

Serco Group plc  
Notice of Annual General Meeting 2018

**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

4 April 2018

Dear Shareholder

I am pleased to invite you to attend Serco Group plc's 2018 Annual General Meeting ("AGM") to be held at 11.00am on Thursday 10 May 2018 at the offices of Clifford Chance, 10 Upper Bank Street, Canary Wharf, London E14 5JJ.

The formal notice of AGM is set out on pages 3 to 6 of this document and explanatory notes on the business to be considered appear on pages 7 to 11. In accordance with the UK Corporate Governance Code, all members of the Board of Directors (the "Board") will be subject to election or re-election at the AGM.

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

The Board welcomes the opportunity the AGM provides to engage directly with our shareholders and I very much hope that you will be able to attend. However, if you cannot attend the meeting but would like to vote on the resolutions, please complete the proxy form sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 11.00am on Tuesday 8 May 2018. As in previous years and in accordance with best practice, all resolutions proposed at the meeting will be voted by means of a poll, rather than on a show of hands.

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

Yours sincerely



Sir Roy Gardner  
Chairman

Serco Group plc  
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Hook, Hampshire, RG27 9UY United Kingdom  
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Serco Group Plc, a company registered in England and Wales No. 2048608  
Registered Office: Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire RG27 9UY, United Kingdom

# Notice of Annual General Meeting

Notice is hereby given that the 2018 Annual General Meeting ("AGM") of Serco Group plc ("Serco" or the "Company") will be held at the offices of Clifford Chance, 10 Upper Bank Street, Canary Wharf, London E14 5JJ on Thursday 10 May 2018 at 11.00am to consider and, if thought fit, pass the resolutions detailed below. Resolutions 1 to 14, 16 and 19 are proposed as ordinary resolutions and resolutions 15, 17, 18, 20 and 21 as special resolutions:

## **Annual Report and Accounts**

1. To receive the Annual Report and Accounts and the reports of the Directors and Auditors thereon for the financial year ended 31 December 2017 (the "Annual Report and Accounts").

See note on page 7.

## **Remuneration Policy and Remuneration Report**

2. To approve the Directors' Remuneration Policy, set out on pages 110 to 128 of the Annual Report and Accounts.

See note on page 7.

3. To approve the Annual Report on the Directors' Remuneration for the financial year ended 31 December 2017 as set out on pages 110 to 143 (save for the Directors' Remuneration Policy) of the Annual Report and Accounts.

See note on page 7.

## **Election and re-election of Directors**

4. To elect Kirsty Bashforth as a Director.
5. To elect Ian El-Mokadem as a Director.
6. To elect Lynne Peacock as a Director.
7. To re-elect Sir Roy Gardner as a Director.
8. To re-elect Rupert Soames as a Director.
9. To re-elect Angus Cockburn as a Director.
10. To re-elect Michael Clasper as a Director.
11. To re-elect Rachel Lomax as a Director.
12. To re-elect John Rishton as a Director.

See note on page 7.

## **Appointment and remuneration of auditor**

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

See note on page 7.

## Notice of Annual General Meeting continued

### Share buybacks

15. To generally and unconditionally authorise the Company for the purpose of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of the Company's ordinary shares of 2p each provided that:
- a) the maximum number of ordinary shares that may be purchased under this authority is 109,856,423 (representing 10% of the issued ordinary share capital of the Company);
  - b) the minimum price which may be paid for an ordinary share purchased under this authority is 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 (exclusive of expenses, if any, payable by the Company) is an amount equal to the higher of (a) 5% above the average of the middle market prices shown in the quotations for the ordinary shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is purchased and (b) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;
  - d) this authority will expire at the conclusion of the Company's next AGM or 6.00pm on 30 June 2019, whichever is the earlier; and
  - e) a contract, or contracts, to purchase ordinary shares entered into by the Company before the expiry of this authority can be executed, wholly or partly, by the Company after the expiry of this authority.

See note on page 8.

