

Rules of the Serco Group plc International Save As You Earn Plan 2021

Adopted by the Board of Serco Group plc on 23 February 2021

Approved by the shareholders of Serco Group plc on 21 April 2021

Amended by the Board of Serco Group plc on 02 August 2022

CONTENTS

RULE	HEADING	PAGE
1.	DEFINITIONS AND INTERPRETATION	4
2.	APPLICATION FOR OPTIONS	8
3.	SCALING DOWN	9
4.	GRANT OF OPTIONS	10
5.	RESTRICTIONS ON TRANSFER AND BANKRUPTCY	10
6.	PLAN LIMITS	10
7.	INTERNATIONAL TRANSFERS	11
8.	RIGHTS TO EXERCISE OPTIONS	11
9.	TAKEOVER, RECONSTRUCTION AND LIQUIDATION	13
10.	MANNER OF EXERCISE	15
11.	ISSUE OR TRANSFER OF SHARES	15
12.	ADJUSTMENTS	16
13.	AMENDMENTS	16
14.	LEGAL ENTITLEMENT	17
15.	GENERAL	17
	APPENDIX A – UNITED KINGDOM	19
1.	DEFINITIONS AND INTERPRETATION	19
2.	APPLICATION FOR OPTIONS	23
3.	SCALING DOWN	24
4.	GRANT OF OPTIONS	25
5.	RESTRICTIONS ON TRANSFER AND BANKRUPTCY	25
6.	PLAN LIMIT	25
7.	RIGHTS TO EXERCISE OPTIONS	26
8.	TAKEOVER, RECONSTRUCTION AND LIQUIDATION	27
9.	MANNER OF EXERCISE	29
10.	ISSUE OR TRANSFER OF SHARES	30

Rules of the Serco Group plc International Save As You Earn Plan 2021

11.	ADJUSTMENTS	30
12.	AMENDMENTS	30
13.	LEGAL ENTITLEMENT	31
14.	GENERAL	31
	APPENDIX B – UNITED STATES	33
1.	DEFINITIONS AND INTERPRETATION	33
2.	EXERCISE OF OPTIONS	33
3.	TAKEOVER, RECONSTRUCTION AND LIQUIDATION	34
4.	ISSUE OR TRANSFER OF SHARES	34
	APPENDIX C – CANADA	35
1.	IMPACT OF PARTICIPANT BECOMING A CANADIAN PARTICIPANT	35
2.	AWARDS HELD BY PARTICIPANTS WHO ARE SUBJECT TO TAXATION IN THE US AND IN CANADA	35
3.	TAXATION AND REGULATORY MATTERS	35
4.	ISSUE OR TRANSFER OF SHARES	35
	APPENDIX D – CALIFORNIA	36
1.	DEFINITIONS AND INTERPRETATION	36
2.	APPLICATION TO THE RULES OF THE PLAN	36
3.	OPTIONS	36
4.	SHAREHOLDER APPROVAL	36
5.	PLAN LIMIT	36
6.	RIGHTS TO EXERCISE OPTIONS	37
7.	ADJUSTMENTS	37

1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

“Appropriate Period”	the relevant period referred to in paragraph 38(3) of Schedule 3;
“Associated Company”	the meaning given by paragraph 47 of Schedule 3 except for the purpose of rules 8.6.5 and 8.10 when that expression will have the meaning given by paragraph 35(4) of Schedule 3;
“Board”	subject to rule 9.10, the Board of the Company or any duly authorised committee of the Board, or any duly appointed successor body;
“Bonus”	any sum payable to a Participant by way of a bonus or interest payment on completion of a Savings Contract;
“Bonus Date”	in respect of any Option, the earliest date on which any Bonus becomes payable under the related Savings Contract or such other date as the Board may determine on or prior to the Grant Date;
“Company”	Serco Group plc registered in England and Wales under number 02048608;
“Constituent Company”	<ol style="list-style-type: none"> a) the Company; b) any other company which: <ol style="list-style-type: none"> i) is a Subsidiary of the Company; ii) is under the Control of the Company; and iii) the Board has determined will be a Constituent Company; and c) if the Board so determines, any body corporate in relation to which the Company is able to exercise at least 50% of the equity voting rights;
“Control”	the meaning given by section 995 of the Income Tax Act 2007 except for the purposes of rule 8.6.5 where that expression will have the meaning given by sections 450 and 451 of the Corporation Tax Act 2010;
“Daily Official List”	the daily publication by the London Stock Exchange of official quotations for all securities traded on the London Stock Exchange;
“Dealing Day”	any day on which the London Stock Exchange is open for business;
“Dealing Restrictions”	restrictions imposed by the Company’s share dealing code, the Listing Rules, or any other applicable laws or regulations which impose restrictions on share dealing;

“Eligible Employee”	any employee or group of employees (including executive directors) of a Constituent Company whom the Board may select from time to time;
“Exercise Price”	<p>subject to any adjustment pursuant to rule 12, the price per Share, as determined by the Board, at which an Eligible Employee may acquire Shares upon the exercise of an Option which:</p> <ul style="list-style-type: none"> a) in the case of an Option granted to a US Participant other than in accordance with Appendix B, will not be less than the Market Value of a Share on the Grant Date; and b) in all other cases, will not be manifestly less than 80 per cent (or such other percentage as may be permitted by paragraph 28(1) of Schedule 3 from time to time) of the Market Value (or its Local Currency Equivalent) of a Share on the Invitation Date or a date specified in the invitation to apply for an Option (such date being no earlier than the date preceding the Invitation Date and no later than the Grant Date) provided that, if the Shares may only be subscribed for, such price will not be less than the nominal value of a Share;
“Fair Market Value Option”	<p>an Option that, at the Grant Date, meets all the requirements described in US Treasury Regulations Section 1.409A-1(b)(5)(i):</p> <ul style="list-style-type: none"> a) an Exercise Price that is no less than Market Value at the Grant Date; b) Section 83 of the Code will apply to tax a transfer or exercise of the Option; and c) the Option shall not contain any feature providing for the deferral of compensation, other than the deferral of recognition of US taxable income until the later of the following: <ul style="list-style-type: none"> i) the exercise or disposition of the Option; and ii) the time the Shares acquired by an exercise of the Option first become substantially vested (under Section 83 of the Code);
“GDPR”	the EU General Data Protection Regulation 2016/679, as amended from time to time;
“Grant Date”	the date on which an Option is granted;
“Invitation Date”	the date on which the Board invites applications for Options;
“Invitation Exchange Rate”	an exchange rate applying at the Invitation Date as determined by the Board;
“ITEPA”	the Income Tax (Earnings and Pensions) Act 2003;
“Listing Rules”	the UKLA’s listing rules, as amended from time to time;

“Local Currency Equivalent”	in relation to any amount in UK pounds sterling, an equivalent amount in another currency calculated on such basis as the Board determines;
“London Stock Exchange”	the London Stock Exchange plc or any successor body;
“Market Value”	<p>on any day:</p> <ul style="list-style-type: none"> a) if the Shares are quoted on the Daily Official List: <ul style="list-style-type: none"> a. the middle market quotation (as derived from that List) of a Share on the immediately preceding Dealing Day; or b. if the Board determines, the average of the middle market quotations as so derived of a Share for the three immediately preceding Dealing Days or such other Dealing Days as the Board may determine; and b) if the Shares are not quoted on the Daily Official List of the London Stock Exchange, the market value of a Share as determined by the Board, <p>provided that in all cases in respect of a Fair Market Value Option granted to a US Taxpayer, such market value will not be less than “fair market value” within the meaning of U.S. Treasury Regulations Section 1.409A-1(b)(5)(iv);</p>
“Maximum Contribution”	<p>the maximum aggregate Monthly Contribution which a Participant may make under all Savings Contracts linked to options granted to him under the Plan or any other plan considered by the Board to be equivalent, being the lesser of:</p> <ul style="list-style-type: none"> a) £500 per month or such other maximum amount as may be permitted by paragraph 25(3)(a) of Schedule 3 from time to time (or the Local Currency Equivalent); and b) such other maximum Monthly Contribution as may be determined from time to time by the Board;
“Minimum Contribution”	such minimum Monthly Contribution as may be determined by the Board on such basis and at such time as it may determine;
“Monthly Contributions”	monthly contributions agreed to be paid by a Participant in the Participant’s local currency under the Savings Contract;
“Non-UK Company Reorganisation Arrangement”	the meaning given by paragraph 47A of Schedule 3;
“Option”	a right to acquire Shares subject to the terms of the Plan;
“Participant”	any person who holds an Option, or after that person’s death, that person’s personal representatives;

“Plan”	the Serco Group plc International Save As You Earn Plan 2021 in its present form or as amended from time to time;
“Plan-Related Employment”	the office or employment by reference to which a Participant is eligible to participate in the Plan;
“Pricing Period”	<p>the period of 42 days commencing on:</p> <ul style="list-style-type: none"> a) the day on which the Plan is approved by shareholders of the Company; b) the first Dealing Day after the day on which the Company makes an announcement of its results for any period; c) the day on which changes are announced, effected or made to the legislation or regulations affecting share option schemes which are subject to the provisions of Schedule 3; d) any day on which a new Savings Contract prospectus is announced or takes effect for the benefit of Eligible Employees in the United Kingdom; or e) any day on which the Board resolves that exceptional circumstances exist which justify the issue of invitations, <p>unless the Company is restricted from issuing invitations under the Plan during the periods specified above as a result of any Dealing Restrictions, in which case the relevant period will be 42 days commencing on the Dealing Day after such Dealing Restrictions are lifted;</p>
“Repayment”	in relation to a Savings Contract, the aggregate of the Monthly Contributions which the Participant has made and, subject to rule 2.4.4, any Bonus payable at the Bonus Date;
“Savings Contract”	such savings arrangements as the Board may from time to time determine which the Participant enters into in connection with the grant of the Participant’s Option;
“Schedule 3”	Schedule 3 to ITEPA;
“Share”	a fully paid up, non-redeemable ordinary share in the Company;
“Subsidiary”	the meaning given by section 1159 of the Companies Act 2006;
“Tax Liability”	any tax or social security contributions liability in connection with an Option for which the Participant is liable and for which any Constituent Company or former Constituent Company is obliged to account to any relevant authority;
“Trustee”	the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees;

“UKLA”	the United Kingdom Listing Authority (or any other relevant authority); and
“US Participant”	a Participant who is, or who may become, subject to a US tax or social security contributions liability in connection with an Option;
“Variation”	any 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 any demerger, delisting, special dividend or other event which may, in the opinion of the Board, affect the current or future value of Shares in respect of which Options may be adjusted in accordance with rule 12.

