

**THE COMPANIES ACT 2006**

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**COMPANY LIMITED BY SHARES**

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**RESOLUTIONS**

**of**

**SERCO GROUP plc**  
(the "Company")

**(Passed on 11 May 2017)**

At the Annual General Meeting of the Company duly convened and held at Clifford Chance, 10 Upper Bank Street, Canary Wharf, London, E14 5JJ on 11 May 2017 the following special business resolutions were duly passed, resolutions 15, 17, 18 and 20 as Special Resolutions and resolutions 16 and 19 as Ordinary Resolutions of the Company:

**Share buyback**

15. To generally and unconditionally authorise the Company for the purpose of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of the Company's ordinary shares of 2p each provided that:
- a) the maximum number of ordinary shares that may be purchased under this authority is 109,856,423 (representing 10% of the issued ordinary share capital of the Company);
  - b) the minimum price which may be paid for an ordinary share purchased under this authority is 2p (exclusive of expenses, if any, payable by the Company);
  - c) the maximum price which may be paid for an ordinary share purchased under this authority (exclusive of expenses, if any, payable by the Company) is an amount equal to the higher of (a) 5% above the average of the middle market prices shown in the quotations for the ordinary shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased and (b) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;
  - d) this authority will expire at the conclusion of the Company's next Annual General Meeting or close of business on 30 June 2018, whichever is the earlier; and
  - e) a contract, or contracts, to purchase ordinary shares entered into by the Company before the expiry of this authority can be executed, wholly or partly, by the Company after the expiry of this authority.

**Directors' authority to allot shares**

16. To generally and unconditionally authorise the Directors, pursuant to and in accordance with section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company:

- i) up to an aggregate nominal amount of £7,323,761; and
- ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £7,323,761 in connection with an offer by way of a rights issue,

such authorities to apply after this resolution is passed in substitution for all existing authorities pursuant to Section 551 of the Companies Act 2006 and to expire at the conclusion of the Company's next Annual General Meeting or close of business on 30 June 2018, whichever is the earlier unless previously renewed varied or revoked by the Company in a general meeting but, in each case, so that the Company may make offers and enter into agreements before the authority expires 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 the authority expires and the Directors may allot shares or grant such rights under any such offer or agreement as if the authority had not expired.

For the purposes of this resolution, 'rights issue' means an offer to:

- a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- b) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

## **Disapplication of pre-emption rights**

17. That, in substitution for all existing powers and subject to the passing of resolution 16 above, the directors be generally empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash pursuant to the authority granted by resolution 16 and/or pursuant to section 573 of the Companies Act 2006 to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Companies Act 2006, such power to be limited:

- (a) to the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of, or an invitation to apply for, equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (ii) of resolution 16, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only):
  - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) to the allotment of equity securities pursuant to the authority granted by paragraph (i) of resolution 16 and/or sale of treasury shares for cash (in each case otherwise than in the circumstances set out in paragraph (a) of this resolution 17) up to a nominal amount of [£1,098,564.23] calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights,

such power to apply until the end of the Company's next AGM after this resolution is passed (or, if earlier, until the close of business on 30 June 2018) but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted (or treasury shares to be sold) after the power expires and the directors may allot equity securities and/or sell treasury shares under any such offer or agreement as if the power had not expired.

For the purpose of this resolution 17, "rights issue" has the same meaning as in resolution 16 above.

- 18. That, in addition to any power granted under resolution 17, and subject to the passing of resolution 16, the directors be generally empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash pursuant to the authority granted by resolution 16 and/or pursuant to section 573 of the Companies Act 2006 to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Companies Act 2006, such power to be:

- (i) limited to the allotment of equity securities and/or sale of treasury shares for cash up to an aggregate nominal amount of £1,098,564 calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre Emption Rights most recently published by the Pre Emption Group prior to the date of this notice,

such power to apply until the end of the Company's next AGM (or, if earlier, until the close of business on 30 June 2018) but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted or rights to subscribe for or to convert any security into shares to be granted (or treasury shares to be sold) after the power expires and the directors of the Company may allot equity securities or grant such rights (or sell treasury shares) under any such offer or agreement as if the power conferred hereby had not expired.

## **Political Donations**

19. That the Company and any company which is or becomes its subsidiary during the period to which this resolution has effect, be and is hereby authorised for the purposes of Part 14 of the Companies Act 2006 during the period commencing on the date of the passing of this resolution and ending at the conclusion of the Company's next Annual General Meeting or, if earlier, close of business on 30 June 2018 to:

- a) make political donations to political parties and/or independent election candidates;
- b) make political donations to political organisations other than political parties; and
- c) incur political expenditure,

provided that the total aggregate amount of political donations and political expenditure pursuant to this authority shall not exceed £100,000 for the Group as a whole, and the amount authorised under each of the paragraphs (a) to (c) shall be limited to such amount.

All existing authorisations and approvals relating to political donations or political expenditure under Part 14 of the Companies Act 2006 are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval.

For the purposes of this resolution, the terms 'political donation', 'political parties', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006.

## **Notice of Meetings**

20. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.