### Directors' authority to allot shares

16. To generally and unconditionally authorise the Directors, pursuant to and in accordance with section 551 of the Companies Act 2006, to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company:
- i) up to an aggregate nominal amount of £7,323,761; and
  - ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £7,323,761 in connection with an offer by way of a rights issue,

such authorities to apply after this resolution is passed in substitution for all existing authorities pursuant to Section 551 of the Companies Act 2006 and to expire at the conclusion of the Company's next AGM or 6.00pm on 30 June 2019, whichever is the earlier unless previously renewed varied or revoked by the Company in a general meeting but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority expires and the Directors may allot shares or grant such rights under any such offer or agreement as if the authority had not expired.

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

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

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

See note on page 8.

### Disapplication of pre-emption rights

17. That, in substitution for all existing powers and subject to the passing of resolution 16 above, the Directors be generally empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash pursuant to the authority granted by resolution 16 and/or pursuant to section 573 of the Companies Act 2006 to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Companies Act 2006, such power to be limited:

- (a) to the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of, or an invitation to apply for, equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (ii) of resolution 16, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only):
  - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) to the allotment of equity securities pursuant to the authority granted by paragraph (i) of resolution 16 and/or sale of treasury shares for cash (in each case otherwise than in the circumstances set out in paragraph (a) of this resolution 17) up to a nominal amount of £1,098,564 calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights,

such power to apply until the end of the Company's next AGM after this resolution is passed (or, if earlier, until 6.00pm on 30 June 2019) unless previously renewed, varied or revoked by the Company in general meeting but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power expires and the Directors may allot equity securities and/or sell treasury shares under any such offer or agreement as if the power had not expired.

For the purpose of this resolution 17, "rights issue" has the same meaning as in resolution 16 above.

18. That, in addition to any power granted under resolution 17, and subject to the passing of resolution 16, the Directors be generally empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash pursuant to the authority granted by resolution 16 and/or pursuant to section 573 of the Companies Act 2006 to sell ordinary shares held by the Company as treasury shares for cash, in each case free of the restriction in section 561 of the Companies Act 2006, such power to be:

- (i) limited to the allotment of equity securities and/or sale of treasury shares for cash up to an aggregate nominal amount of £1,098,564 calculated, in the case of equity securities which are rights to subscribe for, or to convert securities into, ordinary shares by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre Emption Rights most recently published by the Pre Emption Group prior to the date of this notice,

such power to apply until the end of the Company's next AGM (or, if earlier, 6.00pm on 30 June 2019) unless previously renewed, varied or revoked by the Company in general meeting but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted or rights to subscribe for or to convert any security into shares to be granted (and/or treasury shares to be sold) after the power expires and the Directors may allot equity securities or grant such rights (and/or sell treasury shares) under any such offer or agreement as if the power conferred hereby had not expired.

See note on page 9.

## Notice of Annual General Meeting continued

### Political Donations

19. To authorise the Company and any company which is or becomes its subsidiary during the period to which this resolution has effect, 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 AGM or, if earlier, 30 June 2019 to:

- a) make political donations to political parties and/or independent election candidates;
- b) make political donations to political organisations other than political parties; and
- c) incur political expenditure,

provided that the total aggregate amount of political donations and political expenditure pursuant to this authority shall not exceed £100,000 for the Group as a whole, and the amount authorised under each of 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 10.

### Notice of general meetings

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

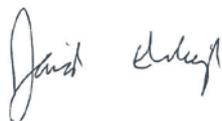
See note on page 10.

### Amendments to the Articles of Association

21. To approve the adoption of the Articles of Association produced to the meeting and signed by the Chairman for the purpose of identification in substitution for, and to the exclusion of, the Company's existing Articles of Association with effect from the end of the AGM.

See note on pages 10 and 11.

By order of the Board



David Eveleigh  
Company Secretary  
4 April 2018

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

Registered in England and Wales

Company number 02048608

## Notes on resolutions

### **Resolution 1 – Annual Report and Accounts**

The Board of Directors (the "Board") will present the Annual Report and Accounts and the reports of the Directors and Auditors thereon for the financial year ended 31 December 2017 (the "Annual Report and Accounts").

### **Resolution 2 – Directors' Remuneration Policy**

Serco Group plc (the "Company") is required to seek shareholder approval for its policy on Directors' remuneration (the "Remuneration Policy") at least once every three years. As advised in the Notice of Annual General Meeting 2017, the requirement to obtain shareholder approval for the Remuneration Policy came at a time when the business was at a critical stage of its turnaround and the Transformation stage was just over half-way through. As a result, the Company asked shareholders to approve the renewal of the Remuneration Policy for a single year.