1.2 References in the Plan to:

- 1.2.1 any statutory provisions are to those provisions as amended or re-enacted from time to time; and
- 1.2.2 the singular include the plural and vice versa; and
- 1.2.3 the masculine includes the feminine and vice versa.

1.3 Headings do not form part of the Plan.

1.4 Terms not otherwise defined in the Plan will have the same meanings as are set out for them in Schedule 3.

2. APPLICATION FOR OPTIONS

2.1 Subject to rules 2.2 and 2.3, the Board may at any time invite such Eligible Employees as it determines to apply for Options.

2.2 If, at the time that an invitation to apply for Options is issued, the Shares are quoted on the Daily Official List of the London Stock Exchange, the Board will calculate the Exercise Price only by reference to Dealing Days in a Pricing Period.

2.3 The issue of invitations to apply for an Option will be subject to obtaining any approval or consent required by the UKLA (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or elsewhere).

2.4 Any invitation to apply for Options will be sent in writing or in electronic format to all Eligible Employees and will include details of:

- 2.4.1 the Exercise Price or the mechanism by which the Exercise Price will be determined;
- 2.4.2 the Maximum Contribution payable and the maximum Monthly Contribution payable in respect of that invitation;
- 2.4.3 the Minimum Contribution payable;
- 2.4.4 whether, for the purpose of determining the number of Shares over which an Option is to be granted, the Repayment under the Savings Contract is to be taken as including any Bonus or not;
- 2.4.5 the date by which applications must be received (being not earlier than 14 days after the Invitation Date); and
- 2.4.6 the length, and any choice of length, of the Savings Contract,

and the Board may determine a maximum number of Shares over which applications for Options are to be invited and if it does so will confirm in the invitations that it has done so.

2.5 Applications for Options must incorporate or be accompanied by such arrangements in relation to a Savings Contract as the Board may determine.

- 2.6 An application for an Option will be in writing or in electronic format and in such form as the Board may determine from time to time, provided that the applicant will be required to state:
- 2.6.1 the Monthly Contribution (being a multiple of £1 or equivalent single unit of applicable local currency and not less than the Minimum Contribution) which the Participant wishes to make under the Savings Contract to be made in connection with the Option for which an application is made;
- 2.6.2 that the Participant's proposed Monthly Contribution in respect of that invitation:
- (a) when taken together with any monthly contribution the Participant makes under any other Savings Contract whether entered into in connection with the grant of an Option under the Plan or in connection with the grant of an option under any other scheme considered by the Board to be equivalent will not exceed the Maximum Contribution; and
 - (b) will not exceed the maximum Monthly Contribution for that invitation; and
- 2.6.3 if the Eligible Employee has a choice of length of Savings Contract, the Eligible Employee's election in that respect.
- 2.7 In the event of excess applications, each application will be deemed to have been modified or withdrawn in accordance with the steps taken by the Board to scale down applications pursuant to rule 3.
- 2.8 If an Eligible Employee's application for an Option specifies a proposed Monthly Contribution which:
- 2.8.1 when taken together with any monthly contribution the Eligible Employee makes under any other Savings Contract whether entered into in connection with the grant of an Option or in connection with the grant of an option under any other scheme considered by the Board to be equivalent, exceeds the Maximum Contribution; or
- 2.8.2 exceeds the maximum Monthly Contribution for that invitation,
- the Board will be authorised to reduce the Eligible Employee's Monthly Contribution for that invitation so as to comply with the Maximum Contribution and/or the maximum Monthly Contribution payable in respect of that invitation.
- 2.9 Each application will be deemed to be for an Option over the largest whole number of Shares which can be acquired at the Exercise Price with the expected Repayment at the Bonus Date under the Savings Contract entered into in connection with the Option converted into UK pounds sterling at the Invitation Exchange Rate.

3. SCALING DOWN

- 3.1 If valid applications are received for a total number of Shares in excess of any maximum number of Shares determined by the Board in accordance with rule 2.4 or any limitation under rule 6, the Board will scale down applications by taking the following steps until the number of Shares available equals or exceeds such total number of Shares applied for provided always that, in reducing the number of Shares applied for, any adjustments will ensure that an Eligible Employee's Monthly Contribution remains a multiple of £1 or equivalent single unit of applicable local currency:
- 3.1.1 by excluding the Bonus (if any) from the amount of each Repayment;
- 3.1.2 if the Eligible Employees had a choice of length of Savings Contract, by treating any elections for a longer Savings Contract as elections for a shorter Savings Contract;
- 3.1.3 by reducing the proposed Monthly Contributions pro rata to the excess over the amount the Board determines for this purpose, provided that this amount is not less than the Minimum Contribution; and/or
- 3.1.4 so far as necessary, selecting applications by lot, each based on a Monthly Contribution equal to the Minimum Contribution and no Bonus in the Repayment.
- 3.2 If the number of Shares available is insufficient to enable an Option (based on Monthly Contributions of such amount as the Board may determine) to be granted to each Eligible Employee making a valid application, the Board may, as an alternative to selecting by lot, determine in its discretion that no Options will be granted in respect of that invitation.

- 3.3 If the Board so determines, the provisions in rule 3.1 may be modified or applied in any manner as it may in its discretion determine, including, without limitation, as to the order in which the steps may be undertaken.

4. GRANT OF OPTIONS

- 4.1 Subject to the other provisions of this rule 4, as soon as reasonably practicable after the date referred to in rule 2.4.5, the Board will grant to each Eligible Employee who has submitted a valid application (within any applicable time limit) an Option over the largest whole number of Shares which can be acquired at the Exercise Price with the Local Currency Equivalent at the Invitation Exchange Rate of the expected Repayment under that Eligible Employee's Savings Contract at the applicable Bonus Date.
- 4.2 No Option will be granted to any person if at the Grant Date that person has ceased to be an Eligible Employee.
- 4.3 No Eligible Employee will be granted an Option to the extent it would at the proposed Grant Date cause the aggregate amount of such Eligible Employee's contributions under all Savings Contracts to exceed the Maximum Contribution.
- 4.4 No amount will be paid in respect of the grant of an Option.
- 4.5 The grant of an Option will be subject to obtaining any approval or consent required by the UKLA (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or elsewhere).
- 4.6 A Participant will be notified, in the manner specified by the Board, of the grant of an Option and the following terms of the Option:
- 4.6.1 the number of Shares subject to the Option;
- 4.6.2 the Exercise Price and the Grant Date of the Option; and
- 4.6.3 the Bonus and Bonus Date applicable to the Option.
- 4.7 No Options may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by the shareholders of the Company.
- 4.8 If the Participant is a US Participant at the Grant Date, to the extent the Option is not a Fair Market Value Option, it will be granted subject to the terms of Appendix B. Where a Participant becomes a US Participant after the Grant Date and holds an Option subject to an Exercise Price which at the Grant Date was *less than* "fair market value" within the meaning of U.S. Treasury Regulations Section 1.409A-1(b)(5)(iv), the terms of Appendix B will apply to such Option as if the Option had been granted under Appendix B from the outset.

5. RESTRICTIONS ON TRANSFER AND BANKRUPTCY

- 5.1 An Option must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant's death, to the Participant's personal representatives) and will lapse immediately on any attempt to do so.
- 5.2 An Option will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside the UK, any analogous event occurs.

6. PLAN LIMITS

- 6.1 The Board must not grant an Option which would cause the number of Shares allocated under the Plan and under any other employee share scheme adopted by the Company to exceed such number as represents ten per cent of the ordinary share capital of the Company in issue.
- 6.2 Subject to rules 6.4 and 6.5, in determining the limit set out in rule 6.1, Shares are treated as allocated if, on any day, they have been:
- 6.2.1 newly issued by the Company or transferred from treasury to satisfy an option, award or other right granted during the ten years prior to that day (an "**award**"); or

- 6.2.2 in the case of such an award in respect of which Shares are yet to be delivered, if the Board intends that new Shares will be issued or that Shares from treasury will be transferred.
- 6.3 For the purposes of rule 6.2, the number of Shares allocated includes:
 - 6.3.1 Shares which have been issued or may be issued to any Trustee; and
 - 6.3.2 Shares which have been or may be transferred from treasury to any Trustee,
 - in either case for the Trustee to then transfer to satisfy an award (unless these Shares have already been counted under this rule).
- 6.4 The Board may determine that Shares transferred from treasury will cease to count as allocated for the purposes of rule 6.2 if guidelines published by institutional investor representative bodies no longer require such Shares to be counted.
- 6.5 The number of Shares allocated does not include:
 - 6.5.1 Shares that were allocated to satisfy awards to the extent that such awards have lapsed or been relinquished;
 - 6.5.2 existing Shares (other than treasury Shares) which have been transferred to satisfy awards or which have been allocated to satisfy awards; and
 - 6.5.3 Shares allocated in respect of awards which are then satisfied in cash.
- 6.6 The Board may make such adjustments to the method of assessing the limit set out in rule 6.1 as it considers appropriate in the event of any variation of the Company's share capital.

