



Serco Group plc
Notice of Annual General Meeting
21 April 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Serco Group plc, you should forward this document and the accompanying form of proxy to your bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Contents

Summary and explanation of the resolutions	3
Directors' biographies	6
Notice of Annual General Meeting	8
Notes	11
Appendix	13



Dear Shareholder

I am pleased to invite you to attend Serco Group plc's Annual General Meeting ("AGM") to be held at 2.00pm on Wednesday 21 April 2021 at the Company's office at Enterprise House, 11 Bartley Wood Business Park, Bartley Way, Hook, Hampshire RG27 9XB.

As at the date of the publication of this notice of meeting, it is anticipated that it will not be possible for shareholders to attend, owing to the restrictions likely to be in place at the time. Accordingly, shareholders will be advised of any alternative arrangements once new legislation covering annual general meetings is issued in place of that which expires on 31 March 2021. You are, therefore, encouraged to monitor our website and also announcements via the Regulatory News Service.

The formal notice of AGM is set out on pages 8 to 10 of this document and explanatory notes on the business to be considered appear on pages 3 to 5.

A resolution is proposed to approve the new Directors' Remuneration Policy. Details of the proposed policy are set out in Directors' Remuneration Report in the 2020 Annual Report and Accounts on pages 112 to 118.

As announced in May 2020, it is my intention to step down from the Board following the conclusion of the 2021 AGM, following which John Rishton, who is currently our Senior Independent Director and has been a member of the Board since September 2016, will become Chairman.

We also announced in December 2020 that Angus Cockburn would be standing down from the Board following the AGM and that Nigel Crossley, who is currently Group Director of Finance, would join the Board and would become Chief Financial Officer following the AGM. I am sorry to see Angus depart, but delighted that Nigel, who joined Serco in 2014, will be his successor.

In accordance with the UK Corporate Governance Code, all other members of the Board will be subject to election or re-election at the AGM.

In addition to the routine resolutions, we are seeking approval of the Serco Group plc International Save As You Earn Plan 2021.

Your Board believes that the proposals described in this document are in the best interests of Serco Group plc and its shareholders as a whole and unanimously recommend that you vote in favour of all of the resolutions, as the Directors intend to do in respect of their own holdings.

Given the uncertainty around whether shareholders will be able to attend the AGM, I strongly recommend that all shareholders complete the proxy form sent to you with this notice and return it to our registrars to arrive no later than 2.00pm on Monday 19 April 2021, appointing the Chair of the meeting as their proxy. This will ensure that your vote will be counted even if attendance at the meeting is restricted (which is very likely to be the case due to the ongoing Covid-19 restrictions) or you are unable to attend in person for whatever reason.

Given the high likelihood that attendance at the meeting will be restricted in some way, I would encourage all shareholders to submit questions relating to the business of the AGM ahead of the meeting by email to agm@serco.com or by post to Serco Group plc, Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY. Where appropriate, we will provide written answers to questions and will endeavour to publish answers on the website in advance of the AGM. There is an investor presentation in relation to the 2020 Full Year Results on the Company's website at www.serco.com/media/5940/serco-fy20-results-presentation.pdf and I would direct you to look at that in advance of the AGM.

As in previous years and in accordance with best practice, all resolutions proposed at the meeting will be voted by means of a poll, rather than on a show of hands.

On behalf of the Board, I would like to thank you for your continued support for the Company and look forward to meeting you at the AGM.

Yours sincerely

A handwritten signature in black ink, appearing to read "Roy Gardner".

Sir Roy Gardner

Chairman

18 March 2021

Serco Group plc

Serco House, 16 Bartley Wood Business Park, Bartley Way,
Hook, Hampshire, RG27 9UY United Kingdom

Summary and explanation of the resolutions

Resolution 1 – Annual Report and Accounts

The Board will present the Annual Report and Accounts for the year ended 31 December 2020.

Resolution 2 – Directors' Remuneration Report

The Directors' Remuneration Report is set out on pages 105 to 133 in the Annual Report and Accounts and gives details of the Directors' remuneration for the year ended 31 December 2020. Shareholders will be asked to approve the Directors' Remuneration Report (save for the Directors' Remuneration Policy which is dealt with under Resolution 3 below). This is an advisory vote and the Directors' entitlement to remuneration is not conditional upon passing the resolution.

The Company's external auditor, KPMG LLP has audited those parts of the Directors' Remuneration Report that are required to be audited and their report can be found on pages 142 to 152 of the Annual Report and Accounts. The Directors' Remuneration Report has been approved by the Board and signed on its behalf by the Group General Counsel and Company Secretary.