The Remuneration Committee undertook a complete review of the Remuneration Policy during 2017 and now seek shareholder approval of the new three-year Remuneration Policy. This is a binding vote and, if approved, the revised Remuneration Policy will take effect from the end of this AGM. Once the Remuneration Policy has been approved, the Company may not make a remuneration payment or payment for loss of office to a director or former director of the Company unless that payment is consistent with the approved Remuneration Policy, or has otherwise been approved by a shareholder resolution.

The Remuneration Policy is set out on pages 110 to 128 in the Annual Report and Accounts.

### **Resolution 3 – Annual Report on Remuneration**

The Annual Report on Remuneration (the 'Remuneration Report') is set out on pages 110 to 143 in the Annual Report and Accounts and gives details of the Directors' remuneration for the year ended 31 December 2017. Shareholders will be asked to approve the Remuneration Report (save for the Remuneration Policy which is dealt with under Resolution 2 above), which complies with the requirements of the Companies Act 2006 for a report on the remuneration of all Directors, both Executive and Non-Executive. This is an advisory vote and the Directors' entitlement to remuneration is not conditional on it.

The Company's external auditor, KPMG LLP has audited those parts of the Annual Report on remuneration that are required to be audited and their report can be found on pages 152 to 157 of the Annual Report and Accounts.

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

### **Resolutions 4 to 12 – Election and re-election of Directors**

The Company's Articles of Association require that all Directors retire at least every three years and that all newly appointed Directors retire at the first AGM following their appointment. However, in accordance with the recommendations of the UK Corporate Governance Code, the Directors have resolved that they will all retire and submit themselves for re-election by the shareholders at each AGM of the Company. At this AGM, Lynne Peacock and Ian El-Mokadem, who were appointed to the Board on 1 July 2017, and Kirsty Bashforth, who was appointed to the Board on 15 September 2017, will stand for election for the first time by shareholders. All other members of the Board will stand for re-election.

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

Biographical details of all Directors being proposed for election and re-election can be found on pages 12 and 13 of this document and on pages 86 and 87 of the Annual Report and Accounts.

### **Resolutions 13 and 14 – Appointment and remuneration of auditor**

The appointment of KPMG LLP as auditor of the Company terminates at the conclusion of the AGM. They have advised of their willingness to stand for reappointment as auditor of the Company until the conclusion of the AGM in 2019. The Audit Committee (for and on behalf of the Directors) recommend their reappointment and seek authority to set their remuneration.

## Notice of Annual General Meeting continued

### Notes on resolutions continued

#### **Resolution 15 – Share buybacks**

Authority is sought to make market purchases of the Company's own shares for up to 109,856,423 shares which is equivalent to approximately 10% of the ordinary issued share capital of the Company (excluding treasury shares) as at 28 March 2018 (being the latest practicable date prior to publication of this notice), until the earlier of the conclusion of the AGM in 2019 or 6.00pm on 30 June 2019, continuing the authority granted by the shareholders at previous AGMs.

Resolution 15, proposed as a special resolution, specifies the maximum number of shares that may be purchased and the minimum and maximum prices at which they may be bought. The Board will have regard to investor group guidelines which may be in force at the time of any such purchase, holding or re-sale of shares held in treasury. The Directors would use the share purchase authority with discretion and purchases would only be made from funds not required for other purposes and in light of the market conditions prevailing at the time. The Directors will exercise this authority only when they consider to do so would be in the best interests of shareholders generally.

Pursuant to the Companies Act 2006, a Company may hold any of 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 the Company'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, and the Directors have no present intention of exercising the authority to make market purchases, the Board believes that the authority will provide the Company with additional flexibility in the management of its capital base, enabling it to resell treasury shares in the future or use them to satisfy awards under the Company's various share and incentive schemes.

For information, as of 28 March 2018, the latest practicable date prior to publication of this notice, there were options outstanding to subscribe for 37,258,315 ordinary shares, representing approximately 3.39% of the Company's issued ordinary share capital as at 28 March 2018. If the existing authority given on 11 May 2017 and the authority being sought under Resolution 15 were to be fully used, that percentage would increase to approximately 3.77% of the Company's ordinary issued share capital (excluding treasury shares). The Company has no warrants in issue in relation to its shares.

