particular, Mitie is subject to public procurement rules and regulations that must be complied with in order to contract with public sector entities. There are currently no material breaches of applicable regulations.

Mitie also requires numerous licences, permits and other consents granted by various regulatory and other public bodies in connection with its operations, which may require periodic renewal. There are currently no material breaches of applicable licences, permissions and other consents.

Employee Health and Safety

Mitie must comply with applicable laws to protect employees against occupational injuries. Health and safety law in the UK is primarily based on the Health and Safety at Work etc Act 1974 under which all employers and employees owe duties to ensure the health, safety and welfare of persons at work. The Health and Safety Executive, with local authorities (and other enforcing authorities) is responsible for enforcing the Health and Safety at Work etc Act and a number of other acts and statutory instruments relevant to the working environment.

Under such laws, employers typically must establish and maintain working conditions and workplaces that effectively prevent danger to employees. In particular, employers must comply with certain medical and hygiene standards and meet certain health and safety requirements at work, such as carrying out risk assessments and deriving measures for the safety of employees. This is based, for example, on regulations for permissible maximum values for noise at the workplace, for the use of personal protective equipment and requirements for ambient temperature, ventilation and lighting, as well as working time and work break regulations.

Data Protection (GDPR)

The European Union General Data Protection Regulation (EU) 2016/679 ("GDPR") came into force across the European Union on 25 May 2018. The GDPR regulates the processing of the personal data of living individuals ("data subjects") by, among others: (i) companies that collect or receive personal data and control the use of that data ("data controllers"); and (ii) companies that process personal data on behalf of data controllers ("data processors"). Mitie is a data controller and required to comply with GDPR.

According to the GDPR, personal data includes any information relating to data subjects who can be identified from that information. It can therefore include: personal details such as name, address, email address, telephone number and date of birth; and information relating to the individual, whether in their personal, family or professional life. The processing of personal data covers any activity done to or in relation to the personal data.

Compared to the pre-existing Data Protection Directive (95/46/EC), the introduction of the GDPR entails significantly stricter requirements, in particular with respect to (i) international data transfers, (ii) data mapping and accountability obligations, (iii) the involvement of a data processor, (iv) the appointment of a data protection officer, (v) data subjects' rights (e.g., notices, right to data portability and right to be forgotten), (vi) the need to carry out a data privacy impact assessment regarding data processing activities using new technologies likely to result in a high risk to the rights and freedom of natural persons, and (vii) notification obligations in case of a data breach.

Mitie has invested in a dedicated data privacy function which is responsible for designing and implementing Mitie's group wide GDPR programme, processing data subject requests, identifying and mitigating against risks associated with personal data and ensuring Mitie's compliance with the GDPR.

PART XII

INFORMATION ON INTERSERVE FACILITIES MANAGEMENT

1 Overview

Interserve Facilities Management is a leading UK-focused facilities management business, providing services across multiple end-markets.

Interserve Facilities Management provides its customers with a range of hard, soft and specialist facilities management services, such as mechanical & engineering services, building fabric maintenance, grounds maintenance, cleaning, waste management, catering, security and logistics services.

Interserve Facilities Management has a diverse customer base, including the UK Government and other public sector customers including local councils, schools and hospitals as well as a variety of private sector customers, from corporate offices, manufacturing plants to industrial sites. Interserve Facilities Management has historically focused on providing services in the public sector, developing deep relationships with government and other public sector entities and significant expertise and experience in public sector bidding and service delivery. Approximately two-thirds of Interserve Facilities Management's services are provided to public sector customers, based on revenue. In recent years, a refocused strategy on the private sector has utilised Interserve Facilities Management's core strengths in multi-service bundled and total facilities management offerings to expand its private sector customer base. Across these operations, Interserve Facilities Management has significant experience supporting large, complex multi-site estates and utilising its broad experience to maximise customers' property performance.

Interserve Facilities Management operates through three principal business divisions, which are categorised by the customer's sector: Central Government & Defence, Communities and Business & Industry, as set out below.

- **Central Government & Defence ("CG&D"):** provides facilities management services to central government departments in the United Kingdom and the Ministry of Defence in the United Kingdom and overseas.
- **Communities:** includes services provided to devolved public sector customers, with a focus on community environments in healthcare, schools and universities, emergency services, and local authorities.
- **Business & Industry ("B&I"):** includes services provided to private sector and other customers, including corporates, regulated businesses, retail, shopping centres, transport providers and manufacturing and industrial companies, and Interserve Facilities Management's standalone Spanish operations.

Interserve Facilities Management's hard and soft service capabilities are offered to customers in each of the three principal business divisions.

Within CG&D, a strong majority of service delivery relates to hard services, whereas there is a greater weighting towards soft services in the Communities and B&I divisions. In recent years, the CG&D and B&I divisions have been the largest by revenue, with Communities slightly smaller. During this time, the CG&D division has comprised approximately one-half of Interserve Facilities Management's EBITDA, with the remainder broadly balanced between Communities and B&I.

In addition to its three principal business divisions, Interserve Facilities Management operates certain activities within its Services Operations division, which includes services related to customer compliance activities and internal service delivery support to Interserve Facilities Management functions, comprising a limited portion of the overall business.

2 History

Interserve Facilities Management comprises the facilities management operations of Interserve's Support Services division. Interserve's history, including predecessor operations, dates back to 1884. Since then, Interserve has developed to provide customers with a variety of support, construction and equipment services, including facility management services, which has been complemented by key acquisitions undertaken over the last 25 years.

Interserve Facilities Management's operations are underpinned by a strong history delivering hard facilities management services to public sector customers, in particular the Ministry of Defence for services across the

UK military training estate. Interserve Facilities Management expanded its service capability to strengthen its soft services offering through the acquisitions of MacLellan Group and Initial Facilities in the early part of the twenty-first century, and it has continued to grow its customer base to include a large number of private sector clients.

In recent years, challenges in the broader facilities management sector and factors related to Interserve operations outside of Interserve Facilities Management resulted in a period of instability that culminated in deleveraging plans and organisational initiatives across the broader Interserve group and within Interserve Facilities Management. This led to the establishment of a new strategy and margin improvement plans, new governance arrangements and a refocused strategy on key customer relationships and service delivery in core areas.

On 25 June 2020, the Company and How Group (a wholly owned subsidiary of Interserve Group Limited) entered into the Share Purchase Agreement for the sale and purchase Interserve Facilities Management by the Company, as described in Part X of this document.

3 Principal Activities

Interserve Facilities Management offers a range of hard, soft and specialist facilities management services, such as mechanical & engineering services, building fabric maintenance, grounds maintenance, cleaning, waste management, catering, security and logistics services. These services are provided to customers in its three operating divisions CG&D, Communities and B&I, as described in “—*Divisions and Operating Sectors*” below.

Interserve Facilities Management’s service portfolio is broadly balanced between hard services and soft services. Historically, Interserve Facilities Management’s strength in hard services, such as mechanical & engineering, fire protection and environmental services, has formed the core of its service proposition—including advanced capabilities in critical environments for the UK Government, particularly with the Ministry of Defence (within the CG&D division). From this foundation, Interserve Facilities Management has utilised its strengths in coordinated facility management service delivery and management to expand its soft service offering, with a particular focus on cleaning services, waste management and catering, which are largely provided to customers through its Communities and B&I division.

Across these service offerings, Interserve Facilities Management provides customers in each of its three divisions with bundled and total facilities management solution offerings, as described below. This approach enables Interserve Facilities Management to offer each customer a comprehensive and integrated solution that meets the customer’s specific facility requirements, for both hard and soft facilities services, whether they are in the public or private sector.

Hard services

Interserve Facilities Management’s hard services capabilities, including expertise operating in complex environments, form the core of its service proposition. Interserve Facilities Management predominantly delivers mechanical and engineering services through contract dedicated site resources. Interserve Facilities Management maintains nationwide capabilities across many of its hard services, ensuring it is able to support customers with the technically advanced services they need in the locations where they operate.

Interserve Facilities Management’s hard facilities management services include the following:

- *Mechanical & engineering*: service offering for planned preventative maintenance and repair of buildings systems, including facility mechanical and electrical systems, such as lighting, heating, air conditioning, water, fire, waste systems and lifts, as well as 24-hour response support.
- *Building fabric maintenance*: service offering for ongoing planned facility maintenance, encompassing support for repair, decoration and painting works.
- *Minor and major projects*: project management and delivery of small and major works as part of an overall end-to-end building, maintenance and service of customer assets and infrastructure.
- *Grounds*: horticultural and landscaping services, including winter services to treat walkways and roads for snow and ice, as well as hard and soft grounds maintenance, planting and other landscaping services.
- *Help desk support*: remote support capabilities for customers’ facilities as an integrated solution across service areas.

- *Compliance specialists:* nationwide compliance specialist teams to deliver water hygiene management, fire protection management and asbestos consultancy services.
- *Other specialist:* a number of specialist services relating to specific contracts, including aircraft services, airfield services, high/low voltage distribution, air and ground fuels and land management services.

These hard services are delivered by Interserve Facilities Management's skilled personnel, which include licensed specialists and other competent and dedicated teams covering a variety of trades including combustion engineers, lift maintenance technicians, painters and decorators, electricians, plumbers, plasterers and glaziers.

Soft services

Interserve Facilities Management also offers a number of soft facilities management services, which provide customers with comprehensive support for a number of facilities requirements. Interserve Facilities Management's broad national footprint, its operating breadth and its scale support its customers' needs, whether they operate in a single location or across a network of facilities. These soft facilities management services include the following:

- *Cleaning:* an innovation-led and flexible service tailored to customer needs, with capabilities across specialist environments such as automotive; custodial; offices; retail; food production, dining and catering; floor care; healthcare, sterile and clean rooms; industrial; and washroom services, among other areas.
- *Waste:* management service for facility waste, including confidential and secure waste recycling; clinical waste; glass, cardboard, plastics, metal and other dry mix recycling; hazardous waste disposal; tanker services; waste oil; and other waste management capabilities with a focus on sustainability and recycling.
- *Catering:* range of catering solutions for cafes, staff restaurants, retail outlets, food halls, schools and hospitals, supported by in-house nutritionists and service staff. Interserve Facilities Management provides catering services through its Autograph brand.
- *Pest control:* planned and reactive pest treatment services across multiple sectors, including compliance with good manufacturing practices, regulatory requirements and audit standards.
- *Window cleaning:* including building facades, external fascia, signage, traditional window cleaning, water-fed pole systems and high-level cleaning.
- *Security:* safeguarding solutions to mitigate facility risk based on customer requirements, including licensed on-site personnel and mobile patrols; event management and crowd control; remote 24/7 monitoring; call-out capabilities through emergency services; and a variety of additional security and consultancy services.
- *Portering:* services to support movement of persons and assets, including critical supplies and in-house deliveries in a variety of sectors, including healthcare.
- *Mail room:* services to support the sorting and delivery of inter-departmental and incoming mail to a customer's facility, and processing mail items provided to third-party courier and postal providers.
- *Reception:* customer service solutions, such as reception and front-of-house support; event-planning, concierge and lifestyle services; as well as consultancy services and training and guidance services to help customers develop their customer service capabilities.
- *Laundry:* services including laundry removal and cleaning, maintenance and repair services for customers' on-site laundry facilities, and design and installation of tailored laundry services for facilities in a variety of sectors.
- *Fleet:* transport services in sectors including heavy commercial, industrial, retail and commuter.

Interserve Facilities Management's soft services are delivered by employees located across the United Kingdom, including licensed security personnel, cleaners, specialists in waste management, trained customer support and front-of-house personnel, as well as other personnel in a range of specialised jobs and more flexible roles.

Total facilities management and bundled solutions

Across these hard service and soft service offerings, Interserve Facilities Management's strategy aims to provide customers with bundled (a package of hard or soft services) or total facilities management (a package of both hard and soft services) solutions. Under this approach, Interserve Facilities Management provides all (or a significant portion) of the customer's facilities management requirements by tailoring a service offering to meet the particular customer's needs for the relevant facilities. This may include a mix of hard and soft services, or only certain services where required.

A total facilities management arrangement provides benefits for the customer and Interserve Facilities Management. For the customer, these arrangements provide greater consistency in service delivery, simplify decision-making processes across the facilities network and enable external support for best practices, while maximising property and estate efficiencies for the customer and enhancing end-user productivity at the relevant facility. For Interserve Facilities Management, this approach provides significant visibility on the customer's strategic goals and operations, enables it to more fully integrate its service offering, nurtures close customer relationships, and allows it to scale more quickly while increasing the scope and number of services that Interserve Facilities Management provides to each customer. In addition, by expanding the scope of services provided to each customer and, in particular, at a relevant facility, Interserve Facilities Management's total facilities management approach supports internal operating efficiencies and service delivery levels.

Interserve Facilities Management has an established track record of delivering bundled and total facilities management contracts in complex operating environments across multiple locations. Seeking out these broad arrangements has remained a strategic focus area for Interserve Facilities Management's management, which has supported an increase in the proportion of revenue derived from bundled and total facilities management agreements. As a result, the significant majority of Interserve Facilities Management's services in recent years have been provided as part of bundled and total facilities management service arrangements, in particular within the CG&D and Communities divisions. Legacy arrangements within Interserve Facilities Management's B&I division, as a result of historical merger and acquisition activities, mean that the division has a higher proportion of single-service contracts than CG&D or Communities, however these single-service contracts comprise less than half of B&I revenue.

4 Divisions and Operating Sectors

Interserve Facilities Management operates through three principal business divisions, which are categorised by the customer's sector: Central Government & Defence (CG&D), Communities and Business & Industry (B&I).

Interserve Facilities Management's hard and soft service capabilities are offered to customers in each division. Within CG&D, a strong majority of service delivery relates to hard services, whereas most services delivered to Communities and B&I customers relate to soft services. In recent years, the CG&D and B&I divisions have been the largest by revenue, with Communities slightly smaller. During this time, the CG&D division has comprised approximately one-half of Interserve Facilities Management's EBITDA, with the remainder broadly balanced between Communities and B&I.

Central Government & Defence (CG&D)

Interserve Facilities Management's CG&D division is a market leader in the provision of facilities management services to the UK Government.

Customers and service areas

Customers of Interserve Facilities Management's CG&D division include the Cabinet Office, the Ministry of Defence, the Foreign & Commonwealth Office, and the Department for Environment, Food and Rural Affairs. Interserve Facilities Management's CG&D division has a presence on a number of framework agreements with the UK Government.

Across these customer relationships, Interserve Facilities Management has significant experience in operating unique and complex contracts with the UK Government, including Foreign & Commonwealth Office European embassies and Ministry of Defence overseas bases. This includes over 25 years of experience with public bodies, which has enabled Interserve Facilities Management to develop a deep understanding of public sector processes and standards and establish a long track record of operating effectively in regulated environments.

Services provided by the CG&D division include estate and infrastructure services across remote (non-hostile) environments, providing complete operation of defence installations including power generation, provision of water supplies, aviation and ground fuel and critical data centre management. Interserve Facilities Management also operates Ministry of Defence facilities in Cyprus, Gibraltar, Ascension Islands and Gibraltar, in addition to Ministry of Defence training estate locations in the United Kingdom. Additional service arrangements include providing specialist engineering services to high containment laboratory environments and providing a range of technical engineering services to data centres, embassies and residential properties in overseas locations, such as facilities management services to the Foreign Commonwealth Office at facilities in a number of European countries.

Organisation

Interserve Facilities Management's CG&D contracts are delivered by dedicated contract management teams to manage customer relationships and service delivery. Operational service delivery is supported through three key central teams:

- *Professional engineering services*: specialist engineers with expertise in energy & environmental, operations security and engineering, which work closely alongside CG&D customer service teams to provide technical support and assurance services.
- *Projects*: flexible projects team to support all contracts with project management, cost management and principle designer duties, allowing contract teams to rapidly scale across a blended skillset during peak activity and support cost efficiency.
- *Compliance*: specialised team of compliance experts responsible for ensuring CG&D services are delivered in line with the relevant legal and statutory requirements.

Interserve Facilities Management's CG&D division is also supported through central support function capabilities, including human resources, finance/commercial, health and safety, IT and business development teams, including dedicated personnel placed to support the division.

Across these operations, total headcount in Interserve Facilities Management's CG&D division was approximately 6,000 as at 1 November 2019 (in addition to approximately 1,200 personnel employed by the Landmarc joint venture).

Communities

Interserve Facilities Management's Communities division provides services to devolved public sector customers, with a focus on community environments in healthcare, schools and universities, emergency services, and local authorities.

Customers and service areas

There are a large number of customers within Interserve Facilities Management's Communities division, including NHS Trusts, University of Sussex, the Metropolitan Police, Southwark Council and other local councils and schools.

Interserve Facilities Management's Communities division has an established track record and existing sector coverage with healthcare customers. The healthcare sector requires advanced capabilities to meet regulatory standards and other hygiene and safety requirements, and Interserve Facilities Management has significant sector experience across the United Kingdom. Interserve Facilities Management is also an experienced provider of facilities management services in the universities and higher education sector, supported by its broader local public sector experience.

Within the Communities division, Interserve Facilities Management is party to a number of private finance initiative ("PFI") arrangements, in particular for the provision of services in the healthcare sector to NHS Trusts, as well as local education authorities and academies.

The majority of contracts within the Communities division are total facilities management contracts to provide mechanical, electrical and fabric maintenance and project management, as well as the full range of soft services including security, catering and cleaning.

Organisation

Interserve Facilities Management's Communities operations are structured geographically, with four regional directors overseeing account managers in the south, north, London and midlands regions. This approach

reflects the localised nature of the business and allows Interserve Facilities Management's regional directors to maintain local customer relationships.

A number of very large contracts report directly outside of the regional structure given their size, complexity and dedicated self-supporting management structure.

The Communities division also has specialised service and advisory teams in technical services (including compliance) roles, to ensure services are delivered to required standards, as well as Interserve Facilities Management's Autograph catering service. Interserve Facilities Management's Communities division is also supported through central function capabilities, including human resources, finance/commercial, health and safety, IT and business development teams, including dedicated personnel placed to support the division as well as the broader central function teams.

Across these operations, total headcount in Interserve Facilities Management's Communities division was approximately 6,100 as at 1 November 2019.

Business & Industry (B&I)

Interserve Facilities Management's B&I division provides services to private sector and other customers, including corporates, regulated businesses, retail, shopping centres, transport providers and manufacturing and industrial companies. Interserve Facilities Management's B&I division offers UK-wide service capabilities, providing advanced facilities management services to national organisations operating across multiple locations.

Customers and service areas

Customers of Interserve Facilities Management's B&I division include, among others, Sellafield Ltd, the BBC, Nissan, Land Securities, E-on, Network Rail and JLL. The B&I division also includes Interserve Facilities Management's operations in Spain.

The B&I division focuses on a mix of complex and single-service delivery, including in regulated, corporate and manufacturing environments. These customer requirements enable Interserve Facilities Management to leverage its strengths in critical infrastructure environments and other regulated and quasi-public sectors, including its experience across service delivery within CG&D and Communities. In particular, Interserve Facilities Management has an established track record delivering strong health and safety outcomes in critical environments and supporting just-in-time operations necessary in manufacturing and other regulated environments. Service arrangements include broadcast continuity support for the BBC, which Interserve Facilities Management provides through a total facilities management offering that aims to ensure resilience across multiple locations, as well as project delivery and asset care programmes (including mechanical, electrical and civil capabilities) to Sellafield Ltd. through a joint venture with Jacobs Clean Energy Limited. In corporate environments, Interserve Facilities Management's B&I division has experience optimising client space and creating smart workplace solutions to support productivity. Self-delivery is a key focus in the B&I division, and approximately 80 per cent. of contract work is self-delivered.

In addition to its UK B&I operations, Interserve Facilities Management operates a facilities management business in Spain. These operations report in the B&I division, but they operate on a standalone basis with a separate management team, systems and support functions. The business operates from four primary locations (Madrid, Barcelona, Balearics and Canary Islands), with customers in a variety of sectors, predominantly in transport and healthcare, located throughout the country.

Organisation

Interserve Facilities Management's B&I operations are structured according to sector, with teams in place for corporates, regulated & manufacturing, shopping centres, retail and transport. This approach enables Interserve Facilities Management to utilise a standalone management team for the large majority of B&I accounts. Within the corporate sector, key accounts are split and one director is responsible for each contract, and smaller contracts (such as smaller total facilities management or cleaning contracts for small- and medium-sized enterprises) are also bundled and managed separately.

Interserve Facilities Management's B&I division is also supported through central function capabilities, including human resources, finance/commercial, health and safety, IT and business development teams, including dedicated personnel placed to support the division as well as the broader central function teams. Certain B&I contracts require embedded health and safety resources, which are also provided through this function. The division also has a compliance function that is responsible for compliance with statutory and contractual obligations, with a particular focus on hard and technical services.

Interserve Facilities Management's Spanish operations are run on a standalone basis, independent of the division's organisation structure in the United Kingdom.

Across these operations, total headcount in Interserve Facilities Management's B&I division was approximately 14,400 as at 1 November 2019 (including operations in Spain).

5 Key Financial Data

The following table sets out key financial data of Interserve Facilities Management for the year ended 31 December 2019:

	2019 ⁽¹⁾
	(£ millions) (unaudited)
Revenue	1,369
Operating profit ⁽²⁾	38
EBITDA ⁽³⁾	43

Notes

- (1) The Interserve Facilities Management financial data presented in this document has not been audited and is subject to revision. See Part III *"Important Information—Presentation of Financial Information—Interserve Facilities Management"*.
- (2) Interserve Facilities Management operating profit represents historical operating profit reflecting exclusion of exceptional items and certain discontinued activities and contracts.
- (3) Interserve Facilities Management EBITDA represents historical operating profit plus depreciation and excluding minority interests, as shown in Part III *"Important Information—Presentation of Financial Information—Interserve Facilities Management"*.

Interserve Facilities Management has experienced declines in revenue in recent years, which has been driven by significant disruption to the business, including deleveraging within the Interserve ownership structure and instability as a result of challenging conditions in the external environment, in particular political, governmental and market pressures affecting the sector and Interserve Facilities Management's business. During this time, Interserve Facilities Management sought continued growth through its historical strengths in the CG&D division, including new contract wins and growth in existing customer revenues. However, these gains were more than offset by challenges in B&I and Communities, which included contract losses (in part resulting from broader group instability) and planned contract exits (in particular in B&I, and certain low margin Communities contracts) that negatively impacted Interserve Facilities Management's revenue.

Despite the declines in EBITDA in recent years, Interserve Facilities Management has been able to maintain margin. The absolute decline in EBITDA has been driven by falls in the Community division as a result of performance in certain PFI contracts and related claims, and, to a lesser extent, the CG&D division as a result of pricing competition at contract renewals. Political uncertainty and financial instability in historical operations, as well as certain challenging contracts (in particular within the Communities division), have negatively impacted EBITDA in recent years, affecting each division. In recent years, Interserve Facilities Management's EBITDA has been supported by cost reduction initiatives implemented, as well as improvements in B&I resulting from the strategic exit from small, single-service and less-profitable contracts. Group-wide initiatives to optimise operating performance have also supported EBITDA, including organisational restructuring through the Fit for Growth programme to right-size operations. Operational discipline initiatives have sought to improve performance in challenging contracts within the Communities division and proactive steps to standardise operational business processes. Across Interserve Facilities Management's service offering, EBITDA has also been supported by efforts to improve consistency of service delivery and increased self-delivery of certain activities (such as fire and water services) to the core divisional operations through Interserve Facilities Management's Service Operations.

The Interserve Facilities Management financial data presented in this document, including Interserve Facilities Management revenue, operating profit and EBITDA for the year ended 31 December 2019, has not been audited and, as a result, it is subject to revision. See Part II (*"Interserve Facilities Management's financial statements for the year ended 31 December 2019 have not been prepared or subject to independent audit"*) and Part III (*"Presentation of Financial Information—Interserve Facilities Management"*).

6 Customer Relationships and Contracts

Interserve Facilities Management has a diverse customer base, including the UK Government and other public sector customers including local councils, schools and hospitals as well as a variety of private sector customers, from corporate offices, manufacturing plants to industrial sites.

Customer relationships are maintained within each of the three principal business divisions. Interserve Facilities Management has significant public sector service delivery experience and deep relationships across its CG&D and Communities operations, founded on its history of providing hard services and sophisticated project work to UK Government, local authority and other public sector customers. Contracts with public sector customers tend to be longer term, which enables Interserve Facilities Management to project service requirements within the CG&D and Communities divisions across a number of years. Within the B&I division, Interserve Facilities Management maintains stable relationships with key private sector customers in strategic sectors, following efforts in recent years to re-focus the division strategy to pursue opportunities that leverage Interserve Facilities Management's core strengths and bundled service delivery capabilities.

Customer contracts typically set out the relevant services to be provided, as well as agreed service levels for the relevant facilities management requirements. In addition, Interserve Facilities Management often seeks to undertake additional variable work with existing customers, including project-based activities and other non-project services. Project-based activities are typically performed at higher margins than contracted base services and non-project variable services. Interserve Facilities Management seeks variable and project work in each of its three divisions. These types of variable project-based works have included energy-conservation projects, estate optimisation (to reduce the customer's operating footprint), project delivery through customised supply chain agreements, and climate resilience and waste diversion activities. Historically, variable work has been highest in CG&D as compared to Interserve Facilities Management's other divisions.

Central Government & Defence (CG&D)

Interserve Facilities Management's CG&D division maintains close and established relationships with UK Government departments, including the Ministry of Defence. Within the division, Interserve Facilities Management's contract portfolio is highly concentrated, with its 10 largest contracts comprising the significant majority of division revenue.

As these agreements with central government and defence customers relate to fundamental and integrated support, typically for sophisticated project work in unique and complex situations, these relationships are generally longstanding and anticipated to be fairly stable. Interserve Facilities Management has experienced limited churn within its CG&D services and customer relationships, and the majority of contracted services and projected revenues within the CG&D division are agreed for at least two years in the future.

Communities

Interserve Facilities Management's Communities division aims to leverage stable relationships with key customers, including the NHS and local authorities. Interserve Facilities Management's contract portfolio within the Communities division is relatively concentrated, with its 10 largest contracts comprising a majority of division revenue. In addition, Interserve Facilities Management performs a significant amount of variable work through its Communities division, typically in relation to hard services, which comprises approximately one-third of divisional revenue.

In addition, a number of Communities division services are delivered pursuant to PFI arrangements, which generally relate to the provision of essential services over a significant length of time (up to 20 to 40 years). As a result, Interserve Facilities Management has strong visibility on future services and revenue within the Communities division, and a significant majority of contracted services within the Communities division (based on 2019 service levels) are agreed beyond 2024, including over the next 10 to 20 years for existing PFI arrangements.

Business & Industry (B&I)

Interserve Facilities Management's B&I division maintains relationships with a variety of private sector customers, including established relationships focused on key sectors to provide facilities management services in regulated, corporate and manufacturing environments. The B&I division's customer base is more diverse than in the CG&D and Communities divisions.

Contractual arrangements with B&I customers are typically for a shorter term than agreements within the CG&D and Communities divisions, coming up for renewal, extension or re-tender every few years.

7 Central Functions, Employees and Properties

Service Operations

Interserve Facilities Management's Service Operations function is responsible for improving the efficiency of service delivery across Interserve Facilities Management's operations through the standardisation of operating

processes throughout the contract lifecycle. The aim of these Service Operations activities is to support operations within the principal business divisions by pooling expertise, sharing best practices and providing a standardised framework to support service delivery.

The Service Operations is structured as follows:

- *Service delivery groups*: internal Interserve Facilities Management consultant teams, designed to share best practices and roll-out standardised procedures across contracts, including for hard services, security, cleaning, energy and catering.
- *Operational delivery*: Interserve Facilities Management's centralised compliance team focused on delivering specialised services, such as fire, water and asbestos, to external customers as well as Interserve Facilities Management teams as part of their existing customer services across major UK Government and private sector relationships.
- *Process standardisation*: Interserve Facilities Management's team with responsibility for driving operational improvement across all stages of the contract, including standardising mobilisation procedures, operation-wide computer-aided facilities management capabilities and asset-collection strategies.
- *Customer interactions*: Interserve Facilities Management's dedicated customer operations centres, which support front office and back office operations across Interserve Facilities Management's service activities.