Resolution 3 – Directors' Remuneration Policy

Serco Group plc (the "Company") is required to seek shareholder approval for its policy on Directors' remuneration (the "Remuneration Policy") at least once every three years. The Remuneration Committee undertook a complete review of the Remuneration Policy during 2020 and, following a period of consultation with major shareholders, shareholder approval of the new three-year Remuneration Policy is now sought. This is a binding vote and, if approved, the revised Remuneration Policy will take effect from the end of this AGM. Once the Remuneration Policy has been approved, the Company may not make a remuneration payment or payment for loss of office to a director or former director of the Company unless that payment is consistent with the approved Remuneration Policy, or has otherwise been approved by a shareholder resolution. The Remuneration Policy is set out on pages 112 to 118 in the Annual Report and Accounts

Resolution 4 - Final Dividend

The Board is recommending a final dividend for the financial year ended 31 December 2020 of 1.4 pence per ordinary share. If approved by shareholders at the AGM, the final dividend will be paid on 4 June 2021 to shareholders on the register of members of the Company at 6.00pm on 14 May 2021.

Resolutions 5 to 12 – Election and Re-election of Directors

Dame Sue Owen and Tim Lodge, who were appointed as Directors since the previous annual general meeting, will retire in accordance with the Articles of Association and offer themselves for election.

In accordance with the requirements of the UK Corporate Governance Code, with the exception of Sir Roy Gardner and Angus Cockburn who will retire at the conclusion of the AGM, all other Directors will retire and offer themselves for re-election.

Following an internal performance evaluation conducted during the year and having considered the performance of and contribution made by each of the Directors, the Board believes that all Directors continue to be effective and to demonstrate commitment to their roles and that their respective skills complement each other to enhance the overall operation of the Board.

The Board has also considered whether the Independent Non-Executive Directors are free from relationships which could materially interfere with the exercise of their independent judgement and has concluded that each of them continues to be independent.

Directors' biographies, including an explanation of why each Director's contribution continues to be important to the Company's long-term sustainable success, can be found on pages 6 and 7 of this document and on pages 82 to 85 of the Annual Report and Accounts.

Resolutions 13 and 14 – Appointment and remuneration of auditor

The appointment of KPMG LLP as auditor of the Company terminates at the conclusion of the AGM. The auditor has advised of its willingness to stand for reappointment as auditor of the Company until the conclusion of the annual general meeting in 2022. The Board, on the recommendation of the Audit Committee, proposes that KPMG LLP should be re-appointed and that the Audit Committee is authorised to agree its remuneration.

Resolution 15 – Directors' authority to allot shares

Resolution 15 seeks shareholder approval to renew the Directors' authority to allot shares.

The Investment Association guidelines on directors' authority to allot shares state that its members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two thirds of the Company's issued share capital. The guidelines provide that the extra routine authority (that is, the authority to allot shares representing the additional one third of the Company's issued share capital) should only be used to allot shares pursuant to a fully pre-emptive rights issue.

In accordance with these guidelines, the Board seeks the shareholders' authority to allot shares in the capital of the Company up to a maximum nominal amount of £16,221,694, representing approximately two thirds of the Company's issued ordinary share capital as at 10 March 2021 (the latest practicable date prior to publication of this notice). Of this amount, £8,110,847 (representing approximately one third of the Company's issued ordinary share capital) can only be allotted pursuant to a rights issue.

It is the Company's policy to seek renewal of these authorities annually and the authorities sought under paragraphs (i) and (ii) of this resolution will expire at the end of the Company's next annual general meeting or, if earlier, 6.00pm on 30 June 2022.

Summary and explanation of the resolutions continued

The Directors have no present intention to exercise this authority. However, the Directors consider it appropriate to maintain the flexibility that this authority provides to respond to market developments and to enable allotments to take place to finance business opportunities as they arise. As at 10 March 2021 (the latest practicable date prior to publication of this notice), the Company held 16,753,515 ordinary shares in the capital of the Company in treasury.

Resolutions 16 and 17 – Disapplication of pre-emption rights

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), the pre-emption rights provisions of the Companies Act 2006 require that these shares are offered first to the shareholders, in proportion to their existing holdings.

If the authority to allot shares is granted to the Directors under resolution 15, resolutions 16 and 17 will give the Directors authority to allot shares for cash in certain circumstances without complying with such pre-emption rights.

Apart from issues of ordinary shares pursuant to the terms of the Company's employee share and incentive schemes, the Directors have no present intention of utilising these authorities to undertake a rights issue or to allot new shares.

The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 2006 unless the shareholders have first waived their pre-emption rights. The purpose of resolutions 16 and 17, which are each proposed as special resolutions, is to enable shareholders to waive their pre-emption rights.

Resolution 16 authorises the Directors to allot new shares, pursuant to the authority given by resolution 15, or to sell treasury shares for cash:

- (a) up to a nominal amount of £16,221,694, representing approximately two thirds of the Company's issued ordinary share capital, to existing shareholders on a pre-emptive basis. However, unless the shares are allotted pursuant to a rights issue (rather than an open offer), the Directors may only allot shares up to a nominal amount of £8,110,847, (representing approximately one third of the Company's issued ordinary share capital) (in each case, subject to any limits, restrictions or arrangements, such as for fractional entitlements and overseas shareholders, as the Directors consider necessary or appropriate); and/or
- (b) otherwise up to a nominal value of £1,216,627, equivalent to approximately 5% of the total issued ordinary share capital of the Company as at 10 March 2021,

in each case without the shares first being offered to shareholders in proportion to their existing holdings.

