



Rt Hon Frank Field MP  
Work & Pensions Committee  
House of Commons  
Westminster SW1A 0AA

Rachel Reeves  
Business, Energy and Industrial Strategy Committee  
House of Commons  
Westminster SW1A 0AA

29 March 2018

Dear Mr Field and Ms Reeves

### **Carillion inquiry**

I write in response to your letter dated 23 March 2018 in which you asked for information about PwC's role as Special Managers appointed to assist the Official Receiver in the liquidation of Carillion Plc and certain of its subsidiaries. We are keen to assist the Joint Committee and have set out below our responses to your questions. Six named partners in PwC LLP were appointed as Special Managers to the various companies within the Carillion Group. Those partners are supported by other PwC partners and staff. References to PwC's appointment should be read in this context.

- 1. Could you provide us with the contract that PwC signed with the Official Receiver setting out the terms of engagement as Special Managers on the Carillion Group liquidation?**

PwC's appointment as Special Manager in the liquidation of Carillion Plc was made by the High Court on the application of the Official Receiver, Mr David Chapman, in his capacity as liquidator. We enclose a copy of the Order of Appointment to Carillion Plc dated 15 January 2018 which lists the functions of the Special Manager. To date there are 26 Special Manager Orders of Appointment which have been made for other Carillion entities in liquidation. These have followed the same format and we would be happy to provide copies of those Orders if that would be useful.

PwC and the Official Receiver have signed a Special Management Protocol dated 15 January 2018 (and amended on 16 February 2018) which sets out the framework pursuant to which the Special Managers are required to perform their functions under the Orders on behalf of the

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Official Receiver. We enclose a copy of the Protocol.

2. **Could we have a copy of PwC's charge out rates for this work across all your different grades? If these vary, could you please let us know the (a) average and (b) highest charge out rate for each grade?**

We attach at Appendix 1 PwC's average negotiated charge out rates for all grades of staff who have worked to support the Official Receiver in his role as liquidator. We have also set out the highest charge out rates per grade which are for our specialist pensions staff. PwC has multiple teams performing a range of specialist roles in supporting the Special Manager work which include specialists in corporate finance, health and safety, IT, pensions and tax.

3. **Can you provide copies of all invoices and/or breakdowns for the monies billed by PwC for this work to date?**

We have yet not raised any invoices or produced any bills for our work as Special Managers to Carillion Plc and its related subsidiaries in liquidation. Any such invoices will only be raised once an application to the High Court has been made and approved.

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As Mr Kelly indicated in his evidence to the Joint Committee, the cumulative costs in terms of PwC's fees for the first 8 weeks of the liquidation have amounted to £20.4 million. This represents 57,500 hours (approximately) at an average rate of £356 per hour. We discuss our costs weekly with the Official Receiver.

4. **Who is scrutinising PwC's work to ensure it is value for money and is not detrimental to potential recoveries for unsecured creditors?**

The Official Receiver has been appointed as liquidator. In that capacity, Mr Chapman has a responsibility to act in the best interests of the creditors and to ensure the continuity of the supply of essential public services. One of the liquidator's obligations is to supervise the activities of all of his professional advisers to ensure that the work that is performed represents value for money for the creditors and that the activities of those professional advisers and agents appointed in order to support Mr Chapman in the discharge of his statutory duties as liquidator are not detrimental to the potential recoveries for unsecured creditors.