7. INTERNATIONAL TRANSFERS

- 7.1 If a Participant moves from one country to another country (the "**new country**") without ceasing to hold employment with a Constituent Company, such Participant may terminate his or her Savings Contract, and, notwithstanding rule 8.12, the Participant's Option will not lapse, provided such Participant complies with the following conditions:
 - 7.1.1 the Participant enters into a new Savings Contract in the new country, the terms of which are, in the opinion of the Board, equivalent to the terms of the old Savings Contract including in respect of the Bonus Date;
 - 7.1.2 the Participant makes Monthly Contributions under the new Savings Contract of an amount equal to the Monthly Contributions made under the old Savings Contract, converted (if appropriate) into the currency of the new country at such exchange rate as determined by the Board; and
 - 7.1.3 the Participant either:
 - (a) transfers the aggregate Monthly Contributions made under the old Savings Contract to the new Savings Contract, or to another account in the new country which is satisfactory to Board; or
 - (b) leaves the aggregate Monthly Contributions made under the old Savings Contract in the old Savings Contract, or transfers them to an account in the old country which is satisfactory to the Board,
 and gives an undertaking satisfactory to the Board that those aggregate Monthly Contributions will be held in the relevant Savings Contract on account pending the exercise of the Option.

8. RIGHTS TO EXERCISE OPTIONS

- 8.1 Subject to rules 8.5 to 8.7 and 9, an Option may not be exercised earlier than the Bonus Date under the relevant Savings Contract.
- 8.2 Subject to rule 8.5, an Option may not be exercised later than six months after the Bonus Date under the relevant Savings Contract, at which time it will lapse.

- 8.3 An Option may be exercised in whole or in part. However, if partial exercise occurs, the unexercised part of the Option will lapse at the date of exercise.
- 8.4 Subject to rules 8.5 to 8.7 and 8.9, a Participant may exercise an Option only while the Participant continues to hold Plan-Related Employment.
- 8.5 The personal representatives of a deceased Participant may exercise the Participant's Option within:
- 8.5.1 one year following the date of the Participant's death, if death occurs before the Bonus Date; or
 - 8.5.2 one year following the Bonus Date, if death occurs on or within six months of the Bonus Date, after which time it will lapse.
- 8.6 If a Participant ceases to hold Plan-Related Employment because of:
- 8.6.1 injury or disability;
 - 8.6.2 redundancy within the meaning of the Employment Rights Act 1996 (or otherwise as determined by the Board);
 - 8.6.3 retirement;
 - 8.6.4 a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;
 - 8.6.5 the company in which the Participant holds office or by which the Participant is employed ceasing to be an Associated Company of the Company by reason of a change of Control; or
 - 8.6.6 the transfer or sale of the business or part-business in which the Participant holds office or by which the Participant is employed to a person who is not an Associated Company of the Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006,
- the Participant may, subject to rule 8.2, exercise the Option within six months of the date of such cessation after which time, subject to rule 8.5, it will lapse.
- 8.7 If a Participant ceases to hold Plan-Related Employment after the third anniversary of the Grant Date other than as a result of death or a reason referred to in rule 8.6 or the Participant's dismissal for gross misconduct, the Participant may, subject to rule 8.2, exercise the Option within six months of the date of such cessation after which time, subject to rule 8.5, it will lapse.
- 8.8 If the Participant ceases to hold Plan-Related Employment in any circumstances where none of rules 8.5, 8.6 or 8.7 apply, the Participant's Option will lapse at that time (regardless of whether such cessation is lawful or unlawful).
- 8.9 If a Participant ceases to be a director or employee of a Constituent Company but on the Bonus Date is an employee or director of an Associated Company of the Company, the Participant may exercise the Option within six months of that date, after which time, subject to rule 8.5, it will lapse.
- 8.10 No person will be treated for the purposes of this rule 8 as ceasing to hold Plan-Related Employment until that person ceases to hold any office or employment with the Company or any company which is an Associated Company of the Company.
- 8.11 A Participant who ceases to hold Plan-Related Employment because of maternity, paternity or parental leave will cease to hold Plan-Related Employment on the date on which he or she indicates either that he or she does not intend to return to work or that he or she will not be returning to work. If the Participant gives no indication, he or she will cease Plan-Related Employment on the day after the date on which his or her statutory right to return to work expires under the applicable legislation, or if later, any other date specified in the terms of his or her employment if he or she has not then returned to work.

- 8.12 Notwithstanding any other rule of the Plan, the Option will, subject to rule 7, lapse on the date on which the Participant gives notice or is deemed to give notice under the Savings Contract that he or she intends to stop paying contributions under the Savings Contract or applies for the Participant's savings to be repaid.

9. TAKEOVER, RECONSTRUCTION AND LIQUIDATION

- 9.1 Where any of the events described in rule 9.2 occur, then subject to rules 9.3, 9.5 and 9.8, any Option may be exercised, subject to rules 8.2, 8.3, 8.4, 8.5 and 8.6, within a period of one month (or such longer period as the Board may determine not exceeding six months) of the date on which the event occurs, after which time it will lapse.

- 9.2 The events referred to in rule 9.1 are:

General offer

- 9.2.1 If any person (either alone or together with any person acting in concert with that person):

- (a) obtains Control of the Company as a result of making:
 - (i) a general offer to acquire the whole of the issued ordinary share capital of the Company other than that which is already owned by that person and persons connected with that person (which is either unconditional or is made on a condition such that if it is satisfied the person making the offer will have Control of the Company); or
 - (ii) a general offer to acquire all the shares in the Company which are of the same class as the Shares other than those which are already owned by that person and persons connected with that person; or
- (b) already having Control of the Company, makes an offer to acquire all of the Shares other than those which are already owned by that person and persons connected with that person,

(notwithstanding that such offer may be made to different shareholders by different means) and such offer becomes wholly unconditional.

Scheme of arrangement

- 9.2.2 A compromise or arrangement in accordance with section 899 of the Companies Act 2006 applicable to or affecting:

- (a) all the ordinary share capital of the Company or all of the shares as are of the same class as the Shares to which the Options relate; or
- (b) all the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a plan that meets the requirements of Schedule 3,

which is sanctioned by the Court.

Non-UK Company Reorganisation Arrangement

- 9.2.3 A Non-UK Company Reorganisation Arrangement applicable to or affecting:

- (a) all the ordinary share capital of the Company or all of the shares as are of the same class as the Shares to which the Options relate; or
- (b) all the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a plan that meets the requirements of Schedule 3,

becoming binding on the shareholders covered by it.

- 9.3 Subject to rules 9.5 and 9.8, if any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006, an Option may be exercised, subject to rules 8.2, 8.3, 8.4, 8.5 and 8.6, while that person remains so bound or entitled, after which time it will lapse.
- 9.4 If the Company passes a resolution for voluntary winding-up, an Option may be exercised, subject to rules 8.2, 8.3, 8.4, 8.5 and 8.6, within six months of the passing of the resolution, after which time it will lapse.

Internal reorganisation

- 9.5 An Option will not become exercisable under rules 9.1 or 9.3 but may, with the agreement of the Participant, be exchanged on the terms set out in rule 9.6 to the extent that:
- 9.5.1 the relevant event is part of an offer, scheme, compromise or arrangement whereby Control of the Company is to be obtained by another company (the “**New Company**”);
- 9.5.2 immediately after the New Company obtains Control of the Company, all or substantially all of the issued share capital of the New Company will be owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control; and
- 9.5.3 the New Company agrees to grant New Options in accordance with rule 9.6 in consideration for the release of any Options which have not lapsed.

Any Option which is not so exchanged will lapse at the end of the Appropriate Period.

- 9.6 If any company (the “**Acquiring Company**”):
- 9.6.1 obtains Control of the Company as a result of making a general offer to acquire:
- (a) the whole of the issued ordinary share capital of the Company which is made on a condition such that, if it is met, the person making the offer will have Control of the Company; or
 - (b) all the shares in the Company which are of the same class as the Shares,
- in either case ignoring any Shares which are already owned by it or a person connected with it; or
- 9.6.2 obtains Control of the Company as a result of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006;
- 9.6.3 obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement which has become binding on the shareholders covered by it; or
- 9.6.4 becomes bound or entitled to acquire Shares in accordance with rule 9.3,
- any Participant may, at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option which has not lapsed (the “**Old Option**”) in consideration of the grant to the Participant of an option (the “**New Option**”) which, in the opinion of the Board, is equivalent to the Old Option but relates to shares in a different company (whether the Acquiring Company or some other company).

- 9.7 For the purposes of the New Option, the provisions of the Plan will be construed as if:
- 9.7.1 the New Option is an option granted at the same time as the Old Option;
- 9.7.2 the Savings Contract applicable to the Old Option applies to the New Option; and
- 9.7.3 except for the purposes of the definitions of “**Constituent Company**” and “**Subsidiary**” in rule 1.1, the reference to Serco Group plc in the definition of “**the Company**” in rule 1.1 were a reference to the different company mentioned in rule 9.6.
- 9.8 The Board may in its discretion allow Options to be exercised during the period of 20 days ending on:

- 9.8.1 where rule 9.2 applies, the date of the relevant event; and
- 9.8.2 where rule 9.3 applies, the date on which the person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006.
- 9.9 Where Options are exercised pursuant to rule 9.8, if the event referred to in rule 9.2 or 9.3 does not occur, the exercise of those Options will be of no effect.
- 9.10 Any reference to the Board in this rule 9 means the members of the Board immediately prior to the relevant event.