Resolution 17 additionally authorises the Directors to allot new shares (or sell treasury shares) for cash, without the shares first being offered to existing shareholders in proportion to their existing holdings, in connection with the financing (or refinancing, if the authority is to be used within six months after the original transaction) of an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. The authority under resolution 17 is limited to a nominal value of £1,216,627, equivalent to approximately 5% of the nominal value of the ordinary share capital of the Company in issue on 10 March 2021.

The Directors intend to adhere to the provisions in the Pre-Emption Group's Statement of Principles, published in 2015, and not to allot shares for cash on a non pre-emptive basis either in excess of an amount equal to 5% of the total issued ordinary share capital of the Company (excluding treasury shares) or in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period, without prior consultation with shareholders. Adherence to the Pre-Emption Group's Statement of Principles would not preclude issuances under the authority sought under resolution 17.

Resolutions 16 and 17 comply with the Investment Association's share capital management guidelines and follow the resolution templates issued by the Pre-Emption Group in May 2016.

If the resolutions are passed, the authorities will expire at the end of the Company's next annual general meeting or, if earlier, 6.00pm on 30 June 2022.

Resolution 18 – Share buybacks

Authority is sought to make market purchases of the Company's own shares for up to 121,662,712 shares which is equivalent to approximately 10% of the ordinary issued share capital of the Company (excluding treasury shares) as at 10 March 2021 (being the latest practicable date prior to publication of this notice), until the earlier of the conclusion of the annual general meeting in 2022 or 6.00pm on 30 June 2022, continuing the authority granted by the shareholders at previous annual general meetings.

Resolution 18, proposed as a special resolution, specifies the maximum number of shares that may be purchased and the minimum and maximum prices at which they may be bought. The Board will have regard to investor group guidelines which may be in force at the time of any such purchase, holding or re-sale of shares held in treasury. The Directors would use the share purchase authority with discretion and purchases would only be made from funds not required for other purposes and in light of the market conditions prevailing at the time.

The Directors will exercise this authority only when they consider to do so would be in the best interests of shareholders generally.

Pursuant to the Companies Act 2006, a company may hold any of its own shares that it has purchased as treasury shares with a view to possible resale at a future date, rather than cancelling them, or use them for the purposes of its employee share schemes. The Directors would be entitled to hold those shares in treasury provided that the number of shares held in treasury at any one time does not exceed 10% of the nominal value of the Company's issued share capital. No dividends are paid on, and no voting rights are allocated to, any shares held in treasury.

On 17 December 2020, the Company announced its intention to commence a £40 million programme to repurchase its own shares during the period starting on 4 January 2021 and ending no later than 11 June 2021. As at 10 March 2021 (the latest practicable date prior to publication of this notice), 16,753,515 shares had been purchased under this programme. However, although the Directors have no present intention of exercising the authority sought by Resolution 18 to make further market purchases in addition to these planned under the programme, the Board believes that the authority will provide the Company with additional flexibility in the management of its capital base, enabling it to resell treasury shares in the future or use them to satisfy awards under the Company's various share and incentive schemes.

On 10 March 2021, the latest practicable date prior to publication of this notice, there were options outstanding to subscribe for 16,775,962 ordinary shares, representing approximately 1.38% of the Company's issued ordinary share capital as at 10 March 2021. If the existing authority given on 14 May 2020 and the authority being sought under Resolution 18 were to be fully used, that percentage would increase to approximately 1.72% of the Company's ordinary issued share capital (excluding treasury shares). The Company has no warrants in issue in relation to its shares.

Resolution 19 – Political donations

This resolution seeks authority from shareholders to make donations to political parties, other political organisations or independent election candidates. Although the Company's policy of not giving any cash contributions to, or incurring any expenditure on behalf of, any political party will continue, the Directors consider that it is in the best interests of shareholders for the Company to participate in public debate and opinion-forming on matters which affect the Company's business.

This resolution enables the Company (and any company which is or becomes its subsidiary during the period in which this resolution has effect) to incur expenditure of up to a maximum aggregate amount of £100,000 for the Group as a whole, in respect of each of the headings identified (including any such expenditure by a subsidiary company) without unintentionally breaching the provisions of the Companies Act 2006, which defines political organisations and political donations in a broad manner. This resolution does not purport to authorise any particular donation or expenditure but is expressed in general terms as required by the Companies Act 2006 and is intended to authorise normal donations and expenditure. The authority

sought will, if granted, last until the conclusion of the 2022 annual general meeting of the Company (or, if earlier, 6.00pm on 30 June 2022) when the Directors currently intend to seek renewal of this authority.