PwC's work as Special Managers is scrutinised in the following ways:

4.1 it is reviewed and challenged by the Official Receiver and his team at the Insolvency Service: in this regard, PwC provides regular updates on activity and achievements which have been made across the 16 work streams which are currently in progress and details of the costs incurred;

4.2 prior to any formal application by the Official Receiver to the High Court, PwC will prepare a report for the Official Receiver in accordance with the principles and requirements of the



Statement of Insolvency Practice 9 (the industry standard setting out the information that should be provided to those charged with the approval of fees to enable an informed assessment of the value delivered for the time cost incurred) the purpose of which is to permit the Official Receiver to review and challenge the work undertaken by PwC;

4.3 an application by the Official Receiver will be made to the High Court. The Practice Direction - Insolvency Proceedings in the Civil Procedure Rules sets out a clear set of criteria to be applied by the Court in determining whether or not to approve a fee application;

4.4 there may be review of the liquidator's expenses (which include the Special Manager fees) by the material creditors to the individual Carillion entities which are insolvent. The material creditors are expected to be the Pension Protection Fund (in respect of some of the material operating entities) and also the lenders (only in respect of Carillion Plc).

5. **How is your performance being monitored, what performance indicators and targets are being used, and what has been your performance against those indicators so far?**

In this case, the key objectives of the Official Receiver are:

- To ensure continuity of supply of essential public services seeking to secure the best outcome for creditors and employees; and
- To act in the best interests of all creditors.

Every insolvency is different and there are no prescribed performance indicators for a compulsory liquidation. In practical terms, the Official Receiver's objectives were to be met by stabilising the business on appointment by retaining the support of the staff and key suppliers. Thereafter the focus has been on meeting the contract performance standards, seeking to novate contracts to new providers and identifying and realising the assets of the companies in liquidation.

Our performance is monitored by regular meetings with and reports to the Official Receiver and his staff. To date we have reported the following key metrics:

**Hospitals - 7 acute and 4 non-acute hospitals** have continued to operate and have not been closed down as a consequence of disruption of the service provided by Carillion;

**Medical centres - 64 medical facilities**, including a sensitive mental institution outside Manchester, have continued to operate;

**School services** - meals and other services have been **provided to 200 schools** in the East of England: in the first 8 weeks of the insolvency our work led to **the continued provision of 768,000 school meals**;



**Facilities Management services** - our work has led to the continued provision of these services to **52 prisons** in the South of England and to the provision of ongoing transitional services after the Ministry of Justice took a role in the contract;

**Military homes** - our work has led to the continued provision of essential Facilities Management services to **over 45,000 military homes** throughout the UK: in the first 8 weeks of the insolvency **1,500,000 meals were served to military personnel**;

**Motorways** - maintenance services on some **key motorways have been maintained** including the A40 and A13;

**Railways** - Network Rail has been able to **maintain repairs and essential maintenance** services to the rail network; and

**Military installations, Courts, police stations** - provision of vital Facilities Management services which have ensured that some of the **most sensitive military installations have remained operational**, Courts and police stations have remained functioning and the British Museum and the Land Registry have remained open.

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In addition, we have supported the Official Receiver in the realisation of assets of the 27 legal entities over which Mr Chapman is appointed as liquidator. This has involved running a sales process for those entities which continue to trade and that process has resulted in the sale of 6 trading businesses in the UK and negotiations for the sale of a number of other businesses continue.

We have also assisted the Official Receiver in realising value from the sale of various UK and overseas joint ventures and other equity interests. We expect these sales in aggregate to generate £100m (approximately) for the various liquidation estates.

We have also supported the Official Receiver in transitioning other contracts to new providers. To date, 116 contracts (both public and private sector) have been migrated or terminated and we are working to migrate the remaining 148 contracts. By migration we mean the transfer of these contracts to new counter parties to allow for continued service provision and employment. We have ensured that all these contracts have remained operational.

We continue to employ 6,423 members of Carillion staff, 9,073 members of staff have transferred with the contracts which have been migrated, 976 have resigned and 1,705 have been made redundant.

As noted above, we report and discuss the progress in our Special Manager work with the Official Receiver and his team on an ongoing basis. Each week we discuss our costs with the Official Receiver. These discussions provide an opportunity for the Official Receiver to monitor, review and comment on our performance and to assess that performance in the context of the cost incurred.



