

Notice of Annual General Meeting

This Document is Important and Requires Your Immediate Attention

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

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

Letter from the Chairman

8 April 2010

Dear Shareholder

I am pleased to invite you to join us at Serco Group plc's Annual General Meeting (AGM) to be held at 11.00am on Tuesday 11 May 2010 at the Queen Elizabeth II Conference Centre, London.

For those of you that can join us at the AGM, I would like to advise you that all resolutions proposed at the meeting will be voted by means of a poll, rather than on a show of hands. A poll reflects the number of voting rights exercisable by each member and so your Directors consider it a more democratic method of voting.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 8 to 11 of this document.

The AGM is an important occasion for us as we reflect on the Group's business performance in 2009 and the opportunities for the future; as in previous years, Christopher Hyman, Chief Executive, will give a presentation on this at the meeting. There will be the chance for you to ask questions on either Chris' presentation or the items as set out in the Notice. To that end, as Chairman, I will try to keep discussions relevant and focused.

If you have any questions or issues which you wish to be addressed at the AGM, you may email these to me in advance at AGM@serco.com.

To ensure everyone's safety and security at the meeting, I draw your attention to the information on page 13 of this document.

Your Directors believe that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of the resolutions as they themselves intend to do in respect of their own shareholdings in the Company.

Finally, this will be my last AGM as Chairman of Serco Group plc and it is with great affection that I look back over my time with the Company. I am very pleased to welcome Alastair Lyons, who joined us in March as a Non-Executive Director and, subject to your approval of his election, will succeed me as Chairman of the Group at the conclusion of the AGM. Alastair's wealth of experience across the public and private sectors will prove invaluable as the Company's expansion continues and I wish him, and the Board, every success for the future.

On behalf of the Board, I would like to thank you for your continued support.

Yours sincerely



Kevin Beeston
Chairman

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Serco Group plc (“Serco” or the “Company”) will be held at the Westminster Suite, Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE at 11.00am on Tuesday 11 May 2010 for the following business:

ORDINARY BUSINESS

Annual Review and Accounts and Report of the Directors

1. To receive the Annual Review and Accounts for the year ended 31 December 2009.
See note on page 8

Remuneration Report

2. To approve the Remuneration Report for the year ended 31 December 2009.
See note on page 8

Final dividend

3. To declare a final dividend on the ordinary shares of the Company of 4.40 pence per ordinary share for the year ended 31 December 2009.
See note on page 8

Election and re-election of retiring Directors

4. To elect Alastair Lyons as a Non-Executive Director.
5. To re-elect Christopher Hyman as an Executive Director.
See note on pages 8 and 9

Reappointment and remuneration of auditors

6. To reappoint Deloitte LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
7. That the Directors be authorised to agree the remuneration of the auditors.
See note on page 9

SPECIAL BUSINESS

Share buybacks

8. That the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of the Company’s ordinary shares of 2p each provided that:
 - a) the maximum number of ordinary shares that may be purchased under this authority is 49,252,080;
 - b) the minimum price which may be paid for an ordinary share purchased under this authority is 2p (exclusive of expenses, if any, payable by the Company);
 - c) the maximum price which may be paid for an ordinary share purchased under this authority is an amount equal to the higher of (a) 5% above the average of the middle market prices shown in the quotations for the ordinary shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased and (b) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003);

- d) this authority will expire at the conclusion of the Company's next Annual General Meeting; and
- e) a contract, or contracts, to purchase ordinary shares entered into by the Company before the expiry of this authority can be executed, wholly or partly, by the Company after the expiry of this authority.