Resolution 20 – Notice of general meetings

This resolution, proposed as a special resolution, seeks shareholder approval to call general meetings (other than annual general meetings) on 14 clear days' notice and it is equivalent to the authority granted to the Directors at last year's annual general meeting.

The minimum notice period permitted by the Companies Act 2006 for general meetings (other than annual general meetings) is 21 clear days' notice. However, the Companies Act 2006 allows companies to approve a shorter notice period of at least 14 clear days (other than for annual general meetings). Annual general meetings will continue to be held on at least 21 clear days' notice. Shareholders approved this resolution at last year's annual general meeting and in order to preserve this ability, this resolution seeks such approval again. The approval will again be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Resolution 21 – International Save As You Earn Plan 2021

Shareholders will be asked to approve the Serco Group plc International Save As You Earn Plan 2021 (the "Plan"). In order to recognise the contribution of employees and enable them to benefit from ownership of shares in the Company, we propose to adopt a share plan which may be operated for the benefit of all employees in selected jurisdictions. The Plan will enable UK employees to accept the grant of share options on a tax-advantaged basis. The Plan can be operated globally on similar terms (on a non tax-advantaged basis), allowing our international employee base to participate and encouraging them to identify more closely with the Company as shareholders.

A summary of the principal terms of the new Plan is set out in the Appendix to this circular.

Directors' biographies

Sir Roy Gardner
Chairman



Appointed to the Board
June 2015 (Chairman since July 2015)

Sir Roy Gardner will retire as Chairman at the Annual General Meeting in April 2021.

Skills and experience

Sir Roy Gardner is an experienced chairman with over 40 years' experience in both executive and non-executive roles in a variety of businesses in the services, energy, industrial, chemicals, electronics, insurance and leisure sectors.

He is a Fellow of the Chartered Association of Certified Accountants and the City and Guilds Institute and has an Honorary Doctorate from Thames Valley University.

Previous roles

Chairman of Compass Group PLC, Connaught plc and Manchester United and Plymouth Argyle football clubs. Chief Executive of Centrica plc, Managing Director of GEC-Marconi Limited and a Director of GEC plc, Senior Independent Director of William Hill plc and a Non-Executive Director of Willis Group Holdings Limited and Laporte plc.

Chairman of the Advisory Board of the Energy Futures Lab at Imperial College London, the Apprenticeship Ambassadors Network and Mainstream Renewable Power Limited and Senior Adviser to Credit Suisse.

Current external commitments

Chairman of Pressure Technologies plc.
Senior Independent Director of Mainstream Renewable Power Limited.
Chairman of the Board of Governors at St. Albans School.
Chairman of R.A.G. Associates Limited.

Rupert Soames OBE
Group Chief Executive Officer



Appointed to the Board
May 2014

Skills and experience

Rupert Soames is an experienced chief executive officer having held the role for nearly 20 years in other companies before joining Serco as Chief Executive in 2014.

He studied Politics, Philosophy and Economics at Oxford University, where he is now a visiting fellow, and was President of the Oxford Union.

Previous roles

Chief Executive of Aggreko plc and the Banking and Securities Division of Misy plc.

Senior Independent Director and a member of the Remuneration, Nomination and Audit Committees of Electrocomponents plc.

Current external commitments

Senior Independent Director and a member of the Audit, Nomination and Remuneration Committees of DS Smith Plc.

Angus Cockburn
Group Chief Financial Officer



Appointed to the Board
October 2014

Angus Cockburn will retire as Group Chief Financial Officer at the Annual General Meeting in April 2021.

Skills and experience

Angus Cockburn is a chartered accountant with considerable experience gained in a variety of sectors before joining Serco in 2014.

He has an MBA from the IMD Business School in Switzerland, is an Honorary Professor at the University of Edinburgh and a member of the Institute of Chartered Accountants of Scotland.

Previous roles

Chief Financial Officer and Interim Chief Executive of Aggreko plc, Managing Director of Pringle of Scotland and senior finance positions at PepsiCo Inc including Regional Finance Director for Central Europe. Non-Executive Director of Howdens Joinery Group plc and Senior Independent Director and a member of the Audit, Remuneration and Nomination Committees of GKN plc.

Current external commitments

Senior Independent Director, Chair of the Audit Committee and a member of the Nomination and Remuneration Committees of Ashtead Group plc.
Non-Executive Director of The Edrington Group Limited.

John Rishton
Senior Independent Non-Executive Director



Appointed to the Board
September 2016

John Rishton will succeed Sir Roy Gardner as Chairman following the Annual General Meeting in April 2021 and will stand down as Chairman of the Audit Committee.

Skills and experience

John Rishton has over 40 years' business experience gained in a variety of companies, industries and roles, including nearly 14 years as a client executive or chief financial officer.