**6. If there are insufficient recoveries from the liquidation to cover the cost of PwC's fees, is there an agreement in place as to who will cover the costs?**

PwC's fees as Special Managers form part of the liquidator's expenses in the same way as payroll costs, supplier payments and other costs for services to sustain the ongoing trading operations of Carillion and its subsidiaries. The liquidator's expenses will be paid out of the assets of each of the 27 legal entities which are in liquidation (these will be allocated to each of the legal entities to which such costs relate). To the extent that there are insufficient proceeds to meet the liquidator's expenses, these would be payable from the Insolvency Service Account which is maintained by the Official Receiver.

The Financial Reporting Council has asked that we provide them with a copy of this letter which we will proceed to do. If you have any further questions or if we may be of any further assistance, please contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Thomas', with a horizontal line underneath it.

Marissa Thomas  
Head of Deals

Encs:

Order of Appointment of Special Manager to Carillion Plc dated 15 January 2018  
Special Manager Protocol dated 15 January 2018 (and amended on 16 February 2018)



## Appendix 1

### Average charge out rates by grade

The table below illustrates the average hourly rates charged overall across all PwC grade categories for Special Manager work from 13 January 2018 to 11 March 2018 (based on PwC's time report as at 22 March 2018). This period represents the first 8 weeks of work undertaken by PwC as Special Managers. The time cost consists of 57,534 hours at an average rate of £356 per hour. All rates are shown net of a discount negotiated with the Official Receiver.

Grade	Average Hourly rate (£)
Partner	648
Director	559
Senior Manager	406
Manager	334
Senior Associate	260
Associate	166
Support	92
Client Account Support	63
Other	54

### Highest charge out rates by grade

Of the 57,534 total hours stated above, 13,656 of these hours have been charged by specialist staff who have been required to assist PwC's restructuring staff due to the complexities of the work involved. These 13,656 hours have a time cost of £5,368,901 at an average rate of £393 per hour. The highest charge out rates are by our pensions specialists. The table below highlights the average hourly charge out rates for our staff by grade in this specialist team.

Pensions specialist grades	Average hourly rate £
Partner	1,156
Director	1,060
Senior Manager	816
Manager	482
Senior Associate	412
Associate	162
<b>Grand Total</b>	<b>657</b>

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
INSOLVENCY AND COMPANIES LIST (ChD)

The Honourable Mr Justice Morgan

Dated 15 January 2018

IN THE MATTER OF CARILLION PLC  
AND IN THE MATTER OF THE INSOLVENCY ACT 1986



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**ORDER OF APPOINTMENT OF SPECIAL MANAGER**

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**UPON THE APPLICATION** of the Official Receiver of 4 Abbey Orchard Street, London, SW1P 2HT

**AND UPON HEARING** Michael Gibbon QC for the Official Receiver

**IT IS ORDERED** that Michael Jervis, and David Kelly, both of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, are hereby appointed as Special Managers (the "Special Managers") of the estate and business of CARILLION PLC (the "Company") until further order

**AND IT IS ORDERED** that the Special Managers shall act as the agents of the Company and shall have all such powers as are necessary for the orderly operation and / or shut down of the Company's business. In particular, the functions of the Special Managers extend, but are not limited to, the following acts:

- (a) To provide advice and assist the Official Receiver in his administration of the estate
- (b) To be at liberty to act for the Official Receiver (and the Company, as appropriate) in connection with taking possession, gathering in and protection of assets of the estate
- (c) To manage any of the Company's sites, plant and business
- (d) To employ and remunerate or dismiss any employees at their discretion

(e) To be at liberty to enter into, perform, terminate assign or novate as advised any contracts or transactions relating to the business of the Company or involving transactions relating to assets of the Company including any trust monies in the possession of or under the control of the Company

(f) To sell in the ordinary course of the Company's business any of the Company's assets and real property by public auction or private contract

(g) To let, manage or otherwise deal with any real property on behalf of the Company or third parties in the ordinary course of the Company's business

(h) To discontinue any part of a business when desirable in the interests of the estate