#### **Resolution 16 – Directors' authority to allot shares**

Resolution 16 seeks shareholder approval to renew the Directors' authority to allot shares.

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

In accordance with these guidelines, the Board seeks the shareholders' authority to allot shares in the capital of the Company up to a maximum nominal amount of £14,647,523, representing approximately two thirds of the Company's issued ordinary share capital as at 28 March 2018 (the latest practicable date prior to publication of this notice). Of this amount, £7,323,761 (representing approximately one third of the Company's issued ordinary share capital) can only be allotted pursuant to a rights issue.

It is the Company's policy to seek renewal of these authorities annually and the authorities sought under paragraphs (i) and (ii) of this resolution will expire at the end of the Company's next AGM or, if earlier, 6.00pm on 30 June 2019.

The Directors have no present intention to exercise this authority. However, the Directors consider it appropriate to maintain the flexibility that this authority provides to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

### **Resolutions 17 and 18 – Disapplication of pre-emption rights**

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to the shareholders, in proportion to their existing holdings.

Apart from issues of ordinary shares pursuant to the terms of the Company's employee share and incentive schemes, the Directors have no present intention of utilising these authorities to undertake a rights issue or to allot new shares. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 2006 unless the shareholders have first waived their pre-emption rights. The purpose of resolutions 17 and 18, which are each proposed as special resolutions, is to enable shareholders to waive their pre-emption rights.

Resolution 17 authorises the Directors to allot new shares, pursuant to the authority given by resolution 16, or to sell treasury shares for cash:

- (a) up to a nominal amount of £14,647,523, representing approximately two thirds of the Company's issued ordinary share capital, to existing shareholders on a pre-emptive basis. However, unless the shares are allotted pursuant to a rights issue (rather than an open offer), the Directors may only allot shares up to a nominal amount of £7,323,761, (representing approximately one third of the Company's issued ordinary share capital) (in each case, subject to any limits, restrictions or arrangements, such as for fractional entitlements and overseas shareholders, as the Directors consider necessary or appropriate); and/or
- (b) otherwise up to a nominal value of £1,098,564, equivalent to approximately 5% of the total issued ordinary share capital of the Company as at 28 March 2018,

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

Resolution 18 additionally authorises the Directors to allot new shares (or sell treasury shares) for cash, without the shares first being offered to existing shareholders in proportion to their existing holdings, in connection with the financing (or refinancing, if the authority is to be used within six months after the original transaction) of an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment. The authority under resolution 18 is limited to a nominal value of £1,098,564, equivalent to approximately 5% of the nominal value of the ordinary share capital of the Company in issue on 28 March 2018.

The Directors intend to adhere to the provisions in the Pre Emption Group's Statement of Principles, as updated in March 2015, and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in resolution 17 either in excess of an amount equal to 5% of the total issued ordinary share capital of the Company (excluding treasury shares) or in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three year period, without prior consultation with shareholders. Adherence to the Pre Emption Group's Statement of Principles would not preclude issuances under the authority sought under resolution 18.

Resolutions 17 and 18 comply with the Investment Association's share capital management guidelines and follow the resolution templates issued by the Pre Emption Group in May 2016.

If the resolutions are passed, the authorities will expire at the end of the Company's next AGM or, if earlier, 6.00pm on 30 June 2019.

## Notice of Annual General Meeting continued

### Notes on resolutions continued

#### **Resolution 19 – Political Donations**

The Company's policy of not giving any cash contributions to, or incurring any expenditure on behalf of, 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 Company and any company which is or becomes its subsidiary during the period in which this resolution has effect to incur expenditure of up to a maximum aggregate amount of £100,000, for the Group as a whole, in respect of each of the headings identified (including any such expenditure by a subsidiary company) without unintentionally breaching the provisions of the Companies Act 2006, which defines political organisations and political donations in a broad manner. This resolution does not purport to authorise any particular donation or expenditure but is expressed in general terms as required by the Companies Act 2006 and is intended to authorise normal donations and expenditure. The authority sought will, if granted, last until the conclusion of the 2019 AGM of the Company (or, if earlier, 6.00pm on 30 June 2019) when the Directors currently intend to seek renewal of this authority.