Other centralised support capabilities

Interserve Facilities Management's internal organisation provides the principal business divisions with support through a number of centralised support functions:

- *Procurement*: Interserve Facilities Management's central procurement personnel work closely with the Service Operations team in order to manage procurement activities across the business and Interserve Facilities Management's supply chain. Procurement personnel are either in central roles, which include transaction support and bidding, or in dedicated operational roles to support the principal business divisions.
- *Human resources*: Interserve Facilities Management's human resources capabilities have historically sat within the Interserve shared human resources function, with a number of personnel in Interserve Facilities Management dedicated roles, including HR business partners for each of the principal business divisions. These personnel also support Interserve Facilities Management's dedicated people strategy, across talent development, workforce planning, skills and capabilities, leadership, reward and recognition, culture, and mobilisation and transformation activities.
- *Finance*: the finance team is responsible for processes including accounts payable and receivable; accounting and reporting; finance control and compliance; internal reporting, planning and forecasting; external reporting (including to customers, such as statutory and UK Government reporting requirements); staff expense processing; billing; and other activities. Dedicated finance teams are in place for each of the principal business divisions, as well as Interserve Facilities Management's Service Operations.
- *Health, safety and environmental*: Interserve Facilities Management's HSE capabilities are organised on a regional basis in order to support a localised focus across service delivery activities. These personnel are also responsible for HSE strategy and initiatives.
- *Information technology and infrastructure*: IT and related capabilities have historically been largely provided as a shared service by Interserve.
- *Business Development*: sales and bidding is managed centrally for all new business opportunities and all major rebids.

Employees

Interserve Facilities Management employed approximately 30,000 staff as at 1 November 2019, maintaining a diverse and technically skilled employee base. Across its operations, Interserve Facilities Management employs approximately 2,300 skilled workers and approximately 11,000 persons in cleaning roles.

Interserve Facilities Management's culture is underpinned by core established values, and Interserve Facilities Management maintains a commitment to employee health, safety and wellbeing that is embedded throughout

its operations. Support and development programmes are provided to employees, including the “Heart of House” programme to develop management, commercial and client-relationship capabilities and the “Customer First” programme to support skill-development for front line staff.

Interserve Facilities Management’s employees are supported by an experienced management team, including at peer facilities management providers as well as related sectors such as construction and outsourced services, financial services, retail, telecommunications and government.

A number of Interserve Facilities Management personnel are members of recognised trade unions. Interserve Facilities Management has a number of recognition agreements and other arrangements in place, including with Unite the Union, Unison (healthcare), Prospect, the General Trade Union (GMB) and a number of unions in connection with operations outside the United Kingdom.

Interserve Facilities Management participates in two sections of Interserve’s main defined benefit scheme as well as two smaller group defined benefit pension schemes. It also participates in various public sector defined benefit pension schemes, including the Railways Pension Scheme, Local Government Pension Schemes, NHS Pension Schemes and Civil Service Pension Schemes.

Material Properties

Interserve Facilities Management operates from a number of properties across the United Kingdom. The majority of the properties utilised by Interserve Facilities Management are occupied on a leased basis, although Interserve Facilities Management does have a freehold interest in a small property in Birmingham. None of these leases is considered to be material to Interserve Facilities Management.

8 Legal Proceedings and Investigations

Interserve Facilities Management has and may in the future become involved in, from time to time, claims and lawsuits arising in the ordinary course of its business. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this document, which may have, or have had in the recent past significant effects on Interserve Facilities Management’s financial position or profitability. Please refer to paragraph 22 of Part XIX of this document.

In April 2019, the FRC commenced an investigation into Grant Thornton’s audit of Interserve Plc for the years ended 31 December 2015, 2016 and 2017. Although the investigation is ongoing, Interserve Facilities Management understands that neither Interserve Plc nor any of its executive officers is under investigation.

In May 2018, the FCA commenced an investigation into Interserve Plc. This investigation relates to market announcements regarding certain energy-from-waste projects between July 2016 and February 2017. Interserve Facilities Management understands this investigation is ongoing and limited to Interserve Plc.

9 Joint Ventures

Interserve Facilities Management is party to three structured partnership and joint venture arrangements, which expand its service offering across its CG&D, Communities and B&I operations:

Landmarc

In 2003, Interserve Facilities Management entered into a joint-venture arrangement with Dyncorp International LLC (which was subsequently acquired by PAE, Inc. the current partner to the joint-venture arrangement and a leading provider of global mission services to the US Government), to form Landmarc Support Services Ltd (“**Landmarc**”). Under these arrangements, Interserve Facilities Management owns 51 per cent. of Landmarc and holds 49 per cent. of voting shares (with equal voting rights on critical decisions), and it operates the joint venture on a day-to-day basis. The Landmarc joint venture was selected by the Ministry of Defence in 2003 to deliver a 10-year contract in support of UK defence training and, in a later contract, to deliver the UK national training estate prime, which provides for management of the 240,000 hectare UK defence training estate, including management of all training establishments, areas, camps and ranges (including air weapons ranges) in the United Kingdom. Landmarc also offers consultancy and practical services supporting critical infrastructure and helping to deliver military and civil protection training globally.

Interserve Facilities Management and PAE are party to a shareholders’ agreement in respect of the Landmarc joint venture (the “**Landmarc Shareholders’ Agreement**”), which includes certain termination and acquisition rights. Upon an event of default in relation to the joint venture arrangement, PAE has the right

to require Interserve Facilities Management to: (i) sell its shares in Landmarc at 80 per cent. of their fair value; or (ii) buy PAE's shares in Landmarc at fair value.

The Landmarc Shareholders' Agreement also sets out certain matters relating to the governance of Landmarc, deadlock matters, restrictions on transfers of shares in Landmarc, and obligations of the shareholders toward Landmarc.

Sussex Partnership

Interserve Facilities Management and the University of Sussex formed the Sussex Estates and Facilities partnership (the "**Sussex Partnership**") in 2013 to provide a total facilities management solution, spanning soft services, maintenance, security, energy and waste disposal to the university. In January 2020, the initial contract term was extended until 2024. Under the arrangement, Interserve Facilities Management is a minority partner with a 35 per cent. share in the joint venture.

Interserve Facilities Management and the University of Sussex are party to a partnership agreement in respect of the Sussex Partnership (the "**Sussex Partnership Agreement**"), which does not include express termination rights. By default, the Limited Liability Partnerships Act 2000 therefore allows Interserve Facilities Management to leave the partnership through agreement with the University of Sussex, or by giving reasonable notice to the University of Sussex.

The Sussex Partnership Agreement also sets out certain matters relating to the governance of the Sussex Partnership, restrictions on assignment of rights in the Sussex Partnership Agreement, restrictions on conduct with respect to hiring of employees of the Sussex Partnership, and obligations of the partners toward the Sussex Partnership.

OneAIM

Interserve Facilities Management is party to a joint venture arrangement with Jacobs Clean Energy Limited (formerly Wood Group) to provide project maintenance work (including civil, mechanical and electrical engineering services) to Sellafield Ltd. Under this arrangement, each party is a 50 per cent. partner in the joint venture.

OneAIM was selected in 2017 to provide project maintenance work (including civil, mechanical and electrical engineering services) to Sellafield Ltd. The OneAIM joint venture builds upon Interserve Facilities Management's experience with Sellafield, which dates over 15 years supporting major projects at the site.

Interserve Facilities Management and Jacobs are party to a joint-venture agreement in respect of OneAIM ("**OneAIM JV Agreement**"), which includes certain termination and acquisition rights. Upon an event of default in relation to the joint venture arrangement, either party has the right to suspend or exclude the defaulting party from the agreement, and take over the benefit of the defaulting party's interest in OneAIM (without releasing the defaulting party from its liabilities).

The OneAIM JV Agreement also sets out certain matters relating to the governance of OneAIM, deadlock procedures, restrictions on the parties with respect to entering into competing agreements, and obligations of the shareholders toward OneAIM.

PART XIII

HISTORICAL FINANCIAL INFORMATION OF MITIE GROUP PLC

Financial statements relating to Mitie as at and for the years ended 31 March 2020, 2019 and 2018 are incorporated into this document by reference to the 2020 Annual Report and Accounts, the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts, respectively, as described in Part XX of this document.

PART XIV

SELECTED FINANCIAL INFORMATION OF MITIE GROUP PLC

The selected historical financial information and other historical financial information in relation to Mitie referred to in this Part XIV has, unless otherwise stated, been extracted without material adjustment from the 2020 Financial Statements, the 2019 Financial Statements and the 2018 Financial Statements. The selected financial information set out below has been presented in accordance with IFRS and Mitie's accounting policies.

Investors should read the whole of this document and the documents incorporated herein by reference and should not rely solely on the financial information set out in this Part XIV.

Selected Consolidated Income Statement Data

For FY19/20, FY18/19 and FY17/18

	FY19/20			FY18/19 ⁽¹⁾			FY17/18 ⁽²⁾		
	Before Other Items	Other Items	Total	Before Other Items	Other Items	Total	Before Other Items	Other Items	Total
	(£ millions)								
Continuing operations									
Revenue	2,173.7	—	2,173.7	2,221.4	—	2,221.4	2,203.7	—	2,203.7
Cost of sales	(1,886.2)	—	(1,886.2)	(1,923.9)	—	(1,923.9)	(1,894.8)	—	(1,894.8)
Gross profit	287.5	—	287.5	297.5	—	297.5	308.9	—	308.9
Administrative expenses	(201.4)	(21.5)	(222.9)	(209.3)	(38.0)	(247.3)	(219.3) ⁽³⁾	(97.9)	(317.2) ⁽³⁾
Operating profit/(loss)	86.1	(21.5)	64.6	88.2	(38.0)	50.2	89.6	(97.9)	(8.3)
Finance income	0.4	—	0.4	0.2	—	0.2	0.2	—	0.2
Finance costs	(16.6)	—	(16.6)	(14.0)	—	(14.0)	(16.6)	—	(16.6)
Net finance costs	(16.2)	—	(16.2)	(13.8)	—	(13.8)	(16.4)	—	(16.4)
Profit/(loss) before tax	69.9	(21.5)	48.4	74.4	(38.0)	36.4	73.2	(97.9)	(24.7)
Tax	(11.9)	4.0	(7.9)	(13.8)	7.4	(6.4)	(12.0)	10.7	(1.3)
Profit/(loss) from continuing operations after tax	58.0	(17.5)	40.5	60.6	(30.6)	30.0	61.2	(87.2)	(26.0)
Discontinued operations									
Profit/(loss) from discontinued operations	2.3	47.7	50.0	3.1	(2.2)	0.9	—	—	—
Profit/(loss) for the year	60.3	30.2	90.5	63.7	(32.8)	30.9	61.2	(87.2)	(26.0)

Notes:

- (1) As presented in the 2019 Financial Statements. In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the 2020 Financial Statements include Mitie's consolidated income statement for comparative purposes for FY18/19 on a re-presented basis to reflect catering as a discontinued operation, as incorporated by reference in this Prospectus.
- (2) As presented in the 2018 Financial Statements. In accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the 2019 Financial Statements include Mitie's consolidated income statement for comparative purposes for FY17/18 on a re-presented basis to reflect the pest control business and social housing repairs and maintenance business as discontinued operations, as incorporated by reference in this Prospectus. However, such comparative income statement information for FY 17/18 has not been re-presented in the 2020 Annual Report and Accounts and consequently does not reflect catering as a discontinued operation, and therefore such amounts are not directly comparable. Information regarding the catering business's revenue and operating profit (loss) before other items for FY 2017/18 is included in Note 3 to the 2019 Annual Report and Accounts.
- (3) Net, including share of profit of joint ventures and associates of £0.8 million, as presented in the 2018 Financial Statements.

Selected Consolidated Balance Sheet Data

As at 31 March 2020, 31 March 2019 and 31 March 2018

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	<i>(£ millions)</i>		
Non-current assets			
Goodwill.....	278.9	293.8	309.6
Other intangible assets	50.6	50.7	38.3
Property, plant and equipment	110.8	29.0	33.6
Interest in joint ventures and associates	—	—	0.8
Derivative financial instruments	28.0	16.4	6.1
Other receivables.....	3.3	—	—
Contract assets.....	3.2	4.5	1.8
Deferred tax asset.....	32.6	38.7	36.7
Total non-current assets	507.4	433.1	426.9
Current assets			
Inventories	4.8	5.6	6.9
Trade and other receivables	403.1	435.2	386.0
Contract assets.....	1.6	1.6	0.4
Derivative financial instruments	0.2	—	—
Current tax assets	1.1	—	6.3
Cash and cash equivalents	124.6	108.4	59.8
Total current assets	535.4	550.8	459.4
Total assets	1,042.8	983.9	886.3
Current liabilities			
Trade and other payables	(487.0)	(533.9)	(496.8)
Deferred income.....	(35.9)	(54.9)	(46.2)
Current tax liabilities.....	—	(0.3)	—
Financing liabilities	(24.3)	(40.7)	(0.8)
Provisions	(41.4)	(50.6)	(25.2)
Total current liabilities.....	(588.6)	(680.4)	(569.0)
Net current liabilities	(53.2)	(129.6)	(109.6)
Non-current liabilities			
Trade and other payables	(0.3)	—	—
Deferred income.....	(15.6)	(18.4)	(18.8)
Financing liabilities	(296.4)	(224.8)	(258.6)
Provisions	(11.8)	(6.0)	(6.3)
Retirement benefit liabilities	(46.7)	(63.8)	(56.8)
Deferred tax liabilities.....	(2.9)	(2.9)	(0.8)
Total non-current liabilities.....	(373.7)	(315.9)	(341.3)
Total liabilities.....	(962.3)	(996.3)	(910.3)
Net assets/(liabilities).....	80.5	(12.4)	(24.0)
Equity			
Share capital	9.3	9.3	9.3
Share premium account.....	130.6	130.6	130.6
Merger reserve.....	99.9	104.2	104.2
Own shares reserve	(34.2)	(38.1)	(43.4)
Other reserves.....	9.5	10.3	11.3
Hedging and translation reserve	(0.4)	(5.6)	(7.3)
Retained losses	(134.2)	(223.1)	(228.7)
Equity attributable to equity holders of the parent.....	80.5	(12.4)	(24.0)

Selected Consolidated Statement of Cash Flows Data

For FY19/20, FY18/19 and FY17/18

	FY19/20	FY18/19	FY17/18
		(£ millions)	
Continuing operations – operating profit before other items	86.1	88.2	89.6
Continuing operations – other items	(21.5)	(38.0)	(97.9)
Discontinued operations – operating loss after other items	51.8	(2.0)	—
Adjustments for:			
Share-based payments expense	3.7	5.0	4.6
Defined benefit pension costs	1.3	1.8	3.1
Past service costs and curtailments	—	1.6	1.9
Defined benefit pension contributions	(10.7)	(11.6)	(4.7)
Depreciation of property, plant and equipment	33.3	11.6	12.8
Amortisation of intangible assets	11.4	9.0	13.5
Amortisation of contract assets	1.5	0.8	—
Share of profit of joint ventures and associates	—	(0.5)	(0.8)
Impairment of non-current assets ⁽¹⁾	0.8	1.1	45.0
Loss/(gain) on disposal of property, plant and equipment	0.3	(0.8)	(0.1)
Gain on bargain purchase	—	(8.8)	—
(Gain)/loss on disposal of businesses	(50.3)	(17.9)	0.2
Research and development tax credits	(0.8)	—	—
Other	(1.9)	—	—
Operating cash flows before movements in working capital	105.0	39.5	67.2
(Increase)/decrease in inventories	(1.2)	0.4	(0.1)
Decrease/(increase) in receivables	20.9	(51.7)	(43.2)
Increase in contract assets	(0.5)	(4.7)	(2.3)
Decrease/(increase) in deferred income	(23.6)	5.1	(12.8)
(Decrease)/increase in payables	(24.8)	33.4	(21.2)
Decrease/(increase) in provisions	(4.0)	25.5	4.5
Cash generated from/(used in) operations	71.8	47.5	(7.9)
Income taxes (paid)/received	(6.4)	4.7	11.6
Interest paid	(15.4)	(12.4)	(13.5)
Net cash generated from/(used in) operating activities	50.0	39.8	(9.8)
Investing activities			
Acquisition of businesses, net of cash acquired	(1.0)	(9.3)	—
Disposal of businesses, net of cash disposed	65.2	52.8	(9.7)
Dividends received from joint ventures and associate	—	—	0.6
Interest received	0.4	0.2	0.2
Purchase of property, plant and equipment	(8.2)	(12.1)	(15.8)
Purchase of other intangible assets	(11.2)	(11.2)	(9.0)
Disposal of property, plant and equipment	0.4	4.7	1.6
Net cash generated from/(used in) investing activities	45.6	25.1	(32.1)
Financing activities			
Capital element of lease rentals	(21.2)	0.2	(1.5)
Private placement notes repaid and associated hedges settled	(40.0)	—	(60.2)
(Repayments of)/proceeds from bank loans	(3.9)	(2.1)	38.3
Private placement notes repaid	—	—	—
Proceeds from re-issue of treasury shares	—	—	3.4
Purchase of non-controlling interest	—	—	(3.0)
Equity dividends paid	(14.4)	(14.4)	(4.8)
Net cash used in financing activities	(79.5)	(16.3)	(27.8)
Net increase/(decrease) in cash and cash equivalents	16.1	48.6	(69.7)
Net cash and cash equivalents at beginning of the year	108.4	59.8	129.1
Effect of foreign exchange rate changes	0.1	—	0.4
Net cash and cash equivalent at end of the year	124.6	108.4	59.8

Note:

(1) Impairment of non-current assets is comprised of impairment of goodwill and impairment of intangible assets. In FY19/20, PPE impairment was £0.8 million. In FY18/19, impairment of goodwill was nil and impairment of intangible assets was £1.1 million. In FY17/18, impairment of goodwill was £34.6 million and impairment of intangible assets was £10.4 million.

The above statement of consolidated cash flows includes cash flows from both continuing and discontinued operations. Further details of the cash flows relating to discontinued operations are shown in Note 5 to the 2020 Financial Statements, the 2019 Financial Statements and the 2018 Financial Statements, as incorporated by reference in this Prospectus. However, such financial information which represents the cash flows

from discontinued operations for FY 17/18 included in the 2018/19 is not complete as it does not present the 2020 Catering segment as a discontinued operation and as such comparatives for FY 2017/18 have not been re-presented in the 2020 Annual Report and Accounts such amounts are not directly comparable.

Reconciliation of net cash flow to movements in Net Debt

	FY19/20	FY18/19	FY17/18
		<i>(£ millions)</i>	
Cash drivers			
Net increase/(decrease) in cash and cash equivalents.....	16.1	48.6	(69.7)
Decrease/(increase) in bank loans	3.9	2.1	(38.3)
Private placement notes repaid and associated hedges settled	40.0	—	60.2
(Decrease)/Increase of obligations under finance leases.....	21.2	(0.2)	1.5
Non-cash drivers			
Non-cash movement in bank loans	(0.4)	(0.2)	(0.7)
Non-cash movement in private placement notes and associated hedges	5.7	2.2	0.3
Non-cash movement in lease liabilities.....	(26.1)	—	—
Effect of foreign exchange rate changes	(0.1)	0.3	0.4
Decrease/(increase) in Net Debt during the year	60.3	52.8	(46.3)
Opening Net Debt.....	(140.7)	(193.5)	(147.2)
IFRS 16 opening Net Debt adjustment.....	(87.5)	—	—
Closing Net Debt.....	(167.9)	(140.7)	(193.5)

PART XV

OPERATING AND FINANCIAL REVIEW

Investors should read the discussion below in conjunction with Mitie's audited consolidated financial statements for FY19/20, FY18/19 and FY17/18, the auditor's reports contained in the 2020 Annual Report and Accounts, the 2019 Annual Report and Accounts, the 2018 Annual Report and Accounts, the detailed information included in Part XV of this document and the other information incorporated by reference into this document and should not rely solely on key and summarised information.

Some of the information in the review set forth below and elsewhere in this document includes forward-looking statements that involve risks and uncertainties. Mitie's actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this document, including under "Risk Factors" and "Forward-looking Statements".

Information Incorporated by Reference

The discussion of Mitie's operating and financial performance, or operating and financial reviews, included in the sections of the 2020 Annual Report and Accounts and the 2019 Annual Report and Accounts referred to in paragraph 2 below are incorporated by reference into this document.

Prior to 1 April 2019, Mitie reported on the basis of six business divisions: Engineering Services, Security, Professional Services, Cleaning and Environmental Services, Care & Custody and Catering, and historical operations during FY17/18 also included Property Management and, as discontinued operations, Healthcare. The discussion of Mitie's operating and financial performance during FY18/19 and FY17/18 in the 2019 Annual Report and Accounts is provided on the basis of Mitie's divisions during these financial years. From 1 January 2020 (and effective 1 April 2019, for purposes of the 2020 Financial Statements), Mitie has operated through three business divisions: Technical Services, Business Services and Specialist Services. The discussion of Mitie's operating and financial performance during FY19/20 and FY18/19 in the 2020 Annual Report and Accounts reflects Mitie's current divisional structure.

Cross-Reference List

The following list is intended to enable Shareholders to identify easily the items of information that have been incorporated by reference into this document, for purposes of providing a review of Mitie's operating and financial performance for FY19/20, FY18/19 and FY17/18.

2020 Annual Report and Accounts

The following pages of the 2020 Annual Report and Accounts have been incorporated by reference:

- Key Performance Indicators—pages 24 to 26 (inclusive);
- Operating Review—pages 27 to 36 (inclusive);
- Financial Review—pages 37 to 44 (inclusive); and
- Appendix – Alternative Performance Measures (APMs)—pages 164 and 165.

2019 Annual Report and Accounts

The following pages of the 2019 Annual Report and Accounts have been incorporated by reference:

- Key Performance Indicators—pages 14 and 15;
- Our Divisional Performance—pages 16 to 21 (inclusive);
- Financial Review—pages 22 to 25 (inclusive); and
- Appendix – Alternative Performance Measures (APMs)—pages 163 to 165 (inclusive).

Financing Arrangements

For a summary of Mitie's material financing arrangements, see paragraph 18 of Part XIX of this document.

PART XVI

CAPITALISATION AND INDEBTEDNESS

The following tables set out Mitie's capitalisation and indebtedness as at the dates indicated. The following tables do not reflect the impact of the Rights Issue.

The table below sets out the consolidated gross indebtedness and capitalisation of Mitie as at 31 March 2020.

	As at 31 March 2020
	<i>(£ million)</i>
Current debt	
Unguaranteed/unsecured.....	24.3
Total current debt.....	24.3
Non-current debt (excluding current portion of long-term debt)	
Guaranteed ⁽¹⁾⁽²⁾	198.7
Unguaranteed/unsecured.....	69.5
Total non-current debt.....	268.2
	As at 31 March 2020
	<i>(£ million)</i>
Shareholders' equity	
Share capital	9.3
Share premium.....	130.6
Other reserves	(59.4)
Total shareholders' equity	80.5

Notes:

- (1) Guaranteed non-current debt includes £177.9 million of USD private placement notes, of which £123.1 million is denominated in USD offset by a £28.2 million derivative asset.
- (2) Guaranteed non-current debt includes offset of £0.7 million of upfront fees against debt balances.

The following table sets out the consolidated net indebtedness of Mitie as at 31 March 2020:

	As at 31 March 2020
	<i>(£ million)</i>
Cash and cash equivalents.....	124.6
Liquidity	124.6
Current lease liabilities	(24.3)
Current financial debt	(24.3)
Net current financial liquidity	100.3
Bank loans ⁽¹⁾	(49.0)
Private placement notes ⁽²⁾	(149.7)
Non-current lease liabilities.....	(69.5)
Non-current financial indebtedness	(268.2)
Net financial indebtedness	(167.9)

Notes:

(1) Bank loans include an offset of £0.7 million of upfront fees against debt balances.

(2) US private placement notes comprise a debt balance of £177.9 million, of which £123.1 million is denominated in USD and offset by a £28.2 million derivative asset.

The Group also participates in an invoice discounting facility (£61.2 million at 31 March 2020) and a supply chain finance facility (£16.0 million at 31 March 2020), but these are not considered part of the Group's indebtedness.

PART XVII

UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION A: UNAUDITED PRO FORMA FINANCIAL INFORMATION OF MITIE GROUP PLC

The unaudited *pro forma* statement of net assets of Mitie Group plc set out below has been prepared on the basis set out in the notes below to illustrate the impact of the Rights Issue on the net assets of Mitie Group plc as at 31 March 2020 as if it had taken place at that date. The *pro forma* statement of net assets does not consider the impact of the Acquisition.

The unaudited *pro forma* statement of net assets has been prepared for illustrative purposes only and illustrates the impact of the Rights Issue as if it had been undertaken at an earlier date. As a result, the hypothetical financial position or results included in the *pro forma* financial information may differ from Mitie Group plc's actual financial position or results.

The *pro forma* financial information is based on the consolidated net assets of Mitie Group plc as at 31 March 2020, set out in the audited consolidated financial statements of Mitie Group plc for the year ended 31 March 2020.

The unaudited *pro forma* statement of net assets has been prepared in accordance with the requirements of Sections 1 and 2 of Annex 20 of the Prospectus Delegated Regulation and does not constitute financial statements within the meaning of section 434 of the Companies Act. Shareholders should read the whole of this document and not rely solely on the unaudited financial information in this Part XVII. BDO LLP's report on the unaudited *pro forma* financial information is set out in Section B of this Part XVII.

The unaudited *pro forma* financial information has not been prepared, and shall not be construed as prepared, in accordance with Article 11 of Regulation S-X under the Securities Act. In addition, the unaudited *pro forma* financial information does not purport to represent what Mitie Group plc's financial position and results of operations actually would have been if the Rights Issue had been completed on the date indicated, nor does it purport to represent the results of operations for any future period or the financial condition at any future date.

	Consolidated Net Assets as at 31 March 2020⁽¹⁾	Proceeds from the Rights Issue⁽²⁾	<i>Pro forma</i> Consolidated Net Assets as at 31 March 2020
		(<i>£ millions</i>)	
Non-current assets			
Goodwill	278.9	—	278.9
Other intangible assets	50.6	—	50.6
Property, plant and equipment	110.8	—	110.8
Derivative financial instruments	28.0	—	28.0
Other receivables	3.3	—	3.3
Contract assets	3.2	—	3.2
Deferred tax asset	32.6	—	32.6
Total non-current assets	507.4	—	507.4
Current assets			
Inventories	4.8	—	4.8
Trade and other receivables	403.1	—	403.1
Contract assets	1.6	—	1.6
Derivative financial instruments	0.2	—	0.2
Current tax assets	1.1	—	1.1
Cash and cash equivalents	124.6	190.0	314.6
Total current assets	535.4	190.0	725.4
Total assets	1,042.8	190.0	1,232.8

	Consolidated Net Assets as at 31 March 2020⁽¹⁾	Proceeds from the Rights Issue⁽²⁾	<i>Pro forma</i> Consolidated Net Assets as at 31 March 2020
		(£ millions)	
Current liabilities			
Trade and other payables	(487.0)	—	(487.0)
Deferred income	(35.9)	—	(35.9)
Current tax liabilities	—	—	—
Financing liabilities	(24.3)	—	(24.3)
Provisions	(41.4)	—	(41.4)
Total current liabilities	(588.6)	—	(588.6)
Net current (liabilities)/assets	(53.2)	190.0	136.8
Non-current liabilities			
Trade and other payables	(0.3)	—	(0.3)
Deferred income	(15.6)	—	(15.6)
Financing liabilities	(296.4)	—	(296.4)
Provisions	(11.8)	—	(11.8)
Retirement benefit liabilities	(46.7)	—	(46.7)
Deferred tax liabilities	(2.9)	—	(2.9)
Total non-current liabilities	(373.7)	—	(373.7)
Total liabilities	(962.3)	—	(962.3)
Net assets	80.5	190.0	270.5
Net debt⁽³⁾	(167.9)	190.0	22.1

Notes

- (1) The information in this column has been extracted without adjustment from Mitie Group plc's audited consolidated financial statements for the year ended 31 March 2020, which have been incorporated by reference as described in Part XX of this document.
- (2) Reflects the net proceeds of the Rights Issue of approximately £190 million (being gross proceeds of approximately £201 million less estimated fees and expenses relating to the Rights Issue of approximately £11 million, including VAT where relevant).
- (3) *Pro forma* Net Debt has been calculated as follows:

	Consolidated as at 31 March 2020	Proceeds from the Rights Issue	<i>Pro forma</i> consolidated as at 31 March 2020
		(£ millions)	
Cash and cash equivalents	124.6	190.0	314.6
Bank loans – under committed facilities	(49.0)	—	(49.0)
Private placement notes	(177.9)	—	(177.9)
Derivative financial instruments	28.2	—	28.2
Lease liabilities	(93.8)	—	(93.8)
Net debt	(167.9)	190.0	22.1

The *pro forma* net assets statement has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 March 2020.