See note on page 9

Directors' authority to allot shares

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

- i) up to a maximum nominal amount of £3,250,637;
- ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further nominal amount of £3,250,637 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the Companies Act 2006 or Section 80 of the Companies Act 1985, and to expire at the conclusion of the next Annual General Meeting or on 30 June 2011, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

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

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

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

See note on page 10

Disapplication of pre-emption rights

10. Subject to passing of resolution 9 above, to empower the Directors to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash:

- i) pursuant to the authority given by paragraph (i) of resolution 9 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Companies Act 2006 in each case:
 - (I) in connection with a pre-emptive offer; and
 - (II) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £492,520; and
- ii) pursuant to the authority given by paragraph (ii) of resolution 9 above in connection with a rights issue,

as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment;

such power to expire at the end of the next Annual General Meeting or on 30 June 2011, whichever is the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

For the purposes of this resolution:

- a) “**rights issue**” has the same meaning as in resolution 9 above;
- b) “**pre-emptive offer**” means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders (other than the Company) on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- c) references to an allotment of equity securities shall include a sale of treasury shares; and
- d) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

See note on page 10

Adoption of new Articles of Association

- 11. That with immediate effect following the conclusion of this Annual General Meeting the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Company’s articles of association in substitution for, and to the exclusion of, the existing articles of association.
See note on page 10

Political Donations

- 12. That the Company and any company which is or becomes its subsidiary during the period to which this resolution has effect, be and is hereby authorised for the purposes of Part 14 of the Companies Act 2006 during the period commencing on the date of the passing of this resolution and ending at the conclusion of the Company’s next Annual General Meeting to:
 - a) make political donations to political parties and/or independent election candidates;
 - b) make political donations to political organisations other than political parties; and
 - c) incur political expenditure,

provided that the total aggregate amount of political donations and political expenditure pursuant to this authority shall not exceed £130,000 for the Group as a whole, and the amount authorised under each of the paragraphs (a) to (c) shall be limited to such amount.

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

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

See note on page 11

Notice of general meetings

- 13. That a general meeting other than an annual general meeting may be called on not less than 14 clear days’ notice.
See note on page 11

Note:

Resolutions 1 to 7 inclusive and resolutions 9 and 12 will be proposed as ordinary resolutions.
Resolutions 8, 10, 11 and 13 will be proposed as special resolutions.

By order of the Board

A handwritten signature in black ink that reads "Joanne Roberts". The signature is written in a cursive style with a large initial "J".

Joanne Roberts
Company Secretary
8 April 2010

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

Notes on resolutions

Resolution 1 - Annual Review and Accounts and Report of the Directors

The Board of Directors will present the Annual Review and Accounts for the year ended 31 December 2009.

Resolution 2 - Remuneration Report

The Remuneration Report is included on pages 70 to 80 in the Annual Review and Accounts.

It complies with the requirements of the Companies Act 2006 for a report on the remuneration of all Directors, both Executive and Non-Executive.

The Report has been approved by the Board and signed on its behalf by the Company Secretary.

Resolution 3 – Final dividend

Shareholders will be asked to declare a final dividend of 4.40 pence per ordinary share for the year ended 31 December 2009. If approved, the dividend will be paid on 19 May 2010 to shareholders on the register of members at the close of business on 12 March 2010.

Resolutions 4 and 5 – Election and re-election of Directors

In accordance with the Company's Articles of Association, Alastair Lyons CBE is standing for election as a Non-Executive Director (resolution 4) following his appointment to the Board in March 2010. The reasons for the Board's support for his election, including biographical details, are given below.

The Nomination Committee engaged external executive search consultants in the recruitment of Mr Lyons; they applied rigorous selection procedures in proposing a number of candidates for the Nomination Committee's consideration. Each member of the Nomination Committee individually met with Mr Lyons before his recommended appointment to the Board.

Mr Lyons, 56, has a strong track record of leading boards and companies that have developed rapidly and internationally. In addition, he has a deep understanding of the UK public sector having served as a non-executive Director of various government departments. Since 2000, Mr Lyons has been non-executive Chairman of Admiral Group plc, the direct motor insurer. In 2008, he was appointed Deputy Chairman and Senior Independent Director of Bovis Homes Group PLC, one of the UK's leading quoted house-builders.

Previously he was Chief Executive of the National Provident Institution and the National & Provincial Building Society, Managing Director of the Insurance Division of Abbey National plc, and Director of Corporate Projects at the National Westminster Bank plc.

In 2005, he stood down after three years as a non-executive Director on the board of the UK Government's Department for Transport. Prior to this, he held similar non-executive roles at the Department for Work and Pensions and the Benefits Agency.

In addition, Christopher Hyman will retire and offer himself for re-election (resolution 5) in accordance with Company's Articles of Association. Biographical details of Mr Hyman appear on page 68 of the Annual Review and Accounts.