10. MANNER OF EXERCISE

- 10.1 Subject to rules 10.4 and 11.2, an Option may be exercised in whole or in part during the periods specified in rules 8 and 9.
- 10.2 An Option may be exercised by the Participant giving notice in writing or in electronic format and in such form as the Board may from time to time prescribe, to the company secretary of the Company or a duly appointed agent. Any notice of exercise will only take effect on the date determined by the Board.
- 10.3 Where Monthly Contributions are made in a currency other than UK pounds sterling, the Repayment will be converted into UK pounds sterling at an exchange rate determined by the Board. If the UK pounds sterling value of such Repayment:
 - 10.3.1 is less than it would have been by the application of the Invitation Exchange Rate and/or because any relevant Bonus is subject to tax, the Participant may, if the Board so permits, add money to the Repayment from his own funds to the extent necessary to permit him to exercise the Option over the number of Shares over which it could be exercised if the Repayment was converted to UK pounds sterling at the Invitation Exchange Rate and/or to take account of any tax payable on the Bonus; or
 - 10.3.2 is greater than it would have been by the application of the Invitation Exchange Rate, the Option may be exercised over the number of Shares over which it could be exercised if the Repayment was converted to UK pounds sterling at the Invitation Exchange Rate, and the balance of the Repayment shall be paid to the Participant.
- 10.4 A Participant will be responsible for and indemnifies each relevant Constituent Company and the Trustee against any Tax Liability relating to the Participant's Option. Any Constituent Company and/or the Trustee may withhold an amount equal to such Tax Liability from any amounts due to the Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such Tax Liability including, without limitation, the sale of sufficient Shares acquired subject to the Option to realise an amount equal to the Tax Liability.

11. ISSUE OR TRANSFER OF SHARES

- 11.1 Subject to rules 11.2 and 11.3, the number of Shares in respect of which the Option has been exercised will be issued or transferred (as applicable) to the Participant within 30 days of such exercise.
- 11.2 The exercise of the Option and the issue or transfer of Shares under the Plan will be subject to obtaining any approval or consent required by the UKLA (or any other relevant authority), any Dealing Restrictions or any other applicable laws or regulations (whether in the UK or elsewhere).
- 11.3 At any time prior to the date on which Shares in respect of which an Option that has been exercised have been issued or transferred to a Participant, the Board may determine that, in substitution for such Participant's right to acquire some or all of those Shares, the Participant will instead receive a cash sum. The cash sum will be equal to the amount by which the market value (as determined by the Board) of those Shares exceeds the aggregate Exercise Price otherwise payable for them. For these purposes:
 - 11.3.1 market value will be determined on the date of exercise; and
 - 11.3.2 the cash sum will be paid to the Participant within 30 days after exercise (or, if later, the date of the determination by the Board under this rule 11.3) net of any Tax Liability.
- 11.4 Where Shares are to be delivered to a US Participant in satisfaction of an Option via a Trustee:

- 11.4.1 the Participant will not have any interest in those Shares until the Option has been exercised in accordance with the rules of the Plan; and
- 11.4.2 the Trustee will not allocate any Shares or other trust assets in favour of the Participant until the Option has been exercised in accordance with the rules of the Plan.

12. ADJUSTMENTS

- 12.1 The number and/or the description of Shares subject to an Option and/or the Exercise Price thereof may be adjusted in such manner as the Board determines in the event of any Variation.
- 12.2 Apart from under this rule 12.2 no adjustment under rule 12.1 can reduce the Exercise Price to less than the nominal value of a Share. Where Options relate to both issued and unissued Shares, an adjustment under rule 12.1 above may only be made if the reduction of the Exercise Price in respect of both the issued and the unissued Shares can be made to the same extent. Any adjustment made to the Exercise Price of Options over unissued Shares to less than the nominal value of a Share will only be made if and to the extent that the Board is authorised to:
 - 12.2.1 capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares subject to an Option exceeds the adjusted Exercise Price of that Option; and
 - 12.2.2 apply that sum in paying up the Shares,

so that on exercise of the Option the Board will capitalise that sum and apply it in paying up the Shares.

13. AMENDMENTS

- 13.1 Except as described in this rule 13, the Board may at any time amend the rules of the Plan or the terms of any Option.
- 13.2 Subject to rule 13.3, no amendment to the material advantage of Eligible Employees and/or Participants will be made under this rule 13 to the provisions relating to:
 - 13.2.1 the persons to whom, or for whom, Shares are provided under the Plan;
 - 13.2.2 limitations on the number or amount of Shares subject to the Plan;
 - 13.2.3 the maximum entitlement for any one Participant;
 - 13.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares to be provided under the Plan;
 - 13.2.5 the adjustments that may be made in the event of a Variation; and
 - 13.2.6 the terms of this rule 13.2,

without the prior approval of the members of the Company in a general meeting.
- 13.3 Rule 13.2 will not apply to any minor amendment which is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company or any Associated Company of the Company or Participant.
- 13.4 No amendment to the material disadvantage of the existing rights of Participants will be made under rule 13.1 unless:
 - 13.4.1 every Participant who may be affected by such amendment has been invited to indicate whether or not the Participant approves the amendment; and
 - 13.4.2 the amendment is approved by a majority of those Participants who have so indicated.
- 13.5 No amendment will be made under this rule 13 if it would prevent the Plan from being an employees' share scheme within the meaning given by section 1166 of the Companies Act 2006.

14. LEGAL ENTITLEMENT

- 14.1 This rule 14 applies during a Participant's employment with the Company or any Associated Company of the Company and after the cessation of such employment, whether or not the cessation is lawful.
- 14.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with the Company or any Associated Company of the Company are separate from, and are not affected by, the Participant's participation in the Plan. Participation in the Plan does not create any right to continued employment for any Participant.
- 14.3 The grant of any Option to a Participant does not create any right for that Participant to be granted any further Options or to be granted Options on any particular terms, including the number of Shares to which Options relate.
- 14.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
- 14.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment); or
- 14.4.2 the operation, suspension, termination or amendment of the Plan.

15. GENERAL

- 15.1 The Plan will terminate on the date referred to in rule 4.7 or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in a general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.
- 15.2 Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.
- 15.3 If it is found following a Grant Date that as a result of an error or omission:
- 15.3.1 an Eligible Employee has not been given the opportunity to participate in the Plan in respect of any invitation to apply for an Option; or
- 15.3.2 the number of Shares over which an Option was expressed to be granted to any Eligible Employee is incorrect,
- any Option expressed to have been granted in respect of more than the correct number of Shares will be void as to the excess and any Option expressed to have been granted in respect of fewer than the correct number of Shares will relate to the correct number of Shares and the Company and any relevant Associated Company may do all acts and things as they may consider necessary to rectify such error or omission notwithstanding that such acts and things may not otherwise be in accordance with the rules of the Plan.
- 15.4 The personal data of any Eligible Employee and of any person who holds or who has held an Option may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified to Eligible Employees in accordance with the GDPR. By participating in the Plan, a Participant consents (otherwise than for the purposes of the GDPR) to the processing of their personal data in connection with the operation of the Plan.
- 15.5 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 15.6 The Board may adopt, or procure the adoption of, additional sections of the Plan applicable in any jurisdiction, under which Options may be subject to additional and/or modified terms and conditions, having regard to any securities, exchange control or taxation laws, regulations or practice which may apply to the Participant, the Company or any Constituent Company. Any additional section must conform to the basic principles of the Plan and must not enlarge to the benefit of Participants the limit in rule 6 (Plan Limit). With the exception of Appendix A (United Kingdom), neither any additional section nor any Option granted under any such section will form part of the Plan for the purposes of Schedule 3.

- 15.7 Subject to rule 10.2, any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to the individual's last known address, or, where the individual is a director or employee of an Associated Company of the Company, either to the individual's last known address or to the address of the place of business at which the individual performs the whole or substantially the whole of the duties of the individual's office or employment. Subject to rule 10.2, where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or, if not available, 24 hours after sending the notice.
- 15.8 No benefits received under the Plan will be pensionable.
- 15.9 No third party will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan (without prejudice to any right of a third party which exists other than under that Act).
- 15.10 The rules of the Plan will be governed by and construed in accordance with the laws of England and Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of England and Wales.

APPENDIX A – UNITED KINGDOM

This Appendix A to the Plan forms a separate part of the Plan, and is intended to be an SAYE Option Scheme for the purposes of Schedule 3. Any invitation to apply for an Option under this Appendix A will be clear on its face that it is an invitation to apply for an Option under this Appendix A and will be made in accordance with the provisions of this Appendix A. In the event of any conflict between this Appendix A and the rules of the Plan, the provisions of this Appendix A will apply.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

“Appropriate Period”	the relevant period referred to in paragraph 38(3) of Schedule 3;
“Associated Company”	the meaning given by paragraph 47 of Schedule 3 except for the purpose of rules 7.6.5 and 7.10 when that expression will have the meaning given by paragraph 35(4) of Schedule 3;
“Board”	subject to rule 8.12, the Board of the Company or any duly authorised committee of the Board, or any duly appointed successor body;
“Bonus”	any sum payable to a Participant by way of a terminal bonus on completion of a Savings Contract which: <ul style="list-style-type: none"> a) for a three year Savings Contract, is normally payable after completion of 36 Monthly Contributions; and b) for a five year Savings Contract, is normally payable after completion of 60 Monthly Contributions;
“Bonus Date”	in respect of any Option, the earliest date on which any Bonus becomes payable under the related Savings Contract;
“Company”	Serco Group plc registered in England and Wales under number 02048608;
“Constituent Company”	<ul style="list-style-type: none"> a) the Company; b) any other company which: <ul style="list-style-type: none"> i) is a Subsidiary of the Company; ii) is under the Control of the Company; and iii) the Board has determined will be a Constituent Company; and c) if the Board so determines, any body corporate in relation to which the Company is able to exercise at least 50% of the equity voting rights;