He has a BA in Economics from Nottingham University and is a Fellow of the Chartered Institute of Management Accountants.

Previous roles

Chief Executive of Rolls-Royce Group plc, Chief Executive and President of the Dutch international retailer, Royal Ahold NV (and prior to that, its Chief Financial Officer) and Chief Financial Officer of British Airways plc.

Current external commitments

Non-Executive Director and Chair of the Audit Committee of Unilever plc (until the 2022 Annual General Meeting).
Chair elect and Chair of the Audit Committee of Informa plc.
Non-Executive Director of Associated British Ports (until 30 April 2021).

Kirsty Bashforth
Independent Non-Executive Director



Appointed to the Board
September 2017

Skills and experience

Kirsty Bashforth is an experienced executive and board member within the construction, services, consumer goods, health and education industries, with expertise in change management, safety and risk management, organisational culture and leadership.

She has an MA (Cantab) in Economics from the University of Cambridge and is the author of "Culture Shift - a practical guide to managing organizational culture".

She is currently Chief People and Communications Officer of Diaverum AB.

Previous roles

Non-Executive Director, Chair of the Safety, Health and Environment Committee and a member of the Nomination, Remuneration, Risk Management and Audit Committees of Kier Group plc.

Non-Executive Director and Chair of the Remuneration Committee of Diaverum AB.

Chief Executive Officer of QuayFive Limited.

Senior executive at BP plc having spent over 24 years with the company in a variety of commercial roles, including Group Head of Organisational Effectiveness, where she led BP's global agenda on culture, diversity and change management.

Non-Executive Director, Chair of the Remuneration & People Committee and a member of the Audit & Risk and Reputation & Ethics Committees of GEMS Education.

Governor of Leeds Beckett University and Ashville College.

Current external commitments

Chief People and Communications Officer of Diaverum AB.

Non-Executive Director, Chair of the Remuneration Committee and a member of the Ethics & Compliance Committee of PZ Cussons plc.

Key to Committee membership (Red highlight denotes Chair)

A	Audit Committee	C	Corporate Responsibility Committee
N	Nomination Committee	GR	Group Risk Committee
R	Remuneration Committee		

Eric Born

Independent Non-Executive Director

A **N** **R** **C** **GR**

Appointed to the Board
January 2019

Skills and experience

Eric Born is an experienced chief executive officer with experience in the aviation services, logistics and retail sectors.

He has an MBA from the University of Rochester, New York, and is a graduate of the University of Applied Sciences in Zurich.

Previous roles

Chief Executive Officer of Swissport International Limited and Wincanton plc and Non-Executive Director and member of the Audit, Nomination and Remuneration Committees of John Menzies plc.

Current external commitments

None

Ian El-Mokadem

Independent Non-Executive Director

A **N** **R** **C** **GR**

Appointed to the Board
July 2017

Skills and experience

Ian El-Mokadem is an experienced chief executive officer with international experience in business transformation and in acquisitions and disposals.

He has a BSc (Hons) in Economics and Statistics from University College London and an MBA from INSEAD.

Previous roles

Chief Executive Officer of V. Group and Exova Group plc, Group Managing Director, UK & Ireland of Compass Group plc and senior management positions with Centrica plc and the global management consultancy, Accenture.

Current external commitments

Director of Roegate Consulting Limited.

Tim Lodge

Independent Non-Executive Director

A **N** **R** **C** **GR**

Appointed to the Board
February 2021

Tim Lodge will succeed John Rishton as Chairman of the Audit Committee on 21 April 2021.

Skills and experience

Tim Lodge is a fellow of the Chartered Institute of Management Accountants and has a strong finance and accounting background with over 30 years' experience in financial roles within international organisations, some 10 of which as Chief Financial Officer. He has considerable experience in leading significant strategic and operational transformation and driving commercial performance.

He has an MA (Cantab) in Classics from the University of Cambridge.

Previous roles

Chief Financial Officer at Tate & Lyle PLC and COFCO International and a Non-Executive Director and Chair of the Audit Committee of AryztA AG.

Current External Commitments

Non-Executive Director of SSP Group plc.

Non-Executive Director and Chair of the Audit Committee of Arco Limited.

Director of An African Canvas (UK) Limited.

Chair of the management committee of the Cordwainers Livery Company.

Trustee of Gambia School Support.

Chair of the Trustee of the Royal Free London Nurses and Midwives Trust.

Dame Sue Owen DCB

Independent Non-Executive Director

A **N** **R** **C** **GR**

Appointed to the Board
August 2020

Skills and experience

Dame Sue has significant experience of government and economic policy, having held senior roles in several government departments.

She has a MA in Economics from Cambridge University and an MSc in Economics from Cardiff University.

Previous roles

Permanent Secretary for the Department for Digital, Culture, Media and Sport, Civil Service LGB&T (straight ally) Champion and overall Diversity and Inclusion Champion, chair of the Charity for Civil Servants and senior posts in the Department for Work and Pensions, Department for International Development, Foreign Office and HM Treasury.