A formal evaluation has been undertaken of the performance of the Board and its Committees during 2009, which included a formal evaluation questionnaire and one-to-one meetings for all Directors held with the Chairman (with the exception of Mr Lyons, who had not joined the Board at the time). The Group recognises the importance of a rigorous evaluation process for the Board and ensures that comments and recommendations are considered carefully and implemented where appropriate to ensure the continued development of the Board. In respect of the Non-Executive Directors, the Board has concluded that each Director is free from any relationship with the executive management of Serco that could materially interfere with the exercise of his or her independent judgement.

The Board fully supports the election/re-election of these Directors and considers that each of these Directors continues to perform their roles effectively.

Resolutions 6 and 7 – Reappointment and remuneration of auditors

The appointment of Deloitte LLP as auditors of the Company terminates at the conclusion of the Annual General Meeting. They have advised of their willingness to stand for re-election as auditors of the Company until the conclusion of the Annual General Meeting in 2011. The Directors recommend their reappointment and seek authority to set their remuneration.

Resolution 8 – Share buybacks

Authority is sought to purchase up to 10% of the ordinary issued share capital of the Company during the period stated below, continuing the authority granted by the shareholders at previous annual general meetings.

Resolution 8 specifies the maximum number of shares that may be purchased and the minimum and maximum prices at which they may be bought. The Directors would use the share purchase authority with discretion and purchases would only be made from funds not required for other purposes and in light of the market conditions prevailing at the time. The Directors will exercise this authority only when they consider to do so would be in the best interests of shareholders generally.

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

While the Company does not currently hold any treasury shares, the Board believes that the authority will provide the Company with additional flexibility in the management of its capital base, enabling it to re-sell treasury shares in the future or use them to satisfy awards under the various Serco share and incentive schemes.

For information, as of 25 March 2010, the latest practicable date prior to posting of this document, there were options outstanding to subscribe for 17,172,489 ordinary shares, representing 3.48% of the Company's issued ordinary share capital. If the authority given by resolution 8 were to be fully used, that percentage would increase to 3.87% of the Company's ordinary issued share capital. The Company has no warrants in issue in relation to its shares.

Resolutions 9 and 10 – Directors’ authority to allot shares and disapplication of pre-emption rights

At this Annual General Meeting, the Directors are seeking authority under paragraph (i) of resolution 9 to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a maximum nominal value of £3,250,637, which is equivalent to approximately 33% of the Company’s issued ordinary share capital, exclusive of treasury shares, as at 25 March 2010.

Further, the Directors are seeking an additional authority under paragraph (ii) of resolution 9 to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of £3,250,637, which is equivalent to approximately 33% of the Company’s issued ordinary share capital, exclusive of treasury shares, in accordance with the ABI Investment Committee’s guidance.

The Directors are also seeking authority under paragraph (i) of resolution 10 to allot new shares pursuant to the authority given by paragraph (i) of resolution 9, or sell treasury shares, for cash (I) in connection with a pre-emptive offer or rights issue or (II) otherwise up to a nominal value of £492,520, equivalent to 5% of the Company’s issued ordinary share capital as at 25 March 2010, in each case without first being required to offer such shares to existing shareholders in proportion to their existing holdings.

Further, the Directors are seeking an additional authority under paragraph (ii) of resolution 10 to allot new shares pursuant to the authority given by paragraph (ii) of resolution 9, or sell treasury shares, for cash in connection with a rights issue without the shares first being offered to existing shareholders in proportion to their existing holdings. This is in line with corporate governance guidelines.

At 25 March 2010, the Company did not hold any shares in treasury.

Apart from issues of ordinary shares pursuant to the terms of the Company’s employee share and incentive schemes, the Directors have no present intention of utilising these authorities to undertake a rights issue or to allot new shares. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines and these limited authorities will enable the Directors to respond in the interests of the Company to any appropriate opportunities which may arise. If the resolutions are passed, the authorities will expire on the earlier of 30 June 2011 and at the conclusion of the Annual General Meeting in 2011.

Further, the Board intends to adhere to the provisions in the Pre-emption Group’s Statement of Principles not to allot shares on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three-year period without prior consultation with shareholders.