“Control”	the meaning given by section 995 of the Income Tax Act 2007 except for the purposes of rule 7.6.5 where that expression will have the meaning given by sections 450 and 451 of the Corporation Tax Act 2010;
“Daily Official List”	the daily publication by the London Stock Exchange of official quotations for all securities traded on the London Stock Exchange;
“Dealing Day”	any day on which the London Stock Exchange is open for business;
“Dealing Restrictions”	restrictions imposed by the Company’s share dealing code, the Listing Rules, or any other applicable laws or regulations which impose restrictions on share dealing;
“Eligible Employee”	<ul style="list-style-type: none"> a) any person who is an employee (but not a director) or a Full-Time Director of a Constituent Company: <ul style="list-style-type: none"> i) who has such qualifying period (if any) of continuous service (being a period not exceeding five years prior to the Grant Date) as the Board may in its discretion determine from time to time; and ii) whose earnings from the office or employment by reason of which the requirements in paragraph (a) are satisfied are (or would be if there were any) general earnings to which section 15 of ITEPA applies; and b) any other director or employee of any Constituent Company whom the Board may in its discretion select from time to time;
“Exercise Price”	subject to any adjustment pursuant to rule 11, the price per Share, as determined by the Board, at which an Eligible Employee may acquire Shares upon the exercise of an Option which will not be manifestly less than 80 per cent (or such other percentage as may be permitted by paragraph 28(1) of Schedule 3 from time to time) of the Market Value of a Share on the Invitation Date or a date specified in the invitation to apply for an Option (such date being no earlier than the date preceding the Invitation Date and no later than the Grant Date in accordance with HMRC guidance) provided that, if the Shares may only be subscribed for, such price will not be less than the nominal value of a Share;
“Full Time Director”	an employee who is a director of any Constituent Company and is required under a contract of employment to work for more than 25 hours per week (excluding meal breaks);
“GDPR”	the EU General Data Protection Regulation 2016/679, as amended from time to time;
“Grant Date”	the date on which an Option is granted;
“HMRC”	HM Revenue & Customs;

“Invitation Date”	the date on which the Board invites applications for Options;
“ITEPA”	the Income Tax (Earnings and Pensions) Act 2003;
“ITTOIA”	the Income Tax (Trading and Other Income) Act 2005;
“Listing Rules”	the UKLA’s listing rules, as amended from time to time;
“London Stock Exchange”	the London Stock Exchange plc or any successor body;
“Market Value”	<p>on any day:</p> <ul style="list-style-type: none"> a) if the Shares are quoted on the Daily Official List, the middle market quotation (as derived from that List) of a Share on the immediately preceding Dealing Day, or if the Board determines, the average of the middle market quotations as so derived of a Share for the three immediately preceding Dealing Days or such other Dealing Days as may be permitted in accordance with Schedule 3 for the purposes of the Plan; and b) if the Shares are not quoted on the Daily Official List of the London Stock Exchange, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed with HMRC on or before that day for the purposes of the Plan <p>provided that, where the Shares are subject to a Restriction, their Market Value will be determined as if they were not subject to such Restriction;</p>
“Maximum Contribution”	<p>the maximum aggregate Monthly Contribution which a Participant may make under all Savings Contracts linked to options granted to him under the Plan or any other savings-related share option scheme that meets the requirements of Schedule 3, being the lesser of:</p> <ul style="list-style-type: none"> a) £500 per month or such other maximum amount as may be permitted by paragraph 25(3)(a) of Schedule 3 from time to time; and b) such other maximum Monthly Contribution as may be determine from time to time by the Board;
“Minimum Contribution”	£5 or such other greater amount as the Board may determine from time to time but not exceeding the minimum monthly contribution permitted by paragraph 25(3)(b) of Schedule 3;
“Monthly Contributions”	monthly contributions agreed to be paid by a Participant under the Savings Contract;
“Non-UK Company Reorganisation Arrangement”	the meaning given by paragraph 47A of Schedule 3;

“Option”	a right to acquire Shares subject to the terms of the Plan;
“Participant”	any person who holds an Option, or after that person’s death, that person’s personal representatives;
“Plan”	the Serco Group plc Global Save As You Earn Plan 2021 in its present form or as amended from time to time;
“Plan-Related Employment”	the office or employment by reference to which a Participant is eligible to participate in the Plan within the meaning of paragraph 10 of Schedule 3;
“Pricing Period”	<p>the period of 42 days commencing on:</p> <ul style="list-style-type: none"> a) the day on which the Plan is approved by shareholders of the Company; b) the first Dealing Day after the day on which the Company makes an announcement of its results for any period; c) the day on which changes are announced, effected or made to the legislation or regulations affecting share option schemes which are subject to the provisions of Schedule 3; d) any day on which a new Savings Contract prospectus is announced or takes effect for the benefit of Eligible Employees in the United Kingdom; or e) any day on which the Board resolves that exceptional circumstances exist which justify the issue of invitations, <p>unless the Company is restricted from issuing invitations under the Plan during the periods specified above as a result of any Dealing Restrictions, in which case the relevant period will be 42 days commencing on the Dealing Day after such Dealing Restrictions are lifted;</p>
“Repayment”	in relation to a Savings Contract, the aggregate of the Monthly Contributions which the Participant has made and, subject to rule 2.4.4, any Bonus payable at the Bonus Date;
“Restriction”	the meaning given by paragraph 48(3) of Schedule 3;
“Savings Contract”	a contract under a certified SAYE savings arrangement within the meaning given by section 703(1) of ITTOIA which meets the requirements of Schedule 3;
“Schedule 3”	Schedule 3 to ITEPA;
“Share”	a fully paid up, non-redeemable ordinary share in the Company, which, subject to rule 8.11, satisfies the conditions of paragraphs 18 to 20 and 22 of Schedule 3;

“Subsidiary”	the meaning given by section 1159 of the Companies Act 2006;
“Trustee”	the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees;
“UKLA”	the United Kingdom Listing Authority (or any other relevant authority); and
“Variation”	any 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 in respect of which Options may be adjusted in accordance with rule 11 and the requirements of Schedule 3.

1.2 References in the Plan to:

- 1.2.1 any statutory provisions are to those provisions as amended or re-enacted from time to time;
- 1.2.2 the singular include the plural and vice versa; and
- 1.2.3 the masculine includes the feminine and vice versa.

1.3 Headings do not form part of the Plan.

1.4 Terms not otherwise defined in the Plan will have the same meanings as are set out for them in Schedule 3.

2. APPLICATION FOR OPTIONS

2.1 Subject to rules 2.2 and 2.3, the Board may at any time invite Eligible Employees to apply for Options on similar terms (within the meaning given by paragraph 7 of Schedule 3).

2.2 If, at the time that an invitation to apply for Options is issued, the Shares are quoted on the Daily Official List, the Board will calculate the Exercise Price only by reference to Dealing Days in a Pricing Period.

2.3 The issue of invitations to apply for an Option will be subject to obtaining any approval or consent required by the UKLA (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or elsewhere).

2.4 Any invitation to apply for Options will be sent in writing or in electronic format to all Eligible Employees and will include details of:

- 2.4.1 the Exercise Price or the mechanism by which the Exercise Price will be determined (which may be different in respect of three and five year Savings Contracts);
- 2.4.2 the Maximum Contribution payable and the maximum Monthly Contribution payable in respect of that invitation;
- 2.4.3 the Minimum Contribution payable;
- 2.4.4 whether, for the purpose of determining the number of Shares over which an Option is to be granted, the Repayment under the Savings Contract is to be taken as including any Bonus or not;
- 2.4.5 the date by which applications must be received (being not earlier than 14 days after the Invitation Date); and
- 2.4.6 whether the Eligible Employees may elect for a three or five year Savings Contract,

and the Board may determine a maximum number of Shares over which applications for Options are to be invited and if it does so will confirm in the invitations that it has done so.

- 2.5 Applications for Options must incorporate or be accompanied by an application for a Savings Contract.
- 2.6 An application for an Option will be in writing or in electronic format and in such form as the Board may determine from time to time, provided that the applicant will be required to state:
 - 2.6.1 the Monthly Contribution (being a multiple of £1 and not less than the Minimum Contribution) which the Participant wishes to make under the Savings Contract to be made in connection with the Option for which an application is made;
 - 2.6.2 that the Participant's proposed Monthly Contribution in respect of that invitation:
 - (a) when taken together with any monthly contribution the Participant makes under any other Savings Contract whether entered into in connection with the grant of an Option under the Plan or in connection with the grant of an option under any other scheme that meets the requirements of Schedule 3 will not exceed the Maximum Contribution; and
 - (b) will not exceed the maximum Monthly Contribution for that invitation; and
- 2.6.3 if the Eligible Employee may elect for a three or five year Savings Contract, the Eligible Employee's election in that respect.
- 2.7 In the event of excess applications, each application will be deemed to have been modified or withdrawn in accordance with the steps taken by the Board to scale down applications pursuant to rule 3.
- 2.8 If an Eligible Employee's application for an Option specifies a proposed Monthly Contribution which:
 - 2.8.1 when taken together with any monthly contribution the Eligible Employee makes under any other Savings Contract whether entered into in connection with the grant of an Option or in connection with the grant of an option under any other scheme that meets the requirements of Schedule 3, exceeds the Maximum Contribution; or
 - 2.8.2 exceeds the maximum Monthly Contribution for that invitation,the Board will be authorised to reduce the Eligible Employee's Monthly Contribution for that invitation so as to comply with the Maximum Contribution and/or the maximum Monthly Contribution payable in respect of that invitation.
- 2.9 Each application will be deemed to be for an Option over the largest whole number of Shares which can be acquired at the Exercise Price with the expected Repayment at the Bonus Date under the Savings Contract entered into in connection with the Option.

3. SCALING DOWN

- 3.1 If valid applications are received for a total number of Shares in excess of any maximum number of Shares determined by the Board in accordance with rule 2.4 or any limitation under rule 6, the Board will scale down applications by taking the following steps until the number of Shares available equals or exceeds such total number of Shares applied for provided always that, in reducing the number of Shares applied for, any adjustments will ensure that an Eligible Employee's Monthly Contribution remains a multiple of £1:
 - 3.1.1 by excluding the Bonus (if any) from the amount of each Repayment;
 - 3.1.2 by treating any elections for a five year Savings Contract as elections for a three year Savings Contract;
 - 3.1.3 by reducing the proposed Monthly Contributions pro rata to the excess over the amount the Board determines for this purpose, provided that this amount is not less than the Minimum Contribution; and/or
 - 3.1.4 so far as necessary, selecting applications by lot, each based on a Monthly Contribution equal to the Minimum Contribution and no Bonus in the Repayment.
- 3.2 If the number of Shares available is insufficient to enable an Option (based on Monthly Contributions of such amount as the Board may determine) to be granted to each Eligible Employee making a valid application, the Board may, as an alternative to selecting by lot, determine in its discretion that no Options will be granted in respect of that invitation.

