

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

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Servoca plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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**SERVOCA PLC**

**(incorporated and registered in England and Wales under number 02641313)**

**NOTICE OF GENERAL MEETING**

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## **SERVOCA PLC**

(incorporated and registered in England and Wales under number 02641313)

*Registered office:*  
41 Whitcomb Street  
London  
WC2H 7DT

18 October 2010

Dear Shareholder

### **Notice of General Meeting**

I am pleased to be writing to you with details of a General Meeting ("GM") which is to be held at 41 Whitcomb Street, London WC25 7DT on Wednesday 3 November 2010 at 10.00am. The formal notice of General Meeting is set out on pages 6 and 7 of this document.

If you would like to vote on the resolutions but cannot attend the GM, please fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 10.00am on Monday, 1 November 2010.

### **Servoca Management Equity Incentive Plan**

As part of the Board's aim to enhance shareholder value by the development of its existing businesses, it recognises the significance of appropriate incentives for the senior management teams of the group's businesses to achieve demanding growth targets in a challenging economic environment. Accordingly, the Board has developed a Management Equity Incentive Plan ("the Plan") which is being recommended for approval by Shareholders. The Board regards the Plan as a key management incentive and retention tool.

Further details of the Plan are set out in appendix I of this document but, in summary, the Plan offers participants the opportunity to acquire restricted B ordinary shares in their trading subsidiary and, following a set period of time, to sell that interest to Servoca plc. The value of the B ordinary shares shall be based on the growth in post tax profits of the subsidiary company over a three year period and the employee will be allocated (but not be issued with) a number of ordinary shares in Servoca plc by reference to the value of Servoca plc shares at the relevant calculation date.

It should be noted that the employee will not become entitled to receive the Servoca plc shares at that point and will not have any rights in relation to them unless and until there is a change in control of Servoca plc. The employee cannot sell the B ordinary shares and, furthermore, any value in the shares will be forfeited by the employee if they leave the group for reasons other than redundancy after a minimum qualifying period.

The terms of the arrangement are tailored to each participant's responsibility for the growth in profits of the relevant subsidiary but, broadly, the aggregate number of B ordinary shares issued in any subsidiary shall be limited to a maximum of 20% of that company's growth in value.

Shareholder approval to the Plan is being sought because the sale to Servoca plc of the employee's interest in the B ordinary shares involves the issue to the employee of shares in Servoca plc.

## **New Articles of Association**

The Board is also asking shareholders to approve a number of amendments to the articles of association primarily to reflect the implementation of the provisions of the Companies Act 2006 in October 2009.

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the new articles of association reflect this. Consequently, references to preference shares are also to be removed from the Company's articles of association as no preference shares are currently in issue and the Board does not propose to issue any such shares in the future. The preference shares were created as 10,000,000 convertible, redeemable preference shares of £1 each on 16 February 2006. On that date 2,600,000 preference shares were issued by the Company in connection with an acquisition.

On 14 November 2006, the 2,600,000 issued preference shares were converted into 2,600 million deferred shares of 1 pence each leaving a balance of 7,400,000 authorised, but un-issued preference shares. Pursuant to the current articles of association the preference shares have no rights other than to a return of the amount paid up on these shares in the event of a winding up. The Board has no intention of issuing any further preference shares and as the Companies Act 2006 abolishes the requirement for a company to have an authorised share capital it is proposed that references to such shares be removed from the Company's articles of association.

An explanation of the main changes between the proposed and the existing articles of association is also set out in appendix II of this document.

A copy of the new articles of association and a copy of the existing articles of association marked to show the changes being proposed will be available for inspection during normal business hours at the registered office of the Company from 10.00am on 20 October 2010 until the conclusion of the GM.

## **Authority for the Company to purchase its own shares**

The Companies Act 2006 permits companies to make limited market purchases of their own shares subject to shareholder authority. This is a useful mechanism for dealing with limited numbers of shares by the Board if and when required by the Company and the Board would exercise this authority only after considering the effects on earnings per share and the benefits for shareholders generally. The resolution sets out the limits of such authority.