Resolution 11 - Adoption of new Articles of Association

It is proposed in resolution 11 to adopt new articles of association (the “**New Articles**”) in order to update the Company’s current articles of association (the “**Current Articles**”) primarily to take account of the coming into force of the Companies (Shareholders’ Rights) Regulations 2009 (the “**Shareholders’ Rights Regulations**”), the implementation of the last parts of the Companies Act 2006 and amendments to the Uncertificated Securities Regulations 2001. The resolution adopting the New Articles will only become effective immediately following the annual general meeting.

The principal changes introduced in the New Articles are summarised in Appendix I. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006, the Shareholders’ Rights Regulations or the Uncertificated Securities Regulations 2001, or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted in Appendix I. Copies of the New Articles as proposed will be available for inspection, as noted on page 12 of this document.

Resolution 12 – Political Donations

The Company's policy of not giving any cash contributions to any political party will continue. However, the Directors consider that it is in the best interests of shareholders to participate in public debate and opinion-forming on matters which affect the business.

This resolution enables the Directors to incur expenditure of up to a maximum aggregate amount of £130,000, for the Group as a whole, in respect of each of the heads identified (including any such expenditure by a subsidiary company) without unintentionally breaching the provisions of the Companies Act 2006, which defines political organisations and political donations in a broad manner. The authority sought will, if granted, last until the conclusion of the 2011 Annual General Meeting of the Company when the Directors intend to seek renewal of this authority.

Resolution 13 - Notice of general meetings

This resolution is required to reflect the changes made to the Companies Act 2006 by the Shareholders' Rights Regulations, which increased the notice period for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. (AGMs will continue to be held on at least 21 clear days' notice.) Shareholders approved this at last year's annual general meeting and in order to preserve this ability, Resolution 13 seeks such approval again. The approval will again be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Notes:

- 1 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
- 2 To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, BN99 6BN no later than 48 hours prior to the Annual General Meeting or at www.sharevote.co.uk, no later than 11.00am on Sunday 9 May 2010.
- 3 The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
- 4 Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 5 The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
- 6 To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company as at the close of business on 9 May 2010 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 7 As at 25 March 2010 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 492,520,808 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 25 March 2010 are 492,520,808.
- 8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

- 9 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Equiniti (ID RA19) by 11.00am on 9 May 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 10 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 11 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 12 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- 13 Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- 14 Any member attending the meeting has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
- 15 A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.serco.com.
- 16 Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. It is also in line with recommendations made by the Shareholder Voting Working Group and Paul Myners in 2004.
- 17 Members may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with the Company for any purposes other than those expressly stated.
- 18 The Register of Directors' Interests, the Directors' Service Contracts, letters of appointment for the Non-Executive Directors and new Articles of Association are available for inspection during normal business hours (Saturdays, Sundays and Bank Holidays excepted) at the Registered Office, Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY up to and including the date of the Annual General Meeting. If you wish to view these documents, please telephone the Company Secretarial Department on +44 (0) 1256 745900. In addition, the new Articles of Association are available for inspection during normal business hours (Saturday, Sunday and Bank Holidays excepted) at the office of Linklaters LLP at One Silk Street, London, EC2Y 8HQ up to and including the date of the Annual General Meeting.
- 19 The same documents will also be available for inspection at the Queen Elizabeth II Conference Centre from 15 minutes before the commencement of the Annual General Meeting on 11 May 2010 until it ends.

AGM Arrangements

Venue

The Annual General Meeting of Serco Group plc will be held at the Westminster Suite, Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London, SW1P 3EE.

Travel Information

By Tube

The Centre is situated a 5 minutes walk from either Westminster Station on the Jubilee and District Lines or St James's Park on the Circle and District Lines.

By Bus

Buses 11, 12, 24, 53, 77a and 88 stop at Parliament Square.

By Car

The Centre is within easy reach of the A1, M1, M25, M11, M40, M4, M3, M2 and M23. There is no car parking at the Centre; however there are four public car parks nearby.

Special Needs

If a disabled delegate arrives at the Centre with a disabled badge displayed in their vehicle, they will be allowed to park at the forecourt.