No account has been taken of the financial performance of the Group since 31 March 2020 nor of any other event save as disclosed above.

SECTION B: ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION



BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Mitie Group plc
Level 12
35 Duchess Road
Rutherglen
Glasgow
G73 1AU

25 June 2020

Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL

Dear Sir or Madam

Mitie Group plc (the “Company”)

***Pro forma* financial information**

We report on the unaudited *pro forma* statement of net assets (the “*Pro Forma* Financial Information”) set out in Section A of Part XVII of the prospectus dated 25 June 2020 (the “Prospectus”) which has been prepared on the basis described, for illustrative purposes only, to provide information about how the proposed Rights Issue might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 March 2020.

This report is required by section 3 of Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “Prospectus Regulation”) and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the *Pro Forma* Financial Information in accordance with Annex 20 of the Prospectus Regulation.

It is our responsibility to form an opinion, as required by section 3 of Annex 20 of the Prospectus Regulation, as to the proper compilation of the *Pro Forma* Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the Prospectus Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *Pro Forma* Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report,

which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *Pro Forma* Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the *Pro Forma* Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (i) the *Pro Forma* Financial Information has been properly compiled on the basis stated; and
- (ii) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the Prospectus Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

PART XVIII

TAXATION

1 General

The comments in this Part XVIII “*Taxation*” are of a general nature and are not intended to be exhaustive. Any prospective acquirers of New Shares, Nil Paid Rights or Fully Paid Rights who are in any doubt as to their own tax position should consult their professional advisers. In particular, prospective acquirers of New Shares, Nil Paid Rights or Fully Paid Rights should be aware that the tax legislation of any jurisdiction where they are resident or otherwise subject to taxation (as well as the tax legislation of the United Kingdom, the jurisdiction of incorporation and residence of the Company) may have an impact on the tax consequences of acquiring, holding or disposing of New Shares, Nil Paid Rights or Fully Paid Rights (including in respect of any income or gains received from the New Shares).

2 UK Taxation

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of New Shares, Nil Paid Rights or Fully Paid Rights. Prospective acquirers of New Shares, Nil Paid Rights or Fully Paid Rights are advised to consult their own professional advisers concerning the tax consequences of the acquisition, ownership and disposition of such New Shares or rights. The following statements are based on current UK tax legislation as applied in England and Wales and the current published practice of HM Revenue & Customs (which may not be binding on HM Revenue & Customs) as at the date of this document, both of which are subject to change at any time, possibly with retroactive effect. Save in respect of paragraph 2.3 below, they apply only to Shareholders who are resident, and in the case of individuals domiciled, for tax purposes in (and only in) the United Kingdom and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment (other than in an individual savings account or a self-invested personal pension), and who are the absolute beneficial owners of both their Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring or deemed to acquire their New Shares, Nil Paid Rights or Fully Paid Rights in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

Prospective acquirers of New Shares, Nil Paid Rights or Fully Paid Rights, and in particular those who may be resident or otherwise subject to tax in a jurisdiction other than the UK or who are in any doubt about their UK tax position, are strongly recommended to seek their own professional advice on the potential tax consequence of acquiring, holding or disposing of New Shares, Nil Paid Rights or Fully Paid Rights under the laws of their country and/or state of citizenship, domicile or residence.

2.1 Taxation of Chargeable Gains

2.1.1 UK Tax Resident Shareholders

(i) New Shares Acquired Pursuant to the Rights Issue

For the purposes of UK taxation of chargeable gains (“CGT”), the issue of New Shares to existing Shareholders within the charge to CGT who take up their rights should be regarded as a reorganisation of the share capital of the Company. Accordingly, to the extent that an existing Shareholder within the charge to CGT takes up all or part of their entitlement under the Rights Issue, they should not be treated as making a disposal of all or part of their holding of Existing Shares and no liability to CGT should arise if they take up their entitlement to New Shares in full. Instead, the New Shares acquired and the Existing Shares in respect of which they are issued should, for CGT purposes, be treated as the same asset and as having been acquired at the same time as the Existing Shares. The amount paid for the New Shares will be added to the base cost of the Existing Shares when computing any gain or loss on any subsequent disposal. In the case of corporate Shareholders within the charge to CGT, for the purposes of calculating the indexation allowance, which would apply to reduce the amount of any chargeable gain, but not create or increase any loss, on a subsequent disposal of Shares, the amount paid will generally be taken into account only from the time that the payment was made. With effect from 1 January 2018, indexation allowance is no longer available, such that for disposals of

assets made on or after 1 January 2018, indexation allowance will be calculated using the relevant index or factor for December 2017. In the case of non-corporate Shareholders within the charge to CGT, indexation allowance is not available.

(ii) Disposals

If a Shareholder within the charge to CGT sells or otherwise disposes or is deemed to dispose of all or some of the New Shares allotted to them, or of their rights to subscribe for New Shares, or if they allow or are deemed to have allowed their rights to lapse and receive a cash payment in respect of those rights, they may, depending on their circumstances and subject to any available exemption or relief, incur a liability to CGT.

If a Shareholder within the charge to CGT disposes of all or part of their rights to subscribe for New Shares, or allows or is deemed to allow them to lapse and receives a cash payment, then, if the proceeds are “small” as compared to the value of the Existing Shares in respect of which the rights arose, the Shareholder should not generally be treated as making a disposal for CGT purposes. Instead, the proceeds will be deducted from the base cost of their holding of Existing Shares for the purpose of computing any chargeable gain or allowable loss on a subsequent disposal. HM Revenue & Customs currently regards a receipt as “small” if its amount or value does not exceed the greater of (a) 5 per cent. of the value of the Existing Shares or (b) £3,000. This treatment will not apply if such proceeds are greater than the base cost of the holding of Existing Shares for CGT purposes.

2.1.2 Non-UK Tax Resident Shareholders

A Shareholder who is not resident for tax purposes in the United Kingdom will not generally be subject to CGT on the disposal or deemed disposal of New Shares unless the Shareholder is carrying on a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the New Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has ceased to be resident for tax purposes in the United Kingdom or is treated as resident outside the United Kingdom for the purposes of a double tax treaty for a period of five years or less and who disposes of all or part of his or her New Shares during that period may be liable to CGT, subject to any available exemptions or reliefs.

2.2 Taxation of Dividends

The Company will not be required to withhold tax at source when paying a dividend in respect of New or Existing Shares. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

2.2.1 UK Resident Individual Shareholders

A UK resident individual Shareholder will not be subject to income tax on a dividend such individual Shareholder receives from the Company if the total amount of dividend income received by the individual in the tax year (including the dividend from the Company) does not exceed a dividend allowance of £2,000, which will be taxed at a nil rate (the “**Dividend Allowance**”). For these purposes, “dividend income” includes UK and non-UK source dividends and certain other distributions in respect of Shares received by a UK resident individual.

In determining the income tax rate or rates applicable to a UK resident individual Shareholder’s taxable income, dividend income is treated as the highest part of such individual Shareholder’s income. Dividend income that falls within the Dividend Allowance will count towards the basic or higher rate limits (as applicable) which may affect the rate of tax due on any dividend income in excess of the Dividend Allowance.

To the extent that a UK resident individual Shareholder’s dividend income for the tax year exceeds the Dividend Allowance and, when treated as the top slice of such individual Shareholder’s income, falls above such individual Shareholder’s personal allowance but below the basic rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend basic rate of 7.5 per cent. To the extent that such dividend income falls above the basic rate limit but below the higher rate limit, such an individual Shareholder will be

subject to tax on that dividend income at the dividend upper rate of 32.5 per cent. To the extent that such dividend income falls above the higher rate limit, such an individual Shareholder will be subject to tax on that dividend income at the dividend additional rate of 38.1 per cent.

2.2.2 UK Resident Corporate Shareholders

A Shareholder who is within the charge to UK corporation tax and is a “small company” for the purposes of the UK taxation of dividends legislation will not generally be subject to UK corporation tax (currently at a rate of 19 per cent) on dividends from the Company, provided certain conditions are met, including consideration of anti-avoidance legislation. In general, where the following conditions are met, receipts of dividends by a “small” company should not be subject to corporation tax: (a) at the time of the receipt the payer is resident in (and only in) the UK or a qualifying territory; (b) no deduction for the payment of the dividend is allowed to a resident of a territory outside the UK under the law of that territory; (c) the dividend is not in respect of any non-commercial or special securities; and (d) the dividend is not made as part of a tax advantage scheme (such terms, in each case, having the meaning given to them for the purposes of the UK taxation on dividends legislation).

A Shareholder who is within the charge to UK corporation tax and is not a “small company” for the purposes of the UK taxation of dividends legislation will be subject to corporation tax (currently at a rate of 19 per cent) on dividends paid by the Company, unless the dividends fall within an exempt class and certain other conditions are met. In general, where the following other conditions are met (and the dividends fall within an exempt class), receipts of dividends by a company which is not a “small company” should not be subject to corporation tax: (a) no deduction for the payment of the dividend is allowed to a resident of a territory outside the UK under the law of that territory; and (b) the dividend is not in respect of any non-commercial or special securities (such terms, in each case, having the meaning given to them for the purposes of the UK taxation on dividends legislation). As an example, (i) dividends paid on shares that are not redeemable and do not carry any present or future preferential rights to dividends or to the Company’s assets on its winding up, and (ii) dividends paid to a person holding less than a 10 per cent. interest in the Company, should, in each case, generally fall within an exempt class. However, it should be noted that the exemptions are not comprehensive, their applicability will depend on a Shareholder’s own circumstances and they are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own professional advisers.

2.2.3 Non-UK Resident Shareholders

A Shareholder that is not resident for tax purposes in the United Kingdom will not generally be subject to UK tax on dividends received in respect of Shares, unless the Shareholder is carrying on a trade, profession or vocation in the UK (or, in the case of a Shareholder within the charge to UK corporation tax, in connection with a trade carried on in the UK through a permanent establishment in the UK) from or through which the dividend arises (directly or indirectly) or in respect of which the Shares are used or held. Such Shareholders may be subject to foreign taxation on dividend income under local law.

2.3 UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The statements in this paragraph 2.3 apply to any holders of Shares irrespective of their tax residence, summarise the current UK stamp duty and SDRT position according to HM Revenue & Customs’ published practice (which may not be binding on HM Revenue & Customs) and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries, and such rules are not covered by this summary.

2.3.1 The Rights Issue

No stamp duty or SDRT will arise on the issue of New Shares pursuant to the Rights Issue, other than as explained in the paragraphs below.

No stamp duty or SDRT will generally arise on the issue of Provisional Allotment Letters or the crediting of Nil Paid Rights to accounts in CREST. Where New Shares represented by such documents or rights are registered in the name of the Shareholder entitled to such New Shares, or New Shares are credited in uncertificated form to CREST accounts, no liability to stamp duty or SDRT will generally arise.

A purchaser of rights to New Shares represented by Provisional Allotment Letters (whether nil or fully paid) or of Nil Paid Rights or Fully Paid Rights held in CREST on or before the latest time for registration or renunciation will not generally be liable to pay stamp duty, but the purchaser will normally be liable to pay SDRT at the rate of 0.5 per cent. of the value or amount of the consideration given.

Where such a purchase is effected through a stockbroker or other financial intermediary, that person will normally account for the SDRT and should indicate that this has been done in any contract note issued to the purchaser. In other cases, the purchaser of the rights to the New Shares represented by the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights held in CREST is liable to pay the SDRT and must account for it to HM Revenue & Customs. In the case of transfers within CREST, any SDRT due should be collected through CREST in accordance with the CREST rules.

No stamp duty or SDRT will be payable on the registration of Provisional Allotment Letters or Nil Paid Rights or Fully Paid Rights, whether by the original holders or their renounees.

2.3.2 Subsequent Transfers

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. A charge to SDRT will also normally arise on an unconditional agreement to transfer Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if, within six years of the date of the agreement becoming unconditional, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any SDRT already paid will be refunded (generally, but not necessarily, with interest), provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee. An exemption from stamp duty is available on an instrument transferring Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

Special rules apply where listed securities are transferred between connected companies. Corporate holders of Shares should consult an appropriate professional advisor if they intend to transfer their Shares at less than full market value to a company with which they are connected.

(i) Shares Held Through CREST

Paperless transfers of Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. Under the CREST system, no stamp duty or SDRT will arise on a transfer of Shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

(ii) Shares Held Through Clearance Systems or Depositary Receipt Arrangements

Special rules apply where Shares are issued or transferred to, or to a nominee or agent for, either: (a) a person whose business is or includes issuing depositary receipts within section 67 or section 93 of the Finance Act 1986 ("FA 1986"), or (b) a person whose business is or includes providing a clearance service within section 70 or section 96 of the FA 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent.

In light of EU case law, HM Revenue & Customs has confirmed that it will no longer generally seek to apply 1.5 per cent. SDRT on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. This EU case law continues to apply until 31 December 2020 (or such later date as may be agreed) under the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community. Further, it was confirmed in the Autumn 2017 Budget that the UK Government intends to continue this approach following the UK's withdrawal from the European Union.

Professional advice should be sought in relation to a transaction to which a 1.5 per cent. stamp duty or SDRT charge may apply.

3 United States Taxation

3.1 Certain US Federal Income Tax Considerations

The following is a summary of certain US federal income tax consequences of the receipt, exercise and disposition of rights to purchase New Shares pursuant to the Rights Issue (“**Rights**”), as well as the acquisition, ownership and disposition of New Shares by a US Holder (as defined below). This summary deals only with US Holders that will receive Rights in the Rights Issue and that will hold the Rights and New Shares as capital assets. The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the receipt, exercise or disposition of Rights pursuant to the Rights Issue or the acquisition, ownership or disposition of New Shares by particular investors (including consequences under the alternative minimum tax or Medicare tax on net investment income), and does not address state, local, non-US or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5 per cent. or more of the stock (by vote or value) of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Rights or New Shares as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes, persons that have ceased to be US citizens or lawful permanent residents of the United States, investors holding the Rights or New Shares in connection with a trade or business conducted outside of the United States, US citizens or lawful permanent residents living abroad or investors whose functional currency is not the US dollar).

As used herein, the term “US Holder” means a beneficial owner of the Rights or New Shares that is, for US federal income tax purposes, (a) an individual citizen or resident of the United States, (b) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to US federal income tax without regard to its source or (d) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in an entity or arrangement treated as a partnership for US federal income tax purposes that holds the Rights or New Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for US federal income tax purposes should consult their tax advisers concerning the US federal income tax consequences to them and their partners of the receipt, exercise and disposition of Rights and the acquisition, ownership and disposition of New Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the United Kingdom (the “**Treaty**”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF RECEIVING, EXERCISING AND DISPOSING OF RIGHTS AND THE ACQUIRING, OWNING AND DISPOSING OF NEW SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-US AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

3.2 Rights

3.2.1 Receipt of Rights

The tax consequences of the receipt of Rights by a US Holder are not free from doubt. In particular, it is not clear whether the sale by the Underwriters of New Shares not taken up in the Rights Issue, and the remittance of any premiums from that sale (“**Unexercised Rights Payment**”) to US holders whose Rights were sold should be treated as a sale of New Shares and distribution of cash by the Company, or as a distribution of Rights by the Company and a subsequent sale of those Rights (or an exercise of the Rights and a subsequent sale of New Shares) by the relevant holders. If the sale and distribution were considered to be made by the Company, then the receipt of Nil Paid Rights would be taxable to US Holders as a dividend to the extent of the Company’s current or accumulated earnings and profits, as described in paragraph 3.3.1 below. However, based on the particular facts relating to the Rights and the sale of Rights by the Underwriters, we believe it is proper to take the position that a US Holder is not required to include any amount in income for US federal income tax purposes as a result of the receipt of the Rights. It is possible that the US Internal Revenue Service will take a contrary view and require a US Holder to include in income the fair market value of the Rights on the date of their distribution. The remainder of this discussion assumes that the receipt of the Rights will not be a taxable event for US federal income tax purposes.

If, on the date of distribution, the fair market value of the Rights is less than 15 per cent. of the fair market value of the Existing Shares with respect to which the Rights are received, the Rights will be allocated a zero tax basis unless the US Holder affirmatively elects to allocate its tax basis in the Existing Shares with respect to which the Rights are received between such Existing Shares and the Rights received in proportion to their relative fair market values determined on the date of distribution. This election must be made in the US Holder’s timely filed US federal income tax return for the taxable year in which the Rights are received, in respect of all Rights received by the US Holder, and is irrevocable.

If, on the date of distribution, the fair market value of the Rights is 15 per cent. or more of the fair market value of the Existing Shares with respect to which the Rights are received, then, except as discussed in paragraph 3.2.3 below, the basis in the US Holder’s Existing Shares with respect to which the Rights were received must be allocated between the Existing Shares and the Rights received in proportion to their relative fair market values determined on the date of distribution.

3.2.2 Sale or Other Disposition of Rights

Upon a sale or other disposition of Rights, a US Holder generally will recognise capital gain or loss equal to the difference, if any, between the US dollar value of the amount realised (as determined on the date of the sale or other disposition) and the US Holder’s adjusted tax basis in the Rights. Any gain or loss generally will be US source, and will be long-term capital gain or loss if the US Holder’s holding period in the Rights exceeds one year. A US Holder’s holding period in the Rights will include the US Holder’s holding period in the Existing Shares with respect to which the Rights were distributed.

3.2.3 Expiration of Rights Without Payment

If a US Holder allows the Rights to expire without selling or exercising them and does not receive any Unexercised Rights Payment, the holder will not recognise any loss upon the expiration of the Rights, and the holder will not be entitled to allocate any basis to the Rights.

3.2.4 Exercise of Rights

A US Holder will not recognise taxable income upon the receipt of New Shares pursuant to the exercise of Rights. A US Holder’s basis in the New Shares will equal the sum of the US dollar value of the Issue Price determined at the spot rate on the date of exercise and the US Holder’s basis, if any, in the Rights exercised to obtain the New Shares. A US Holder’s holding period in each New Share acquired through the exercise of a Right will begin with and include the date of exercise (unless the Existing Shares with respect to which the Rights were distributed were PFIC shares in the hands of the US Holder in which case the holding period in the New Shares would include such US Holder’s holding period in the Rights).

3.2.5 Proceeds from Sale by Underwriters

The US federal income tax treatment of a US Holder that receives an Unexercised Rights Payment as a result of the sale by the Underwriters of New Shares in respect of such holder's Rights is not free from doubt. Generally, such a US Holder will be treated either as having sold the Rights (as described above) or as having exercised the Rights and sold the New Shares. A US Holder that is treated as having sold the New Shares will recognise a short-term capital gain or loss as described in paragraph 3.3.2 below, regardless of the holding period of the Rights. US Holders that receive amounts in respect of lapsed Rights should consult their own tax advisers regarding the US federal income tax treatment of such amounts.

3.3 New Shares

3.3.1 Dividends

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for US federal income tax purposes) generally will be taxable to a US Holder as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the New Shares, and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should therefore assume that any distribution by the Company with respect to New Shares will be reported as ordinary dividend income.

US Holders should consult their own tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from the Company.

Dividends paid by the Company generally will be taxable to a non-corporate US Holder at the reduced rate normally applicable to long-term capital gains, provided the Company qualifies for the benefits of the Treaty and certain other requirements are met.

Dividends paid in pounds sterling will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the US Holder regardless of whether the pounds sterling are converted into US dollars at that time. If dividends received in pounds sterling are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

US Holders should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to distributions received from the Company.

3.3.2 Sale or Other Taxable Disposition

Upon a sale or other taxable disposition of New Shares, a US Holder generally will recognise capital gain or loss for US federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the US Holder's adjusted tax basis in the New Shares (as determined pursuant to the rules discussed in paragraph 3.2.4 above, in each case as determined in US dollars). This capital gain or loss will be long-term capital gain or loss if the US Holder's holding period in the New Shares exceeds one year. The deductibility of capital losses is subject to limitations. Any gain or loss generally will be US source. US Holders should consult their own tax advisers about how to account for proceeds received on the sale or other disposition of New Shares that are not paid in US dollars.

3.3.3 Passive Foreign Investment Company Considerations

The Company believes that it was not a passive foreign investment company ("PFIC") for its 2019 taxable year and also believes that it will not be a PFIC for its current taxable year or in the foreseeable future. However, the Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be treated as a PFIC, US Holders of New Shares would be required (i) to pay a special US addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of New Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, dividends paid by the Company would not be eligible for the reduced rate of tax described above in paragraph 3.3.1. US Holders should consult their tax advisers regarding the potential application of the PFIC regime.

3.3.4 Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to New Shares by a US paying agent or other US intermediary will be reported to the US Internal Revenue Service (“**IRS**”) and to the US Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain US Holders are not subject to backup withholding. Backup withholding is not an additional tax. Any amounts of backup withholding will be allowed as a credit against a US Holder’s federal income tax liability, and may entitle the US Holder to a refund, provided that the required information is furnished to the IRS in a timely manner. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption and any other reporting obligations that may apply to the ownership or disposition of New Shares, including requirements related to the holding of certain “specified foreign financial assets”.

PART XIX

ADDITIONAL INFORMATION

1 Responsibility Statement

The Company and the Directors, whose names and principal functions are set out in paragraph 5 below, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

2 Incorporation and Registered Office

The Company was incorporated and registered in Scotland on 16 July 1936 as a private company limited by shares under the Companies Act 1929, with registered number SC019230 and with the name Hugh Highgate & Company Limited. The Company changed its name to Highgate & Job Limited on 7 April 1960 and again to Highgate & Job Group Limited on 1 April 1966. The Company was re-registered on 16 February 1982 as a public company limited by shares under the Companies Acts 1948 and 1980 with the name Highgate & Job Group plc. The Company subsequently changed its name to Mitie Group plc on 5 October 1989.

The Company is domiciled in the United Kingdom and its registered office is located at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. The Company's main telephone number is +44 (0) 330 678 0710.

The principal legislation under which the Company operates, and under which the New Shares will be created, is the Companies Act 2006 and regulations made thereunder.

BDO LLP, whose address is 55 Baker Street, London, W1U 7EU United Kingdom, is the auditor of the Company. BDO LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

The Shares are listed on the Official List of the FCA and admitted to trading on the main market of the London Stock Exchange. The ISIN of the Shares is GB0004657408.

3 Share Capital

3.1 Issued Share Capital

3.1.1 As at 22 June 2020 (being the latest practicable date prior to the date of this document), the issued share capital of the Company was £9,342,129.10, comprising 373,685,164 Shares, all of which were fully paid or credited as fully paid. The Shares have a nominal value of 2.5 pence each and are admitted to the premium listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities, respectively. Of this number, 7,744,359 were registered as treasury shares, representing 2.1 per cent. of the issued share capital of the Company (excluding such treasury shares) and leaving a balance of 365,940,805 Shares with voting rights.

3.1.2 The table set out below shows the issued and fully paid share capital of the Company as at 22 June 2020 (being the latest practicable date prior to the date of this document) and as it is expected to be immediately following Admission:

	Shares in issue as at 22 June 2020		Shares in issue immediately following the Rights Issue ⁽¹⁾	
	Number	£	Number	£
Shares in issue.....	365,940,805 ⁽²⁾	9,148,520	1,171,010,576	29,275,264

Note:

(1) On the assumption that no further Shares are issued as a result of the exercise of any options or awards vesting under any Employee Share Plans between 22 June 2020 (being the latest practicable date prior to the date of this document) and Admission becoming effective.

(2) Excludes 7,744,359 Shares held in treasury.

- 3.1.3 The number of Shares outstanding at the beginning and end of the last financial year is as follows:

Date	Issued and fully paid⁽¹⁾
1 April 2019	365,940,805
31 March 2020	365,940,805

Note:

(1) Excludes 7,744,359 Shares held in treasury

3.2 Share Capital History

- 3.2.1 During the three year period ended 31 March 2020 and for the period between 1 April 2020 and 22 June 2020 (being the latest practicable date prior to the date of this document), the following alterations in the Company's issued share capital have occurred:
- (a) on 20 October 2017, the Company allotted 2,396,381 ordinary shares for a nominal value of £0.025 per share; and
 - (b) on 19 July 2017, the Company allotted 2,196,708 ordinary shares for a nominal value of £0.025 per share.
- 3.2.2 Save as disclosed above, since 22 June 2020 (being the latest practicable date prior to the date of this document) there has been no issue of share capital of the Company, fully or partly paid, either in cash or for other consideration, and (other than in connection with the Rights Issue and the issue of Shares to satisfy the vesting of awards or the exercise of options under the Employee Share Plans) no such issues are proposed.
- 3.2.3 The Company remains subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash, and the provisions of section 561 of the Companies Act 2006 (which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the issued share capital of the Company which is not the subject of the disapplication approved by the Shareholders in a general meeting of the Company.

3.3 New Share Issue

- 3.3.1 Subject to Admission, pursuant to the Rights Issue, 805,069,771 New Shares will be issued at a price of 25 pence per New Share. This will result in the issued ordinary share capital of the Company increasing by approximately 220 per cent. Qualifying Shareholders who take up their *pro rata* entitlement in full will suffer no dilution to their interests in the Company. Qualifying Shareholders who do not take up any of their rights to subscribe for the New Shares will be diluted by 69 per cent. following the Rights Issue (assuming that no Shares are issued to satisfy the vesting of awards or the exercise of options under the Employee Share Plans between 22 June 2020 (being the latest practicable date prior to the date of this document) and Admission becoming effective).
- 3.3.2 At the General Meeting, a resolution is proposed to authorise the Directors, pursuant to section 551 of the Companies Act, to allot Shares and to grant rights to subscribe for or convert any security into Shares up to a nominal amount of £20,126,744 pursuant to or in connection with the Rights Issue.
- 3.3.3 The New Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders by a resolution of the Board or a committee thereof and created in accordance with the laws of Scotland.
- 3.3.4 The New Shares will have the same rights in all respects as the Existing Shares (including the right to receive all dividends or other distributions declared by the Company after the date of issue of the New Shares).
- 3.3.5 The ISIN for the New Shares will be the same as that of the Existing Shares, being GB0004657408. The ISIN for the Nil Paid Rights is GB00BJK09942. The ISIN for the Fully Paid Rights is GB00BJK09B66.

4 Articles of Association

The Articles of Association of the Company may be found at <https://www.mitie.com/investors/corporate-governance/> and contain, among others, provisions to the following effect:

4.1 Objects and Purpose

The Company's objects are not restricted by its Articles of Association. Accordingly, pursuant to Section 31 of the Companies Act 2006, the Company's objects are unrestricted.