(i) To receive book debts and give an effective discharge of them

(j) To discharge all costs, expenses and outgoings necessary for the continuation of the business

(k) To effect all necessary insurances including third party risks

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(l) To open such bank accounts and deposit account facilities as may be necessary for the proper conduct of the business

(m) To invest surplus funds at interest

(n) To take possession of and secure the books and records of the Company including the accountancy and other statutory records

(o) To engage all such agents and specialists as may be necessary to assist them in the carrying out of their duties and the exercise of their powers under this order

(p) To take such other steps as may be necessary for the protection of the Official Receiver, the estate and the business

**AND IT IS FURTHER ORDERED** that any provisions of the Insolvency Act 1986 relating to the Official Receiver and liquidator are to have like effect in relation to the Special Managers for the purpose of the carrying out by them of any functions of the Official Receiver

**AND IT IS FURTHER ORDERED** that where any person has in his possession or control any property, books, papers or records to which the Company appears to be entitled, that person shall forthwith pay, deliver, convey, surrender or transfer the property, books, papers or records upon request to the Special Managers of the Company (including by

way of the provision of username and/or password details in relation to electronic records or other information to which the Company appears to be entitled)

**AND IT IS FURTHER ORDERED** that the Special Managers do forthwith give security to the satisfaction of the Official Receiver

**AND IT IS FURTHER ORDERED** that the remuneration and expenses of the Special Managers are to be an expense of the liquidation in the first instance and if there are insufficient realisations in the liquidation the Official Receiver shall pay the Special Managers' remuneration and expenses

**AND IT IS FURTHER ORDERED** that the remuneration of the Special Managers is to be fixed from time to time by the Court

**AND IT IS FURTHER ORDERED** that the Special Managers and/or the Official Receiver do have general permission to apply for such further directions or Orders as may, in their opinion, be necessary or appropriate

No order as to service.

#### **NOTICE TO THE OFFICERS OF THE COMPANY**

You are required by Section 235 of the Insolvency Act 1986 to give the Special Managers all information as they may reasonably require relating to the Company's property and affairs and to attend upon them at such times as they may reasonably require.

#### **SERVICE OF THIS ORDER**

The court has provided a sealed copy of this Order to the serving party:  
Dentons UKMEA LLP at One Fleet Place, London EC4M 7WS

To: Dentons UKMEA LLP  
Ref: 050294.00001/JDS/IDF



## **Special Management Protocol**

**Dated 15 January 2018 (and amended on 16 February 2018)**

### **Between**

- (1) The Official Receiver as liquidator of the Companies set out in Schedule 1 to this Protocol (the **Official Receiver**); and
- (2) The partners of PricewaterhouseCoopers LLP who have been appointed as special managers of the Companies as set out in Schedule 1 to this Protocol, and such other partners of PricewaterhouseCoopers LLP who may be appointed as special managers of those Companies from time to time (the **Special Managers**).

### **Recitals**

- (A) The Official Receiver was appointed as liquidator of the Companies upon the date shown next to each Company in the table set out in Schedule 1 to this Protocol. Upon the application of the Official Receiver made immediately following his appointment, the Special Managers were appointed as special managers to the Companies pursuant to section 177 of the Insolvency Act 1986.
- (B) The Special Managers have the powers conferred upon them by the orders of the Court under which they were appointed (the **Orders**). The Orders include a provision that any provisions of the Insolvency Act 1986 relating to the Official Receiver and liquidator are to have like effect in relation to the Special Managers for the purpose of the carrying out by them of any functions of the Official Receiver.
- (C) This Protocol sets out a framework pursuant to which the Special Managers will agree to perform their functions under the Orders.