- 3.3 If the Board so determines, the provisions in rule 3.1 may be modified or applied in any manner as may be permitted in accordance with Schedule 3 and HMRC guidance, including, without limitation, as to the order in which the steps may be undertaken.

4. GRANT OF OPTIONS

- 4.1 Subject to the other provisions of this rule 4, within 30 days, or if rule 3 applies, 42 days, of the earliest date by reference to which the Exercise Price is determined, the Board will grant to each Eligible Employee who has submitted a valid application (within any applicable time limit) an Option over the largest whole number of Shares which can be acquired at the Exercise Price with the expected Repayment under that Eligible Employee's Savings Contract at the applicable Bonus Date.
- 4.2 No Option will be granted to any person if at the Grant Date that person has ceased to be an Eligible Employee.
- 4.3 No Eligible Employee will be granted an Option to the extent it would at the proposed Grant Date cause the aggregate amount of such Eligible Employee's contributions under all Savings Contracts to exceed the Maximum Contribution.
- 4.4 No amount will be paid in respect of the grant of an Option.
- 4.5 The grant of an Option will be subject to obtaining any approval or consent required by the UKLA (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or elsewhere).
- 4.6 A Participant will be notified, in the manner specified by the Board, of the grant of an Option and the following terms of the Option:
- 4.6.1 the number of Shares subject to the Option;
- 4.6.2 the Exercise Price and the Grant Date of the Option; and
- 4.6.3 the Bonus and Bonus Date applicable to the Option.

The notification will also state whether or not the Shares subject to the Option are subject to Restrictions and if so, provide the details of those Restrictions.

- 4.7 No Options may be granted unless and until the Plan meets the requirements of Schedule 3.
- 4.8 No Options may be granted under the Plan after the tenth anniversary of the date on which the Plan was approved by the shareholders of the Company.

5. RESTRICTIONS ON TRANSFER AND BANKRUPTCY

- 5.1 An Option must not be transferred, assigned, charged or otherwise disposed of in any way (except in the event of the Participant's death, to the Participant's personal representatives) and will lapse immediately on any attempt to do so.
- 5.2 An Option will lapse immediately if the Participant is declared bankrupt or, if the Participant is outside the UK, any analogous event occurs.

6. PLAN LIMIT

- 6.1 The Board must not grant an Option which would cause the number of Shares allocated under the Plan and under any other employee share scheme adopted by the Company to exceed such number as represents ten per cent of the ordinary share capital of the Company in issue at that time.
- 6.2 Subject to rules 6.4 and 6.5, in determining the limit set out in rule 6.1, Shares are treated as allocated if, on any day, they have been:
- 6.2.1 newly issued by the Company or transferred from treasury to satisfy an option, award or other right granted during the ten years prior to that day (an "award"); or

6.2.2 in the case of such an award in respect of which Shares are yet to be delivered, if the Board intends that new Shares will be issued or that Shares from treasury will be transferred.

6.3 For the purposes of rule 6.2, the number of Shares allocated includes:

6.3.1 Shares which have been issued or may be issued to any Trustee; and

6.3.2 Shares which have been or may be transferred from treasury to any Trustee,
in either case for the Trustee to then transfer to satisfy an award (unless these Shares have already been counted under this rule).

6.4 The Board may determine that Shares transferred from treasury will cease to count as allocated for the purposes of rule 6.2 if guidelines published by institutional investor representative bodies no longer require such Shares to be counted.

6.5 The number of Shares allocated does not include:

6.5.1 Shares that were allocated to satisfy awards to the extent that such awards have lapsed or been relinquished;

6.5.2 existing Shares (other than treasury Shares) which have been transferred to satisfy awards or which have been allocated to satisfy awards; and

6.5.3 Shares allocated in respect of awards which are then satisfied in cash.

6.6 The Board may make such adjustments to the method of assessing the limit set out in rule 6.1 as it considers appropriate in the event of any variation of the Company's share capital.

7. RIGHTS TO EXERCISE OPTIONS

7.1 Subject to rules 7.5 to 7.7 and 8, an Option may not be exercised earlier than the Bonus Date under the relevant Savings Contract.

7.2 Subject to rule 7.5, an Option may not be exercised later than six months after the Bonus Date under the relevant Savings Contract, at which time it will lapse.

7.3 An Option may be exercised in whole or in part. However, if partial exercise occurs, the unexercised part of the Option will lapse at the date of exercise.

7.4 Subject to rules 7.5 to 7.7 and 7.9, a Participant may exercise an Option only while the Participant continues to hold Plan-Related Employment.

7.5 The personal representatives of a deceased Participant may exercise the Participant's Option within:

7.5.1 one year following the date of the Participant's death, if death occurs before the Bonus Date; or

7.5.2 one year following the Bonus Date, if death occurs on or within six months of the Bonus Date,
after which time it will lapse.

7.6 If a Participant ceases to hold Plan-Related Employment because of:

7.6.1 injury or disability;

7.6.2 redundancy within the meaning of the Employment Rights Act 1996;

7.6.3 retirement;

7.6.4 a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006;

- 7.6.5 the company in which the Participant holds office or by which the Participant is employed ceasing to be an Associated Company of the Company by reason of a change of Control; or
- 7.6.6 the transfer or sale of the business or part-business in which the Participant holds office or by which the Participant is employed to a person who is not an Associated Company of the Company where the transfer is not a relevant transfer within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006,
- the Participant may, subject to rule 7.2, exercise the Option within six months of the date of such cessation after which time, subject to rule 7.5, it will lapse.
- 7.7 If a Participant ceases to hold Plan-Related Employment after the third anniversary of the Grant Date other than as a result of death or a reason referred to in rule 7.6 or the Participant's dismissal for gross misconduct, the Participant may, subject to rule 7.2, exercise the Option within six months of the date of such cessation after which time, subject to rule 7.5, it will lapse.
- 7.8 If the Participant ceases to hold Plan-Related Employment in any circumstances where none of rules 7.5, 7.6 or 7.7 apply, the Participant's Option will lapse at that time (regardless of whether such cessation is lawful or unlawful).
- 7.9 If a Participant ceases to be a director or employee of a Constituent Company but on the Bonus Date is an employee or director of an Associated Company of the Company, the Participant may exercise the Option within six months of that date, after which time, subject to rule 7.5, it will lapse.
- 7.10 No person will be treated for the purposes of this rule 7 as ceasing to hold Plan-Related Employment until that person ceases to hold any office or employment with the Company or any company which is an Associated Company of the Company.
- 7.11 A Participant who ceases to hold Plan-Related Employment because of maternity, paternity or parental leave will cease to hold Plan-Related Employment on the date on which he or she indicates either that he or she does not intend to return to work or that he or she will not be returning to work. If the Participant gives no indication, he or she will cease Plan-Related Employment on the day after the date on which his or her statutory right to return to work expires under the applicable legislation, or if later, any other date specified in the terms of his or her employment if he or she has not then returned to work.
- 7.12 Notwithstanding any other rule of the Plan, the Option will lapse on the date on which the Participant gives notice or is deemed to give notice under the Savings Contract that he or she intends to stop paying contributions under the Savings Contract or applies for the Participant's savings to be repaid.

8. TAKEOVER, RECONSTRUCTION AND LIQUIDATION

- 8.1 Where any of the events described in rule 8.2 occur, then subject to rules 8.3, 8.5 and 8.9, any Option may be exercised, subject to rules 7.2, 7.3, 7.4, 7.5 and 7.6, within a period of one month (or such longer period as the Board may determine not exceeding six months) of the date on which the event occurs, after which time it will lapse.
- 8.2 The events referred to in rule 8.1 are:
- General offer*
- 8.2.1 If any person (either alone or together with any person acting in concert with that person):
- (a) obtains Control of the Company as a result of making:
 - (i) a general offer to acquire the whole of the issued ordinary share capital of the Company other than that which is already owned by that person and persons connected with that person (which is either unconditional or is made on a condition such that if it is satisfied the person making the offer will have Control of the Company); or

- (ii) a general offer to acquire all the shares in the Company which are of the same class as the Shares other than those which are already owned by that person and persons connected with that person; or
 - (b) already having Control of the Company, makes an offer to acquire all of the Shares other than those which are already owned by that person and persons connected with that person,
- (notwithstanding that such offer may be made to different shareholders by different means) and such offer becomes wholly unconditional.

Scheme of arrangement

- 8.2.2 A compromise or arrangement in accordance with section 899 of the Companies Act 2006 applicable to or affecting:
- (a) all the ordinary share capital of the Company or all of the shares as are of the same class as the Shares to which the Options relate; or
 - (b) all the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a plan that meets the requirements of Schedule 3,
- which is sanctioned by the Court.

Non-UK Company Reorganisation Arrangement

- 8.2.3 A Non-UK Company Reorganisation Arrangement applicable to or affecting:
- (a) all the ordinary share capital of the Company or all of the shares as are of the same class as the Shares to which the Options relate; or
 - (b) all the shares, or all of the shares of that same class, which are held by a class of shareholders identified otherwise than by reference to their employment or directorships or their participation in a plan that meets the requirements of Schedule 3,
- becoming binding on the shareholders covered by it.

- 8.3 Subject to rules 8.5 and 8.9, if any person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006, an Option may be exercised, subject to rules 7.2, 7.3, 7.4, 7.5 and 7.6, while that person remains so bound or entitled, after which time it will lapse.
- 8.4 If the Company passes a resolution for voluntary winding-up, an Option may be exercised, subject to rules 7.2, 7.3, 7.4, 7.5 and 7.6, within six months of the passing of the resolution, after which time it will lapse.