4.2 Limited Liability

The liability of each member is limited to the amount, if any, for the time being unpaid on the shares held by that member.

4.3 Alteration of Share Capital

The provisions of the Articles governing the conditions under which the Company may alter its share capital are no more stringent than the conditions imposed by the Companies Act 2006.

Subject to the Companies Act 2006 and any relevant authority of the Company in a general meeting required by the Companies Act, the Board may allot, grant options over, offer or otherwise deal with or dispose of shares, or rights to subscribe for or convert any security into shares.

4.4 Respective Rights of Different Classes of Shares

Subject to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as determined by either the Company by ordinary resolution or, so far as the resolution does not make specific provision or if no such resolution has been passed, the Board. The Company may also, subject to legislation applicable to the Company, issue shares which are, or are liable to be, redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such shares.

4.5 Voting Rights

At a general meeting, subject to any special rights or restrictions attached to any class of shares, every member present in person and every duly appointed proxy present has, on a show of hands, one vote and on a poll, every member present in person and every duly appointed proxy has one vote for every Share of which he or she is the holder. No member shall be entitled to vote at any general meeting unless all moneys payable by him in respect of the shares in the Company have been fully paid.

Neither Scottish law nor the Articles of Association impose any limitation on the rights of non-UK residents or foreign shareholders to own Shares, including the rights to hold or exercise voting rights on the Shares.

4.6 Variation of Rights

4.6.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class can only be changed as may be provided by those rights or with either:

- (A) the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class; or
- (B) the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, duly convened.

4.6.2 The special rights attached to any class of shares are not (unless otherwise expressly provided by the terms conferring such rights) deemed to be varied by the allotment or issue of new shares ranking in all respects equally with them. However, such special rights shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or which confer on the holders more favourable voting rights than the existing shares.

4.7 Transfers of Shares

- 4.7.1 Shares may be held in either certificated or uncertificated form.
- 4.7.2 Transfers of certificated shares must be effected in writing in any usual form or in another form approved by the Board, signed by or on behalf of the transferor and, in the case of a share that is not fully paid, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares.
- 4.7.3 The Board may refuse to register any transfer of a certificated share, unless: the instrument of transfer is: (a) presented for registration to the Company at the Company's registered office (or such other place as the Board may decide) and is properly stamped (if required); (b) accompanied by the relevant share certificate(s); (c) accompanied by such other evidence reasonably required by the Board to show the transferor's right to make the transfer or, if the instrument of transfer is executed by some other person on the transferor's behalf, the authority of that person to do so; (d) in respect of only one class of share and all of those shares are fully paid; (e) in respect of a share or shares over which the Company has no lien; and (f) in favour of a single transferee or not more than four joint transferees, in each case being a natural or legal person.
- 4.7.4 Transfers of uncertificated shares may be effected in accordance with the CREST Regulations.
- 4.7.5 The Board may refuse to register the transfer of an uncertificated share may be refused if the transfer is in favour of more than four joint transferees or in any other circumstances permitted by the CREST Regulations.

4.8 Dividends

- 4.8.1 *Declaration of dividends:* The Company may, by ordinary resolution, declare a dividend in accordance with the respective rights of members. No dividend may exceed the amount recommended by the Board.
- 4.8.2 *Interim dividends:* If and so far as in the opinion of the Board the profits of the Company justify such payments, the Board may pay interim dividends. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares for any loss they may suffer by the lawful payment of any interim dividend on any other class of shares having rights ranking after or equal with those shares.
- 4.8.3 *Payment of dividends:* Unless otherwise provided by the rights attached to the share, all dividends may be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion of the period in respect of which the dividend is paid. The Board may deduct from any dividend payable to any member any sum owed by that member to the Company in respect of any shares, and the Company may apply the deducted sum to pay the sum owed to it.
- 4.8.4 *No interest on dividends:* No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company, unless otherwise provided by the rights attached to the share.
- 4.8.5 *Unclaimed dividends:* Any dividends unclaimed for 12 months may be invested or otherwise applied for the benefit of the Company until they are claimed. Any dividend unclaimed for 12 years from the date on which it was declared or became due for payment shall be forfeited and shall revert to the Company.
- 4.8.6 *Waiver of dividends:* A shareholder or other person entitled to a dividend may waive it in whole or in part. The waiver of any dividend shall be effective only if such waiver is in writing and signed or authenticated by the shareholder or the person entitled to the dividend and delivered to the Company.
- 4.8.7 *Scrip dividend:* The Board may, with the prior authority of an ordinary resolution of the Company, offer to ordinary shareholders the right to elect to receive an allotment of new ordinary shares credited as fully paid in lieu of the whole or part of a dividend.

4.9 General Meetings

An AGM of shareholders must be held every year within a period of six months of the day following the Company's accounting reference date (which is 31 March), at such place or places, date and time as may be decided by the Board. The Board may convene a general meeting whenever and wherever they think appropriate. The Directors are required to call a general meeting once the Company has received requests from its members to do so, in accordance with the Companies Act 2006.

An AGM must be convened by giving at least 21 days' notice, while any other general meeting shall be called by notice of at least 21 days or, if the members have passed a special resolution under the Companies Act 2006, at least 14 days. At the Company's last AGM on 30 July 2019, a special resolution was passed authorising a general meeting (other than an AGM) to be called by giving at least 14 clear days' notice. This approval is effective until the Company's next AGM, where it is intended that a similar resolution will be proposed.

The Board may require attendees to submit to searches or put in place such arrangements or restrictions as they think fit to ensure the proper and orderly conduct of the meeting or the safety and wellbeing of people arriving, attending or leaving a general meeting.

4.10 The Company's Directors

Under the Articles of Association, there shall be not fewer than two nor more than 14 directors (unless otherwise determined by the Company by ordinary resolution). The business and affairs of the Company are managed by the Directors, subject to the requirements of the Articles of Association and any special resolutions of shareholders.

No business shall be transacted at a meeting of the Board unless a quorum is present, which is two Directors or such higher number as the Board may decide. The Board resolutions require the approval of a simple majority of Directors present and voting. In case of an equality of votes, the chairman of the meeting has a casting vote, and resolutions of the Board may be passed without a meeting by way of written consent by all Directors entitled to receive notice of a Board meeting.

4.11 Appointment and Removal of Directors

The Company may, by ordinary resolution, appoint as a Director a person who is willing to act as such. The Board may also appoint as a Director a person who is willing to act as such. Subject to the provisions on rotation of Directors, any Director appointed by the Board holds office only until the next annual general meeting and if not reappointed at such meeting shall vacate office at its conclusion. In line with the recommendations of the Corporate Governance Code, all of the Directors wishing to continue serving, and considered eligible by the Board, offer themselves for re-election at every AGM. The relevant Director will remain in office and the retirement shall not have effect until the end of the meeting, or a resolution is passed to elect some other person in the place of the retiring Director. Accordingly, a retiring Director who is re-elected will continue in office without a break.

The Board may appoint any one or more Directors to hold executive office in the Company on such terms and for such period as the Board thinks fit.

The Company may, by ordinary resolution (of which special notice has been given) remove any director before their period of office has expired.

4.12 Chair of the Board

The Board may elect from its number a Chairman and deputy Chairman of the Board and decide the period for which he or she is to hold office. The Board may appoint a person other than the Chair or the deputy Chairman of the Board to act as chair of a meeting if the elected Chairman and deputy Chairman are not present within 10 minutes of the appointed time.

4.13 No Share Qualification

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

4.14 Retirement of Directors by Rotation

At every annual meeting at least one third of the Directors who are subject to retirement by rotation must retire from office by rotation.

4.15 Directors' Fees, Expenses, Pensions and Other Benefits

The Company may pay to the Directors for their services as Directors such aggregate amount of fees as the Board or the Company's Remuneration Committee decides. The remuneration of the Non-Executive Directors of the Company is set by the Board, up to a cap of £750,000 per annum, or such larger amount as determined by ordinary resolution of the Company's shareholders. The remuneration of executive Directors is also determined by the Board (acting through the Remuneration Committee) and may be either a fixed sum of money and/or through a share of business done or profits made. Any such fee payable to an Executive Director may be in addition to or in lieu of any fees payable to such Director for their services as Director.

A Director who performs or renders any special duties or services outside their ordinary duties as a Director, and not in their capacity as holder of an executive office, may be paid such additional remuneration as the Board or any Board committee decides. A Director is entitled to be repaid all reasonable expenses properly incurred in the performance of their duties as Director.

The Board may exercise all the Company's powers to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances for a person who is or has been a Director of the Company or a Director of a company which is or was a subsidiary or affiliate, a company which is or was allied to or associated with a subsidiary or affiliate or a predecessor in business of a subsidiary or affiliate. The Board may provide such benefits to any member of the Directors' family or any person who was dependent on the Director.

4.16 Executive Directors

The Directors may appoint any Director to hold any employment or executive office with the Company for such period and on such terms as the Board may decide. The Board may revoke, terminate or vary the terms of any such appointment.

A person who ceases to be a Director will, on such cessation, also cease to have any powers previously delegated to him by the Company other than pursuant to any terms on which he or she continues to be employed by it.

4.17 Directors' Interests

The Directors may authorise any situation or matter relating to a particular Director to which section 175 of the Companies Act 2006 applies, provided that at the meeting at which such authorisation is provided there is a quorum without counting any interested Director. Before any such authorisation is given, a Director shall disclose all material particulars of the situation or matter which could influence the decision of the Board. If the Directors provide such an authorisation, the Director concerned:

- (i) shall not be obliged to disclose to the Company confidential information obtained by him where to do so would amount to a breach of a duty of confidence to any third party; and
- (ii) may absent himself from any Board discussions, and not receive documents and information relating to a matter that he or she has or may have a conflict of interest in respect of.

The Directors may also vary or terminate any such authorisation at any time.

A Director is not required, by reason of being a Director, to account to the Company for any profit, remuneration or other benefit which he or she derives from or in connection with a potential conflict which has been authorised by the Board or the Company.

Provided that a Director has disclosed his or her interest in the matter, he or she is not required by reason of being a Director to account to the Company for any profit, remuneration or other benefit which he or she derives from or in connection with:

- (i) being a party to or otherwise interested in any arrangement or transaction with the Company or in which the Company is otherwise interested;

- (ii) holding any other office or place of profit with the Company in conjunction with his or her office of Director;
- (iii) acting by himself or herself or through a firm with which he or she is associated in a professional capacity for the Company or any body corporate in which the Company is interested; or
- (iv) being a Director or other officer of, or employed by or otherwise interested in, any body corporate in which the Company or is interested or which has an interest in the Company or in any other undertaking.

Directors also have to comply with restrictions on related party transactions under applicable law.

4.18 Powers of the Directors

Subject to applicable law, the Articles of Association, and any special resolutions of the Company, the business of the Company is managed by the Directors who can exercise all the powers of the Company.

The Board may establish any committee for the purposes of carrying out any exercise, function or task that the Board has the power to carry out itself. The committees are allowed to have non-Directors with voting rights, but only if:

- (i) a majority of the members of the committee are Directors; and
- (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present when it is passed are Directors.

All acts by any meeting of Directors or of any committee would be valid as regards third parties dealing in good faith with the Company, even if there is some defect in any appointment or in the voting process of the Directors or of any committee.

4.19 Directors' Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, subject to the terms of the Articles of Association including the total aggregate borrowing limit of £1.5 billion (other than as previously sanctioned by ordinary resolution of the Company) set out therein.

4.20 Communications with Members

Any document or information (including a share certificate) which is sent or supplied by or on behalf of the Company:

- (i) by post, shall be deemed to have been received by the intended recipient at the expiration of 24 hours after the time it was posted;
- (ii) in hard copy by leaving it at the intended recipient's registered address or a postal address in the United Kingdom notified by him to the Company for the sending or supply of documents and information is deemed to have been received when it was left or delivered;
- (iii) by electronic means is deemed to have been received (if sent or supplied between the hours of 9:00 a.m. and 5:00 p.m. on a working day) by the intended recipient on the day it was sent; and
- (iv) by means of a website is deemed to have been received on the day the material was first made available on the website or, if later, when the recipient received notice of its availability on the Company's website.

Any accidental failure on the part of the Company to send, or the non-receipt by any person entitled to, any document or information relating to any meeting or other proceeding will not invalidate the relevant meeting or proceeding.

A member who has no registered address within the United Kingdom and has not supplied to the Company an address within the United Kingdom for the service of notices will not be entitled to receive notices from the Company.

4.21 Disclosure of Shareholding Ownership

The DTRs require a member to notify the Company if the voting rights held by such member (including by way of certain financial instruments) reach, exceed or fall below 3 per cent. and each 1 per cent. threshold thereafter up to 100 per cent.

Pursuant to the Companies Act 2006 and the Articles of Association, the Company may send a notice to any person who appears to be interested in shares in the Company. If such person fails to give the Company the information required by such notice within 14 days after the date on which the notice was sent to the person, the holder of those shares shall not be entitled to be present or vote in respect of his or her shares at any general meeting or on a poll, or to exercise any other rights conferred by membership in relation to the meeting or poll.

The Directors may, in their absolute discretion, where those shares represent 0.25 per cent. or more of the issued shares of a relevant class, withhold a dividend (or any part of a dividend) or other distribution or amount payable in respect of those shares, and/or refuse to register the transfer of any of those shares.

4.22 Change of Control Provisions

There are no provisions in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

5 Directors of the Company

The Directors are listed below:

Name	Position	Age	Term Expires ⁽¹⁾
Derek Mapp	Chairman	70 years	8 May 2023 ⁽²⁾
Phillip Bentley	Chief Executive Officer	61 years	No specified term
Andrew Peeler.....	Chief Financial Officer	57 years	9 December 2020
Nivedita Krishnamurthy Bhagat	Independent Non-Executive Director	48 years	31 May 2023 ⁽²⁾
Jennifer Duvalier.....	Independent Non-Executive Director	51 years	25 July 2020
Mary Reilly	Independent Non-Executive Director	67 years	31 August 2020
Baroness Philippa Couttie.....	Independent Non-Executive Director	57 years	14 November 2020
Roger Yates	Senior Independent Director	63 years	28 February 2021

Note:

(1) All Directors put themselves up for re-election at each AGM, in accordance with the Corporate Governance Code

(2) This term is an extension of the term of the original underlying services contract

Unless otherwise indicated, the business address of the Directors is Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG England, and their business telephone number is +44 (0) 330 678 0710.

None of the current Directors was selected to be a director of the Company pursuant to any arrangement or understanding with any major client, supplier or other person having a business connection with the Company. There are no family relationships between any of the current Directors or senior management. There are no actual or potential conflicts of interest between any duties of Directors and their private interests and other duties.

Set forth below are brief biographical descriptions of the Directors.

5.1 Derek Mapp

Chairman of the Board and Chairman of the Nomination Committee. Derek was appointed a Non-Executive Director on 9 May 2017 and Chairman of Mitie on 26 July 2017. Derek is Chair of Informa plc and private company Imagesound Limited. Derek also has several other private business interests. Derek was Chair of Huntsworth plc from December 2014 to March 2019. He was also previously Chief Executive Officer of Tom Cobleigh plc and Chair of Leapfrog Day Nurseries Limited, East Midlands Development Agency, Sport England and British Amateur Boxing Association Limited.

Derek is an experienced chairman and entrepreneur, with an extensive career in ownership, managerial, operational and commercial roles in service industries. Derek brings a wealth of

commercial and governance experience within various sectors; and promotes robust debate and an open and engaged culture.

5.2 Phillip Bentley

Chief Executive Officer. Phillip was appointed as a director of the Company (in the role of Chief Executive Designate) on 1 November 2016 and was appointed Chief Executive Officer on 12 December 2016. Phillip was Group Chief Executive Officer of Cable & Wireless Communications plc from January 2014 until its sale to Liberty Global plc in May 2016. Prior to this he was a member of the board of Centrica plc from 2000 to 2013 whilst also Managing Director of British Gas from 2007 to 2013, Managing Director, Europe from 2004 to 2007 and Group Finance Director from 2000 to 2004. Phillip's prior non-executive directorships include IMI plc from 2012 to 2014 and Kingfisher plc from 2002 to 2010.

Phillip has executive and non-executive experience having worked with FTSE 100 companies for over 19 years. Phillip has significant strategic and commercial experience at both the national and global level and extensive executive and leadership experience from across industry. Phillip also has experience in financial, audit and risk management systems and is an Accountant by profession, with a master's degree from Oxford University and an MBA from INSEAD, Fontainebleau.

5.3 Andrew Peeler

Chief Financial Officer. Andrew was appointed to his current role as Chief Financial Officer on 9 December 2019 and was appointed as a director of the Company with effect from 2 January 2020. Andrew is a director and chair of the Finance Committee of Fair Finance, a leading micro finance social enterprise. Andrew was Chief Executive Officer of Yodel from January 2018 to September 2019, having previously been Chief Financial Officer from September 2017. Prior to this he held several senior executive and board positions in Europe, America and Australia including with Bupa, Premier Foods, Cadbury Schweppes and Unilever.

Andrew is a well-regarded leader with broad commercial and financial experience. His skills and experience include strong operational and strategic oversight and execution and a proven track record in business expansion and transformation. Andrew is qualified as a chartered global management accountant.

5.4 Nivedita Krishnamurthy Bhagat

Independent Non-Executive Director and member of the Audit and Nomination Committees. Nivedita was appointed a Non-Executive Director on 1 June 2017. Nivedita is Chief Executive, Global Cloud Infrastructure Services, Europe at Capgemini SA, a French publicly listed multinational corporation. She is also a member of its Group Executive Committee and a director of two of its group companies: Capgemini UK plc and CGS Holdings Ltd (both unlisted). Nivedita was Head of Enterprise Solutions, EMEA and Head of London Development Centre at Infosys Technologies Ltd from 1998 to 2010. Prior to this she was a consultant in the corporate finance division at KPMG India.

Nivedita has significant international management experience having worked across the UK, Europe, US and India and has vast experience in advising clients on technology solutions with a view to enabling them to increase shareholder value. Nivedita was involved for several years in IT consulting and IT outsourcing managing large complex contracts. Nivedita has a strong sales orientation having sold global technology and digital solutions to global clients and has a deep P/L management with focus on top and bottom line. Nivedita is qualified as a chartered accountant, with a degree in Economics.

5.5 Jennifer Duvalier

Independent Non-Executive Director, Chair of Remuneration Committee and member of the Nomination Committee. Jennifer was appointed as a Non-Executive Director on 26 July 2017. Jennifer is non-executive director and chair of the remuneration committee of Guardian Media Group plc, and non-executive director of NCC Group plc. She is also director of The Cranemere Group Limited where she is also chair of the sustainability, people and diversity committee, and a member of the Council of the Royal College of Art, where she is also chair of the remuneration committee.

Jennifer was Executive Vice President, People, for ARM Holdings plc, a global technology business, from September 2013 to March 2017. She was also an executive committee member with responsibility for people and internal communications activity. Prior to this, Jennifer was Group People and Culture Director at UBM plc from 2007 to 2013 and Group HR Director at Emap plc from 2003 to 2007.

Jennifer has skills and experience in leadership development, talent acquisition and management and succession planning, mentoring and coaching, people strategy, organisation development and change management, employee engagement and internal communications. Jennifer also has skills and experience in corporate social responsibility and partnerships, along with executive remuneration, performance management and executive teams and Board effectiveness. Jennifer has a MA (Hons) from the University of Oxford in English and French.

5.6 Mary Reilly

Independent Non-Executive Director, Chair of the Audit Committee and member of the Remuneration and Nomination Committees. Mary was appointed as a Non-Executive Director on 1 September 2017. Mary is also a non-executive director and chair of the audit committee of Essentra plc, an international supplier of specialist plastic, fibre, essential components and packaging products. She is also non-executive director and chair of the audit Committee of Travelzoo. Her current trusteeships include the Invictus Games Foundation and PDSA.

Mary was non-executive director and chair of the audit committee of Ferrexpo plc, an iron ore mining company, from 2015 to 2019. She was also non-executive director and chair of the Audit & Risk Committee of the UK Department of Transport and of Crown Agents Limited, an international development company, from 2013 to 2017. Prior to this Mary was non-executive director of Cape plc, a global industrial services company, from 2016 to 2017. She has served as a non-executive director on several other boards since 2000.

Mary was a partner in Deloitte LLP (and predecessor firms) for over 25 years. Mary was an Audit Partner in the UK specialising in manufacturing, luxury retail and business services. She also headed a unit offering outsourcing capability and has accounting, finance and international management experience. Mary is a Chartered accountant, with a degree from University College London in History.

5.7 Baroness Couttie

Independent Non-Executive Director and member of the Audit and Nomination Committees. Baroness Philippa Couttie was appointed Non-Executive Director on 15 November 2017. Philippa is a member of the House of Lords and party whip. She is also a member of the House of Lords European Union Committee and EU Services Sub-Committee. In addition to this, Philippa is a Commissioner with the Guernsey Financial Services Commission and a member of their Investment and Audit committees. Philippa also chairs The Mitie Foundation. Philippa led Westminster City Council from 2012 to 2017. She joined the Council in 2006 and has previously served as Cabinet Member for Finance, Cabinet Member for Housing and Deputy Cabinet Member for Children's Services. Philippa was also a member of the Polling and Digital Media Select Committee from 2017 to 2018, and a member of the Greater London Authority Crime Reduction Board from 2012 to 2014.

Prior to progressing her career in public service, Philippa was a director at Citigroup after she left Schroders, where she headed up its principal finance business. She was also previously Chief Executive of Cornerstone Communications and PR Consultants.

Philippa has served as a non-executive director on several boards since 2006, including Royal Parks and the London Local Enterprise Partnership. She was also previously Chair of the West End Partnership and Council Member of Imperial College, where she was also Chair of the Audit Committee.

Philippa has experience in both public and private sector at the most senior level, being ennobled and joining the House of Lords in 2016. She also has extensive experience of the financial sector, developing corporate strategy and executing change management. Philippa has a degree from the University of St Andrews in Psychology.

5.8 Roger Yates

Senior Independent Director and member of the Audit, Remuneration and Nomination Committees. Roger was appointed Non-Executive Director on 1 March 2018 and Senior Independent Director on 31 July 2018. Roger is non-executive director and chair of the Remuneration Committee of Jupiter Fund Management plc and Senior Independent Director of St James's Place plc, where he is also Chair of the Remuneration Committee. Roger started his career in asset management at GT Management in 1981 and held positions of increasing seniority at Morgan Grenfell, LGT and Invesco. He served as Chief Executive of Henderson Group plc from 1999 to 2008 and as Chief Executive of Unicredit's asset management arm, Pioneer Investments.

Roger's non-executive roles have included IG Group plc, Electra Private Equity plc and J.P. Morgan Elect plc.

Roger's skills and experience include his substantial board experience, strong business track record and extensive knowledge of the finance and investment community.

5.9 Other Directorships

Set out below are the directorships and partnerships held by the Directors (other than, where applicable, directorships held in subsidiaries of the Company) in the five years prior to the date of this document:

Name	Current directorships/partnerships	Past directorships/partnerships
Derek Mapp	Concentia Capital Limited The Collyfobble Brewery Limited Ideal Music Communications Limited Ideal Music Media Limited Imagesound Limited Imagesound Retail Music and Media Limited IMS Bidco Limited IMS Midco Limited IMS Topco Limited Informa plc The Invicta Film Partnership No.23, LLP Mapp Developments Limited Mapp Kitchens & Ale Limited Musicstyling.com Limited Muzak (UK) Limited NO. 6 (Padstow) Limited Owen Film Partnership LLP Rojano's (Padstow) Limited Rolec Limited T.S.C. Music Systems Limited TSG Media Limited	Concorde and Wilson Limited Future Life Group Limited Future Life Limited Huntsworth plc The Invicta Film Partnership, LLP Salmon Developments Limited Salmon Harvester Properties Limited
Phillip Bentley	Cobalt Data Centre 2 LLP	Cable & Wireless Communications Limited Cable & Wireless Communications plc Bupa ANZ Holdings (Australia) Yodel Delivery Network Limited Capgemini SA
Andrew Peeler.....	East End Fair Finance Limited Fair Finance Business Loans Limited	
Nivedita Krishnamurthy Bhagat	Capgemini UK plc CGS Holdings Limited	
Jennifer Duvalier...	The Cranemere Group Limited NCG Group plc Guardian Media Group plc Royal College of Art	Arm Limited Restless Development
Mary Reilly	Essentra plc Invictus Games Foundation The People's Dispensary for Sick Animals The Crown Agents Foundation Travelzoo	Cape plc Crown Agents Bank Limited Crown Agents Limited Ferrexpo plc IW Games Community Interest Company Saranac Partners Limited UK Department for Transport Canal & River Trust FTI Consulting Greater London Authority Local Government Association London Councils Polling and Digital Media Select Committee
Baroness Philippa Couttie	House of Lords Griffin Investors Limited Guernsey Financial Services Commission Westminster City Council	

Name	Current directorships/partnerships	Past directorships/partnerships
Roger Yates	Jupiter Fund Management plc St James's Place plc St James's Place Unit Trust Group Limited	Royal Parks West End Partnership Electra Private Equity Investments plc Electra Private Equity plc IG Group Holdings plc J.P. Morgan Elect plc Pioneer Global Asset Management S.P.A.

6 Senior Management

In addition to the Executive Directors described above, the Company's Senior Managers, and the business and administrative departments they are responsible for, are indicated below.

The table below details the names of, and information about, the Company's senior management:

Name	Position	Business Address
Carlo Alloni	Managing Director, Technical Services	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG
David Cooper	Chief Transformation & Technology Officer	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG
Peter Dickinson ...	Chief of Staff and General Counsel	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG
Colin Dobell	Managing Director, Care & Custody	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG
Jasmine Hudson...	HR Director, Group and Specialist Services	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG
Jason Towse	Managing Director, Business Services	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG
Simon Venn	Chief Government & Strategy Officer	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG
Katherine Woods .	Deputy General Counsel	Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG

None of the current members of the Company's senior management was selected for their role at the Company pursuant to any arrangement or understanding with any major client, supplier or other person having a business connection with the Company. There are no actual or potential conflicts of interest between any duties of the Company's senior management and their private interests and other duties.

Set forth below are brief biographical descriptions of the persons named in the table above, including their current principal occupation or employment and material occupations, positions, offices or employment during the past five years.

6.1 Carlo Alloni

Managing Director, Technical Services. Carlo is Managing Director for Mitie Technical Services. Carlo joined Mitie in 2017. His previous roles include Executive Vice President and Group Chief Technology and Information Officer at Cable and Wireless Communications (CWC), with responsibility for leading the company's technology transformation agenda and managing technical services across the Caribbean and Latin America.

Prior to joining CWC, Carlo held senior leadership positions in Ericsson where he ran a number of major outsourced engineering services, including building mobile phone networks in Egypt, Syria and Iraq. His earlier career was in investment banking with the Safra Group. He speaks 6 languages and holds an Executive MBA from the University of Pittsburgh.

6.2 David Cooper

Chief Transformation & Technology Officer. As Chief Transformation & Technology Officer, David is responsible for all aspects of technology within Mitie as well as managing the Finance Shared

Services (onshore and offshore) and Group Payroll. He also leads the cross-company transformation programme.

David joined Mitie in 2017 and has previously held a number of CIO and Group Transformation roles in both the telecommunications, energy and facilities management sectors and has extensive experience at the most senior company levels. Before joining Mitie was Group CIO at Centrica and prior to that British Gas. In both roles he initiated and delivered extensive technology and organisational change and transformation.

Previously, he worked as the CIO at TalkTalk, again driving rationalisation and business change across a number of acquired broadband businesses. He was the Chief Operations and Technology Officer of mobile phone company 3, which presented a different challenge of rapid growth and innovation. In this role he also transformed and ran the call centres, debt collections and retention sales.

David has wide-ranging technology experience and spent his earlier career leading R&D teams in various fields. He holds a PhD in Physics.