## **Reduction of share capital by way of cancellation of the Deferred Shares**

The Board proposes to reduce the Company's share capital by cancelling and extinguishing the Deferred Shares of 9 pence each in the capital of the Company (the "Capital Reduction").

The issued share capital of the Company currently comprises 122,591,759 Ordinary Shares of 1 pence each and 48,120,331 Deferred Shares of 9 pence each.

The Deferred Shares give the holders thereof:

- a) no right to attend or vote at general meetings of the Company;
- b) no right to participate in dividends or other distributions; and
- c) a right to participate in a return of capital only to the extent of the amount paid up on the Deferred Shares and only after the holders of the Ordinary Shares have been paid an amount of £10,000,000 per Ordinary Share held by them.

These rights make the Deferred Shares effectively worthless in the hands of the deferred shareholders. However, in the Company's books, the capital paid up on the Deferred Shares represents a sum of £6,178,770.

The Company is proposing to cancel the Deferred Shares as they have no economic value and were created on 30 March 2009 when each issued ordinary share of 10 pence was sub-divided into one new ordinary share of 1 pence each and one Deferred Share of 9 pence each. The Board does not consider there to be any commercial purpose in maintaining the Deferred Shares.

The reduction of capital requires the approval of the shareholders by special resolution and the subsequent approval of the Court. The Company has been advised that the Court may require the Company to give an undertaking for the protection of the Company's existing creditors. If required, the Company will provide such undertaking to the Court for the protection of creditors.

The Capital Reduction will only take effect if it is approved by shareholders by way of a special resolution at the GM and it is also confirmed by the Court and upon the appropriate documents being filed with the Registrar of Companies.

If shareholders approve the resolution set out in the Notice of General Meeting, the Board intends that an application will be made to the court promptly following the GM to sanction the Capital Reduction.

### **Recommendation**

The Board considers that all the proposals to be considered at the General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

Yours sincerely

**A L R Morton**  
Chairman

This Notice of Meeting document, which has been sent to all Shareholders on the Register on 14 October 2010, is also available from the Company's website: [www.servoca.com](http://www.servoca.com), on the "Shareholder Documents" page in the section headed "Investor Relations".

## **SERVOCA PLC**

(incorporated and registered in England and Wales under number 02641313)

### **Notice of General Meeting**

Notice is hereby given that a General Meeting (“**Meeting**”) of Servoca plc (“**Company**”) will be held at 41 Whitcomb Street, London WC2H 7DT on Wednesday 3 November 2010 at 10.00am.

You will be asked to consider and vote on the resolutions below. Resolution 1 will be proposed as an ordinary resolution and resolutions 2, 3 and 4 will be proposed as special resolutions.

#### **ORDINARY RESOLUTION**

1. That the rules of the Servoca Management Equity Incentive Plan (“the Plan”) the main features of which are summarised in appendix I of this document and are produced to the Meeting and initialled by the Chairman for the purposes of identification be approved; and the directors of the Company be authorised to make such modification to the Plan as they may consider necessary to take account of the requirements of HM Revenue & Customs, the Financial Services Authority and best practice, and to adopt the Plan as so modified and to do all acts and things necessary to implement and operate the Plan.

#### **SPECIAL RESOLUTIONS**

2. That:
  - (A) the articles of association of the Company be amended by deleting all the provisions of the Company’s memorandum of association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company’s articles of association; and
  - (B) the articles of association produced to the Meeting and initialled by the Chairman of the Meeting for the purposes of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.
3. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) Companies Act 2006) of its own ordinary shares of 1 pence each provided that:
  - (a) The maximum aggregate number of ordinary shares that may be purchased is 12,259,175.
  - (b) The minimum price (excluding expenses) which may be paid for each ordinary share is £0.01.
  - (c) The maximum price (excluding expenses) which may be paid for each ordinary share is an amount equal to 105 per cent of the average middle market quotations for the ordinary shares taken from the London Stock Exchange plc Daily Official List for the five business days prior to the day the purchase is made; and
  - (d) The authority conferred by this resolution shall expire on 3 February 2012 or, if earlier, at the conclusion of the Company’s next annual general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

4. That the 48,120,331 issued Deferred Shares of 9 pence each in the capital of the Company be and are hereby cancelled and extinguished.