### **It is agreed:**

#### **1. Nature of Special Managers' appointment**

- 1.1 Pursuant to the Orders, the Special Managers shall be acting as agents of the Companies. The Special Managers may also assist the Official Receiver in carrying out his duties and functions as liquidator (including, but not limited, in relation to the disclaimer of onerous property and antecedent transactions). In carrying out either function, the Special Managers shall not be personally liable for any acts whilst undertaking the role of Special Managers, including liability for any costs, losses or damages incurred, save to the extent that such costs, losses or damage are caused by the gross negligence or wilful default of the Special Managers.
- 1.2 The Official Receiver shall indemnify and keep indemnified the Special Managers against all claims, proceedings, costs, expenses and all other liabilities incurred by them in connection with their respective appointments as Special Managers (including assisting the Official Receiver in carrying out his duties and functions as liquidator), save to the extent that any such claims,

proceedings, costs, expenses or other liabilities are agreed or finally determined to have been caused by the gross negligence or wilful default of the Special Managers. In the event that a formal claim or proceeding that is subject to the indemnity set out in this Clause 1.2 is brought against one or more of the Special Managers by any person, the Special Managers shall as soon as reasonably practicable notify the Official Receiver who shall at his option have sole conduct of that claim or proceeding in the name of the relevant Special Managers (and shall in conducting that claim or proceeding act reasonably after consulting with the Special Managers and considering their reasonable wishes).

**1.3 Nothing in this Protocol shall:**

- (a) prejudice the powers and responsibilities of the Official Receiver pursuant to the Insolvency Act 1986; or
- (b) be deemed to vary or moderate any duties of the Special Managers to the Court pursuant to the Orders.

**2. Scope of Special Managers' authority**

**2.1 The Special Managers shall have primary responsibility for:**

- (a) the exercise of their powers conferred by the Orders (including, but not limited to, the powers to incur and pay liabilities of the Companies, establish and operate bank accounts, take out insurance over the assets, collect books debts and negotiate the settlement of book debts);
- (b) dealing with interested parties in relation to any aspect of the Companies' assets, including business lines, contracts, real property or other assets;
- (c) engagement with the Companies' secured lenders and bond providers to the extent necessary in the course of the liquidation of the Companies (in particular in dealing with any assets of the Companies secured in favour of those parties);
- (d) (insofar as relevant to the business of the Companies) production planning and key procurement issues, development of a trading plan and agreement of that plan with the Official Receiver;
- (e) risk assessment and identification of essential suppliers and contractors;
- (f) setting up the purchase order process for critical supplier approval and dealing with duress claims;
- (g) the authorisation and logging of committed undertakings to suppliers to monitor spend and payment thereof;
- (h) establishing a third party asset removal process and the identification of essential assets;

- (i) (insofar as relevant to the business of the Companies) maintaining a 'live' log of all stock (owned and third party) located offsite;
- (j) (insofar as relevant to the business of the Companies) establishing a process to deal with ROT claims and consignment stock;
- (k) reviewing physical security requirements, including costs and site plan assessment;
- (l) advising the Official Receiver on any matters relating to disclaimer (including but not limited to the identification of onerous contracts or property to be disclaimed).

2.2 In relation to the employees of the Companies the Special Managers shall:

- (a) assist the Official Receiver and the Insolvency Service (as agreed between the parties) with the production of redundancy letters and the carrying out of processes related to the redundancy of employees;
- (b) assist the Official Receiver (as agreed between the parties) with facilitating engagement by the Companies with employee representatives / Trade Unions as necessary, including carrying out consultation as required under the Trade Union and Labour Relations (Consolidation) Act 1992;
- (c) deal with the making of payments to employees for their employee entitlements;
- (d) work with company HR staff on the employee strategy (for both retained and non-retained staff);
- (e) assist the Official Receiver (as agreed between the parties) by carrying out general employee engagement and with communications such as Q&A, employee meetings, union meetings or press meetings;
- (f) assist the Official Receiver (as agreed between the parties) in taking practicable steps to mitigate risks for employee related issues such as pensions, pay in lieu of notice for those retained, and occupational health records;
- (g) reviewing and assisting the Official Receiver to implement (as agreed between the parties) a system to process ongoing payroll, including the establishment of a bank account to pay salaries, the processing of HMRC returns regarding PAYE MC and accounting for PAYE NIC.
- (h) assist in the development of a strategy for non-UK nationals who have work permits;
- (i) understand the quantum of, and develop a strategy for dealing with, the subcontractor workforce;
- (j) assist the Official Receiver (as agreed between the parties) in arranging the return by employees of company property and collection of non-retained employee hardware from various site locations; and

- (k) assist the Official Receiver (as agreed between the parties) in providing the employee related information required by the Insolvency Service, including in respect to Form 14A or alternates.

