

# Group Standard Operating Procedure Control and Escalation of Inside Information



## Document Details

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<b>Applicability</b>	Serco Group covering all business regions, operating companies and business units throughout the world <sup>1</sup>

<sup>1</sup>As used herein, Serco Group and its affiliates, subsidiaries and operating companies are referred to as "Serco". The "Company" or "company", or "we", "us" or "our"

## Version history

Version	Date	Reason for release/version update	Issued by
1	August 2017	– New GSOP incorporating information from the Insider Information and Share Dealing Group Standard which has been removed from the SMS	Chandrika Kher (Deputy Company Secretary)
1.1	September 2019	– Reviewed and confirmed as fit for purpose with no changes	Stuart Haydon (Interim Deputy Company Secretary)

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## 1 Objectives

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This Group Standard Operating Procedure (GSOP) establishes mandatory internal controls to ensure that all Serco employees and other employees (as defined below) are able to:

- **recognise** potential inside information (i.e. non-public information that, if made public, is likely to have a material effect on the Serco Group plc share price) as and when it arises;
- having done so, **escalate** the matter as soon as possible and through the correct internal channels;
- **control and protect** inside information (and other confidential information)

## 2 Where is an employee/contractor likely to encounter inside information?

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In the context of the Company's business, there are three broad categories of information which could be characterised as **inside information**, as follows:

*Category 1: inside information* in relation to a transaction, project or investment that the Company is considering making, for example an acquisition or a disposal;

*Category 2: inside information* arising in relation to a specific bid; and

Category 3: **inside information** arising in relation to unexpected or developing events or circumstances, for example:

- ongoing trading / financial performance;
- significant changes to the Company's onerous contract provision position;
- loss of / amendment to significant contract;
- a HSE incident; OR
- any corrupt practices / accounting irregularity.

If you have identified undisclosed/ non-public information relating to the Company that you think may be **inside information**, this GSOP requires that you follow each of the next steps:

- Establish the facts in relation to the particular event properly and quickly.
- Escalate those facts as soon as possible to **both**:
  - a. the relevant Divisional Finance Director (or in his absence the Divisional CEO); **and**
  - b. the Divisional General Counsel (or, in his/her absence, the Group General Counsel and Company Secretary), (together, the "**Notification Recipients**")

## 3 Guidance on Escalation

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*Do not delay*

- If inside information does exist, time will be of the essence - the obligation is to disclose inside information to the market **as soon as possible**, and this means minutes/hours rather than days. If in doubt, escalate as soon as possible (even if you have not been able to establish all of the facts at that point)

*Take all steps to protect the confidentiality of the information*

- You **should not** disclose such information to anyone other than the Notification Recipients in the meantime. If you do so (intentionally or inadvertently), please let the Notification Recipients know as soon as possible



- The escalation of facts can be done directly by e-mail (marked Secret and Legally Privileged) to the Notification Recipients and should include all relevant materials and background information. Please also include your telephone and other contact details in the event of further queries

*Remember, when escalating the facts avoid:*

- admissions of liability or any statement which could be construed as an admission of liability;
- premature conclusions being drawn;
- speculation; and
- waivers of claims or potential claims, or statements which could be construed as waivers of claims or potential claims

The purpose of escalating the facts as soon as possible to the Notification Recipients is to enable the Notification Recipients immediately to determine whether the information provided is or may become inside information and, if so, to promptly make contact with all appropriate internal and external stakeholders and the Company's Disclosure Committee to:

- determine whether the information is in fact inside information and, if so, whether an immediate announcement is required or whether there are grounds to delay;
- consider if there are grounds to delay, whether a holding announcement is required;
- classify that information by reference to the Traffic Light System outlined below; and
- make contact with the person who is responsible for establishing the Project Name and the Project List (see section 5.1 below: Project Lists)

Please note that it is for the Disclosure Committee to decide the appropriate treatment in each instance. All relevant information about any material event or issue must be referred to the Disclosure Committee to ensure that it is managed appropriately.

The Disclosure Committee will then document the decision-making process undertaken and submit this to the Group General Counsel and Company Secretary for confidential filing.

There may be situations in which there is the potential to delay announcement of inside information if disclosure would be prejudicial to the legitimate interests of the business. Such a delay must always be agreed by the Disclosure Committee.

## 4 Share Dealing

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If you think you may be in possession of Inside Information, then **Seek Clearance** from the Group General Counsel and Company Secretary before dealing in Serco Group plc shares – please refer to the Company's Share Dealing Code available within the SMS > SMS by Subject > Governance > Standard Operating Procedures > Group SOPs

Think very carefully before dealing in **third party securities**. This is important because you may be in possession of inside information relating to that third party.

It is the individual's responsibility to ensure that any such dealings are in compliance with all relevant insider dealing (and other related) laws and regulations and **criminal sanctions** may apply if you breach these obligations.



Under Serco's Code of Conduct, you are also required at all times to act with integrity and transparency and comply with applicable legal and regulatory requirements.

**REMEMBER** -Your actions could be judged with the benefit of hindsight and it is always better to put yourself above suspicion.

## 5 Protecting Inside Information (and other confidential information)

### 5.1 The Project List

It is critical to the proper control and management of inside information that a Project Name and a Project List (i.e. a list of people who are 'in the know') are created as soon as possible after an issue has arisen or after a project has commenced.

The person who is responsible for establishing the Project Name and the Project List (the "**Project List Owner**") will depend on the Category of inside information:

- **Category 1** (transactions, projects or investments [including Mergers and Acquisitions], the Project List Owner will be either the Global Head of Mergers & Acquisitions or the Group General Counsel and Company Secretary;
- **Category 2** (bid-related activities), the Project List Owner will be the relevant Divisional General Counsel; and
- **Category 3** (unexpected or developing events or circumstances), the Project List Owner will be the Group General Counsel and Company Secretary

### 5.2 The Traffic Light System

Information and facts provided to Notification Recipients and the Disclosure Committee will be designated by reference to a traffic light System, as follows:

**Red:** the information is inside information – those in possession of this information:

- must be added to an 'Insider List' maintained by the Group General Counsel and Company Secretary's Office in consultation with the Project List Owner; and
- are prohibited from dealing in Serco Group plc shares

**Amber:** the information is not yet inside information, but has the potential to become inside information in the near future - those in possession of this information:

- must be added to a 'Project List' maintained by the Group General Counsel and Company Secretary's Office; and
- are required to seek clearance from the Group General Counsel and Company Secretary before dealing in Serco Group shares

**Green:** the information is not yet inside information and does not appear to have the potential to become inside information in the near future - those in possession of this information:

- must be added to a 'Project List' maintained by the Project List Owner; and



- are not restricted from dealing in Serco Group shares

Once the Notification Recipients have notified the Project List Owner of the designation of the relevant information and facts, the Project List Owner will create a Project List (or Insider List, if classified as Red) of people with knowledge of the information and send the appropriate memorandum to each such person, setting out their confidentiality and (if relevant) their share dealing obligations in relation to the information.

### 5.3 Project Names

The Project List Owner must also make contact with Group General Counsel and Company Secretary's office and request that they provide them with a Project Code name.

## 6 References

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The following documents should be referred to when implementing this operating procedure:

Reference	Location	Title
SMS-P-G	SMS – Policies	Governance Policy Statement
None	SMS – Group SOPs	Share Dealing Code
SMS GSOP-G1-1	SMS – Group SOPs	Insider Information and Share Dealing