6.3 Peter Dickinson

Chief of Staff and General Counsel. As Chief of Staff & General Counsel, Peter is responsible for a wide range of activities for the Group including Legal, Group HR, Mergers & Acquisitions, Pensions, Property, Procurement, Health & Safety, Risk and Compliance, Internal Audit, Sustainability and Social Values.

Peter joined Mitie in 2017 from the global law firm Mayer Brown International LLP (and its predecessor firm) where he was a partner between 1995 and 2017. From 2015 until March 2017, Peter co-headed Mayer Brown's global Technology Transactions practice. Between 2005 and 2015, Peter was the head of Mayer Brown's Corporate practice in London and, in addition, between 2008 and 2015, Peter was the co-head of Mayer Brown's global Corporate practice, with specific responsibility for strategy.

Peter has substantial experience advising on corporate advisory, mergers and acquisitions, joint ventures and other significant commercial transactions including large scale multi-jurisdictional outsourcing projects. Peter is a qualified solicitor with a degree in law from Southampton University.

6.4 Colin Dobell

Managing Director, Care & Custody. Colin joined Mitie in 2009 as founder of Mitie Care & Custody, now the largest provider of immigration detention services to the UK Home Office.

As managing director of Mitie's Care & Custody business, Colin is responsible for a number of businesses dedicated to delivering public services in a range of secure environments. Clients include central and local government, NHS England, police and crime commissioners.

Colin has operated in the outsourcing sector for over 20 years, joining Group 4 in 1993 as Divisional Finance Manager. He went on to become Commercial Director for all Group 4 UK's public and private partnership businesses before joining the GEO Group Inc. in 2005 as finance director.

6.5 Jasmine Hudson

HR Director, Group and Specialist Services. As HR Director, Group and Specialist Services, Jasmine is responsible for Group HR Strategy, Resourcing, Learning & Development and The Mitie Foundation. Jasmine is also responsible for Mitie's Diversity & Inclusion strategy and is Executive Sponsor of Mitie's gender network, Mitie Women Can. Additionally, Jasmine is HR Director for Group Functions and Specialist Services business areas.

Jasmine joined Mitie in 2009, having previously held HR roles with EE and Johnson Controls. From 2009 to 2011 Jasmine led the advisory function for the Group before supporting the mobilisation of our largest contract, LBG. Jasmine then undertook the role of Head of HR for our IFM contracts before moving to the Professional Services & Connected Workspace division as HR Director. This role grew to also support Care & Custody and Waste businesses.

Jasmine has substantial experience within commercial generalist HR roles, specifically supporting large scale bids and mobilising TUPE transfers. Jasmine has a MA Human Resource Management from the University West of England.

6.6 Jason Towse

Managing Director, Business Services. Jason joined Mitie in 2012 and now acts as Managing Director, Business Services leading a team of over 38,000 with responsibility for the strategy and delivery of Security (including fire & security systems) and Cleaning & Environmental and office (front of house, document management and vetting) services.

Jason has significant industry knowledge and continues to champion the drive for the use of technology and converged services.

6.7 Simon Venn

Chief Government & Strategy Officer. As Chief Government & Strategy Officer Simon is responsible for Government Relations and Defence as well as Mitie's commercial sales function.

Simon was previously the Chief Executive of Source8, a professional services and advisory firm, which he co-founded in 2004. Source8 was acquired by Mitie in 2014. Prior to this, Simon held senior global roles at Cable & Wireless and Royal Dutch Shell.

Simon also acts as a senior advisor to the UK Government and was appointed in 2010 to sit on the Foreign & Commonwealth Office's Overseas Business Risk (OBR) board. Simon has an MBA from Henley Management College.

6.8 Katherine Woods

Deputy General Counsel. As Deputy General Counsel, Katherine is responsible for Mitie's legal function and also serves as the Group's Data Protection Officer.

Prior to joining Mitie in 2017, Katherine was a senior associate in the corporate practice at the global law firm Mayer Brown, advising clients on a range of matters covering mergers and acquisitions, joint ventures, solvent and insolvent corporate restructurings and other significant commercial transactions including large scale multi-jurisdictional outsourcing projects. Katherine is a qualified solicitor with a degree in law from Nottingham University

6.9 Other Directorships

Set out below are the directorships and partnerships held by the Senior Managers (other than, where applicable, directorships held in subsidiaries of the Company) in the five years prior to the date of this document:

Name	Current directorships/ partnerships	Past directorships/partnerships
Carlo Alloni	N/A	Cable & Wireless (Panama)
David Cooper.....	N/A	N/A
Peter Dickinson.....	N/A	Creativevents Limited
		Gather & Gather Limited
		Mayer Brown International LLP
		MPM Housing Limited
		MPS Housing Limited
		R.&M. (Stafford House) Service Company
		Universal Royalties Limited
		Terminix UK Limited
Colin Dobell.....	N/A	Com:Pact Community Services Holdings Limited
		Leaders Financial Limited
Jasmine Hudson.....	N/A	N/A
Jason Towse.....	N/A	N/A
Simon Venn.....	N/A	Thorpe Castle Estates Ltd
Katherine Woods.....	N/A	N/A

There is no family relationship between any of the Company's Directors or Senior Managers.

7 Directors and Senior Managers

7.1 Save as disclosed in paragraphs 5 and 6 of this Part XIX, as at the date of this document, none of the Directors or the Senior Managers has at any time within the past five years:

- 7.1.1 been a director or partner of any companies or partnerships;
- 7.1.2 had any convictions in relation to fraudulent offences (whether spent or unspent);
- 7.1.3 been adjudged bankrupt or entered into any individual voluntary arrangements;
- 7.1.4 been a director of any company at the time of or within a 12-month period preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with such company's creditors generally or with any class of creditors of such company;
- 7.1.5 been partner of any partnership at the time of or within a 12-month period preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- 7.1.6 had his or her assets the subject of any receivership;
- 7.1.7 been partner of any partnership at the time of or within a 12-month period preceding any assets thereof being the subject of a receivership;
- 7.1.8 been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including any designated professional body); or
- 7.1.9 ever been disqualified by a court from acting as a director or other officer of any company or from acting in the management or conduct of the affairs of any company.

7.2 Save for in their capacities as persons legally and beneficially interested in Shares, there are:

- 7.2.1 no potential conflicts of interest between any duties to the Company of the Directors or the Senior Managers and their private interests and/or other duties; and
- 7.2.2 no arrangements or understandings with major Shareholders, members, suppliers or others, pursuant to which any Director or Senior Manager was selected.

7.3 No restrictions have been agreed by any Director or Senior Manager on the disposal, within a certain period of time, of his or her holding in Shares.

7.4 There are no family relationships between any of the Directors or Senior Managers.

8 The Corporate Governance Code

The Company recognises the importance of, and is committed to, high standards of corporate governance. The following sections explain how the Company has applied the main and supporting principles set out in the UK Corporate Governance Code (July 2018) issued by the Financial Reporting Council. All companies with a premium listing of equity shares regardless of whether they are incorporated in the UK or elsewhere are required by the Listing Rules to apply the Principles of the Corporate Governance Code and comply or explain against its Provisions.

The Company's compliance with the Corporate Governance Code is described on page 95 of the Company's 2020 Annual Report and Accounts, as described in Part XX of this document.

9 The Board

9.1 Board Structure

The Company is headed by a Board of Directors, comprising the Chairman, five other Non-Executive Directors and two Executive Directors. The Board considers that all of the Non-Executive Directors are independent in mind and judgement and free from any material relationship that could interfere with their ability to discharge their duties effectively.

The offices of Chairman and Chief Executive Officer are held separately, and both officers have clearly defined roles and responsibilities. A summary of the key responsibilities of the Chairman and Chief Executive, as well as the Company's Non-Executive Directors and Chief Financial Officer, is

contained on pages 114-116 of the Company's 2020 Annual Report and Accounts, as described in Part XV of this document.

The Board considers its independent Non-Executive Directors to bring strong independent skill and judgement and considerable knowledge and experience to the Board's deliberations. The Board has appointed a Senior Independent Director to provide a sounding board for the Chair and serve as intermediary for the other Directors and Shareholders. The Senior Independent Director is Roger Yates.

The Board is responsible and accountable to the Shareholders for the overall management of the Group and for the sustainable long-term success of the Company. The Board recognises that building constructive relationships with the Company's key stakeholders is critical to the Mitie business. A summary of the Company's engagement activities with its stakeholders is contained on pages 45 and 46 of the Company's 2020 Annual Report and Accounts. The Chairman and Senior Independent Director are available to meet with Shareholders, on request.

All Directors have access to the advice and services of Mitie's Company Secretary, over who the Board has the power of appointment and removal. Any Director wishing to do so in furtherance of his or her duties may, with the Board's approval or in accordance with any procedures prescribed by the Board, take independent advice at the Company's expense.

The Group maintains directors' and officers' liability insurance which provides appropriate cover for any legal action brought against the Group's directors and/or officers.

The interests of certain of the Directors in Shares are set out in paragraph 10 below.

As envisaged by the Corporate Governance Code, the Board has delegated specific responsibilities to its Nomination, Remuneration and Audit Committees, as well as setting up a separate Disclosure Committee, as further described below. Each of the Committees have in place terms of reference which have been approved by the Board.

9.2 Audit Committee

The Audit Committee provides effective governance over the appropriateness of the Group's financial reporting and the performance of both its internal and external audit functions. The Committee also supports the Board in meeting its responsibilities in respect of overseeing the Group's internal control systems, business risks management and related compliance activities.

The Committee normally meets at least three times a year and such meetings are held to coincide with key dates within the financial reporting and audit cycle. The Audit Committee's members are Mary Reilly (Chair), Nivedita Krishnamurthy Bhagat, Baroness Philippa Coultie and Roger Yates, all of whom are independent Non-Executive Directors. Mary Reilly has a wealth of experience as a non-executive director and in chairing audit and risk committees as well as extensive relevant and recent accounting, financial and management experience. The Audit Committee's terms of reference are available at <https://www.mitie.com/investors/corporate-governance/>.

9.3 Nomination Committee

The Nomination Committee evaluates the composition, diversity, experience, knowledge, skills and independence of the Board and its committees. This allows the appropriate balance to be maintained and ensures the continued effectiveness of the Board. The Committee also ensures that appropriate succession plans for the Non-Executive Directors, Executive Directors and the group's senior management are also kept under review, taking into account the challenges and opportunities facing the group, and the diversity, skills and expertise that are therefore required in the future. The Nomination Committee leads the process for appointments and ensures that plans are in place for orderly succession to both the Board and senior management positions. The Committee also considers and makes recommendations to the Board and recommendations on the re-appointment by Shareholders of any Director under an annual re-election basis.

The Nomination Committee typically meets at least two times a year, and additionally as required. The Nomination Committee's current members are Derek Mapp (Chair), Nivedita Krishnamurthy Bhagat, Baroness Philippa Coultie, Jennifer Duvalier, Mary Reilly and Roger Yates, a majority of whom are independent Non-Executive Directors. The Nomination Committee's terms of reference are available at <https://www.mitie.com/investors/corporate-governance/>.

9.4 Remuneration Committee

The Remuneration Committee has responsibility for determining the remuneration of the Group's Executive Directors and Chairman, taking into account the need to ensure executives are properly incentivised to perform in the interests of the Company, the Group's people and its shareholders. The Committee is also responsible for setting the remuneration for other senior executives, including at least, the executive leadership team of the Group.

The Committee typically meets at least three times a year and as otherwise required by the Chair of the Committee. The Remuneration Committee's members are Jennifer Duvalier (Chair), Mary Reilly and Roger Yates, all of whom are Non-Executive Directors. The Remuneration Committee's terms of reference are available at <https://www.mitie.com/investors/corporate-governance/>.

9.5 Disclosure Committee

The Disclosure Committee was established to assist and inform the decisions of the Board concerning the identification of inside information and to make recommendations about how and when the Company should disclose inside information in accordance with the Company's disclosure policy. The Disclosure Committee is responsible for, among other things, maintaining a record of the Company's public disclosures, preparing and monitoring announcements and reviewing the Company's disclosure policy and recommending updates, where necessary.

The Disclosure Committee meets on an ad-hoc basis where necessary or appropriate to fulfil its responsibilities. The current members of the Disclosure Committee are Phil Bentley (Chair), Derek Mapp, Andrew Peeler, Peter Dickinson and Katherine Woods. The Disclosure Committee's terms of reference are available at <https://www.mitie.com/investors/corporate-governance/>.

10 Directors' Interests in, and Awards and Options Over, Shares

Save as disclosed in this paragraph 10, no Director or Senior Manager has any interests (beneficial or non-beneficial) in the share capital of the Company or any of its subsidiaries.

The interests of the Directors and Senior Managers, and a person closely associated (within the meaning of MAR) with a Director or Senior Manager, in the share capital of the Company (all of which, unless otherwise stated, are beneficial) on 22 June 2020 (being the latest practicable date prior to the date of this document) and as they are expected to be immediately following the Rights Issue (assuming: (i) each of the Directors who holds Shares, takes up in full his or her rights in respect of his or her Shares to subscribe for New Shares under the Rights Issue, other than in relation to Shares held under the SIP, where Cashless Take-up is assumed; and (ii) no Shares are issued to satisfy the vesting of awards or the exercise of options under the Employee Share Plans between the date of this document and Admission becoming effective), are as follows:

	Shares beneficially held at 22 June 2020 ⁽¹⁾⁽²⁾		Shares beneficially held immediately following the Rights Issue	
	No.	%	No.	%
Directors				
Derek Mapp.....	140,000	0.038	448,000	0.038
Phil Bentley.....	2,019,136	0.552	6,461,235	0.552
Andrew Peeler.....	—	—	—	—
Nivedita Krishnamurthy Bhagat.....	—	—	—	—
Jennifer Duvalier.....	18,469	0.005	59,101	0.005
Mary Reilly.....	11,708	0.003	37,466	0.003
Baroness Philippa Couttie.....	—	—	—	—
Roger Yates.....	50,000	0.014	160,000	0.014
Senior Managers				
Carlo Alloni.....	—	—	—	—
David Cooper.....	—	—	—	—
Peter Dickinson.....	—	—	—	—
Colin Dobell.....	315,725	0.086	1,010,320	0.086
Jasmine Hudson.....	—	—	—	—
Jason Towse.....	12,087	0.003	38,678	0.003
Simon Venn.....	848,354	0.232	2,714,733	0.232
Katherine Woods.....	—	—	—	—

Note:

(1) Includes Shares held under the SIP.

(2) Excludes Shares held in treasury.

The Directors and the Senior Managers have the same voting rights as all other Shareholders.

Taken together, the combined percentage interest of the Directors and Senior Managers in the issued ordinary share capital of the Company (including Shares held in treasury) as at 22 June 2020 (being the latest practicable date prior to the date of this document) was approximately 0.9 per cent.

As at 22 June 2020 (being the latest practicable date prior to the date of this document), the awards and options under the Employee Share Plans held by the Directors and Senior Managers (as well as their immediate families) over the share capital of the Company or (so far as is known or could with reasonable due diligence be ascertained by the relevant Director or Senior Manager) interests of a person closely associated (within the meaning of MAR) with a Director or Senior Manager and the existence of which was known to or could, with reasonable diligence, be ascertained by the Directors or Senior Managers as at 22 June 2020 (being the latest practicable date prior to the date of this document) is as follows:

Name	Date of grant	Plan	Shares subject to award/option	Option exercise price (£)	Market Price at date of award (£)	Vested or unvested	Exercise period/ vesting date
Directors							
Derek Mapp.....	—	—	—	—	—	—	—
Phil Bentley	25/06/2019	LTIP	1,176,470	—	1.53	Unvested	25/06/2024 ⁽¹⁾
	02/08/2018	LTIP	1,180,327	—	1.525	Unvested	31/08/2023 ⁽¹⁾
	24/07/2017	LTIP	669,393	—	2.689	Unvested	24/07/2020, 24/07/2021, 24/07/2022 ⁽¹⁾
	29/11/2016	LTIP	879,077	—	—	Unvested	15/05/2020, 29/11/2020, 29/11/2021 ⁽¹⁾
	25/06/2019	DBP	373,706	—	—	—	—
Andrew Peeler	—	—	—	—	—	—	—
Nivedita Krishnamurthy Bhagat.....	—	—	—	—	—	—	—
Jennifer Duvalier	—	—	—	—	—	—	—
Mary Reilly.....	—	—	—	—	—	—	—
Baroness Philippa Couttie	—	—	—	—	—	—	—
Roger Yates	—	—	—	—	—	—	—
Senior Managers							
Carlo Alloni.....	25/06/2019	LTIP	326,797	—	1.53	Unvested	25/06/2024
	02/08/2018	LTIP	327,868	—	1.525	Unvested	02/08/2023
	16/08/2017	LTIP	187,993	—	—	Unvested	16/08/2020
David Cooper	25/06/2019	LTIP	196,078	—	1.53	Unvested	25/06/2024
	02/08/2018	LTIP	196,721	—	1.525	Unvested	02/08/2023
	24/07/2017	LTIP	141,176	—	2.689	Unvested	24/07/2020
	20/07/2017	SAYE	7,872	2.2864	—	Unvested	30/11/2020
Peter Dickinson	25/06/2019	LTIP	367,647	—	1.53	Unvested	25/06/2024
	02/08/2018	LTIP	368,852	—	1.525	Unvested	02/08/2023
	24/07/2017	LTIP	286,113	—	2.689	Unvested	24/07/2020
Colin Dobell	25/06/2019	LTIP	156,862	—	1.53	Unvested	25/06/2024
	02/08/2018	LTIP	127,868	—	1.525	Unvested	02/08/2023
	19/10/2017	LTIP	78,883	—	2.472	Unvested	19/10/2020
Jasmine Hudson.....	25/06/2019	LTIP	39,215	—	1.53	Unvested	25/06/2022
	02/08/2018	LTIP	31,147	—	1.525	Unvested	02/08/2021
	24/07/2017	LTIP	7,902	—	2.689	Unvested	24/07/2020
	20/07/2017	SAYE	1,574	2.2864	—	Unvested	30/11/2020
	02/08/2019	SAYE	4,896	1.2498	—	Unvested	30/11/2022
	29/06/2011	ESOS	5,000	2.2836	—	—	—
Jason Towse.....	25/06/2019	LTIP	163,398	—	1.53	Unvested	25/06/2024
	02/08/2018	LTIP	140,983	—	1.525	Unvested	02/08/2023
	24/07/2017	LTIP	65,079	—	2.689	Unvested	24/07/2020
	20/01/2017	CSP	80,000	—	—	Vested	20/01/2018, 20/01/2019
	02/08/2019	SAYE	14,402	1.2498	—	Unvested	30/11/2022
Simon Venn	25/06/2019	LTIP	173,202	—	1.53	Unvested	25/06/2024
Katherine Woods	25/06/2019	LTIP	58,823	—	1.53	Unvested	25/06/2024
	02/08/2018	LTIP	48,491	—	1.525	Unvested	02/08/2023
	19/10/2017	LTIP	17,597	—	2.472	Unvested	19/10/2020
	02/08/2018	CSP	96,983	—	1.525	Unvested	02/08/2020

Note:

(1) Subject to satisfaction of performance conditions.

The Directors propose to make adjustments to the terms of outstanding options and awards under the Employee Share Plans (excluding the SIP) to take account of the New Share Issue. Such adjustments will be made subject to the rules of the Employee Share Plans.

Other than as disclosed in this paragraph and paragraph 12 (*Directors' Service Agreements and Letters of Appointment*), there are no other persons to whom any capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option.

No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to the business of the Group or any of its subsidiary undertakings and which were effected by the Group or any of its subsidiaries during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any of the Directors.

Save as set out in this Part XIX, it is not expected that any Director will have any interest in the share or loan capital of the Company following the New Share Issue and there is no person to whom any capital of any member of the Group is under option or agreed unconditionally to be put under option.

11 Major Shareholders

As at 22 June 2020 (being the latest practicable date prior to the publication of this document), insofar as it is known to the Company by virtue of notifications made pursuant to the Companies Act and/or Chapter 5 of the Disclosure Guidance and Transparency Rules, the following persons are, directly or indirectly, interested (within the meaning of the Companies Act) in 3 per cent. or more of the Company's issued share capital (being the threshold for notification of interest that will apply to Shareholders as of Admission pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules):

Beneficial owner	Shares	
	No.	%
Silchester International Investors LLP	62,210,238	17.00
Fidelity International Limited.....	18,906,903	5.17
Heronbridge Investment Management	18,366,728	5.02
Harris Associates L.P.....	18,203,437	4.97
Aggregate of Standard Life Aberdeen plc	18,130,724	4.95
Brandes Investment Partners LP	18,117,242	4.95

So far as the Company is aware, the Company is not directly or indirectly owned or controlled by another corporation, any foreign government or any other natural or legal person, severally or jointly.

None of the major Shareholders referred to above has different voting rights from other Shareholders.

So far as the Company is aware, immediately following the Rights Issue, the interests of those persons set out above with an interest in 3 per cent. or more of the Company's issued share capital, and the amount of such persons' interest, including as a percentage of the Enlarged Share Capital, (assuming: (a) full take-up by such persons of their entitlements under the Rights Issue; and (b) that no Shares are issued to satisfy the vesting of awards or the exercise of options under the Employee Share Plans between 22 June 2020 (being the latest practicable date prior to the date of this document) and Admission becoming effective) will be as follows:

Beneficial owner	Shares	
	No.	%
Silchester International Investors LLP	199,072,762	17.00
Fidelity International Limited.....	60,502,090	5.17
Heronbridge Investment Management	58,773,530	5.02
Harris Associates L.P.....	58,250,998	4.97
Aggregate of Standard Life Aberdeen plc	58,018,317	4.95
Brandes Investment Partners LP	57,975,174	4.95

12 Directors' Service Agreements and Letters of Appointment

12.1 Executive Directors

Any payments made to an Executive Director on termination of his or her service agreement will be subject to the Company's remuneration policy as approved by the Shareholders from time to time.

The Company has customary directors' and officers' indemnity insurance in place in respect of each Executive Director and each of them has the benefit of a deed of indemnity against certain liabilities that may be incurred as a result of their office to the extent permitted by section 234 of the Companies Act 2006. In order to protect the interests of the Company, each Executive Director is

subject to standard business protection provisions, including garden leave, confidentiality undertakings and post-termination restrictive covenants. The Company reimburses the Executive Directors for reasonable expenses properly incurred by them in performing their duties.

12.1.1 **Phillip Bentley**

Phillip entered into a service agreement with the Company under which his employment commenced, and he was appointed as a director of the Company, with effect from 1 November 2016. He was appointed as Chief Executive of the Company with effect from 12 December 2016.

Phillip is entitled to a base salary of £900,000 per annum. His salary will be reviewed (and may be increased) by the Board at least once in each 12 months. Following the outbreak of COVID-19, Phillip volunteered to temporarily reduce his salary by 30% to £630,000 per annum, effective from 1 April 2020 for at least three months.

Phillip is eligible to be considered for awards under incentive plans operated by the Company from time to time. Currently he is eligible to participate in the annual performance related bonus plan with a maximum bonus opportunity of 160 per cent. of salary earned during the year, 50 per cent. of which will be deferred into shares. In light of the impact of the COVID-19 pandemic and the decision not to recommend a final dividend for FY 19/20, Phillip has waived his entitlement to payment of his FY 19/20 bonus. Phillip is also eligible to participate in the LTIP and his current LTIP opportunity is capped at 200 per cent. of basic salary (before the temporary COVID-19 related reduction). Phillip is entitled to 30 days' paid holiday per annum (in addition to public and statutory holidays in England and Wales). The Company pays Phillip a taxable fixed cash allowance in place of the provision of a pension at a rate of 20% of salary in equal monthly instalments. Phillip is also entitled to receive benefits in kind, principally financial and tax planning advice, and membership in a medical expenses insurance scheme, a group income protection scheme, a personal accident insurance scheme and a life assurance scheme. Phillip is also entitled to receive the provision of a car and chauffeur or an allowance of equivalent value, but has chosen to waive his right to this benefit for the time being.

Phillip's service agreement is terminable by either party giving to the other not less than 12 months' notice. Alternatively, the Company may terminate his employment by making payment in lieu of notice of a sum equal to the basic salary he would have been entitled to receive during any unexpired period of notice. The Company may continue the provision of benefits which Phillip would otherwise have been entitled to receive (namely his pension allowance and benefits in kind) for the unexpired notice period, or pay him in lieu of these. These payments in lieu of notice can be made in monthly payments, in which case they are subject to mitigation. When a payment in lieu of notice is made, any incentive entitlements will be determined in accordance with their terms and the Company's remuneration policy.

12.1.2 **Andrew Peeler**

Andrew is employed as Chief Financial Officer under a 12 month fixed term service agreement with Mitie Limited which commenced on 10 December 2019 ("**CFO Service Agreement**"). Andrew was appointed as a director of the Company with effect from 2 January 2020.

Andrew is entitled to a basic salary of £400,000 per annum. His salary may, at Mitie Limited's absolute discretion, be reviewed from time to time in line with the annual pay review process, usually on or around 1 April each year. Following the outbreak of COVID-19, Andrew volunteered to temporarily reduce his salary by 20 per cent. to £320,000 per annum, effective from 1 April 2020 for at least three months.

Andrew is eligible to participate in the annual performance related bonus plan with a maximum bonus opportunity of £200,000 and is also eligible to be considered for an award under incentive plans operated by the Company from time to time. He is eligible to participate in the LTIP and his current LTIP award is capped at 150 per cent. of basic salary (before the temporary COVID-19 related reduction).

Andrew is entitled to 25 days' paid holiday per annum (in addition to public and statutory holidays in England and Wales). Andrew may join the pension scheme operated by Mitie

Limited from time to time, but currently has not taken up the offer of a pension/pension cash allowance. Andrew is entitled to participate in a private medical insurance scheme, for himself and his spouse or civil partner, and in a life assurance scheme.

The CFO Service Agreement will terminate automatically on 10 December 2020 without the need for notice, unless an extension to the fixed term contract is agreed. Prior to 10 December 2020, the CFO Service Agreement may be terminated by Andrew or Mitie Limited giving not less than 6 months' notice. In the event of an extension to the fixed term contract being agreed beyond 10 December 2020, the CFO Service Agreement may be terminated by Andrew or Mitie Limited giving not less than 3 months' notice. Alternatively, Mitie Limited may terminate Andrew's employment by making a payment in lieu of notice of a sum equal to the basic salary which he would have been entitled to receive during any unexpired period of notice. This payment in lieu of notice can be made in monthly payments, in which case they are subject to mitigation.

12.2 Non-Executive Directors

The appointment of each Non-Executive Director may be terminated by either party upon three months' notice and is subject to the Articles of Association. The Non-Executive Directors are not entitled to receive any compensation on termination of their appointments (save for notice, where due). Each Non-Executive Director is subject to annual re-election at each AGM.

The Non-Executive Directors are subject to confidentiality undertakings. The Company will reimburse each Non-Executive Director for reasonable expenses properly incurred by them in performing their duties and has customary directors' and officers' indemnity insurance in place in respect of each Non-Executive Director. Each Non-Executive Director has the benefit of a deed of indemnity against certain liabilities that may be incurred as a result of their office to the extent permitted by section 234 of the Companies Act 2006.

The following letters of appointment have been entered into with the Non-Executive Directors:

Chairman

12.2.1 Derek Mapp

Derek has a letter of appointment with the Company under which he was appointed as a Non-Executive Director with effect from 9 May 2017 and as Chairman with effect from 26 July 2017. Derek receives an annual fee of £225,000 in respect of his role as Non-Executive Director and Chairman. Following the outbreak of COVID-19, Derek volunteered to temporarily reduce his fee by 30% to £157,500 per annum, effective from 1 April 2020 for at least three months.

Derek's initial appointment was extended on 7 May 2020 for a further 3-year term to 8 May 2023.