#### **Resolution 20 – Notice of general meetings**

This resolution, proposed as a special resolution, seeks shareholder approval to call general meetings (other than AGMs) on 14 clear days' notice and it is equivalent to the authority granted to the Directors at last year's AGM. The minimum notice period permitted by the Companies Act 2006 for general meetings (other than AGMs) is 21 clear days' notice. However, the Companies Act 2006 allows companies to approve a shorter notice period of at least 14 clear days (other than for AGMs). AGMs will continue to be held on at least 21 clear days' notice. Shareholders approved this resolution at last year's AGM and in order to preserve this ability, Resolution 20 seeks such approval again. The approval will again be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

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

#### **Resolution 21 – Amendments to the Articles of Association**

This resolution, proposed as a special resolution, seeks shareholder approval to adopt revised Articles of Association (the 'Revised Articles') in order to update the Company's current Articles of Association (the 'Current Articles') which were adopted in 2010. The changes introduced in the Revised Articles are summarised below and are primarily to reflect changes to UK Corporate Governance requirements and developments in market practice.

The Revised Articles, showing all the changes to the Current Articles, are available for inspection on our corporate website, [www.serco.com](http://www.serco.com), at the Company's registered office and Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ between the hours of 9.00am and 5.00pm from the date of this Notice until the close of the AGM and will also be available for inspection from 15 minutes before and at the AGM.

**Fee cap for Non-Executive Directors:** The Current Articles provide that the basic fee for Non-Executive Directors (excluding the Chairman) are subject to a maximum aggregate annual fee of £300,000, or as otherwise approved by ordinary resolution. This cap has been in place since 2004. To ensure sufficient headroom for the Company to appoint additional Non-Executive Directors and any potential future fee increases, the Revised Articles contain an increased cap of £1,000,000 for Non-Executive Directors (including the Chairman). Any fees payable to the Non-Executive Directors will remain subject to shareholder approval under the Company's Remuneration Policy. The Board is satisfied that this new aggregate limit is in keeping with current market practice.

**Virtual/hybrid general meetings:** The Revised Articles permit the Company to hold general meetings where shareholders are not required to attend in person but may attend and participate virtually. A meeting can be wholly virtual if attendees participate only by way of electronic means or a meeting may be "hybrid", where some attendees are based in a single physical location and others attend electronically. This will make it easier for the Company's shareholders to take part in future general meetings. Certain consequential changes to facilitate this amendment have been made throughout the Revised Articles.

It should be noted that, while the Revised Articles will allow for meetings to be held and conducted in such a way that persons who are not present together at the same physical location may attend, speak and vote at the meeting by electronic means, the Directors have no present intention of holding a wholly electronic meeting. Nothing in the Revised Articles will prevent the Company from holding physical general meetings.

**Retirement of directors:** The current Articles require directors to retire from the Board on the third anniversary of appointment. The Revised Articles are updated to reflect the Company's actual practice since 2011 and the requirements of the UK Corporate Governance Code by requiring Directors to retire annually and offer themselves for re-election at each AGM.

**Postponement of general meetings:** To bring the Current Articles in line with common practice for listed companies, a new article is introduced to permit the Board to postpone general meetings after the notice of meeting has been sent but before the general meeting takes place, in circumstances where the Board considers it is unreasonable or impractical to hold the general meeting at the originally appointed time, date or place.

Under the Current Articles (which do not contain the right to postpone a meeting), if a notice has been sent to convene a general meeting, and circumstances subsequently occur which the Board consider to render it unreasonable or impractical to hold the general meeting, the Chairman will still need to open the general meeting at the originally appointed time, date or place and then adjourn the meeting to another time, date or place. Hence the new article would provide the Board with more flexibility to deal with unforeseen circumstances. Any postponement of a meeting will be notified to shareholders in advance of the originally appointed time.

## Directors' biographies

### Sir Roy Gardner

Chairman

**Appointed to the Board:** June 2015  
(Chair since July 2015).

**Key skills and experience:** Previously Chairman of Compass Group PLC, Chief Executive of Centrica plc, Managing Director of GEC-Marconi Limited and a Director of GEC plc, Non-Executive Director of Willis Group Holdings Limited and Laporte plc, Non-Executive Chairman of Manchester United, Plymouth Argyle Football Club and Connaught plc.