**2.3 In relation to electronic information held or controlled by the Companies the Special Managers shall:**

- (a) work with the Official Receiver and Company staff to understand the extent of electronic information stored on the premises of each Company and developing a strategy for preserving information deemed necessary by the Official Receiver;
- (b) create copies of electronic information contained on company servers, PCs, hard drives and other electronic media as instructed by the Official Receiver. Due to the volume of information contained on Companies' servers the Special Managers may also assist the Official Receiver in sourcing suitable electronic storage devices for storing the copies;
- (c) preserve and store electronic information on behalf of the Official Receiver until such time as the Official Receiver requires the information to be returned or destroyed; and
- (d) provide copies of or access to preserved electronic information to third parties as instructed by the Official Receiver (including but not limited to the operation of a data room).

To the extent that this Clause 2.3 requires the Special Managers to process personal data comprised in the electronic information, the parties acknowledge that the Special Managers will be acting as data processor (or sub-processor as applicable) in respect of that personal data, and shall process the personal data only as instructed by the Official Receiver.

**3. Requirements for approval of Official Receiver**

**3.1 The Special Managers shall not without the prior approval of the Official Receiver:**

- (a) send any written communication (by electronic means or otherwise) to the employees of the Companies relating to their employment contract;
- (b) terminate, assign or novate any contracts of the Companies that might impact on the provision of public services or with a gross value of more than £5,000,000;
- (c) to instruct agents or specialist advisors (subject to Clause 3.2 of this Protocol below) in relation to a specific workstream (whether as part of a wider engagement or otherwise) with an anticipated fee cost of more than £200,000;
- (d) make any public statement regarding the liquidation of the Companies to the media or any third party, other than to the minimum extent

required pursuant to the Special Managers' professional obligations or by operation of law (and in such circumstance after making all reasonable endeavours to first consult with the Official Receiver).

- 3.2 The Official Receiver will retain legal advisors to provide advice to both the Official Receiver and the Special Managers as necessary. The Special Managers shall not retain legal advisors directly without the prior approval of the Official Receiver, save that the Special Managers will support the directors of relevant subsidiaries of the Companies to obtain appropriate legal advice in respect of their duties as directors using the legal advisors retained by the Official Receiver for that purpose.
- 3.3 The Official Receiver will respond to a request for approval under this Clause 3 as soon as reasonably practicable, and the Official Receiver and Special Managers shall keep under review the efficacy of the requirements for approvals. At their discretion in a case of urgency the Special Managers may exercise any of their powers under the Orders notwithstanding the provisions of Clauses 3.1(a)-(c) of this Protocol above, but must then seek the ratification of the Official Receiver (with full disclosure of the urgent steps which were required to be taken and the justification for them) as soon as reasonably practicable.
- 3.4 The Special Managers acknowledge that the funding made available to the Official Receiver is limited to the extent required to preserve government related contracts and accordingly may only be utilised by the Special Managers for that purpose, unless agreed otherwise by the Official Receiver.