Internal reorganisation

- 8.5 An Option will not become exercisable under rules 8.1 or 8.3 but may, with the agreement of the Participant, be exchanged on the terms set out in rule 8.6 to the extent that:
- 8.5.1 the relevant event is part of an offer, scheme, compromise or arrangement whereby Control of the Company is to be obtained by another company (the “**New Company**”);
 - 8.5.2 immediately after the New Company obtains Control of the Company, all or substantially all of the issued share capital of the New Company will be owned directly or indirectly by the persons who were shareholders in the Company immediately before the change of Control; and
 - 8.5.3 the New Company agrees to grant New Options in accordance with rule 8.6 in consideration for the release of any Options which have not lapsed.

Any Option which is not so exchanged will lapse at the end of the Appropriate Period.

8.6 If any company (the “**Acquiring Company**”):

8.6.1 obtains Control of the Company as a result of making a general offer to acquire:

(a) the whole of the issued ordinary share capital of the Company which is made on a condition such that, if it is met, the person making the offer will have Control of the Company; or

(b) all the shares in the Company which are of the same class as the Shares,

in either case ignoring any Shares which are already owned by it or a person connected with it; or

8.6.2 obtains Control of the Company as a result of a compromise or arrangement sanctioned by the Court under section 899 of the Companies Act 2006;

8.6.3 obtains Control of the Company as a result of a Non-UK Company Reorganisation Arrangement which has become binding on the shareholders covered by it; or

8.6.4 becomes bound or entitled to acquire Shares in accordance with rule 8.3,

any Participant may, at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option which has not lapsed (the “**Old Option**”) in consideration of the grant to the Participant of an option (the “**New Option**”) which is equivalent to the Old Option but relates to shares in a different company falling within paragraph 18(b) or (c) of Schedule 3 (whether the Acquiring Company or some other company).

8.7 The New Option will not be regarded for the purposes of rule 8.6 as equivalent to the Old Option unless the conditions set out in paragraph 39(4) of Schedule 3 are satisfied. For the purposes of the New Option, the provisions of the Plan will be construed as if:

8.7.1 the New Option is an option granted at the same time as the Old Option;

8.7.2 the Savings Contract applicable to the Old Option applies to the New Option; and

8.7.3 except for the purposes of the definitions of “**Constituent Company**” and “**Subsidiary**” in rule 1.1, the reference to Serco Group plc in the definition of “**the Company**” in rule 1.1 were a reference to the different company mentioned in rule 8.6.

8.8 Following the grant of any New Option in accordance with rule 8.6, no other Options may be granted under the Plan apart from New Options.

8.9 The Board may in its discretion allow Options to be exercised during the period of 20 days ending on:

8.9.1 where rule 8.2 applies, the date of the relevant event; and

8.9.2 where rule 8.3 applies, the date on which the person becomes bound or entitled to acquire Shares under sections 979 to 982 or 983 to 985 of the Companies Act 2006.

8.10 Where Options are exercised pursuant to rule 8.8, if the event referred to in rule 8.2 or 8.3 does not occur, the exercise of those Options will be of no effect.

8.11 If as a result of an event referred to in rules 8.2 to 8.4 shares in the Company cease to satisfy the requirements of paragraph 18 to 22 of Schedule 3, an Option may be exercised under and in accordance with rule 8.2 rule 8.3 or rule 8.4 no later than 20 days from the relevant event notwithstanding that the Shares no longer meet those requirements.

8.12 Any reference to the Board in this rule 8 means the members of the Board immediately prior to the relevant event.

9. MANNER OF EXERCISE

9.1 An Option may only be exercised during the periods specified in rules 7 and 8 and only with monies not exceeding the amount of the Repayment under the Savings Contract as at the date of such exercise.

- 9.2 An Option may be exercised, in whole or in part, subject to rule 10.2, by the Participant giving notice in writing or in electronic format and in such form as the Board may from time to time prescribe, to the company secretary of the Company or a duly appointed agent. Any notice of exercise will only take effect on receipt along with the relevant Exercise Price or an instruction to withdraw and apply monies from the Savings Contract equal to the aggregate Exercise Price.

10. ISSUE OR TRANSFER OF SHARES

- 10.1 Subject to rule 10.2, the number of Shares in respect of which the Option has been exercised will be issued or transferred (as applicable) to the Participant within 30 days of such exercise.
- 10.2 The exercise of the Option and the issue or transfer of Shares under the Plan will be subject to obtaining any approval or consent required by the UKLA (or any other relevant authority), any Dealing Restrictions or any other applicable laws or regulations (whether in the UK or elsewhere).

11. ADJUSTMENTS

- 11.1 The number and/or the description of Shares subject to an Option and/or the Exercise Price of an Option may be adjusted in such manner as the Board determines in the event of any Variation, provided that no such adjustment will be made that does not meet the requirements of paragraph 28 of Schedule 3.
- 11.2 Apart from under this rule 11.2 no adjustment under rule 11.1 can reduce the Exercise Price to less than the nominal value of a Share. Where Options relate to both issued and unissued Shares, an adjustment under rule 11.1 above may only be made if the reduction of the Exercise Price in respect of both the issued and the unissued Shares can be made to the same extent. Any adjustment made to the Exercise Price of Options over unissued Shares to less than the nominal value of a Share will only be made if and to the extent that the Board is authorised to:
- 11.2.1 capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares subject to an Option exceeds the adjusted Exercise Price of that Option; and
- 11.2.2 apply that sum in paying up the Shares,
- so that on exercise of the Option the Board will capitalise that sum and apply it in paying up the Shares.

12. AMENDMENTS

- 12.1 Except as described in this rule 12, the Board may at any time amend the rules of the Plan or the terms of any Option. If any such amendment would result in the Plan ceasing to meet the requirements of Schedule 3, the amendment will not have effect unless and until the Board has determined that the amendment will take effect even if this causes the Plan to cease to meet the requirements of Schedule 3.
- 12.2 Subject to rule 12.3, no amendment to the material advantage of Eligible Employees and/or Participants will be made under this rule 12 to the provisions relating to:
- 12.2.1 the persons to whom, or for whom, Shares are provided under the Plan;
- 12.2.2 limitations on the number or amount of Shares subject to the Plan;
- 12.2.3 the maximum entitlement for any one Participant;
- 12.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares to be provided under the Plan;
- 12.2.5 the adjustments that may be made in the event of a Variation; and
- 12.2.6 the terms of this rule 12.2,
- without the prior approval of the members of the Company in general meeting.

- 12.3 Rule 12.2 will not apply to any minor amendment which is to benefit the administration of the Plan or is necessary or desirable to take account of any change in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the Company or any Associated Company of the Company or Participant.
- 12.4 No amendment to the material disadvantage of the existing rights of Participants will be made under rule 12.1 unless:
- 12.4.1 every Participant who may be affected by such amendment has been invited to indicate whether or not the Participant approves the amendment; and
- 12.4.2 the amendment is approved by a majority of those Participants who have so indicated.
- 12.5 No amendment will be made under this rule 12 if it would prevent the Plan from being an employees' share scheme within the meaning given by section 1166 of the Companies Act 2006.

13. LEGAL ENTITLEMENT

- 13.1 This rule 13 applies during a Participant's employment with the Company or any Associated Company of the Company and after the cessation of such employment, whether or not the cessation is lawful.
- 13.2 Nothing in the Plan or its operation forms part of the terms of employment of a Participant and the rights and obligations arising from a Participant's employment with the Company or any Associated Company of the Company are separate from, and are not affected by, the Participant's participation in the Plan. Participation in the Plan does not create any right to continued employment for any Participant.
- 13.3 The grant of any Option to a Participant does not create any right for that Participant to be granted any further Options or to be granted Options on any particular terms, including the number of Shares to which Options relate.
- 13.4 By participating in the Plan, a Participant waives all rights to compensation for any loss in relation to the Plan, including:
- 13.4.1 any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Participant's employment); or
- 13.4.2 the operation, suspension, termination or amendment of the Plan.

14. GENERAL

- 14.1 The Plan will terminate on the date referred to in rule 4.8 or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in a general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.
- 14.2 Shares issued or transferred from treasury under the Plan will rank equally in all respects with the Shares then in issue, except that they will not rank for any voting, dividend or other rights attaching to Shares by reference to a record date preceding the date of issue or transfer from treasury.
- 14.3 If it is found following a Grant Date that as a result of an error or omission:
- 14.3.1 an Eligible Employee has not been given the opportunity to participate in the Plan in respect of any invitation to apply for an Option; or
- 14.3.2 the number of Shares over which an Option was expressed to be granted to any Eligible Employee is incorrect,
- any Option expressed to have been granted in respect of more than the correct number of Shares will be void as to the excess and any Option expressed to have been granted in respect of fewer than the correct number of Shares will relate to the correct number of Shares and the Company and any relevant Associated Company may do all acts and things as may be agreed with HMRC to rectify such error or omission notwithstanding that such acts and things may not otherwise be in accordance with the rules of the Plan.
- 14.4 The personal data of any Eligible Employee and of any person who holds or who has held an Option may be processed in connection with the operation of the Plan in accordance with the Group's prevailing data protection policy and as notified

to Eligible Employees in accordance with the GDPR. By participating in the Plan, a Participant consents (otherwise than for the purposes of the GDPR) to the processing of their personal data in connection with the operation of the Plan.

- 14.5 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 14.6 Subject to rule 9.2, any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to the individual's last known address, or, where the individual is a director or employee of an Associated Company of the Company, either to the individual's last known address or to the address of the place of business at which the individual performs the whole or substantially the whole of the duties of the individual's office or employment. Subject to rule 9.2, where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or, if not available, 24 hours after sending the notice.
- 14.7 No benefits received under the Plan will be pensionable.
- 14.8 No third party will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan (without prejudice to any right of a third party which exists other than under that Act).
- 14.9 The rules of the Plan will be governed by and construed in accordance with the laws of England and Wales. Any person referred to in the Plan submits to the exclusive jurisdiction of the Courts of England and Wales.