Other Non-Executive Directors

12.2.2 Roger Yates

Roger has a letter of appointment with the Company under which he was appointed as Non-Executive Director with effect from 1 March 2018 and as Senior Independent Director with effect from 31 July 2018. Roger receives an annual fee of £59,000 in respect of these roles. Following the outbreak of COVID-19, Roger volunteered to temporarily reduce his fee by 30% to £41,300 per annum, effective from 1 April 2020 for at least three months.

Roger's appointment is for an initial term of three years, which will end on 28 February 2021, unless the Company confirms that his appointment is to continue beyond the initial term.

12.2.3 Nivedita Krishnamurthy Bhagat

Nivedita has a letter of appointment with the Company under which she was appointed as Non-Executive Director with effect from 1 June 2017.

Nivedita receives an annual fee of £52,000 in respect of her role as Non-Executive Director. Following the outbreak of COVID-19, Nivedita volunteered to temporarily reduce her fee by 30% to £36,400 per annum, effective from 1 April 2020 for at least three months.

Nivedita's initial appointment was extended on 7 May 2020 for a further 3-year term to 31 May 2023.

12.2.4 Jennifer Duvalier

Jennifer has a letter of appointment with the Company under which she was appointed as Non-Executive Director with effect from 26 July 2017. Jennifer was also appointed as Chair of the Remuneration Committee with effect from 31 August 2018. Jennifer receives an annual fee of £60,000 in respect of her role as Non-Executive Director and Chair of the Remuneration Committee. Following the outbreak of COVID-19, Jennifer volunteered to temporarily reduce her fee by 30% to £42,000 per annum, effective from 1 April 2020 for at least three months.

Jennifer's appointment is for an initial term of three years, which will end on 25 July 2020, unless the Company confirms that her appointment is to continue beyond the initial term.

12.2.5 Philippa Couttie

Philippa has a letter of appointment with the Company under which she was appointed as Non-Executive Director with effect from 15 November 2017. Philippa receives an annual fee of £52,000 in respect of her role as Non-Executive Director. In the event that Philippa becomes the chair of a committee of the board, she will be entitled to a further annual fee of £8,000. Following the outbreak of COVID-19, Philippa volunteered to temporarily reduce her fee by 30% to £36,400 per annum, effective from 1 April 2020 for at least three months.

Philippa's appointment is for an initial term of three years, which will end on 14 November 2020, unless the Company confirms that her appointment is to continue beyond the initial term.

12.2.6 Mary Reilly

Mary has a letter of appointment with the Company under which she was appointed as Non-Executive Director with effect from 1 September 2017. Mary was also appointed as Chair of the Audit Committee on 31 July 2018.

Mary receives an annual fee of £52,000 in respect of her role as Non-Executive Director, and a further annual fee of £8,000 for her role as Chair of the Audit Committee. Following the outbreak of COVID-19, Mary volunteered to temporarily reduce her fees by 30% to £42,000 per annum, effective from 1 April 2020 for at least three months.

Mary's appointment is for an initial term of three years, which will end on 31 August 2020, unless the Company confirms that her appointment is to continue beyond the initial term.

13 Directors' Remuneration

In addition to the options and awards under the Employee Share Plans disclosed in paragraph 15 of this Part XIX, the amount of remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to those individuals who, during the year ended 31 March 2020, were directors of the Company for services in all capacities relating to Mitie is as follows:

Name	Position	Salary / fees (£'000)	Annual Bonus (£'000)	Other Benefits ⁽¹⁾ (£'000)	Employee Share Plans (£'000)	Total (£'000)
Derek Mapp	Chair	225	0	0	0	225
Phil Bentley	Chief Executive	900	0	208	1,541	2,648
Andrew Peeler ⁽²⁾	Chief Financial Officer	99	0	0	0	99
Nivedita Krishnamurthy Bhagat	Non-Executive Director	52	0	0	0	52
Baroness Philippa Couttie ⁽³⁾	Non-Executive Director	59	0	0	0	59
Jennifer Duvalier	Non-Executive Director	60	0	0	0	60
Mary Reilly	Non-Executive Director	60	0	0	0	60
Roger Yates	Senior Independent Director	59	0	0	0	59

Notes:

- (1) The Other Benefits figure includes, where applicable, the cost to the Group of pensions, private medical cover, life assurance, group income protection, company car or car allowance, fuel expenditure and financial/ tax planning advice.
- (2) Andrew Peeler's employment commenced on 10 December 2019. The above amounts are in respect of the period from this date onwards.
- (3) Baroness Couttie assumed the role of Chair of the Social Value & Responsible Business Committee from 4 June 2019. The above amounts reflect this recent appointment.

The aggregate remuneration (including any contingent or deferred remuneration) and benefits in kind paid or granted to members of senior management of the Company for the financial year ended 31 March 2020 for services in all capacities relating to the Group was £2,952,882.

Save as disclosed in this Part XIX, none of the members of the administrative, management or supervisory bodies' service contracts with the Company or any of its subsidiaries provide for benefits upon termination of employment.

14 Employees

The Company's average employee numbers for FY19/20, FY18/19 and FY17/18 were as follows:

By geographical location	FY19/20	FY18/19	FY17/18
UK	47,420	48,630	49,761
Other	1,233	1,777	1,905
Total	48,653	50,407	51,661

By main category of activity	FY19/20	FY18/19	FY17/18
Technical Services	9,266	9,547	10,034
Business Services	35,211	34,526	35,381
Specialist Services	2,995	2,936	2,043
Care & Custody	1,968	1,973	1,036
Landscapes.....	772	764	797
Waste.....	255	199	210
Central Corporate Services.....	95	93	95
Continuing operations	47,567	47,102	47,553
Catering.....	1,086	2,380	2,452
Pest Control	—	190	415
Social Housing.....	—	735	1,246
Discontinued operations	1,086	3,305	4,113
Total	48,653	50,407	51,666

Note:

- (1) Prior to 1 April 2019, Mitie reported on the basis of six business divisions: engineering services, security, professional services, cleaning and environmental, care & custody and catering, and employee, and average employee figures were categorised according to these business divisions and discontinued operations. Employee figures for FY18/19 categorised by the Mitie Group's current business divisions are presented here as disclosed in Note 7 to the 2020 Annual Report and Accounts. Employee figures for FY18/19 and FY17/18 on a historical basis are disclosed in Note 7 to the 2019 Annual Report and Accounts.

15 Employee Share Plans

Awards and options subsist under the following employee share plans (the “**Employee Share Plans**”):

- the Mitie Group plc Long Term Incentive Plan 2015 (the “**LTIP**”);
- the Mitie Group plc Deferred Bonus Plan 2010 (the “**DBP**”);
- the Mitie Group plc Savings Related Share Option Scheme 2011 (the “**SAYE UK Scheme**”);
- the Mitie Group plc Irish Savings Relating Share Option Scheme 2015 (the “**SAYE Ireland Scheme**”);
- the Mitie Group plc Executive Share Option Scheme 2011 (the “**ESOS**”);
- the Mitie Group plc Conditional Share Plan 2014 (the “**CSP**”); and
- the Mitie Group plc Share Incentive Plan 2018 (the “**SIP**”).

No new awards will be made under the ESOS.

The key features of the Employee Share Plans are described in paragraphs 15.1 to 15.8 below. References to “Committee” for the purposes of this paragraph 15 shall mean the Board, a duly authorised committee appointed by the Board, the Remuneration Committee of the Company, or any other duly authorised person as appropriate.

15.1 Common Terms

The following features are common to each of the Employee Share Plans.

15.1.1 Operation

Awards will normally only be granted within 42 days following the preliminary announcement of the Company's annual results or the release of the Company's half-yearly financial report.

Awards are personal to the participant and may generally not be transferred or assigned. Awards are not pensionable.

The Employee Share Plans may be terminated by the Company at any time and in no event may new awards be granted more than 10 years after the date the relevant plan was last approved by the Company's shareholders.

15.1.2 Dilution Limits

In any 10-year period, not more than 12 per cent. of the issued ordinary share capital of the Company may be issued or issuable under the Employee Share Plans, and, in respect of the discretionary plans only, not more than 6 per cent. may be issued or issuable.

Broadly, if treasury shares are used to satisfy awards, the Company will, so long as required under the guidelines of the Investment Association, count them towards the dilution limits described above.

The estimated dilution from existing awards, including executive and all-employee share awards, is approximately 6.8 per cent. of the Company's share capital as at 31 March 2020.

15.1.3 Settlement of Awards

Awards will normally only vest or become exercisable to the extent any relevant conditions are met. On or shortly after vesting or exercise, Shares will be issued, transferred or released to the participant (subject to any holding periods). In some cases the Committee may elect to settle awards by way of a cash equivalent.

Any Shares issued following the vesting of awards or exercise of options will rank equally with Shares of the same class in issue on the date of allotment, except in respect of rights arising by reference to a prior record date.

15.1.4 Variation of Capital

The number of Shares subject to awards (and for options, the exercise price) may be adjusted following certain variations in share capital, including a capitalisation, rights issue, open offer or bonus issue, subdivision, consolidation or reduction.

15.1.5 Malus and Clawback

Malus and clawback provisions may apply to awards under the DBP and LTIP made on or after 31 July 2018. In addition, malus provisions apply to awards under the LTIP granted before 31 July 2018.

The malus and clawback provisions effective from 31 July 2018 permit the Committee to reduce (to nil if appropriate) and/or recover bonus awards or shares vested for up to two years after payment or vesting under the DBP and up to five years after the grant date under the LTIP. The potential circumstances in which malus or clawback provisions can be applied include a material misstatement of Mitie's financial results or an error in the calculation of performance which lead to an overpayment of an award, or the participant's actions amount to serious misconduct, caused reputational damage, or amount to a material failure of risk management and/or control.

15.1.6 Amendment Power

The Committee has the power to amend the provisions of the Employee Share Plans in any way, provided the amendment is not to the material advantage of a participant, or materially abrogates or adversely affect the subsisting rights of a participant. These discretions may include: eligibility; the timing of grant of an award/bonus opportunity; performance targets; any individual limit; the basis for determining a participant's entitlement to Shares or cash; and annual review of performance measures, weightings and targets.

15.2 The LTIP

15.2.1 Overview

The LTIP awards participants Shares or the right to receive Shares subject to the satisfaction of conditions, which may include performance conditions and/or continued employment.

15.2.2 Eligibility

The LTIP eligibility comprises all Mitie employees (including executive Directors) and shares will vest according to performance criteria that may be amended or waived by the Committee, provided that any amended conditions are not materially more or less difficult to achieve than those previously imposed. The LTIP is only currently offered to a small number of key senior management.

15.2.3 Grant of Awards

Award levels are set by the Committee according to the individual's performance and experience.

For the executive Directors, vesting is dependent on the achievement of the performance conditions measured over a three-year period. Under the current plan rules, awards of up to two times salary can be made, depending on the position of the executive Director.

15.2.4 Performance Conditions

The receipt of Shares on the vesting of an award may be subject to a performance condition set by the Committee at the time of grant which will normally be tested over at least three years.

Performance conditions applying to the LTIP awards are usually set according to business plan priorities and is aligned with shareholder interests. The vesting of awards is determined by an equal weighting of the following performance measures: (a) achieving cash conversion targets set by the Committee; and (b) earnings per share growth by a percentage as set by the Committee. Performance targets are reviewed annually by the Committee.

15.2.5 Cessation of Employment

Where a participant leaves employment prior to the first vesting date due to injury, disability, ill health, death, sale of the company or business in which they were employed, redundancy, retirement, or any other reason at the discretion of the Committee, the participant's unvested awards will not be forfeited on cessation of employment. Instead the awards will continue to vest on the normal vesting date or earlier at the discretion of the Committee, subject to the performance conditions attached to the relevant awards. The awards will be scaled back on a time pro-rated basis unless otherwise determined by the Committee. Any Options will lapse if not exercised within 12 months after vesting.

Where a participant leaves employment prior to the first vesting date for any other reason then the awards will immediately lapse on cessation of employment.

Where a participant leaves employment after the first vesting date but prior to the end of the vesting period under any other circumstances, any unvested awards will vest in full at the date of such cessation or such other date as the Committee determines, other than in circumstances where the Company would be entitled to summarily dismiss the participant, in which case the award will lapse immediately on such cessation.

15.2.6 Holding Period, Malus and Clawback

Malus provisions may apply to awards granted under the LTIP. Clawback provisions may apply to awards made on or after 31 July 2018 under the LTIP. These provisions permit the Committee to recover shares vested under the LTIP for up to five years from the grant date. Shares awarded under the LTIP from 13 July 2015 are subject to an additional two-year holding period.

15.2.7 Change of Control

In the event of a change of control, all unvested LTIP awards would vest, to the extent that any performance conditions attached to the relevant awards have been achieved. The LTIP awards will, other than if the Committee determines otherwise, be scaled back *pro rata* for the proportion of the performance period worked prior to the change of control. Any options would be exercisable for one month before lapsing.

15.3 The DBP

15.3.1 Overview

Mitie's DBP is split into two sections, the Annual Bonus Section and the Deferred Bonus Section. Prior to FY18/19, participants were required to waive entitlement to a cash payment in respect of any bonus awarded in excess of 100 per cent. of annual salary. Such amounts were paid in the form of a conditional share award, nil cost option, or in such other form as the Committee determined (the "**Deferred Award**"). From financial year 2018/19 onwards, 50 per cent. of any bonus will be paid in the form of a Deferred Award provided the participant consents.

The Committee may determine in respect of any deferred bonus to provide a matching award (the "**Matching Award**") to enable Participants to acquire a further number of shares at the end of the deferral period.

Awards do not give rise to entitlement until they vest. It is intended that Shares used to satisfy awards will be market purchase. The DBP will not involve the issue of new Shares without the prior approval of shareholders in general meeting.

15.3.2 Eligibility

Any executive director or employee of the Group can participate in the DBP if selected by the Committee in its absolute discretion.

15.3.3 Grant of Awards

The Committee will grant Deferred Awards as soon as possible following the payment of bonuses and within the notification period. The Deferred Award will vest at the end of the applicable Deferral Period provided the participant has not given or received notice of their intention to terminate their office or employment as at that date.

15.3.4 Performance Conditions

Annual bonuses are awarded based on the Company's annual financial and strategic results and, where relevant, on the achievement of personal objectives in a particular financial year. The objective conditions relating to performance must be satisfied before the entitlement to a bonus arises. The Committee may reduce (down to zero, if appropriate) or increase the level of bonus, to take account of the overall performance of the Company during the relevant period and the contribution of the participant over that period.

15.3.5 Cessation of Employment

Generally, awards lapse on the date the participant ceases to be in employment. However, where the participant ceases employment due to injury, disability, ill health, sale of the company or business in which they were employed, retirement, redundancy, or any other reason that the Committee determines (other than dismissal for misconduct), any unvested Deferred Award shall vest either at the date of cessation, or such other dates as determined by the Committee. In the case of death, the Deferred Award vests in full on the date of death.

15.3.6 Change of Control

Deferred Awards vest in full in the event of a change of control.

15.3.7 Malus and Clawback

Malus and clawback provisions may apply to awards granted on or after 31 July 2018. These provisions permit the Committee to reduce (to nil if appropriate) or recover for up to two years after vesting Deferred Awards in the event of a material misstatement of Mitie's financial results, an error in the calculation of performance which led to an overpayment of a Deferred Award, or the participant's actions amount to serious misconduct, cause reputational damage, or amount to a material failure of risk management and/or control.

15.4 The SAYE UK Scheme

15.4.1 Overview

The SAYE UK Scheme is a save-as-you-earn scheme under which employees are granted share options at the market price at the date of grant. Participants are required to save monthly through a contractual savings arrangement over a period of three or five years. At the end of the savings contract, the participant may either exercise the option using the savings contributions (and interest, if any) or have the savings and any accrued interest repaid. The SAYE UK Scheme was approved by shareholders at the AGM held on 13 July 2011.

The SAYE UK Scheme is open to eligible UK resident employees. The exercise price is not less than the higher of the nominal value of a scheme share and 80 per cent. of the market value of the share on the business day immediately preceding the date on which invitations to participate in the scheme are issued. If the options remain unexercised after a period of six months from the earliest repayment date under the savings contract, the options expire. Options may be forfeited if the employee leaves the Group.

15.4.2 Eligibility

All UK tax resident Group employees and full-time Directors of the Company, with a qualifying period of continuous service (commencing not earlier than five years prior the date of grant) may participate in the SAYE UK Scheme.

The Board may extend the SAYE UK Scheme to provide for the grant of options to eligible employees who are not UK tax residents, subject to appropriate modifications to take into account local tax, exchange control, securities laws or other regulatory requirements.

15.4.3 Employee Contributions

The maximum amount a participant may save monthly over the three-year or five-year period is the lesser of the maximum allowed under the relevant UK tax legislation, which is currently £500 per month, and the sum decided by the Committee (which will be a multiple of £1 and not less than £5). The minimum amount which may be saved is £5 per month (or such other minimum amount as is permitted under the terms of the relevant savings contract (which must not be less than £5).

15.4.4 Exercise of Options

Options can normally only be exercised within six months of the earliest repayment date under the savings contract. The options expire if they remain unexercised for six months after such date.

15.4.5 Performance Conditions

There are no performance conditions attached to the SAYE UK Scheme options.

15.4.6 Cessation of Employment

Options may be exercised early in certain circumstances. These include termination of employment as a result of death, injury, disability, redundancy, retirement or the sale of the subsidiary or business for which the participant works and in the event of a takeover or liquidation of the Company.

15.5 The SAYE Ireland Scheme

15.5.1 Overview

The SAYE Ireland Scheme is a save-as-you-earn scheme under which employees are granted share options at the market price at the date of grant. Participants are required to save monthly through a contractual savings arrangement. At the end of the savings contract, the participant may either exercise the option using the savings contributions (and interest, if any) or have the savings and any accrued interest paid. The SAYE Ireland Scheme was approved by shareholders at the AGM held on 23 June 2015.

The SAYE Ireland Scheme is open to eligible employees and Directors. The exercise price is not less than the higher of the nominal value of a scheme share and 75 per cent. of the market value of the scheme share on the business day immediately preceding the date on which invitations to participate in the scheme are issued. If the options remain unexercised after a period of six months from the earliest repayment date under the savings contract the options expire. Options may be forfeited if the employee leaves the Group.

15.5.2 Eligibility

All Mitie employees and full-time Directors of the Company, with a qualifying period of continuous service (commencing not earlier than three years prior the date of grant) may participate in the SAYE Ireland Scheme, provided that they are eligible to participate by virtue of paragraph 8 of Schedule 12A of the Taxes Consolidation Act 1997.

15.5.3 Employee Contributions

The maximum amount a participant may save monthly over the three-year or five-year period is the lesser of €500 and the sum decided by the Committee (which will be a multiple of €1 and not less than €12). The minimum amount which may be saved is €12 or such other minimum amount prescribed by Irish tax legislation.

15.5.4 Exercise of Options

Options must be exercised no later than six months after the earliest repayment date under the savings contract. The options expire if they remain unexercised after such date.

15.5.5 Performance Conditions

There are no performance conditions attached to the SAYE Ireland Scheme options.

15.5.6 Cessation of Employment

Options may be exercised early in certain circumstances. These include termination of employment as a result of death, injury, disability, redundancy, retirement or the sale of the subsidiary or business for which the participant works and in the event of a takeover or liquidation of the Company.

15.6 The ESOS

15.6.1 Overview

The ESOS provides for the grant of both HMRC tax qualified and non-tax qualified options. For the non-tax qualified options, the exercise price is not less than the higher of the nominal value of a Share and the market value on the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Before options can be exercised, a performance condition must be satisfied; the performance condition is linked to the percentage growth in earnings per share over a three-year period.

15.6.2 Eligibility

Any Director or employee of the Group can participate in the ESOS. For the tax qualified ESOS, the Director is required to be full time.

15.6.3 Grant of Deferred Awards

Award levels are set by the Committee according to the individual's performance and experience.

Vesting of the option is dependent on the achievement of performance conditions measured over a three-year period. Under the current plan rules, awards of up to 100 per cent. of the individual's basic salary can be made, provided, in the case of tax qualified options, limits set out in UK tax legislation are complied with.

15.6.4 Performance Conditions

Performance conditions are set by the Committee with performance measured over a three-year period relative to Mitie's financial performance. The performance condition is linked to the percentage growth in earnings per share over the three-year period. The performance measures are reviewed at intervals to ensure that the bonus opportunities continue to support Mitie's business plan.

15.6.5 Cessation of Employment

Generally, options lapse when a participant leaves employment unless the Committee determines otherwise. However, where a participant leaves employment due to injury, disability, ill health, death, retirement, sale of the company or business in which they were employed, or redundancy, the participant's options will be exercisable for six months after the date of leaving employment, after which they will lapse. In the case of death, the participant's personal representatives will have 12 months to exercise the options from the date of death.

15.6.6 Change of Control

In the event of a change of control, options may be exercised within a set period of either one month or six months of the date in change of control unless the Committee determines that the options should be exercised prior to this date, after which they lapse.

15.7 The CSP

15.7.1 Overview

The CSP was introduced in 2014. The conditional awards of shares or the rights to acquire shares (the award) are offered to a small number of key senior management. The vesting period is determined at the discretion of the Committee and is generally two or three years, and vesting may be conditional on the assessment of performance targets. It is intended that Shares used to satisfy awards will be market purchase. The CSP does not involve the issue of new Shares or the transfer of treasury Shares unless the CSP has been approved by an ordinary resolution of shareholders of the Company in general meeting.

15.7.2 Eligibility

The CSP is currently only available to a small number of key senior management, excluding executive Directors.

15.7.3 Grant of Awards

Awards under the CSP can take the form of conditional awards, restricted share awards or options. Where offered as options the exercise price is £nil. The vesting period is determined at the discretion of the Committee and is generally two or three years. If the awards remain unexercised after a period of ten years from the date of grant the awards expire.

15.7.4 Performance Conditions

Performance conditions are set by the Committee. The Committee may subsequently amend or waive objective conditions, provided that any amended conditions are no more difficult to achieve than those previously imposed. The performance measures are reviewed periodically to ensure that the criteria continue to support Mitie's business plan.

15.7.5 Cessation of Employment

Generally, awards lapse when a participant leaves employment unless the Committee determines otherwise. However, where a participant leaves employment due to injury, disability, death, retirement, sale of the company or business in which they were employed, redundancy, or any other reason that the Committee determines, any unvested award shall vest (subject to time pro-rating as considered appropriate) either at the date of cessation, or if determined by the Committee at the end of the vesting period. Options will be exercisable

for six months from the vesting date, other than in the case of death, where the participant's personal representatives will have 12 months to exercise the options.

15.7.6 **Change of Control**

In the event of a change of control, all unvested awards will vest in full. Options must be exercised within six months, if the change of control results from the acquisition of all issued share capital and, if all of the shares in the Company of the same class as the CSP are acquired, one month from the first date on which the acquirer becomes bound or entitled to give a notice to acquire the shares.

15.8 **The SIP**

15.8.1 **Overview**

The SIP is a scheme under which the Committee may make an award of free shares (the “**Free Shares**”), give eligible employees the opportunity to invest in partnership shares and award matching shares to those employees who purchase partnership shares. Employees may also be able to re-invest dividends paid on their SIP shares in further shares (dividend shares). The SIP operates through a UK trust which purchases Shares in the market on behalf of employees.

15.8.2 **Eligibility**

All UK tax resident employees of the Company and any participating company may participate in the SIPs. Eligible employees will be invited to join the scheme at any time.

15.8.3 **Partnership Shares**

Eligible employees may be offered the opportunity to purchase Shares out of their pre-tax salary up to the maximum permitted under the SIPs (currently £1,800 per tax year, or 10 per cent. of the eligible employee's pre-tax salary, if less) (the “**Partnership Shares**”). The SIPs also have a minimum deduction for participating employees of £10 per month. At the end of each month the contributions are applied to purchase the maximum number of whole Partnership Shares. Any cash amounts remaining are carried over towards the following month's contribution, provided that any restrictions on the maximum number of Shares to be included in a particular award continues to be met.

Partnership Shares may be withdrawn from the SIP by participating employees at any time after they have been purchased and are not subject to any forfeiture provisions.

15.8.4 **Matching Shares**

Where participating employees acquire Partnership Shares they may be awarded additional Shares by the Company on a matching basis up to a current statutory minimum of two matching Shares for every Partnership Share (the “**Matching Shares**”).

Each award of Matching Shares is subject to a holding period of at least three years but not more than five years (or any other periods required by the relevant legislation from time to time) beginning with the date on which the relevant Matching Shares are awarded. If a participant ceases employment or a participant withdraws their corresponding Partnership Shares within three years of purchase or such other forfeiture period as determined by the Committee, the Matching Shares will cease to be subject to the SIP and may be forfeited.

15.8.5 **Free Shares**

The SIP rules provide that each participant may be awarded Shares worth up to the statutory maximum (currently £3,600) each year. The allocation can be based on performance measures such as business results or other objective criteria. Free Shares must be held in trust for the period specified by the Committee of between three and five years. If a participant ceases employment within three years from the award day, the Free Shares will cease to be subject to the SIP and may be forfeited as determined by the Committee.

15.8.6 Dividend Shares

Participating employees may decide that some or all of the cash dividends paid in respect of Shares held in the SIP should be reinvested in the purchase of additional Shares (the “**Dividend Shares**”). Dividend Shares are not subject to forfeiture provisions but are subject to a holding period of three years.

15.8.7 Leavers

In general, and subject to any applicable forfeiture provisions, if a participating employee leaves employment with the Company or other participating company within Mitie, they will no longer be eligible to participate in the SIP and will not be eligible for any further Partnership Shares, Free Shares or Matching Shares after any existing contributions have been used to acquire Partnership Shares under the terms of the SIP.

15.9 The EBT

15.9.1 The Company has also established the Mitie Group plc Employee Benefit Trust (the “**EBT**”) to facilitate and encourage the ownership of Shares by or for the benefit of employees of the Group. The trustee of the EBT is Apex Financial Services (Trust Company) Limited, which is incorporated in Jersey and is non-resident for UK tax purposes. The trustee of the EBT may be funded by way of contributions or loans made by the Company, to subscribe for or purchase Shares in the market, to be used for the benefit of the beneficiaries of the EBT. As at the latest practicable date prior to the date of this document, being 22 June 2020, 4,364,705 Shares were held in the EBT, which may be used to satisfy awards made under the Employee Share Plans and other employee share incentive arrangements operated by the Company. The beneficiaries of the EBT are the employees and former employees of the Group and the spouses and dependants of such employees and former employees.

16 Subsidiaries and Corporate Structure

16.1 Corporate Structure

The Company was incorporated in 1936 and is the ultimate parent company of the Group, which comprises the Company and its subsidiary undertakings.

16.2 Significant Subsidiary and Associated Undertakings

The *following* is a list of subsidiaries of Mitie (each of which is considered by Mitie to be likely to have a significant effect on the assessment of the assets, liabilities, the financial position and/or the profits and losses of the Group) as at 22 June 2020 (being the latest practicable date prior to the publication of this document).

Name of subsidiary	Country of incorporation and operation	Percentage equity interest at 22 June 2020	Percentage voting power (if different) at 22 June 2020
Care & Custody (Health) Limited	UK	100%	N/A
Mitie Aviation Security Limited	UK	100%	N/A
Mitie Built Environment Limited	UK	100%	N/A
Mitie Business Services Limited	UK	100%	N/A
Mitie Business Services UK Limited	UK	100%	N/A
Mitie Care and Custody Limited	UK	100%	N/A
Mitie Cleaning & Environmental Services Limited	UK	100%	N/A
Mitie Client Services Limited	UK	100%	N/A
Mitie Facilities Management Limited	Ireland	100%	N/A
Mitie Holdings Limited	UK	100%	N/A
Mitie Landscapes Limited	UK	100%	N/A
Mitie Limited	UK	100%	N/A
Mitie PFI Limited	UK	100%	N/A
Mitie Property Services (UK) Limited	UK	100%	N/A
Mitie Security Holdings Limited	UK	100%	N/A
Mitie Security Limited	UK	100%	N/A
Mitie Shared Services Limited	UK	100%	N/A
Mitie T S 2 Limited	UK	100%	N/A
Mitie Technical Facilities Management Holdings Limited	UK	100%	N/A
Mitie Technical Facilities Management Limited	UK	100%	N/A
Mitie Tilley Roofing Limited	UK	100%	N/A
Mitie Treasury Management Limited	UK	100%	N/A
Mitie Waste & Environmental Services Limited	UK	100%	N/A
Utiylix Limited	UK	100%	N/A
Vision Security Group Limited	UK	100%	N/A

17 Pension Schemes

In relation to the last full financial year, save as described in paragraph 15 above, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors and Senior Managers.