Current external commitments

Chair of the Royal Ballet Governors.

Specialist partner at Flint-Global.

Non - Executive Director of Pantheon International plc.

Non - Executive Director of Pool Reinsurance Company Limited and Pool Reinsurance (Nuclear) Limited.

Non - Executive Director of Methera-Global Communications.

Trustee of Opera Holland Park.

Trustee of The Windsor Leadership Trust.

Lynne Peacock

Independent Non-Executive Director

A **N** **R** **C** **GR**

Appointed to the Board
July 2017

Lynne Peacock will succeed John Rishton as Senior Independent Director following the Annual General Meeting on 21 April 2021.

Skills and experience:

Lynne Peacock has over 25 years' senior management experience in a range of roles including brand development, mergers and acquisitions, change management and business transformation.

She has a BA (Hons) in Business Studies.

Previous roles

Non-Executive Chair of Standard Life Assurance Limited and Non-Executive Director and a member of the Nomination and Governance Committees of Standard Life Aberdeen plc.

Non-Executive Director and Chair of the Audit Committee of Scottish Water.

Senior Independent Director, Chair of the Remuneration Committee and member of the Audit, Risk and Nomination Committees of Nationwide Building Society.

Non-Executive Director and a member of the Audit and Risk, Nominations and Remuneration Committees of Jardine Lloyd Thompson Group plc.

Chief Executive of Woolwich plc and National Australia Bank Limited's UK businesses.

Current external commitments

Non-Executive Director and Chair of the Remuneration Committee of Royal Mail plc.

Senior Independent Director and Chair of the Remuneration Committee of TSB Bank plc.

Chair of the charity, Learning Disability Network London.

Notice of Annual General Meeting

Notice is hereby given that the 2021 Annual General Meeting ("AGM") of Serco Group plc ("Serco" or "the Company") will be held at the Company's offices at Enterprise House, 11 Bartley Wood Business Park, Bartley Way, Hook, Hampshire RG27 9XB on Wednesday 21 April 2021 at 2.00pm to consider and, if thought fit, pass the resolutions detailed below. Resolutions 1 to 15, and 19 and 21 are proposed as ordinary resolutions and resolutions 16 to 18 and 20 as special resolutions:

Annual Report and Accounts

1. To receive the Annual Report and Accounts for the year ended 31 December 2020.

Directors' Remuneration Report

2. To approve the Directors' Remuneration Report for the year ended 31 December 2020 as set out on pages 105 to 133 (save for the Directors' Remuneration Policy) of the Annual Report and Accounts.

Directors' Remuneration Policy

3. To approve the Directors' Remuneration Policy set out on pages 112 to 118 of the Annual Report and Accounts.

Final Dividend

4. To declare a final dividend of 1.4 pence per ordinary share for the financial year ended 31 December 2020.

Election and Re-election of Directors

5. To elect Dame Sue Owen as a Director.
6. To elect Tim Lodge as a Director.
7. To re-elect John Rishton as a Director.
8. To re-elect Rupert Soames as a Director.
9. To re-elect Kirsty Bashforth as a Director.
10. To re-elect Eric Born as a Director.
11. To re-elect Ian El-Mokadem as a Director.
12. To re-elect Lynne Peacock as a Director.

Appointment and remuneration of auditor

13. To reappoint KPMG LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
14. To authorise the Audit Committee, for and on behalf of the Board, to agree the remuneration of the auditor.

Directors' authority to allot shares

15. 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 £8,110,847; and
 - ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £8,110,847 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 6.00pm on 30 June 2022, 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. References in this Resolution 15 to the nominal amount of rights to subscribe for or to convert any security into shares (including where such rights are referred to as equity securities as defined in Section 560(1) of the Companies Act 2006) are to the nominal amount of shares that may be allotted pursuant to the rights:

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 limits or restrictions 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 or any other matter.

Disapplication of pre-emption rights

16. To resolve that, in substitution for all existing authorities and subject to the passing of resolution 15 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 15 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 authority 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 15, such authority 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 15 and/or sale of treasury shares for cash (in each case otherwise than in the circumstances set out in paragraph (a) of this resolution 16) up to a nominal amount of £1,216,627 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 authority to apply until the end of the Company's next annual general meeting after this resolution is passed (or, if earlier, until 6.00pm on 30 June 2022) unless previously renewed, varied or revoked by the Company in 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 equity securities to be allotted (and/or treasury shares to be sold) after the authority expires and the Directors may allot equity securities and/or sell treasury shares under any such offer or agreement as if the authority had not expired.

For the purpose of this resolution 16, "rights issue" has the same meaning as in resolution 15 above.