APPENDIX B – UNITED STATES

US PARTICIPANTS – SHORT TERM DEFERRAL EXEMPTION TO SECTION 409A

Per rule 4.8:

- a. where a Participant is a US Participant at the Grant Date, to the extent the Option is not a Fair Market Value Option, it will be granted subject to the terms of this Appendix B; and
- b. where a Participant becomes a US Participant after the Grant Date and holds an Option subject to an Exercise Price which at the Grant Date was *less than* “fair market value” within the meaning of U.S. Treasury Regulations Section 1.409A-1(b)(5)(iv), the terms of Appendix B will apply to such Option as if the Option had been granted under Appendix B from the outset.

This Appendix B is intended to fall within the “short-term deferral” exemption to section 409A. Where there is any conflict between the rules of the Plan and this Appendix, the terms of this Appendix will prevail.

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

“Code”	the US Internal Revenue Code of 1986, as amended from time to time;
“Expiry Date”	15 March after the end of the year in which the Bonus Date falls, or, in respect of an Option which may be satisfied using shares delivered by a Trustee, 31 December of the year in which the Bonus Date falls; and
“section 409A”	section 409A of the Code.

2. EXERCISE OF OPTIONS

- 2.1 The following wording will be substituted for rule 8.2:

“8.2 Subject to rule 8.5, an Option may not be exercised later than:

- a) six months after the Bonus Date under the relevant Savings Contract; or
- b) if earlier, the Expiry Date

at which time it will lapse.”

- 2.2 The following wording will be substituted for rule 8.5.1:

“8.5.1 if death occurs before the Bonus Date, 15 March after the end of the year in which death occurs, or, in respect of an Option which may be satisfied using shares delivered by a Trustee, 31 December of the year in which death occurs; or”.

- 2.3 The words “but, in any event, no later than the Expiry Date” will be added to the end of rule 8.5.2.

- 2.4 Rule 8.6.3 will be deleted.

- 2.5 The following wording will be substituted for the wording in rule 8.6 that follows 8.6.6:

“the Participant may exercise the Option within six months of the date of such cessation or (if earlier) 15 March after the end of the year in which cessation of Plan-Related Employment occurs, or, in respect of an Option which may be satisfied using shares delivered by a Trustee, 31 December of the year in which cessation occurs, provided always that an Option may not be exercised later than six months after the Bonus Date under the relevant Savings Contract.”

2.6 In rule 8.7:

2.6.1 after the words “other than as a result of death”, the words “or retirement” shall be inserted; and

2.6.2 the wording “the Participant may, subject to rule 8.1, exercise the Option within six months of the date of such cessation after which time, subject to rule 8.5, it will lapse” will be deleted and replaced with the following wording:

“the Participant may exercise the Option within six months of the date of such cessation or (if earlier) 15 March after the end of the year in which cessation of Plan-Related Employment occurs, or, in respect of an Option which may be satisfied using shares delivered by a Trustee, 31 December of the year in which death occurs, provided always that an Option may not be exercised later than six months after the Bonus Date under the relevant Savings Contract.”

2.7 After the words “within six months of that date” in rule 8.9 the words “(but, in any event, no later than the Expiry Date)” shall be inserted.

3. TAKEOVER, RECONSTRUCTION AND LIQUIDATION

3.1 If any Option becomes exercisable pursuant to an event falling within rule 9, the Option may not be exercised later than 15 March after the end of the year in which the event occurs, or, in respect of an Option which may be satisfied using shares delivered by a Trustee, 31 December of the year in which the event occurs, after which time it will lapse.

4. ISSUE OR TRANSFER OF SHARES

4.1 The words “and in any event by no later than the Expiry Date” will be added to the end of rule 11.1.

4.2 The words “and in any event by no later than the Expiry Date” will be added to the end of rule 11.3.2.

APPENDIX C - CANADA

CANADIAN PARTICIPANTS

Unless the Board determines otherwise, this Appendix C will apply to any Participant who is subject to taxation under the laws of Canada (a “**Canadian Participant**”). Where there is any conflict between the rules of the Plan and this Appendix C, the terms of this Appendix will prevail.

This Appendix is intended to ensure that:

- i) an Option granted to or held by a Canadian Participant subject to an Exercise Price, including where the Exercise Price is Market Value at the Grant Date, is taxed in an efficient manner; and
- ii) Options granted to or held by a Canadian Participant will be satisfied using newly issued or treasury shares and will not be satisfied using Shares from a non-Canadian resident trust or cash.

1. IMPACT OF PARTICIPANT BECOMING A CANADIAN PARTICIPANT

- 1.1 If a Participant holding an Option becomes a Canadian Participant after the Grant Date, the provisions of this Appendix C will become applicable to the Option, meeting the provisions of section 7(1.4) of the Income Tax Act of Canada, without any further action on the part of the Canadian Participant or the Company, unless the Board determines otherwise.

2. AWARDS HELD BY PARTICIPANTS WHO ARE SUBJECT TO TAXATION IN THE US AND IN CANADA

- 2.1 If a Canadian Participant is also a US Participant, then any Option held by such Participant will be subject to the provisions of paragraphs 2 to 4 of Appendix B.

3. TAXATION AND REGULATORY MATTERS

- 3.1 The following wording will be substituted for rule 10.4:

“10.4 A Participant will be responsible for and indemnifies each relevant Constituent Company against any Tax Liability in relation to that Participant’s Option. Any Constituent Company may withhold an amount equal to such Tax Liability from any cash amounts otherwise due to the Participant (to the extent such withholding is lawful) and/or make any other such arrangements as it considers appropriate to ensure recovery of such Tax Liability including the sale of sufficient Shares acquired subject to the Award to realise an amount equal to the Tax Liability but excluding a reduction in the number of Shares.”

4. ISSUE OR TRANSFER OF SHARES

- 4.1 Rule 11.3 (cash settlement) will not apply to Options subject to this Appendix C.

- 4.2 The following new rule 11.5 will be added to rule 11:

“11.5 Options held by Canadian Participants may be settled in Shares which are newly issued or transferred from treasury only and may not be satisfied using Shares or other assets which are transferred from a non-Canadian resident trust.”

APPENDIX D – CALIFORNIA

CALIFORNIA PARTICIPANTS

Notwithstanding any provision contained in the Plan to the contrary, each Option granted to a California Participant shall be granted and administered in compliance with the California Code of Regulations, as amended, to the extent required to comply with the requirements of Section 25102(o) of the California Corporations Code. In this regard, the rules outlined in this Appendix D shall apply with respect to Options granted to California Participants.

Where there is any conflict between the rules of the Plan and this Appendix D, the terms of this Appendix D will prevail.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Plan, unless otherwise stated, the words and expressions below have the following meanings:

“Appendix D” means this Appendix D to the Plan;

“California Participant” means a Participant who resides in California on the Grant Date or who subsequently becomes a resident of California whilst holding subsisting Options;

“Effective Date” means the date that this Appendix D is approved by the Board; and

“Plan” means the Serco Group plc International Save As You Earn Plan 2021 in its present form or as amended from time to time.

2. APPLICATION TO THE RULES OF THE PLAN

The rules of the Plan, including the Appendix B for US Participants, will apply to Options that are subject to this Appendix D, save as those rules are amended by this Appendix D.

3. OPTIONS

3.1 If a Participant to whom an Option has been granted becomes a California Participant in connection with the Option after the Grant Date, the terms of the Option will be construed as if it had been granted subject to the rules of the Plan as varied by this Appendix D.

3.2 The Participant will be notified of any changes to their Option as soon as possible thereafter.

4. SHAREHOLDER APPROVAL

The Plan was approved by the majority of shareholders on 21 April 2021. This Appendix D must be approved by majority of the shareholders within 12 months of the first Option grant to California Participant.

5. PLAN LIMIT

5.1 The following wording will be added to the end of rule 6.1:

“Notwithstanding the foregoing and rules 6.2, 6.3, 6.4, and 6.5, the total number of Shares that may be received by California Participants pursuant to Options granted under the Plan, in the aggregate, is limited to 1% of the issued share capital of the Company as at the Effective Date (the “CA Authorized Share Limit”). The number of Shares which are subject to Options held by California Participants which are outstanding at any time shall not exceed the number of Shares which then remain available for issuance under the Plan. Shares subject to Options that are cancelled, forfeited, settled in cash or expire by their terms, and Shares subject to Options that are used to pay withholding obligations or the Exercise Price of an Option, will not be counted against the CA Authorized Share Limit.”

5.2 The following wording will be added to the end of rule 6.6:

“The CA Authorized Share Limit set out in rule 6.1 is subject to the adjustment described under rule 12.1.”

6. RIGHTS TO EXERCISE OPTIONS

6.1 The following new rule 8.13 will be added to rule 8:

“8.13 Notwithstanding the foregoing, unless a California Participant Plan Related Employment is terminated for cause, as determined by the Company in accordance with California law, a California Participant shall have the right to exercise an Option:

- (a) for at least six months from the date of cessation of Plan Related Employment if such cessation was due to the California Participant’s death;
- (b) for at least six months from the date of cessation of Plan Related Employment if such cessation was due to the California Participant’s disability;
- (c) for at least 30 days from the date of cessation of Plan Related Employment if such cessation was prior to the third anniversary of the Grant Date and for any reason listed in rule 8.6 other than disability; and
- (d) for at least 30 days from the date of cessation of Plan Related Employment if such cessation was following the third anniversary of the Grant Date and for any reason other than death or disability,

in each case notwithstanding any shorter period provided for Option exercise within the rules of the Plan and provided that the period of exercise will not extend beyond the Expiry Date.”

7. ADJUSTMENTS

7.1 The following wording will be added to the end of rule 12.1:

“Notwithstanding the foregoing, the number and/or the description of Shares subject to an Option granted to California Participants and/or the Exercise Price of an Option granted to California Participants will be proportionately adjusted in the event of any variation of the ordinary share capital of the Company including a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or distribution of the Shares.”