

Matters Reserved to the Board

Matters Reserved to the Board of Serco Group plc

(As at 23 February 2010)

Schedule of Matters

The matters reserved to the Board for its collective decision are as detailed below. This list is not designed to be an exhaustive list of the Board's responsibilities, but a formal list of matters which should not be decided without reference to it:

1. To determine the strategic direction for the Group;
2. Acquisitions or disposals of a company / division of a company of a substantial nature;
3. Contract bids and expenditure where the contract value exceeds a specified value per annum or is of an unusual scope, nature or liability exposure. The specified value will be reviewed and revised from time to time;
4. Setting levels of delegated authority;
5. Set and approve treasury policies including any material changes to the current banking covenants;
6. Set and approve risk management policies;
7. Review of internal control procedures the group's system of internal control (including financial, operational compliance and risk management);
8. Review of the Company's overall corporate governance arrangements;
9. Establishment of Board committees and review of their terms of reference and reports;
10. Approval of recommendations of the Remuneration Committee in relation to the remuneration of Directors;
11. Approval of share option and long term incentive arrangements for staff excluding the Executive Directors;
12. To set the level of Remuneration for Non-Executive Directors;
13. To appoint and remove Directors and the Company Secretary;
14. Changes relating to the group's capital structure or its status as a plc;
15. Shareholder relations including Financial Services Authority and Companies Act compliance;
16. Political donations;
17. Approval of Policy Statements for the Group;
18. This schedule of matters reserved for board decisions.