17. That, in addition to any authority granted under resolution 16, and subject to the passing of resolution 15, 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 15 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 authority 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 £1,216,627 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 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 authority to apply until the end of the Company's next annual general meeting (or, if earlier, 6.00pm on 30 June 2022) unless previously renewed, varied or revoked by the Company in 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 equity securities to be allotted or rights to subscribe for or to convert any security into shares to be granted (and/or treasury shares to be sold) after the authority expires and the Directors may allot equity securities or grant such rights (and/or sell treasury shares) under any such offer or agreement as if the authority conferred hereby had not expired.

Share buybacks

18. 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 2 pence each provided that:
 - a) the maximum aggregate number of ordinary shares that may be purchased under this authority is 121,662,712 (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 2 pence (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 6.00pm on 30 June 2022, 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.

Notice of Annual General Meeting continued

Political Donations

19. To authorise, for the purpose of Part 14 of the Companies Act 2006, the Company and any company which is or becomes its subsidiary during the period to which this resolution has effect, 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, at 6.00pm on 30 June 2022 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 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 general meetings

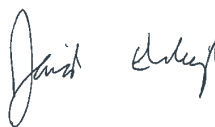
20. To authorise the Directors to call a general meeting other than an annual general meeting on not less than 14 clear days' notice.

International Save As You Earn Plan 2021

21. That:

- a) the rules of the Serco Group plc International Save As You Earn Plan 2021 (the "Plan") be approved in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification and the principal terms of which are summarised in the Appendix to the circular containing the Company's 2021 Notice of Annual General Meeting, and the Directors be generally authorised to adopt the Plan and to do all acts and things that they consider necessary or expedient to give effect to the Plan; and
- b) the Directors be authorised to adopt, or to procure the adoption by any other company in the Group of, further plans based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any share made available under such further schemes are treated as counting against any limits on individual or overall participation in the Plan.

By order of the Board



David Eveleigh

Group General Counsel and Company Secretary

18 March 2021

Serco Group plc
Serco House
16 Bartley Wood Business Park
Bartley Way
Hook
Hampshire
RG27 9UY

Registered in England and Wales

Company number 02048608

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, BN99 6DA or at www.sharevote.co.uk no later than 48 hours prior to the AGM, being no later than 2.00pm on Monday 19 April 2021. Any electronic communication sent by a shareholder to the Company or to the Registrar which is found to contain a computer virus will not be accepted.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy Information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company as at 6.30pm on Monday 19 April 2021 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is 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 Equiniti (ID RA19) by 2.00pm on Monday 19 April 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. 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.

Notice of Annual General Meeting continued

Notes: continued

11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website.

The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
13. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment of the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.serco.com.
16. Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands, in line with best practice. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. The results of the poll will be published on the Company's website and notified to the Financial Conduct Authority once the votes have been counted and verified.
17. Members may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with the Company for any purposes other than those expressly stated.
18. The Directors' Service Contracts and letters of appointment for the Non-Executive Directors are available for inspection during normal business hours (Saturdays, Sundays and Bank Holidays excepted) at the Company's registered office, Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY up to and including the date of the AGM. If you wish to view these documents, please telephone the Company Secretarial Department on +44 (0) 1256 745900.

The same documents will also be available for inspection at the AGM venue, 15 minutes before the commencement of the AGM on Wednesday 21 April 2021 and until the closure of the meeting.
19. As at 10 March 2021 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consists of 1,233,380,637 ordinary shares of 2p each, of which 16,753,515 are held in treasury. Therefore, the total voting rights in the Company as at 10 March 2021 are 1,216,627,122.

APPENDIX

SUMMARY OF THE PRINCIPAL TERMS OF THE SERCO GROUP PLC INTERNATIONAL SAVE AS YOU EARN PLAN 2021

1. OPERATION

An all-employee savings-based share option plan ("the Plan") will be operated by Serco Group plc ("the Company") under which invitations to acquire ordinary shares in the Company ("Shares") will be offered to employees in selected jurisdictions. In the UK, the Plan will be operated as a tax advantaged "Save As You Earn" ("SAYE" or "Sharesave") plan.

The Plan will be administered by the Board or a committee appointed by the Board, and references in this summary to the Board should be read accordingly.

2. ELIGIBILITY

Any employee including an Executive Director of the Company or any constituent company of the company or Group Member in selected jurisdictions will be eligible to participate in the Plan at the discretion of the Board, subject to a qualifying service period of up to five years. All UK resident employees who have completed the qualifying service period must be invited to participate in the UK SAYE.

A "constituent company" refers to a company which the Company controls, or which is a 50% joint venture (and which does not offer participation in a UK SAYE operated by the other joint venture partner), and which the Board has specified should be included in the Plan.

3. GRANT OF OPTIONS

Employees will be invited to enter into a savings-based share option contract whereby participants save a fixed amount per month through payroll under a contract (the "Savings Contract") over a period of either three or five years. The savings will then be accumulated in an associated savings account (subject to local requirements).