#### **4. Communications with the Official Receiver**

- 4.1 The Special Managers shall:
- (a) (subject to further discussion and agreement with the Official Receiver) attend a daily meeting at or before an agreed time with the senior operational management of the Companies, insofar as they have been retained by the Official Receiver;
  - (b) (subject to further discussion and agreement with the Official Receiver) provide a daily update at or before an agreed time to the Official Receiver or his nominated representative to:
    - (i) discuss the key issues arising in the senior operational management meeting that require sanction or decision making by the Official Receiver; and
    - (ii) agree an action plan, including issues that need to be dealt with, in respect of that day;
  - (c) provide written reports summarising the actions of the Special Managers and the financial position of the estates (including details of all costs and expenses incurred by the Special Managers) to the Official Receiver on a weekly basis and initially providing daily updates of the draw down from funds provided making best endeavours to split the expenditure between particular government departments and non-

government expenditure (insofar as the latter is permitted in accordance with Clause 3.4 of this Protocol above).

4.2 In relation to their remuneration the Special Managers shall:

- (a) provide to the Official Receiver a SIP 9 compliant breakdown of time costs and disbursements incurred by them on a monthly basis;
- (b) liaise with and provide all necessary assistance and information to the Official Receiver for the purposes of approval being sought from the Court for the fixing of the Special Managers' remuneration from time to time; and
- (c) submit requests to the Official Receiver on a periodic basis (to be agreed with the Official Receiver) for payments to be procured by the Official Receiver from the Insolvency Services Account on account of the Special Managers' remuneration pending the fixing of the same by the Court.

## 5. Supplemental duties and clarifications

5.1 The parties may agree at any time to supplement the provisions of this Protocol by adding additional duties of the Special Managers to the Official Receiver or by clarifying the extent to which the Special Managers may exercise their powers under the Orders.

5.2 Any such supplemental duties and clarifications shall be recorded from time to time in Schedule 2 to this Protocol.

## 6. Amendment

6.1 The parties agree that this Protocol may be amended from time to time:

- (a) by written agreement between the parties;
- (b) by the addition of further Companies to the table set out in Schedule 1, upon written agreement between the parties; or
- (c) by the addition of supplemental duties and clarifications to the table set out in Schedule 2, pursuant to Clause 5 of this Protocol, upon written agreement between the parties.

## 7. Termination

7.1 Save for the provisions of Clause 1, which shall survive the discharge from office of the Official Receiver and the Special Managers, this Protocol shall terminate in relation to a Company if the Official Receiver and the Special Managers are discharged from office in relation to that Company.

7.2 Notwithstanding its termination in relation to a specific Company, this Protocol shall remain in full force and effect in relation to all other Companies.

**8. Miscellaneous**

- 8.1 This Protocol may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.
- 8.2 This Protocol and any non-contractual obligations arising out of or in connection with this Protocol shall be governed by, and interpreted in accordance with, English law.
- 8.3 The English courts shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with this Protocol (including claims for set-off and counterclaims), including disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Protocol; and (ii) any non-contractual obligations arising out of or in connection with this Protocol. For such purposes, each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.
- 8.4 Each of the Special Managers shall have the right to enforce this Protocol by reason of the Contracts (Rights of Third Parties) Act 1999 notwithstanding that they are not a party to it or have not executed it in their own name.

**Executed by the Parties as a deed**

## Schedule 1

<b>The Companies</b>	<b>Special managers</b>	<b>Date of appointment</b>
Carillion plc	Mike Jervis and David Kelly	15 January 2018
Carillion Construction Limited	Mike Jervis, David Kelly, Peter Dickens and Matt Hammond	15 January 2018
Carillion Services Limited	Mike Jervis, David Kelly, David Chubb and Russell Downs	15 January 2018
Planned Maintenance Engineering Limited	Mike Jervis, David Kelly, David Chubb and Russell Downs	15 January 2018
Carillion Integrated Services Limited	Mike Jervis, David Kelly, David Chubb and Russell Downs	15 January 2018
Carillion Services 2006 Limited	Mike Jervis, David Kelly, David Chubb and Russell Downs	15 January 2018
Carillion Asset Management Limited	Mike Jervis, David Kelly and Peter Dickens	25 January 2018
Carillion Energy Services Limited	Mike Jervis, David Kelly and David Chubb	25 January 2018
Carillion LGS Limited	Mike Jervis, David Kelly and Peter Dickens	25 January 2018
Carillion Specialist Services Limited	Mike Jervis, David Kelly and Matthew Hammond	26 January 2018
TPS Consult Limited	Mike Jervis, David Kelly and Matthew Hammond	26 January 2018
Carillion Fleet Management Limited	Mike Jervis, David Kelly and Matthew Hammond	26 January 2018
Everprime Limited	Mike Jervis, David Kelly and Matthew Hammond	26 January 2018
Postworth Limited	Mike Jervis, David Kelly and Matthew Hammond	26 January 2018
Carillion Utility Services Limited	Mike Jervis, David Kelly, David Chubb and Peter Dickens	26 January 2018