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

Fellow of the Chartered Association of Certified Accountants, the Royal Aeronautical Society, the Royal Society of Arts and the City and Guilds Institute Honorary Doctorate from Thames Valley University.

**Current External Commitments:** Senior Independent Director of Mainstream Renewable Power Limited and Senior Independent Director of William Hill plc.

### Rupert Soames

Group Chief Executive

**Appointed to the Board:** May 2014.

**Key skills and experience:** Previously Chief Executive at Aggreko plc, and Chief Executive of Misys plc Banking and Securities Division.

Rupert was also previously Senior Independent Director of Electrocomponents plc until July 2016 and a member of their Remuneration, Nomination and Audit Committees.

Studied Politics, Philosophy and Economics at Oxford University and was President of the Oxford Union and visiting Fellow at Oxford University.

**Current External Commitments:** None.

### Angus Cockburn

Group Chief Financial Officer

**Appointed to the Board:** October 2014.

**Key skills and experience:** Previously Chief Financial Officer and Interim Chief Executive at Aggreko plc, Managing Director at Pringle of Scotland, senior finance positions at PepsiCo Inc. including Regional Finance Director for Central Europe.

Honorary Professor at the University of Edinburgh.

**Current External Commitments:** Senior Independent Director and a member of the Audit, Remuneration and Nomination Committees of GKN plc.

### Kirsty Bashforth

Non-Executive Director

**Appointed to the Board:** 15 September 2017.

**Key skills and experience:** Kirsty was a senior executive at BP plc having spent over 24 years with the company in a variety of commercial roles, including Group Head of Organisational Effectiveness, where she led BP's global agenda on culture, diversity and change management. Subsequently, Kirsty has been running her own corporate advisory business, QuayFive Limited, since 2015.

**Current External Commitments:** Non-Executive Director and a member of the Nomination, Remuneration, Risk Management and Audit, and Safety, Health and Environment Committees of Kier Group plc.

Governor of Leeds Beckett University and Ashville College and Director of QuayFive Limited.

### Mike Clasper CBE

Non-Executive Director and Senior Independent Director

**Appointed to the Board:** March 2014.

**Key skills and experience:** Previous roles have included Group Chief Executive of BAA plc, Chairman of Her Majesty's Revenue and Customs, Chairman of Which? Limited, Senior Independent Director of ITV plc and President of the Chartered Management Institute.

MA in Engineering from Cambridge University and Honorary Doctorate from Sunderland University.

**Current External Commitments:** Chairman of Coats Group plc and BIOS International Limited, Trustee of the Chartered Management Institute, Governor of the Royal Shakespeare Company and Advisory Board Member for Arora International.

### **Ian El-Mokadem**

Non-Executive Director

**Appointed to the Board:** 1 July 2017.

**Key skills and experience:** Ian became the Chief Executive Officer of V.Group Limited in October 2017. Prior to joining V.Group, Ian was Chief Executive Officer of Exova Group plc and, before that, he was Group Managing Director, UK & Ireland of Compass Group plc, where he was also a member of the Group's Executive Committee. Ian's earlier career included positions with Centrica plc and the global management consultancy, Accenture.

**Current External Commitments:** Chief Executive Officer of V.Group Limited.

### **Rachel Lomax**

Non-Executive Director

**Appointed to the Board:** March 2014.

**Key skills and experience:** Rachel has deep experience of government and economic policy. Rachel's previous appointments include Deputy Governor, Monetary Stability, Bank of England, and a member of the Monetary Policy Committee, Permanent Secretary in the Department for Transport, Department for Work and Pensions and the Welsh Office, and senior posts at the Cabinet Office, HM Treasury and World Bank.

Rachel was also previously Senior Independent Director and Chair of the Conduct and Values Committee at HSBC Holdings plc and a Trustee/Board Member of Imperial College, London.

**Current External Commitments:** Non-Executive Director of Heathrow Airport Holdings Limited, Director of SETL Development Limited, Governor of the Ditchley Foundation and member of the Board of Breugel.

### **Lynne Peacock**

Non-Executive Director

**Appointed to the Board:** 1 July 2017.

**Key skills and experience:** Lynne is a Non-Executive Director of Standard Life Aberdeen plc and a member of its Nomination and Governance Committees, and Non-Executive Chair of Standard Life Assurance Limited. Lynne is also a Non-Executive Director and Senior Independent Director, Chair of the Remuneration Committee and member of the Audit, Risk and Nomination Committees of Nationwide Building Society.