By order of the Board

**Stephen Shipley**  
Company Secretary

18 October 2010

Servoca plc  
41 Whitcomb Street  
London  
WC2H 7DT

## Notes to the Notice of General Meeting

- 1 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 10.00am. on 1 November 2010 (or, if the Meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned Meeting) shall be entitled to attend and vote at the Meeting.
- 2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can appoint a proxy only by using the procedures set out in these notes and the notes to the proxy form.
- 3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
- 4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the proxy form or contact the Company's registrars at the address in note 5 below. Please indicate on the form the proxy's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Also, please indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed by you and should be returned together in the same envelope.
- 5 The notes to the proxy form explain how to direct your proxy on which way to vote on each resolution or to withhold their vote. To appoint a proxy, the form must be:
  1. Completed and signed by you;
  2. Sent or delivered to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
  3. Received by Capita Registrars no later than 48 hours before the commencement of the Meeting.In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy thereof) must be included with the proxy form.
- 6 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding. The first-named is the most senior.
- 7 Members who have general queries about the meeting should contact the Company Secretary on 0845 070 9600.
- 8 As at 5.00 p.m. on the day immediately prior to the date of posting this notice of general meeting, the Company's issued ordinary share capital comprised 122,591,759 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this notice of general meeting is 122,591,759.

## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

The following notes give an explanation of the proposed resolutions:

Resolution 1 will be proposed as an ordinary resolution. This means that for that resolution to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 2, 3 and 4 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Resolution 1: Approval of the Servoca Management Equity Incentive Plan**

Resolution 1 seeks approval from shareholders for the introduction of the Servoca Management Equity Incentive Plan ("the Plan"). The main terms of the Plan are summarised in appendix I.

### **Resolution 2: Adoption of new articles of association**

It is proposed in resolution 2 to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of the implementation on 1 October 2009 of the last parts of the Companies Act 2006 and to remove the references to preference shares.

The principal changes introduced in the New Articles are summarised in appendix II of this document. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted in appendix II of this document. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 4 of this document.

### **Resolution 3: Authority for the Company to purchase its own shares**

The directors consider it desirable and in the Company's interests for shareholders to grant to the Company authority to exercise this power, within certain specified limits. This resolution would be limited to 12,259,175 ordinary shares, representing 10% of the issued share capital of the Company as at the end of the 2010 financial year. The directors would exercise this authority only after considering the effects on earnings per share and the benefits for shareholders generally. Any buy back would be by market purchases through the London Stock Exchange. Any shares so purchased would be either held as treasury shares or cancelled. In the period since the last General Meeting, no shares have been purchased. This authority will expire (unless previously renewed or revoked by the Company in general meeting) on the earlier of 3 February 2012 or at the conclusion of the next AGM of the Company.

### **Resolution 4: Authority for the reduction in share capital by cancellation of the Deferred Shares**

Resolution 4 seeks approval from shareholders for the reduction in share capital of the Company by the cancellation of the 48,120,331 Deferred Shares of 9 pence each, being all the issued Deferred Shares, in the capital of the Company.

## APPENDIX I

### SUMMARY OF THE MAIN TERMS OF THE SERVOCA MANAGEMENT EQUITY INCENTIVE PLAN ("THE PLAN")

#### **Operation and award of grants**

The Plan is under the control of the "Remuneration Committee" appointed by the board of Servoca plc and all awards made under the Plan will be made at the absolute discretion of the Remuneration Committee.

An allocation of shares by the Remuneration Committee under the Plan will result in the selected employee being allocated such number of B Ordinary Shares in their subsidiary company or in a member of the Group which holds shares in such trading subsidiary as the Remuneration Committee shall determine.

#### **Rights attaching to the shares and forfeiture**

The B Ordinary Shares will be created specifically to enable selected employees to benefit in future growth of the Company and the Group. They will not entitle the employee to:

- (a) receive notice of, attend, speak or vote at general meetings;
- (b) receive dividends; or
- (c) receive assets on a winding up in excess of the par value of the shares (£1.00 each).