There is a ramp from the forecourt which leads to the front doors which are wide enough for easy wheelchair access. There are induction loops fitted in the Westminster Suite.

Registration

Please remember to bring your Attendance Card with you. Please bring some form of identification with you to the Annual General Meeting in case we need to verify that your name appears on our register of shareholders or proxies.

Security

We thank you in advance for your co-operation with our security staff. You will be asked to pass through our security systems before entering the meeting.

We would advise you that we will check everyone's bag or briefcase. We do not permit behaviour that may interfere with anyone's security, safety or the good order of the meeting.

We do not permit cameras (including mobile phone cameras) or recording equipment at the meeting and we would be grateful if you could ensure that you have switched off all electronic communication devices before the meeting begins.

If you want to ask a question at the meeting

Please let us know at Registration if you wish to ask a question during the meeting. Alternatively, you can email your question to AGM@serco.com prior to the meeting.

Appendix 1

Proposed changes to the Articles of Association of Serco Group plc with effect from 11 May 2010

The opportunity has been taken to update the Current Articles to bring them into line with legislation and bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills. The principal changes introduced in the New Articles are set out below.

Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 or other legislation are in the main to be removed in the New Articles or otherwise amended to bring them into line with the Companies Act 2006.

For instance, under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

Fractional entitlements

If, following a consolidation or sub-division, a member is entitled to a fraction of a share the directors have power to sell those fractions and distribute the proceeds to the entitled members.

A new provision is proposed so that if the entitlement is less than a nominal amount to be decided by the directors, the directors may give that amount to charity rather than giving it to the entitled member or retaining it for the Company's benefit. This is in line with the model articles for public companies produced by the Department for Business, Innovation and Skills and ensures that the directors are not obliged to distribute nominal sums to members where the cost of doing so might be greater than the amount to be distributed.

Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

Use of seals

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

Voting record date and receipt of proxies

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, when the Company (i) determines the rights of members to vote at a general meeting by reference to the register, or (ii) requires proxy forms to be received, in both cases not more than 48 hours before the time for the holding of the meeting, the Directors may be permitted to disregard days which are not working days. The New Articles reflect these provisions, giving the Directors the discretion to resolve to include or disregard days which are not working days in calculating these periods.

Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

Voting by proxies

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The Current Articles have been amended to reflect these changes. Further, under the New Articles, any notice of a termination of a proxy's authority must be received not less than one hour before the commencement of the meeting to which it relates.

Voting by Guardian

Under the Current Articles, this provision gave the directors discretion to allow a person appointed by the court to manage the affairs of someone suffering from a mental disorder to vote in place of that member. This provision has been removed to bring the New Articles in line with the model articles for public companies produced by the Department for Business, Innovation and Skills.

In these circumstances the guardian or other appointed person should use their authority to appoint a proxy on behalf of the member (they could appoint themselves as proxy if they wish) and that proxy can vote.

Voting by corporate representatives

The Shareholders' Rights Regulations have amended the Companies Act 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles remove provisions in the Current Articles dealing with voting by corporate representatives on the basis that these are dealt with in the Companies Act 2006.

Chairman's casting vote

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Companies Act 2006.

Notice of general meetings

The Shareholders' Rights Regulations amend the Companies Act 2006 to require the company to give 21 clear days' notice of general meetings unless the company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 days has been passed. Annual general meetings must be held on 21 clear days' notice. The New Articles remove provisions in the Current Articles dealing with notice of general meetings on the basis that this is dealt with in the Companies Act 2006. Further, the notice period required for a meeting which has been adjourned for 30 days or more is not less than seven days in the New Articles.

Adjournments for lack of quorum

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

Borrowing restrictions

The borrowing restrictions provisions within the New Articles have been updated to reflect changes to generally accepted accounting principles which have taken place since the adoption of the Current Articles.

Retirement of Directors

The New Articles contain a provision, reflecting requirements of the Combined Code on Corporate Governance, requiring each Director (other than the Chairman and any Director holding an executive office) to retire at each annual general meeting following the ninth anniversary of the date on which they were elected by the Company.

A draft of the New Articles proposed to be adopted pursuant to resolution 11 will be displayed on the Company's website: www.serco.com/investors/downloads/agminformation.