Carillion AM Government Limited	Mike Jervis, David Kelly and Peter Dickens	26 January 2018
Sovereign Hospital Services Limited	Mike Jervis, David Kelly and David Chubb	2 February 2018
Carillion Project Investments	Mike Jervis, David Kelly and Matthew Hammond	16 February 2018
Schal International Management Limited	Mike Jervis, David Kelly and Matthew Hammond	16 February 2018
Sovereign Consultancy Services Limited	Mike Jervis, David Kelly and David Chubb.	16 February 2018
Dudley Bower Group plc	Mike Jervis, David Kelly and David Chubb	16 February 2018
PME Technical Services Limited	Mike Jervis, David Kelly and David Chubb	16 February 2018
PME Partnerships Limited	Mike Jervis, David Kelly and David Chubb	16 February 2018
Carillion Professional Services Limited	Mike Jervis, David Kelly and Peter Dickens	16 February 2018
Carillion Property Services Limited	Mike Jervis, David Kelly and Peter Dickens	16 February 2018
Carillion JM Limited	Mike Jervis, David Kelly and Russell Downs	16 February 2018
Carillion Holdings Limited	Mike Jervis, David Kelly and Russell Downs	16 February 2018

**Schedule 2**

Supplemental duty or clarification	Date of amendment
<p>In summary the Special Managers and the PwC tax team would assist the Official Receiver in meeting all the tax compliance and regulatory obligations and would deal with the following areas:</p> <ul style="list-style-type: none"> <li>• Tax compliance (for all applicable taxes including submission of returns and payment of taxes)</li> <li>• Senior accounting officer regime (ensuring the company has 'appropriate tax accounting arrangements')</li> <li>• Tax strategy reporting (group strategy must be available online)</li> </ul> <p>Corporate criminal offence (risk assessment and reasonable prevention procedures to stop tax evasion)</p>	<p><b>29 January 2018</b></p>

Executed as a deed by  
the Official Receiver

)  
) *D. Myer*  
)  
)

In the presence of

*Denise Paul*

Name of witness:

DENISE PAUL

Address of witness

4 ABBEY ORCHARD STREET SWIP 2HT

Occupation of witness

BUSINESS MANAGER

Executed as a deed by  
Michael Jervis  
for and on behalf of the Special Managers

)  
)  
)  
)

In the presence of

\_\_\_\_\_

Name of witness:

\_\_\_\_\_

Address of witness

\_\_\_\_\_

Occupation of witness

\_\_\_\_\_

Executed as a deed by  
the Official Receiver

)  
)  
)  
)

In the presence of

Name of witness:

Address of witness

Occupation of witness

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Executed as a deed by  
Michael Jervis  
for and on behalf of the Special Managers

)  
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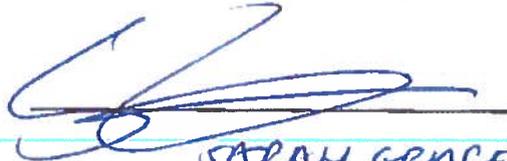
M Jervis

In the presence of

Name of witness:

Address of witness

Occupation of witness



SARAH GRACE LETSON

C/O DLA PIPER UK LLP, 3 NOBLE ST.  
LONDON EC2V 7EE

SOLICITOR