Furthermore, the employee will not be able to sell the shares, which will be forfeited should the employee (i) become bankrupt, (ii) purport to transfer their interest in such shares, (iii) leave the Group's employment except in certain restricted circumstances specified in the Plan rules or (iv) at the absolute discretion of the Remuneration Committee.

#### **Valuation of shares**

Based on the growth in profits of the subsidiary company over a three year period, the B Ordinary Shares will be valued and the employee will be allocated (but not be issued with) a number of ordinary shares in Servoca plc by reference to the value of Servoca plc shares at the relevant calculation date. Meanwhile, the employee will continue to hold the B Ordinary Shares in the subsidiary company.

#### **Entitlement to shares**

It should be noted that the employee will not become entitled to receive the Servoca plc shares at that point and will not have any rights in relation to them unless and until there is a change in control of Servoca plc.

On a change of control of Servoca plc the employee would then be issued with the Servoca plc shares, allocated in the above process, in return for the disposal of the B Ordinary Shares in the subsidiary company. The Servoca plc shares issued would be held on behalf of the employee by Servoca plc under a power of attorney and then be sold on behalf of the employee who would receive consideration representing the sale proceeds (minus any tax payable) of the Servoca plc shares.

Any awards granted under the Plan are in addition, and without prejudice to all salary, bonuses, benefits and other remuneration to which the employee is already entitled.

#### **Administration and amendment**

The Remuneration Committee shall administer the Plan and shall be permitted to amend the Plan. However such amendments may not prejudice any existing present, future or contingent rights of selected employees under the Plan rules, their contracts of employment or otherwise.

#### **Termination**

The Plan shall terminate on the tenth anniversary of the date of its adoption or such earlier time by the passing of a resolution by the Board or an ordinary resolution of the shareholders of Servoca plc in general meeting and following such termination no further awards shall be made.

## **APPENDIX II**

### **EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION**

#### **1. THE COMPANY'S OBJECTS**

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 2 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

#### **2. AUTHORISED SHARE CAPITAL AND UNISSUED SHARES**

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

References to preference shares have been removed from the New Articles as no preference shares are currently in issue and the Board does not propose to issue any such shares in the future. The preference shares were created as 10,000,000 convertible, redeemable preference shares of £1 each on 16 February 2006. On that date 2,600,000 preference shares were issued by the Company in connection with an acquisition. On 14 November 2006, the 2,600,000 issued preference shares were converted into 2,600 million deferred shares of 1 pence each leaving a balance of 7,400,000 authorised, but un-issued preference shares. The Board has no intention of issuing any further preference shares and as the Companies Act 2006 abolishes the requirement for a company to have an authorised share capital it is proposed that references to such shares be removed from the Company's articles of association.

#### **3. REDEEMABLE SHARES**

Prior to 1<sup>st</sup> October 2009 if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares; however, if it did so the directors would require shareholders' authority to issue the new shares in the usual way, but without the need to amend the articles.

#### **4. AUTHORITY TO PURCHASE OWN SHARES, CONSOLIDATE AND SUB-DIVIDE SHARES, AND REDUCE SHARE CAPITAL**

Under the law in force prior to the Companies Act 2006, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company requires only shareholder authority to do any of these things and it is no longer necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been amended in the New Articles.

#### **5. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

The new articles of association to be adopted pursuant to resolution 2 grant this power to the directors, but any decision of the directors to exercise this power will be taken carefully with all due regard to the circumstances.

#### **6. USE OF SEALS**

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

#### **7. SUSPENSION OF REGISTRATION OF SHARE TRANSFERS**

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

#### **8. VOTES OF MEMBERS**

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the current articles proxies are only entitled vote on a poll. The New Articles reflect this new legal position.

#### **9. VACATION OF OFFICE BY DIRECTORS**

The current articles specify the circumstances in which a Director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

#### **10. GENERAL**

Generally the opportunity has been taken to bring clearer language into the New Articles, to update legislative references and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.