18 Banking Facilities and US Private Placement Notes

18.1 Revolving Credit Facility

Description of Revolving Credit Facility

Mitie is party to a facility agreement dated 29 March 2011, as amended and restated by a supplemental agreement dated 17 July 2014 and as further amended from time to time, with a syndicate of six banks as original lenders, and pursuant to which the Group holds a £275 million revolving credit facility (“**Revolving Credit Facility**”).

The Revolving Credit Facility was entered into for: (i) the purpose of refinancing Mitie’s previous £230,000,000 revolving credit facility originally dated 17 January 2007; and (ii) general corporate and trade purposes.

The Revolving Credit Facility is provided to the Group on an unsecured basis but is guaranteed by, as at 31 March 2020, 19 key entities within the Group. These entities are determined by certain conditions set out in the Revolving Credit Facility.

The Revolving Credit Facility is due to mature in July 2021. As at 31 March 2020, £49.5 million of this facility was drawn down. Under the terms of the Revolving Credit Facility, Mitie may voluntarily prepay any part of a loan made under the Revolving Credit Facility prior to the termination date, subject to a requirement that the prepayment is in a minimum amount of £5,000,000, or equivalent.

The interest rate under the Revolving Credit Facility is equivalent to the aggregate of the applicable margin plus LIBOR, EURIBOR, STIBOR, NIBOR or WIBOR. The margin is determined by reference to Mitie's Leverage Ratio and is between 0.80 and 1.55 per cent. per annum, subject to a set margin of 1.55 per cent. per annum in the event that Mitie is in default of its obligation to provide a compliance certificate or relevant financial statements or an event of default is outstanding.

The Revolving Credit Facility contains covenants that are typical in financings of this type, including restrictive covenants in relation to granting security, disposals, the incurrence of financial indebtedness and mergers (each subject to customary exceptions) as well as restrictions on change of business and acquisitions which constitute Class 1 transactions. There are also positive covenants relating to, amongst other things, compliance with environmental and sanctions laws, maintaining insurance and intellectual property and complying with the following financial covenants:

- (a) Mitie's Leverage Ratio must not exceed 3.0x; and
- (b) Mitie's Interest Coverage Ratio must not be less than 4:1.

The Revolving Credit Facility contains event of default provisions customary for financings of this nature, including payment defaults, breach of financial covenants, breach of other obligations, misrepresentation, cross-default, insolvency (or analogous event), cessation of business, creditors' process, effectiveness of the finance documents, ownership of the obligors and material adverse change.

Proposed Amendments to the Revolving Credit Facility

Certain amendments are to be made to the Revolving Credit Facility and shall take effect on completion of the Rights Issue. These include, amongst others:

- (a) a reduction in the size of the Revolving Credit Facility from £275 million to £250 million;
- (b) an extension to the term of the Revolving Credit Facility from July 2021 to December 2022;
- (c) amendments to the financial covenants such that;

	30 Sept. 2020	31 March 2021	30 Sept. 2021	31 March 2022	30 Sept. 2022
Interest Coverage Ratio	> 3.0x < 3.0x	> 1.0x	> 2.5x	> 3.5x	> 4.0x
Leverage Ratio	(unchanged)	< 4.0x	< 3.5x	< 3.0x	< 3.0x

- (d) amendments to the margin such that it remains determined by reference to Mitie's Leverage Ratio but is between 3.25 and 4.25 per cent. per annum;
- (e) a waiver of the Guarantor coverage tests until the delivery of the financial statements of Mitie's 2022 financial year, subject to certain conditions relating to significant subsidiaries of Mitie remaining as guarantors under the Revolving Credit Facility for such period;
- (f) the inclusion of a restriction on any acquisitions by Mitie until 30 September 2021, unless following such acquisition Mitie's Leverage Ratio does not exceed 3:1;
- (g) the inclusion of a restriction on dividends by Mitie unless, on the most recent financial covenant test date, Mitie's Leverage Ratio is less than 3:1 and such dividend is consistent with Mitie's dividend or distribution policy;
- (h) a waiver of any default arising as a result of: (i) suspension of payments or negotiations with certain creditors in connection with COVID-19 for a period of six months from the date on which the waiver is effective; or (ii) a material adverse change in connection with COVID-19 for a period commencing on the date on which the waiver is effective and ending on 30 September 2021; and
- (i) a requirement for any entity which accedes as a subsidiary guarantor under the Note Purchase Agreement, to also accede as a guarantor under the Revolving Credit Facility.

18.2 US Private Placement Notes

Description of the Note Purchase Agreement and the US Private Placement Notes

Mitie has issued private placement notes through its subsidiary MTML, which are guaranteed by Mitie (and certain other entities in the Group) and denominated in pounds sterling or US dollars to institutional investors. MTML has issued the US Private Placement Notes which are outstanding pursuant to “the Note Purchase Agreement, comprising:

- (i) the US\$153,000,000 3.85 per cent. Guaranteed Series A Senior Notes due December 16, 2022;
- (ii) the £25,000,000 3.87 per cent. Guaranteed Series B Senior Notes due December 16, 2022; and
- (iii) the £30,000,000 4.04 per cent. Guaranteed Series C Senior Notes due December 16, 2024.

Interest under the US Private Placement Notes is payable by MTML semi-annually in arrears.

The US Private Placement Notes may be prepaid at any time in whole or in part (subject to a minimum amount of US\$5 million or, in the case of the pounds sterling denominated notes issued under the Note Purchase Agreement, its equivalent in pounds sterling using the conversion rate set out in the Note Purchase Agreement) at par plus all accrued and unpaid interest plus a market make-whole premium, if any.

The make-whole amount is an amount intended to compensate investors for the difference in expected yield on the US Private Placement Notes to the yield if the principal is received earlier than scheduled and the reinvestment yield is lower than the interest rate that the US Private Placement Notes typically have. A make-whole would typically be payable if the reinvestment yields have gone down between the time of the initial placement of the US Private Placement Notes and the date of the prepayment. In general terms, the make-whole premium will be equal to the excess (if any) of (a) the present value of the remaining principal payments on the principal amount to be prepaid, discounted at a rate equal to the yield on the most actively-traded on the run US treasury note or, in the case of pounds sterling denominated notes, the actively-traded on the run UK gilt securities which most closely matches the maturity of the US Private Placement Notes, plus 50 basis points over (b) the principal amount of the US Private Placement Notes to be prepaid.

The US Private Placement Notes are not subject to required prepayments prior to the final maturity date except (i) prepayments required following certain disposals of assets, (ii) in connection with a change of control, (iii) following certain changes in sanctions that affect the Group or violations of sanctions or (iv) due to acceleration on an event of default.

The Note Purchase Agreement contains covenants that are typical in financings of this type, including restrictive covenants in relation to granting security, disposals, the incurrence of financial indebtedness and mergers (each subject to customary exceptions). There are also positive covenants relating to, amongst other things, compliance with environmental and sanctions laws, maintaining insurance and property and complying with the following financial covenants:

- (a) Mitie’s Leverage Ratio must not exceed 3.0x; and
- (b) Mitie’s Interest Coverage Ratio must not be less than 4:1.

The Note Purchase Agreement also contains event of default provisions customary for financings of this nature, including payment defaults, breach of financial covenants, breach of other obligations, misrepresentation, cross-default, insolvency (or analogous event), failure to maintain or administer non-US employee benefit plans and effectiveness of the finance documents.

Proposed Amendments to the Note Purchase Agreement

Certain amendments are made to the Note Purchase Agreement and shall take effect on completion of the Rights Issue. These include, amongst others:

- (a) amendments to the financial covenants such that:

	30 Sept. 2020	31 March 2021	30 Sept. 2021	31 March 2022	30 Sept. 2022
Interest Coverage Ratio	> 3.0x	> 1.0x	> 2.5x	> 3.5x	> 4.0x
	< 3.0x				
Leverage Ratio	(unchanged)	< 4.0x	< 3.5x	< 3.0x	< 3.0x

- (b) the inclusion of an additional fee payable under the Note Purchase Agreement during the period from the date on which the proposed amendments to the Note Purchase Agreement and the US Private Placement Notes take effect to the first date on or after 31 March 2022 that MTML certifies compliance with the financial covenants (such period, the “**US Private Placement Notes Amendment Period**”) of 1.25 per cent. of the outstanding principal amount of the US Private Placement Notes;
- (c) the inclusion of an additional fee payable under the Note Purchase Agreement should the Leverage Ratio exceed 2.5:1;
- (d) the inclusion of a requirement to deliver to the Noteholders any document sent by Mitie to its shareholders or any document sent by Mitie, MTML or any subsidiary guarantor to its creditors;
- (e) a waiver of the Guarantor coverage tests during the US Private Placement Notes Amendment Period;
- (f) the inclusion of a restriction on any acquisitions by Mitie (i) which are Class 1 acquisitions, or (ii) during the US Private Placement Notes Amendment Period, unless following such acquisition Mitie’s Leverage Ratio does not exceed 3:1;
- (g) the inclusion of a restriction on dividends by Mitie unless, following payment of the dividend, Mitie’s Leverage Ratio for the then most recently completed Measurement Period would not exceed 3.0 to 1 and such dividend is consistent with Mitie’s dividend or distribution policy.
- (h) the inclusion of a most favoured lender provision for the duration of the US Private Placement Notes Amendment Period, whereby any more favourable terms agreed with the lenders under the Revolving Credit Facility shall be deemed to be incorporated into the Note Purchase Agreement; and
- (i) the inclusion of an additional event of default should a drawstop event occur under the Revolving Credit Facility during the US Private Placement Notes Amendment Period.

18.3 Supply Chain Finance Facility

Certain members of the Group have entered into a £50 million supply chain finance facility with Santander UK PLC (the “**Supply Chain Facility**”). As at 31 March 2020, £16 million of this facility was utilised. The obligations of the Group members under the Supply Chain Facility are guaranteed by Mitie.

The Supply Chain Facility contains: (i) representations customary for a facility of this nature, including valid and binding obligations, no change of control, sanctions, true, complete and accurate information, invoices are freely assignable, no disputes relating to invoices and invoices in full force and effect; (ii) undertakings customary for a facility of this nature, including compliance with laws and anti-corruption laws and provision of information relating to invoices; and (iii) termination provisions customary for a facility of this nature, including on insolvency (or analogous event), change of control, change of business, failure to pay, cross-default and misrepresentation.

Mitie anticipates this facility will no longer be used following the current year.

18.4 Customer Invoice Discounting Facility

Certain members of the Group have entered into a £100 million facility with Lloyds Bank plc for customer invoice discounting of which £61 million was utilised as at 31 March 2020 (the “**CID Facility**”). The obligations of the Group members under the CID Facility are guaranteed by Mitie.

The CID Facility is subject to Lloyds Bank plc’s standard terms and conditions which include: (i) representations customary for a facility of this nature, including delivery of invoices, no security over debts, valid and binding obligations, consents and authorisations, no disputes, ownership of debt and insurance; and (ii) events of default customary for a facility of this nature, including breach of obligations, change of control, sale or disposal of substantial part of business, insolvency (or analogous event) and failure to disclose information.

19 Auditors

The auditors of Mitie for the period from 19 September 2017 to date have been BDO LLP, Chartered Accountants, whose address is at 55 Baker Street, London W1U 7EU, United Kingdom. BDO LLP have no material interest in the Company. Deloitte LLP resigned as the auditors of Mitie with effect from 19 September 2017 following a competitive tender process.

20 Material Contracts

20.1 Mitie’s Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group and within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by the Company or any member of the Group and contain provisions under which the Company or any member of the Group has an obligation or entitlement which is, or may be, material to the Company or any member of the Group as at the date of this document:

20.1.1 Non-Disclosure Agreement

On 31 July 2019, Mitie and Interserve Facilities Management entered into a non-disclosure agreement in a customary form in relation to the Acquisition, pursuant to which Mitie undertook, among other things and subject to certain exceptions, to keep information relating to Interserve Facilities Management confidential and not to disclose it to third parties (other than certain permitted persons) unless required by law or regulation. Unless terminated earlier, the confidentiality obligations will remain in force for a period of five years from the date of the agreement.

20.1.2 Share Purchase Agreement

A description of the principal terms of the Share Purchase Agreement and tax deed are set out in Part X of this document.

20.1.3 Warranty and Indemnity Insurance Policy

A description of the principal terms of the Warranty and Indemnity Insurance Policy is set out in Part X of this document.

20.1.4 Finance Facilities

For a description of the principal terms of the debt financing documents and facilities, see paragraph 18 above.

20.1.5 US Private Placement Notes

For a description of the principal terms of the documents in relation to the US Private Placement Notes, see paragraph 18 above.

20.1.6 Underwriting Agreement

Pursuant to an underwriting agreement dated 25 June 2020 between the Company and the Underwriters (in their capacity as Joint Global Coordinators and Joint Bookrunners), the Joint Global Coordinators have agreed severally to procure subscribers for, or, failing which,

the Underwriters have agreed severally themselves to subscribe for, New Shares not taken up under the Rights Issue, in each case at the Issue Price.

In consideration of their services under the Underwriting Agreement, and subject to their obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not having been terminated, the Company has agreed to pay the Underwriters a commission of 2.0 per cent of the aggregate value at the Issue Price of the maximum number of New Shares comprised in the Rights Issue. Subject to the Underwriters' obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not having been terminated, the Company will pay such commissions and the Underwriters will pay any sub-underwriting fees out of such commissions (if and to the extent that sub-underwriters are or have been procured).

The Company shall pay (whether or not the Underwriters' obligations under the Underwriting Agreement become unconditional or the Underwriting Agreement is terminated) the costs and expenses of, or in connection with, the Rights Issue, the General Meeting, the allotment and issue of the New Shares, the Subscription and Transfer Agreement, the Option Agreement, the Receiving Agent Agreement and the Underwriting Agreement, including (but not limited to) in respect of book-building software, NetRoadshow and Dealogic, its own and the Underwriters' legal and other out-of-pocket expenses, and all stamp duty and stamp duty reserve tax (if any) and other duties and taxes.

The obligations of the Underwriters under the Underwriting Agreement are subject to certain conditions, including, amongst others:

- (a) Admission having occurred not later than 8.00 a.m. on 14 July 2020 or such later time and/or date as the Company and the Joint Global Coordinators may agree; and
- (b) the warranties and representations on the part of the Company in the Underwriting Agreement being true and accurate in all respects and not misleading in any respect on and as of the date of the Underwriting Agreement and at all times before Admission as if they had been given and made at such times by reference to the facts and circumstances then existing

The Joint Global Coordinators (on behalf of themselves and the Joint Bookrunners) may terminate the Underwriting Agreement in certain circumstances prior to Admission, including if any statement in the Prospectus is or has become untrue, incorrect or misleading in any material respect, for breach of warranty, for material breach of the Underwriting Agreement, if the application for Admission is refused by the FCA and for certain material changes in the market, in each case which in the opinion of the Joint Global Coordinators (acting jointly and in good faith) the effect of which is such as to make it impracticable or inadvisable to proceed with the Rights Issue or the underwriting of the New Shares, but in each case only prior to Admission.

The Underwriting Agreement also contains lock-up arrangements pursuant to which the Company may not, without the prior written consent of the Joint Global Coordinators (not to be unreasonably withheld or delayed), undertake any consolidation or subdivision of its share capital or any capitalisation issue, declare or pay any dividends or make any kind of distribution or grant of other rights in respect of any Shares, or offer, issue, lend, sell or contract to sell or contract to sell or issue, issue options in respect of, or otherwise dispose of, or announce any offering or issue of any Shares or any securities exchangeable or convertible into, or substantially similar to Shares for a period of 180 days from (but not including) the settlement date of the Rights Issue, except the issue of Shares in connection with the Rights Issue or the issuance of Shares as consideration for the Acquisition pursuant to the terms of the Share Purchase Agreement or pursuant to the vesting of awards or the exercise of options under the Employee Share Plans as described in paragraph 15 of this Part XIX. The Company has given certain undertakings, representations and warranties and indemnities to the Underwriters. The liabilities of the Company under the Underwriting Agreement are unlimited as to time and amount.

20.1.7 Subscription and Transfer Agreement and Option Agreement

In connection with the Rights Issue, the Company, the Bank Subscriber and JerseyCo have entered into a subscription and transfer agreement and an option agreement, each dated 25 June 2020, in relation to the subscription and transfer of ordinary shares and redeemable preference shares in JerseyCo. Under the terms of these agreements:

- (a) the Company and the Bank Subscriber have agreed to subscribe for ordinary shares in JerseyCo and enter into put and call options in respect of the ordinary shares in JerseyCo subscribed for by the Bank Subscriber that are exercisable if the Rights Issue does not proceed;
- (b) the Bank Subscriber will apply the proceeds of the Rights Issue (including relevant amounts received from acquirers procured by the Joint Global Coordinators or from the Underwriters) in subscribing for redeemable preference shares in JerseyCo to an aggregate value equal to such proceeds, after the deduction of the amount of certain commissions and expenses; and
- (c) the Company will allot and issue the New Shares to those persons entitled thereto in consideration of the Bank Subscriber transferring its holding of redeemable preference shares and ordinary shares in JerseyCo to the Company.

Accordingly, instead of receiving cash as consideration for the issue of the New Shares, at the conclusion of the Rights Issue the Company will own the entire issued ordinary and redeemable preference share capital of JerseyCo whose only assets will be its cash reserves, which will represent an amount equal to the net proceeds of the Rights Issue. The Company will be able to use this amount on redemption of the redeemable preference shares it will hold in JerseyCo and, during any interim period prior to redemption, by procuring that JerseyCo lends the amount to the Company (or one of the Company's subsidiaries).

Qualifying Shareholders are not party to these arrangements and so will not acquire any direct right against the Underwriters pursuant to these arrangements. The Company will be responsible for enforcing the obligations of the Bank Subscriber and JerseyCo thereunder.

20.1.8 Acquisitions / Disposals

(A) Acquisition of Vision Security

In connection with the acquisition by MTML of the Vision Security Group ("VSG") from the Compass Group, MTML, VSG Holdings Limited (the "VSG Seller") and Compass Group, UK and Ireland Limited entered into an acquisition agreement dated 7 October 2018 (the "VSG Acquisition Agreement"). VSG is a leading security services provider offering integrated "systems, manned guarding and key holding" support and complements Mitie's existing security business.

The VSG Acquisition Agreement contains customary warranties and indemnities in favour of MTML, and the VSG Seller's liability is subject to customary limitations and qualifications. The warranties are provided by reference to matters such as the capacity and ownership, constitution and structure, compliance with legal requirements, accounts, indebtedness and guarantees, regulatory compliance, contracts, assets, property (including intellectual property), information technology, environmental health and safety, employees, pensions, insurance, litigation, insolvency and taxation.

The acquisition was completed on 26 October 2018. The total consideration paid by MTML to the VSG Seller at completion of the acquisition pursuant to the VSG Acquisition Agreement was £14 million, reduced to £12.7 million as a result of a completion accounts adjustment.

(B) Disposal of Pest Control Business

In connection with the disposal by Mitie of its Pest Control business to Rentokil Initial 1927 plc (the "Pest Buyer"), Mitie Limited and the Pest Buyer entered into a sale and purchase agreement dated 30 September 2018 (the "Pest Sale Agreement").

The Pest Sale Agreement contains customary warranties and indemnities in favour of the Pest Buyer, and Mitie's liability is subject to customary limitations and qualifications. The warranties are provided by reference to matters such as the capacity and ownership, constitution and structure, compliance with legal requirements, accounts, indebtedness and guarantees, regulatory compliance, contracts, assets, property (including intellectual property), information technology, environmental health and safety, employees, pensions, insurance, litigation, insolvency and taxation.

The total consideration paid by the Pest Buyer to Mitie pursuant to the Pest Sale Agreement is £40 million, reduced to £38.4 million as a result of a completion accounts adjustment.

(C) **Disposal of Social Housing Business**

In connection with the disposal by Mitie of its Social Housing business to Mears Limited (the "**Social Housing Buyer**"), Mitie and the Social Housing Buyer entered into an acquisition agreement dated 19 November 2018 (the "**Social Housing Sale Agreement**").

The Social Housing Sale Agreement contains customary warranties and indemnities in favour of the Social Housing Buyer, and Mitie's liability is subject to customary limitations and qualifications. The warranties are provided by reference to matters such as the capacity and ownership, constitution and structure, compliance with legal requirements, accounts, indebtedness and guarantees, regulatory compliance, contracts, property, employees, pensions, insurance, litigation, insolvency and taxation.

The sale completed on 30 November 2018. The total consideration paid by the Social Housing Buyer to Mitie at completion of the sale pursuant to the Social Housing Sale Agreement was £22,500,000 with deferred consideration of up to £12,500,000 which is payable subject to the performance of the Social Housing business in the two-year period following completion.

(D) **Disposal of Catering Business**

In connection with the disposal by Mitie of its Catering and Outdoor Events Business to CH&Co Catering Group Limited (the "**Catering Buyer**"), Mitie and the Catering Buyer entered into a sale and purchase agreement dated 19 August 2019 (the "**Catering Sale Agreement**") and a business transfer agreement dated 19 August 2019 (the "**Catering Business Transfer Agreement**", and together with the Catering Sale Agreement, the "**Catering Agreements**").

The Catering Agreements contains customary warranties and indemnities in favour of the Buyer, and the Seller's liability is subject to customary limitations and qualifications. The warranties are provided by reference to matters such as the capacity and ownership, constitution and structure, compliance with legal requirements, accounts, indebtedness and guarantees, regulatory compliance, contracts, assets, property (including intellectual property), information technology, environmental health and safety, employees, pensions, insurance, litigation, insolvency and taxation.

The sale completed on 6 September 2019. The total consideration paid by the Catering Buyer to Mitie at completion of the sale pursuant to the Catering Agreements was £72.7 million, in addition to deferred consideration of up to £12,000,000 that is payable subject to the performance of the Catering business in FY19/20 and FY22/23.

20.2 Interserve Facilities Management's Material Contracts

20.2.1 Non-Disclosure Agreement

A description of the non-disclosure agreement entered into between Mitie and Interserve Facilities Management in connection with the Acquisition is set out in paragraph 20.1.1 of this Part XIX.

20.2.2 Share Purchase Agreement

A description of the principal terms of the Share Purchase Agreement and tax deed are set out in Part X (Terms and Conditions of the Acquisition) of this document.

20.3 Related Party Transactions

Details of the related party transactions between the Company and its subsidiaries that were entered into during the years ended 31 March 2020, 2019 and 2018 are incorporated into this document by reference to the 2020 Annual Report and Accounts, the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts, as described in Part XX of this document. During the period from 31 March 2020 to 22 June 2020 (being the latest practicable date prior to the date of this document), there were no new related party transactions.

21 Dividends

The following table sets out the dividend per Ordinary Share paid in each of the years ended 31 March 2020, 31 March 2019 and 31 March 2018 and the half year ended 31 September 2019, 2018 and 2017:

	Dividend per Share	
	Reported ⁽¹⁾	Adjusted ⁽²⁾
	(£)	
2020 Final	—	—
2020 Interim.....	0.0133	0.0070
2019 Final	0.0267	0.0141
2019 Interim.....	0.0133	0.0070
2018 Final	0.0267	0.0141
2018 Interim.....	0.0133	0.0070

Notes:

(1) As reported in respective year-end financial statements.

(2) As adjusted to reflect the estimated discount element of the Rights Issue.

22 Litigation and Investigations

22.1 Mitie

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effects on the Company or the Group's financial position or profitability.

22.2 Interserve Facilities Management

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effects on Interserve Facilities Management's or the Interserve Facilities Management Group's financial position or profitability.

23 Mandatory Takeover Bids, Squeeze-out Rules, Sell-out Rules and Takeover Bids

23.1 Mandatory Takeover Bids

The UK Takeover Code applies to the Company. Under the UK Takeover Code, if an acquisition of interests in shares were to increase the aggregate holding of an acquirer and persons acting in concert with it to an interest in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending upon the circumstances, persons acting in concert with it would be required (except with the consent of the UK Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interest in shares by the acquirer or his or her concert parties during the previous 12 months. A similar obligation to make such a mandatory offer would also arise on the acquisition of an interest in shares by a person holding (together with any persons acting in concert) an interest in shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

23.2 Squeeze-Out Rules

Under the Companies Act 2006, if a "takeover offer" (as defined in section 974 of the Companies Act) is made for the shares and the offeror were to acquire, or unconditionally contract to acquire,

not less than 90 per cent. in value of the shares to which the offer relates (the “Offer Shares”) and not less than 90 per cent. of the voting rights attached to the Offer Shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are acquired compulsorily under the Companies Act 2006 must, in general, be the same as the consideration that was available under the takeover offer.

23.3 Sell-Out Rules

The Companies Act 2006 also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares, and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those shares. The offeror is required to give any shareholder notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

23.4 Takeover Bids

No public takeover bid has been made in relation to the Company during the last financial year or the current financial year.

24 Working Capital

The Company is of the opinion that, taking into account the net proceeds of the Rights Issue and the bank and other facilities available to the Group, the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

In making the above working capital statement, the Company, as required by the ESMA Recommendations, has assessed whether there is sufficient margin or headroom to cover a reasonable worst case scenario.

COVID-19 has resulted in significantly increased levels of uncertainty for the Company, with a wide range of possible scenarios and consequential financial impacts. For the purposes of this working capital statement, the Company has formed its view of a reasonable worst case scenario using the following COVID-19-specific assumptions:

- The restrictions on activities in the United Kingdom as a result of COVID-19 are assumed to remain in place until the end of June 2020, followed by a relaxation of restrictions before a second set of restrictions on activities at least as severe as the first, which are assumed to occur from August to October 2020;
- As a result, Mitie’s revenue for FY20/21 and FY21/22 is assumed to decline by approximately 30 per cent. and 15 per cent., respectively, versus FY19/20; and
- Working capital, inclusive of bad debts, excluding the government’s “Time to Pay” deferral, is assumed to come under pressure in FY20/21 resulting in a net negative cashflow impact of approximately £140 million. It is assumed that this dynamic slowly reverses to normalised levels during FY21/22.

As a result of the shut-down of Interserve’s enterprise resource management system, Mitie has not been able to take appropriate procedures to support a statement on the sufficiency of working capital when taking the Acquisition into account. The working capital statement included in this paragraph 24 is therefore prepared on the basis of the Group as it stands at the date of this document only. A working capital statement prepared on an Enlarged Group basis will be included in the Acquisition Circular and Prospectus to be published by the Group in due course.

The working capital statement in this Prospectus has been prepared in accordance with the ESMA Recommendations and the technical supplement to the FCA Statement of Policy published on 8 April 2020 relating to the outbreak.

25 No Significant Change

There has been no significant change in the financial position or performance of the Group since 31 March 2020, the date to which the latest financial statements in relation to the Group were published, save and except for the continued development of the COVID-19 pandemic as described in Part VII “*Letter from the Chairman of Mitie Group plc*” (paragraph 2 “*Background to and reasons for the Rights Issue*” and paragraph 7 “*Current Trading*”) and Part II “*Risk Factors*” (“*The COVID-19 pandemic may negatively impact Mitie’s ability to comply with financial covenants under its material financing arrangements and its liquidity*” and “*The COVID-19 pandemic has impacted Mitie’s and Interserve Facilities Management’s businesses, and is expected, if the Acquisition completes, to impact the business of the Enlarged Group; the ultimate impact on their businesses and financial results will depend on future developments*”).