An associated option (the "Option") will be granted to the participant entitling them to acquire Shares at an exercise price which may be equal to the market value of a Share at grant, or up to a 20% discount. At the end of the period over which the Savings Contract is in effect (the "Savings Period"), the participant can use their accumulated savings to exercise the Option and acquire Shares (or alternatively can withdraw their savings and allow the Option to lapse).

The maximum amount which may be saved by an employee per month under the Plan will be set by the Board at the time of invitation but must not exceed £500 per month (the "UK Savings Limit") over a fixed period of either three or five years. Where the employee saves in a currency other than sterling, the maximum monthly savings permissible will be the local currency equivalent of the UK Savings Limit, as determined by the Board.

The Plan allows participants to take a "payment holiday" of up to twelve months or to withdraw from the Savings Contract (in which case their deductions will be repaid but they will not be able to exercise the Option) at any time.

The Board may allow employees to make a "top-up payment" from their own funds at the end of the Savings Period where the amount of their savings would otherwise be insufficient to exercise their Option in full. This only applies where participants are saving in a currency other than sterling and the insufficiency is due to exchange rate movements.

4. EXERCISE OF OPTIONS

Options will be exercisable for the period of six months from the end of the Savings Period (or such other date on which the Option first becomes exercisable in accordance with the rules of the Plan). If the Option is not exercised within six months, it will automatically lapse and the participant's savings will be refunded.

5. CESSATION OF EMPLOYMENT

If a participant ceases to be employed by or to hold office with the Group after at least three years other than by reason of gross misconduct, their Option may be exercised within 6 months of cessation (or, if earlier, the date 6 months from the end of the Savings Period).

If a participant ceases to hold office or employment due to injury or disability, redundancy, retirement, or the sale of the business or entity that employs the participant outside the Group, they may exercise their Option to the extent that they have sufficient savings available under the Savings Contract at any time within 6 months of cessation. If a participant dies while holding an Option, the participant's personal representatives will normally have up to a year from the date of the participant's death to exercise the option.

If a participant ceases employment in any other circumstances, their Option will lapse on the date of cessation and their savings will be refunded.

6. CORPORATE EVENTS

In the event of a change of control or winding-up of the Company, Options may be exercised early. Options will normally be exercisable for one month following the change of control, after which time they will lapse.

Alternatively, Options may be exchanged (with the agreement of the acquiring company) for equivalent Options over shares in an acquiring company. If the change of control is an internal reorganisation of the Group (or if the Board so decides), participants will normally be required to exchange their Options or else their Options will lapse and their savings will be repaid.

APPENDIX continued

7. VARIATION OF CAPITAL

In the event of a capitalisation issue or offer or invitation made by way of rights relating to, or any subdivision, consolidation, reduction or any other variation of, the share capital of the Company, or a demerger, delisting, special dividend or other event which in the Board's opinion may materially affect the current or future value of Shares, the Board may make such adjustments to the number of Shares subject to Options and the exercise price attaching to an Option as it considers appropriate.

8. RIGHTS ATTACHING TO SHARES

The grant of Options under the Plan will not confer rights on any participant until that participant has exercised the Option and received the underlying Shares. Any Shares allotted will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their issue).

9. PLAN LIMITS

The Plan may operate over newly issued Shares, treasury Shares or Shares purchased in the market. The rules of the Plan provide that in any ten-year rolling period, the number of Shares which may be issued under the Plan and any other share plan adopted by the Company may not exceed ten per cent of the issued ordinary share capital of the Company from time to time.

Shares transferred out of treasury will count towards these limits for so long as this is required under institutional shareholder guidelines. Awards that are relinquished or lapse will be disregarded for the purposes of these limits.

The Board may determine that participation in an offer of Options under the Plan will be subject to a limited pool of Shares being made available. If the take-up of invitations exceeds this, 'scale back' can be applied by reducing the maximum amount which may be saved by participants each month and therefore the number of Shares required to satisfy Options.

10. AMENDMENT

The Board may, at any time, amend the provisions of the Plan in any respect except that no amendment to the material disadvantage of existing rights of participants will be made without the amendment having been approved by the majority of affected participants.

The prior approval of Shareholders at a general meeting of the Company must be obtained in the case of any amendment which is made to the advantage of eligible employees and/or participants and relates to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, the Awards, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval. There are, however, exceptions to the requirement to obtain Shareholder approval for any minor amendments to benefit the administration of the Plan to take account of the provisions of any legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the Group.

11. FURTHER TERMS

Awards are not transferable other than to the participant's personal representatives in the event of his or her death. Benefits received under the Plan are not pensionable.

The Board may, at any time, establish further sub-plans based on the Plan for overseas territories. Any such plan will be similar to the Plan but may be modified to take account of local tax, exchange control or securities laws. Any Shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation under the Plan.

12. TERMINATION

No Options may be granted more than ten years after approval of the Plan by shareholders.

