

Performance Share plan 2016-18

Serco Group plc ('Serco' or 'the Company') advises that, on 6 April 2016, the individuals named below, each a person discharging managerial responsibility, were granted options to acquire at nominal cost (with the exception of Ed Casey and Dan Allen, whose options are exercisable at nil cost) the following number of ordinary shares of 2p each in the Company, through participation in the Serco Group plc Performance Share Plan ('the PSP'):

	Option Award (Maximum)
Rupert Soames	1,769,911
Ed Casey	1,368,783
Angus Cockburn	910,983
Dan Allen	506,181
Liz Benison	327,954
Kevin Craven	410,098
David Eveleigh	284,226
David Greer	297,848
Mark Irwin	345,949
Guy Leach	300,000
Geoff Lloyd	300,260

The number of shares that will vest under the PSP is conditional upon the satisfaction of three independent equally-weighted performance measures as follows:

Performance Measure	Weighting of Measure	Performance Target
EPS	1/3 rd	Statutory Earnings Per Share (EPS) before exceptional items (adjusted to reflect tax paid on a cash basis) of 7.5p (threshold, 25% vesting) to 9.1p (maximum, 100% vesting), measured as an aggregate over the three-year performance period ending 31 December 2018.
TSR	1/3 rd	Total Shareholder Return (TSR) of median (threshold, 25% vesting) to upper quartile (maximum, 100% vesting) when ranked relative to companies in the FTSE250 (excluding investment trusts), measured from the 30-day period following the announcement of the Company's 2015 results to the 30-day period following announcement of the Company's 2018 results.
ROIC	1/3 rd	Pre-tax Return on Invested Capital (ROIC) of 8.4% (threshold, 25% vesting) to 10.2% (maximum, 100% vesting), measured as an average over the three-year performance period ending 31 December 2018.

In exceptional circumstances the Remuneration Committee retains discretion to change performance measures and targets and the weightings attached to performance measures part-way through the performance period if there is a significant event such as a major transaction.

For the Executive Directors, any shares that vest, will be subject to a post-vesting holding requirement that takes the total term of the award to a minimum of five years. Post-vesting clawback also applies to the Executive Directors awards. Awards to all participants are subject to pre-vesting malus.

On 5 April the Company was notified that Kevin Craven, exercised an award to acquire 4,476 ordinary shares of 2p each in the Company. The award which was granted on 2 September 2014, was a conditional share award granted under the Performance Share Plan ('the Plan') to compensate for prior employer awards forfeited. The number of shares awarded were adjusted for the effect of the Rights Issue as set out under the rules of the Plan. Kevin self-financed his tax liabilities and retained all of the shares exercised.

This notice is given in fulfilment of obligations under DTR3.1.4R(1)(a).

Further details of the PSP and other remuneration information are presented in the Directors' Remuneration Report for the year ended 31 December 2015, available on www.serco.com/investors