Previously she was Chief Executive of National Australia Bank Limited's UK businesses, Chief Executive Officer of Woolwich plc and a Non-Executive Director and Chair of the Audit Committee of Scottish Water.

**Current External Commitments:** Non-Executive Chair of Standard Life Assurance Limited. Non-Executive Director and a member of the Nomination and Governance Committees of Standard Life Aberdeen Plc and Senior Independent Director, Chair of the Remuneration Committee and member of the Audit, Risk and Nomination Committees of Nationwide Building Society.

### **John Rishton**

Non-Executive Director

**Appointed to the Board:** September 2016.

**Key skills and experience:** Previous roles have included Chief Executive of Rolls Royce Group plc, Chief Executive and President of the Dutch international retailer, Royal Ahold NV (and prior to that, its Chief Financial Officer) and Chief Financial Officer of British Airways plc.

Fellow of the Chartered Institute of Management Accountants.

**Current External Commitments:** Non-Executive Director and Chair of the Audit Committee of Unilever plc, Non-Executive Director and Chairman-Elect of the Audit Committee of Informa plc and Non-Executive Director at Associated British Ports.

## Notice of Annual General Meeting continued

### Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, BN99 6DA or at [www.sharevote.co.uk](http://www.sharevote.co.uk) no later than 48 hours prior to the AGM, being no later than 11.00am on 8 May 2018. Any electronic communication sent by a shareholder to the Company or to the Registrar which is found to contain a computer virus will not be accepted.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy Information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in 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 AGM (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company as at 6.30pm on 8 May 2018 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 28 March 2018 (being the last business day prior to the production of this Notice) the Company's issued share capital consists of 1,098,564,237 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 28 March 2018 are 1,098,564,237.
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 (available via [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
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](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by 11.00am on 8 May 2018. 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 AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of

the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

14. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the company (i) to give, to members of the company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the company not later than the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
15. 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.
16. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at [www.serco.com](http://www.serco.com).
17. Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands, in line with best practice. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. The results of the poll will be published on the Company's website and notified to the UK Listing Authority once the votes have been counted and verified.
18. 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.
19. The Directors' Service Contracts, letters of appointment for the Non-Executive Directors and Revised 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 AGM. If you wish to view these documents, please telephone the Company Secretarial Department on +44 (0) 1256 745900.

The same documents will also be available for inspection at the AGM venue, 15 minutes before the commencement of the AGM on 10 May 2018 and until the closure of the meeting.

# AGM Arrangements

## Venue

The AGM of Serco Group plc will be held at Clifford Chance, 10 Upper Bank Street, Canary Wharf, London E14 5JJ.

## Travel Information

The venue is fully accessible by public transport:

### By Tube

The nearest underground station is Canary Wharf and the nearest DLR station is Heron Quays, each of which are a short walk away. The most convenient exit from the Canary Wharf underground station is the Upper Bank Street exit.

### By Bus

Your choice of bus services:

- D3 Bethnal Green to Canary Wharf
- D7 Mile End to Canary Wharf
- D8 Stratford to Canary Wharf
- 135 Moorfields to Canary Wharf
- 277 Highbury and Islington to Canary Wharf
- N550 Trafalgar Square to Canary Wharf (Night Bus)

### By Car

The venue is located within walking distance of the public car park, Jubilee Place Car Park: Entrance on Bank Street (use E14 5NY for sat nav).

## Special Needs

The building is wheelchair accessible directly from Upper Bank Street. There is a drop-off/pick-up point directly outside the building where cars can stop temporarily to ease access. A lift is available from the ground floor to the main reception area on the first floor; should you require any assistance, please ask reception upon arrival. Accessible/disabled toilets are located on the ground floor, behind reception and in both meeting room areas; if you need assistance, please let reception know.

## Registration

Please remember to bring your Attendance Card with you. Please bring some form of identification with you to the AGM 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.

We would advise you that we reserve the right to check bags or briefcases. 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 entering the meeting.

### 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 [cosec@serco.com](mailto:cosec@serco.com) prior to the meeting.