26 Consents

Jefferies International Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

Evercore Partners International LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

BDO LLP has given and has not withdrawn its written consent to the inclusion of its report on the unaudited *pro forma* financial information in section B of Part XVII and has authorised the contents of that section of this document for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. A written consent under the Prospectus Regulation Rules is different from a consent filed with the United States Securities and Exchange Commission under Section 7 of the US Securities Act. BDO LLP has not filed and will not be required to file a consent under Section 7 of the US Securities Act.

27 General

The total costs and expenses payable by the Company in connection with the Rights Issue (including the listing fees of the FCA and the London Stock Exchange, professional fees and expenses and the costs of printing and distribution of documents) are estimated to amount to approximately £11 million (including VAT).

Each New Share is expected to be issued at a premium of 23 pence to its nominal value of 2.5 pence.

The financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

28 Documents Available for Inspection

Copies of the following documents will be available for inspection on the Group’s website at www.mitie.com for a period of 12 months following Admission of the New Shares, respectively:

- (a) the Articles of Association;
- (b) the 2020 Annual Report and Accounts, 2019 Annual Report and Accounts and 2018 Annual Report and Accounts;
- (c) the consent letters referred to in paragraph 26 above;
- (d) the Provisional Allotment Letter;
- (e) the Accountants’ Report on the Unaudited *Pro Forma* Financial Information of Mitie out in of Part XVII of this document;
- (f) the documents incorporated by reference into this document as described in Part XX; and

(g) this document.

29 Announcement on Results of the Rights Issue

The Company will make an appropriate announcement(s) to a Regulatory Information Service giving details of the results of the Rights Issue.

PART XX

DOCUMENTS INCORPORATED BY REFERENCE

No part of the 2020 Annual Report and Accounts, the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts is incorporated herein except as expressly stated below. Where such documentation itself incorporates information by reference to another document, the further information is not intended to form part of this document for any purpose.

The table below sets out the various sections of the documents referred to above which are incorporated by reference into this document, so as to provide the information required pursuant to the Prospectus Regulation Rules and to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Company and of the New Shares, is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and of the rights attaching to the New Shares:

Reference document	Information incorporated by reference	Page number in reference document
<i>2020 Annual Report and Accounts</i>	Independent auditors' reports	174-184
	Key Performance Indicators	24 to 26 (inclusive)
	Operating Review	27 to 36 (inclusive)
	Financial Review	37 to 44 (inclusive)
	Consolidated income statement	185
	Consolidated statement of comprehensive income	186
	Consolidated balance sheet	187-188
	Consolidated statement of changes in equity	189
	Consolidated statement of cash flows	190-191
	Notes to the consolidated accounts	192-246 (inclusive)
	Appendix – Alternative Performance Measures (APMs)	253-254
<i>2019 Annual Report and Accounts</i>	Independent auditors' report	90-94 (inclusive)
	Key Performance Indicators	14-15
	Our Divisional Performance	16-21 (inclusive)
	Financial Review	22-25 (inclusive)
	Independent auditors' reports	90-94 (inclusive)
	Consolidated income statement	95
	Consolidated statement of comprehensive income	96
	Consolidated balance sheet	97-98
	Consolidated statement of changes in equity	99
	Consolidated statement of cash flows	100-101
	Notes to the consolidated accounts	102-157 (inclusive)
	Appendix – Alternative Performance Measures (APMs)	163-165 (inclusive)
<i>2018 Annual Report and Accounts</i>	Independent auditors' reports	117-126 (inclusive)
	Consolidated income statement	127
	Consolidated statement of comprehensive income	128
	Consolidated balance sheet	129-130
	Consolidated statement of changes in equity	131
	Consolidated statement of cash flows	132-133
	Notes to the consolidated accounts	134-197 (inclusive)
	Appendix – Alternative Performance Measures (APMs)	204-205 (inclusive)

Where this information makes reference to other documents, such other documents are not incorporated into and do not form part of this document. Parts of the documents from which such information has been incorporated are not set out above and are either not relevant or are covered elsewhere in this document.

The 2020 Annual Report and Accounts, the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts are available for inspection in accordance with paragraph 28 of Part XIX of this document. These documents are also available on Mitie's website at <https://www.mitie.com/investors/>.

PART XXI

DEFINITIONS

In this document, the following expressions have the following meanings unless the context otherwise requires:

2018 Annual Report and Accounts	the annual report and accounts prepared by Mitie for the year ended 31 March 2018;
2019 Annual Report and Accounts	the annual report and accounts prepared by Mitie for the year ended 31 March 2019;
2020 Annual Report and Accounts	the annual report and accounts prepared by Mitie for the year ended 31 March 2020;
2018 Financial Statements	the audited financial statements for Mitie for the year ended 31 March 2018;
2019 Financial Statements	the audited financial statements for Mitie for the year ended 31 March 2019;
2020 Financial Statements	the audited financial statements for Mitie for the year ended 31 March 2020;
Acquisition	the proposed acquisition of the entire issued share capital of Interserve Facilities Management pursuant to the Share Purchase Agreement;
Acquisition Circular and Prospectus	the circular and prospectus to be published by the Company in relation to the Acquisition;
Acquisition Condition	condition to Completion under the Share Purchase Agreement, requiring the approval of the Acquisition Resolutions by the Shareholders at the Acquisition General Meeting;
Acquisition General Meeting	the general meeting of the Company to be held to approve the Acquisition Resolutions, notice of which will be set out in the Acquisition Circular and Prospectus;
Acquisition Resolutions	the resolutions to be contained in the notice of General Meeting contained within the Acquisition Circular and Prospectus for the Shareholders to approve;
Adjusted Consolidated EBITDA	Mitie's Consolidated EBITDA adjusted to reflect acquisitions and disposals;
Admission	the admission of the New Shares (nil paid): (a) to the Official List; and (b) to trading on the London Stock Exchange's main market for listed securities, becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards;
Annual General Meeting or AGM	an annual general meeting of the Company;
Articles of Association or Articles	the articles of association of the Company, details of which are set out in paragraph 4 of Part XIX of this document;
Audit Committee	the Company's audit committee;
Average Daily Net Debt	represents the sum of Mitie's daily Net Debt from 1 April to 31 March of a given financial year, divided by the number of days in that year (excluding the impact of IFRS 16, <i>Leases</i> , as applicable);
Bank Subscriber	J.P. Morgan Cazenove, being the entity appointed by the Underwriters to act on their behalf;
Barclays	Barclays Bank PLC;

Basic earnings per share from continuing operation before other items	represents Mitie's basic earnings per share from continuing operation less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items;
Board	the board of Directors, from time to time, of the Company;
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business;
Cashless Take-up	the sale of such number of Nil Paid Rights as will generate sufficient sale proceeds to enable the direct or indirect holder thereof to take up all of their remaining Nil Paid Rights (or entitlements thereto) without being required to provide any further capital;
CCSS	the CREST Courier and Sorting Service established by Euroclear to facilitate, amongst other things, the deposit and withdrawal of securities;
certificated or in certificated form	where a share or other security is not in uncertificated form;
Chairman	the chairman of the Company;
CMA Condition	condition to Completion under the Share Purchase Agreement, requiring the receipt of requisite level of clearance from the Competitions and Markets Authority in respect of the Acquisition;
Companies Act 2006	the UK Companies Act 2006, as amended;
Company	Mitie Group plc with its registered office at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU, United Kingdom and registered number SC019230;
Company Secretary	the company secretary of the Company;
Completion	completion of the Acquisition;
Conditions	the conditions to completion of the Acquisition as described in Section 1.3 of Part X;
Consideration Shares	has the meaning given in Section 1.2 of Part X;
Consolidated EBITDA	represents Mitie's consolidated operating profit/(loss) from continuing and discontinued operations plus depreciation, amortisation and impairment charges – reflecting covenant adjustments (comprising the impact of restructuring activities, disposals of non-current assets, disposals of discontinued operations, provisions, one-off costs incurred on an acquisition, unrealised gains or losses on derivatives, income/charges attributable to post-employment benefit schemes (other than current service costs attributable thereto), and charges associated with share based payment schemes) on a pre-IFRS 16 basis;
Consolidated Net Finance Costs	Mitie's finance costs incurred (without taking account of dividends on preference shares), less all interest and other financing charges received or receivable, but excluding finance costs associated with past-employment benefit schemes, each on a consolidated basis, including share of any proportionate consolidated joint ventures, but without taking account of certain unrealised derivative gains or losses or non-cash charges required as a consequence of discounting the net present value of any deferred consideration liabilities and excluding the impact of finance costs from the adoption of IFRS 16, <i>Leases</i> ;
Consolidated Total Net Borrowings	represents Net Debt (pre-IFRS 16) less the impact of hedge accounting and upfront fees;
Corporate Governance Code	the UK Corporate Governance Code produced by the Financial Reporting Council;

COVID-19	the novel strain of coronavirus, COVID-19
CREST	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is the operator, as defined in the CREST Regulations);
CREST Deposit Form	the CREST Deposit Form set out on page 4 of the Provisional Allotment Letter;
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 18 November 2019 and as amended since);
CREST member	a person who has been admitted to Euroclear as a system member (as defined in the CREST Regulations);
CREST participant	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
CREST Proxy Instruction	the CREST message in order to make a valid proxy appointment or instruction;
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor;
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
CSP	the Mitie Group plc Conditional Share Plan 2014;
Cyber Condition	condition to Completion under the Share Purchase Agreement, requiring that no termination event subsisting relating to Interserve Facilities Management's cyber incident having directly resulted in a material adverse effect to Interserve Facilities Management;
DBP	the Mitie Group plc Deferred Bonus Plan 2010;
Directors	the directors of the Company whose names appear in paragraph 5 of Part XIX of this document;
Disclosure Guidance and Transparency Rules or DTRs	the disclosure guidance and transparency rules of the FCA under Part VI of the FSMA, as amended;
Distributor	a distributor for the purposes of MiFID II (EU Directive 2014/65/EU) and any subsequent technical advice or guidance issued by ESMA;
EBT	The Mitie Group plc Employee Benefit Trust;
EEA	the European Economic Area;
Employee Share Plans	the employee share plans operated by the Company, as described in paragraph 15 of part XIX of this Prospectus;
Enlarged Group	Mitie as enlarged by the Rights Issue proceeds and the Acquisition (following completion of the Rights Issue and Completion, as applicable);
ESMA	the European Securities and Markets Authority;
ESMA Recommendations	ESMA's update of the Committee of European Securities Regulators' recommendations for the consistent implementation of the EU Regulations on Prospectuses;
ESOS	the Mitie Group plc Executive Share Option Scheme 2011;

euro or €	the single currency of the member states of the European Communities that adopt or have adopted the Euro as their lawful currency under the legislation of the EU or European Monetary Union;
Euroclear	Euroclear UK & Ireland Limited, the operator (as defined in the CREST Regulations) of CREST;
European Union or EU	the European Union first established by treaty made at Maastricht on 7 February 1992;
Evercore	Evercore Partners International LLP;
Executive Directors	the executive directors of the Company;
Existing Shares	the Shares in issue immediately preceding the issue of the New Shares;
Ex-Rights Date	14 July 2020;
Financial Adviser	Evercore Partners International LLP;
Financial Conduct Authority or FCA	the UK Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;
Free Cash Inflow	represents cash generated from operations adjusted for lease payments including interest paid (reclassified under IFRS 16), capital expenditure, interest (excluding IFRS 16) and tax;
FSMA	the Financial Services and Markets Act 2000, as amended;
Fully Paid Rights	rights to acquire New Shares, fully paid;
General Meeting	the general meeting of the Company to be held at Linklaters LLP, One Silk Street, London, EC2Y 8HQ, at 11.00 a.m. on 13 July 2020, notice of which is set out at the end of this document;
GSOC	Mitie's global security operations centre;
Headline EBITDA	represents Mitie's operating profit/(loss) before other items from continuing and discontinued operations plus depreciation and amortisation (excluding the impact of acquisitions and disposals in the year). Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items;
HMRC	HM Revenue & Customs, the UK tax authority;
How Group	How Group Limited, a company incorporated under the laws of England and Wales with its registered office at Interserve House, Ruscombe Park Twyford, Reading, Interserve Facilities Management, RG10 9JU and registered number 01984855;
ICO	Information Commissioner;
Interserve Facilities Management	Interservefm (Holdings) Limited, a company incorporated under the laws of England and Wales with its registered office at Capital Tower, 91 Waterloo Road, London, SE1 8RT and company number 04127829, together with its subsidiaries and subsidiary undertakings and, where the context requires, its associated undertakings;
IFM	Mitie's integrated facilities management service;
IFRS	International Financial Reporting Standards as adopted by the European Union;
Insurer	Euclid Transactional UK Limited;
Interest Coverage Ratio	Consolidated EBITDA to Consolidated Net Finance Costs;
IRS	the Internal Revenue Service;
ISIN	International Securities Identification Number;

ISP	integrated support provider;
Issue Price	25 pence;
Jefferies	Jefferies International Limited;
JerseyCo	Project Orion Limited, a Jersey incorporated company with registered number 131748 that is a subsidiary of the Company
Joint Global Co-ordinators	J.P. Morgan Cazenove and Jefferies;
J.P. Morgan Cazenove	J.P. Morgan Securities plc;
JV Condition	condition to Completion under the Share Purchase Agreement, requiring any material waivers or approvals required in relation to the Landmark joint venture having been obtained;
Lender Condition	condition to Completion under the Share Purchase Agreement, requiring the consent of the lenders under the Revolving Credit Facility and the holders of the US Private Placement Notes, in each case to the extent required thereunder in respect of the Acquisition;
Leverage Ratio	Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA;
Link Asset Services	a trading name of Link Market Services Limited;
Listing Rules	the Listing Rules of the FCA under Part VI of the FSMA, as amended;
London Stock Exchange or LSE	London Stock Exchange plc;
Long Stop Date	31 March 2021;
LTIP	the Mitie Group plc Long Term Incentive Plan 2015;
MAR	the Market Abuse Regulation (EU) No 596/2014;
Member State	a member state of the EU;
Mitie or Group	the Company and its subsidiary undertakings and, where the context requires, its associated undertakings (excluding the Acquisition);
Mitie Group plc Pension Scheme	the Mitie Group plc defined benefit pension scheme;
Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 SI 2017/692 as amended by the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 SI 2019/1511;
MTML	Mitie Treasury Management Limited;
Net Debt	reflects Mitie's bank loans, the US Private Placement Notes, derivative financial instruments hedging private placement notes and obligations under lease liabilities after adoption of IFRS 16, <i>Leases</i> , less cash and cash equivalents;
Net Debt (pre-IFRS 16)	reflects Mitie's Net Debt excluding the impact of IFRS 16, <i>Leases</i> ;
Net Promoter Score (NPS)	net promoter score, based on surveys of Mitie customers to gauge overall satisfaction with the relevant product or service and loyalty;
New Shares	the 805,069,771 new Shares which the Company will allot and issue pursuant to the Rights Issue;
Nil Paid Rights	rights to acquire New Shares, nil paid;
Nomination Committee	the Company's nominations committee;
Non-Executive Directors	the non-executive directors of the Company;
Note Purchase Agreement	the note purchase and guaranty agreement dated as of 13 December 2012 (as amended) relating to the US Private Placement Notes;
Notice of General Meeting	the notice of General Meeting set out at the end of this document;

Official List	the Official List of the FCA pursuant to Part VI of the FSMA;
Operating profit before other items	represents Mitie's operating profit/(loss) less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items;
Operating Profit Margin before other items	represents Mitie's operating profit/(loss) less other items to revenue from continuing operations. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items;
Order book	represents the remaining performance obligations under Mitie's secured contracts. The order book represents only fixed work contracted with customers, and excludes any variable works associated with the customer or contract. The contract is only recorded for the remaining life of the contract and excludes the impact of any anticipated contract extensions, and new contracts with customers. The order book comprises both short-term contractual revenue (for contracts of a term of less than one year) and long-term contractual revenue (for contracts of a term of longer than one year) and represents the consideration to which Mitie will be entitled to receive from clients when it satisfies the remaining performance obligations in its contracts;
Overseas Shareholders	Qualifying Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the United Kingdom;
Pensions Condition	condition to Completion under the Share Purchase Agreement, requiring the amendment of certain of Interserve Facilities Management's pensions schemes to allow independent operation of certain sections thereunder, the receipt of pension trustee consent and a clearance statement issued by the Pensions Regulator;
PFI	private finance initiative;
pounds sterling or £ or GBP	the lawful currency of the UK;
Profit before tax before other items	represents Mitie's profit before tax less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items;
Profit from continuing operations after tax before other items	represents Mitie's profit from continuing operations after tax less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items;
Profit for the year before other items	represents Mitie's profit for the year less other items. Other items include impairment of goodwill, restructure costs, acquisition and disposal related costs, gain on bargain purchase, gain/(loss) from disposal and other exceptional items;
Prospectus or this document	this prospectus and circular issued by the Company in respect of the Rights Issue, together with any supplements or amendments thereto;
Prospectus Delegated Regulation	Delegated Regulation (EU) 2019/980 of 14 March supplementing the Prospectus Regulation;
Prospectus Regulation	Regulation (EU) 2017/1129 and amendments thereto;
Prospectus Regulation Rules	the prospectus regulation rules made of the FCA under Part VI of the FSMA, as amended;
Provisional Allotment Letter	the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders);

Qualifying CREST Shareholders	Qualifying Shareholders holding Shares in uncertificated form;
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Shares in certificated form;
Qualifying Shareholders	Shareholders on the register of members of the Company at the Record Date.
Receiving Agent	Link Asset Services;
Receiving Agent Agreement	the agreement between the Company and the Receiving Agent in relation to the Rights Issue;
Record Date	close of business on 9 July 2020;
Registrar	Link Asset Services;
Regulation S	Regulation S under the Securities Act;
Regulatory Information Service	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies;
Remuneration Committee	the Company's remuneration committee;
Resolution	the resolution to be proposed at the General Meeting in connection with the Rights Issue, notice of which is set out at the end of this document;
Restricted Territories	Canada, Australia, Japan, Switzerland, Hong Kong and South Africa and any other jurisdiction where the allotment or issue of New Shares pursuant to the Rights Issue would or may infringe the relevant laws and regulations for such jurisdiction or would or may require obtaining any governmental or other consent or to effect any registration, filing or other formality with which, in the opinion of the Company, it would be unable to comply or which is unduly onerous;
Revolving Credit Facility	the £275 million credit facility agreement dated 17 July 2014 (as amended and restated from time to time) between the Company and a syndicate of six banks as original lenders;
Rights Issue	the offer by way of rights to Qualifying Shareholders to subscribe for New Shares on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter;
Rights Issue Condition	condition to Completion under the Share Purchase Agreement, requiring approval of the Resolution by the Shareholders at the General Meeting and Admission;
Santander	Banco Santander, S.A.;
SAYE Ireland Scheme	the Mitie Group plc Irish Savings Relating Share Option Scheme 2015;
SAYE UK Scheme	the Mitie Group plc Savings Related Share Option Scheme 2011;
SDRT	Stamp Duty Reserve Tax;
SEC	the United States Securities and Exchange Commission;
Securities Act	the United States Securities Act of 1933, as amended;
Share	an ordinary share of 2½ pence each in the capital of the Company having the rights set out in the Articles, as described in paragraph 4 of Part XIX of this document;
Shareholder(s)	holders of Shares;
Share Purchase Agreement	the agreement dated 25 June 2020 between the Company and How Group pursuant to which the Company has agreed to acquire the entire issued share capital of the Interserve Facilities Management Group on

	the terms and subject to the conditions thereof, a summary of which is contained in Part X of this document;
SIP	the Mitie Group plc Share Incentive Plan 2018;
SOC	Mitie's service operations centre;
Special Dealing Service	the dealing service being made available by Link Asset Services to Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom or any other jurisdiction within the EEA who wish to sell all of their Nil Paid Rights or to effect a Cashless Take-up;
Special Dealing Service Terms and Conditions	the terms and conditions of the Special Dealing Service;
Sponsor	Jefferies International Limited;
stock account	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
subsidiary undertaking	as defined in section 1162 of the Companies Act 2006;
Total Financial Obligations Leverage	ratio of Mitie's Total Financial Obligations, being net debt, invoice discounting, supply chain finance, operating leases and pension deficit (measured at period end), to EBITDA;
UK GAAP	generally accepted accounting principles as in effect from time to time in the United Kingdom (including the international accounting standards adopted by the European Commission as its generally accepted accounting principles during any such time that the same is in effect);
UK Takeover Code	UK City Code on Takeovers and Mergers;
uncertificated or in uncertificated form	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
Uncertificated Securities Regulations	the Uncertificated Securities Regulations 2001, as amended;
Underwriters	Jefferies, J.P. Morgan Cazenove, Barclays and Santander;
Underwriting Agreement	the underwriting agreement described in paragraph 20.1.6 of Part XIX of this document;
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland;
United States or US	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
US dollar or US\$	the lawful currency of the US;
US Private Placement Notes	the \$153,000,000 3.85% Guaranteed Series A Senior Notes due December 16, 2022, the £25,000,000 3.87% Guaranteed Series B Senior Notes due December 16, 2022, and the £30,000,000 4.04% Guaranteed Series C Senior Notes due December 16, 2024 issued by MTML by private placement to various institutional investors;
VAT	value added tax or similar sales or turnover tax or levy imposed in any jurisdiction;
Warranty and Indemnity Insurance Policy	the warranty and indemnity insurance policy entered into by the Company with the Insurer (on behalf of various underwriters / insurers) on 25 June 2020 in respect of the Acquisition; and

win rate

the success rate of new bids, tenders and extensions, calculated as the number (and estimated nominal value) of opportunities divided by the number (and estimated nominal value) of opportunities for which a bid has been submitted and not withdrawn by either the potential client or Mitie over the reporting period.

PART XXII
NOTICE OF GENERAL MEETING

MITIE GROUP PLC

(Incorporated and registered in Scotland with registered number SC019230)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Mitie Group plc (the “**Company**”) will be held at Linklaters LLP, One Silk Street, London, EC2Y 8HQ on 13 July 2020 at 11.00 a.m. to consider and, if thought fit, pass the following resolution, proposed as an ordinary resolution:

Resolution 1 (as an ordinary resolution)

That, subject to and conditional upon admission to the premium listing segment of the Official List and to trading on the London Stock Exchange plc’s main market for listed securities, respectively, of the new ordinary shares of 2.5 pence each to be issued by the Company in connection with the issue by way of rights of up to 805,069,771 new ordinary shares at a price of 25 pence per new ordinary share to qualifying shareholders on the register of members of the Company at close of business on 9 July 2020 (the “**Rights Issue**”), and in addition to the existing authority conferred on the Directors of the Company by Article 5 of the Company’s articles of association and approved by shareholders of the Company at the AGM of the Company held on 30 July 2019, the Directors of the Company be generally and unconditionally authorised, pursuant to and in accordance with section 551 of the Companies Act 2006, to:

- (i) exercise all the powers of the Company to allot Shares in the Company and to grant rights to subscribe for or to convert any security into Shares in the Company up to an aggregate nominal amount of £20,126,744 pursuant to or in connection with the Rights Issue, such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the AGM of the Company to be held in 2020; and
- (ii) make an offer or agreement in connection with the Rights Issue which would or might require Shares to be allotted, or rights to subscribe for or to convert any security into Shares to be granted, after expiry of this authority, and the Directors of the Company may allot Shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

By order of the Board

Peter Dickinson

General Counsel & Company Secretary

25 June 2020

Registered office: 35 Duchess Road, Rutherglen, Glasgow, G73 1AU

Registered number: SC019230

MEETING NOTES:

1. Shareholders are strongly encouraged to vote on the resolution to be proposed at the General Meeting. However, in light of the guidance regarding precautions to be taken in light of the COVID-19 outbreak (see note 2 below), Shareholders are encouraged to vote by proxy and raise questions in advance of the General Meeting, given they will not be able to attend the General Meeting.

Shareholders are able to complete and return a form of proxy in accordance with the procedures set out below in order to vote in advance of the General Meeting. Arrangements have also been made to allow Shareholders to submit questions to the Board in advance of the General Meeting via the company’s website (see note 7 below). Shareholders are strongly encouraged to appoint the Chairman of the General Meeting as their proxy, which will ensure their votes are cast in accordance with their wishes, even where the Shareholder, or any other person they might appoint as proxy, is unable to attend the meeting in person. Shareholders may appoint one or more persons other than the Chairman of the General Meeting to be their proxy to exercise their rights at the General Meeting and such a proxy need not also be a Shareholder of the Company. However, if you appoint someone other than the Chairman of the General Meeting as your proxy then, currently, your proxy would not be able to

attend and vote on your behalf at the meeting. A Shareholder may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different Shares (so a Shareholder must have more than one Share to be able to appoint more than one proxy).

A Shareholder may only appoint a proxy using the procedures set out in these notes. The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically. The methods available to appoint a proxy are set out below:

- (a) requesting a hard copy form of proxy from the Company's Registrar, Link Asset Services, on 0371 664 0321⁴ and returning the completed form of proxy to Link Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; or
- (b) completing the online form of proxy via the Mitie shareholder portal (www.mitie-shares.com). If you have not previously registered to use the shareholder portal, you will first be asked to register as a new user, for which that member will require its investor code (which can be found on your share certificate and dividend confirmation), family name and postcode (if resident in the United Kingdom);
- (c) if you are an institutional investor, appoint your proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's Registrar. Before appointing a proxy through Proxymity, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. Further information in relation to Proxymity is available at www.proxymity.io; or
- (d) in the case of CREST members, using the CREST electronic proxy appointment service in accordance with note 6 below,

and in each case the proxy must be received by Link Asset Services no later than 11.00 a.m. on 9 July 2020 (or, in the case of an adjournment, not less than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting).

2. The Board is monitoring closely the evolving COVID-19 situation and public health concerns in the United Kingdom and elsewhere and will continue to have regard to developments over the coming weeks ahead of the General Meeting. However, under the UK Government's current guidance on social distancing and prohibition on public gatherings, it will not be possible for Shareholders to attend the General Meeting in person. Further details relating to the format of, and current restrictions on attendance at, the General Meeting are set out in paragraph 19 of Part VII of the document of which this notice of General Meeting forms part. The Board will keep the situation under review and may need to make further changes to the arrangements relating to the General Meeting, including how it is conducted. Shareholders should continue to monitor the Company's website and announcements for any updates in relation to the General Meeting.
3. 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, 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.
4. The Company, pursuant to Part 13 of the Companies Act and to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those shareholders registered in the register of members of the Company at close of business on 9 July 2020 (or, if the meeting is adjourned, at two working days before the time fixed for the adjourned meeting) shall be entitled to vote at the General Meeting 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. In the case of joint holders of Shares, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

⁴ Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the general meeting and any adjournment 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 or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by the latest time for receipt of proxy appointments specified in note 1 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 sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any 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 or her 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. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. Shareholders and their proxies will have the opportunity to ask questions in advance of the General Meeting. Shareholders may submit questions to the Board in advance of the General Meeting via email at investorrelations@mitie.com.
8. As at 22 June 2020 (being the latest practicable date prior to the publication of this notice) the Company’s issued share capital consisted of 373,685,164 Shares carrying one vote each. 7,744,359 Shares were held in treasury and, accordingly, the total voting right in the Company as at 22 June 2020 were 365,940,805.
9. A copy of this notice and other information required by section 311A of the Companies Act 2006 can be found on the Company’s website <https://www.mitie.com/investors/shareholder-information/>.
10. You may not use any electronic address provided in either this notice of meeting to communicate with the Company for any purposes other than those expressly stated.
11. As soon as practicable after the General Meeting the results of voting will be announced via a regulated information service and made available on Mitie’s website at <https://www.mitie.com/investors/shareholder-information/>.

