

# Notice of Annual General Meeting

## This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all your ordinary shares in Capita plc, please deliver this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected.

## Coronavirus (Covid-19)

In response to Covid-19, new laws have been introduced by the UK Government to prevent non-essential travel and public gatherings of more than two people, except where essential for work purposes. To comply with these legal requirements, and following guidance published by the Chartered Governance Institute, the Financial Reporting Council, the Investment Association and several large City law firms, among others, **shareholders will not be permitted to attend the Company's Annual General Meeting this year.** Instead, only essential personnel from the Company will attend the Annual General Meeting, observing social distancing, to ensure a quorum is present and to conduct the business of the meeting as an essential work purpose. **All other shareholders will be excluded from the Annual General Meeting on grounds of public safety.**

The Company continues to monitor the impact of the pandemic, and the health and safety of shareholders, employees and customers is of paramount importance. Shareholders should monitor the Company's website and regulatory news announcements for any Annual General Meeting updates and are encouraged to vote on all resolutions by appointing the chairman of the meeting as their proxy in the manner set out below. An online facility for shareholders to ask questions relating to the business of the meeting is available at [www.capita.com/shareholder-questions](http://www.capita.com/shareholder-questions).

Notice is hereby given that the 2020 Annual General Meeting of Capita plc (the 'Company') will be held at 65 Gresham Street, London, EC2V 7NQ on Thursday 25 June 2020 at 11.00am to transact the business set out below.

A member may appoint a proxy by following the instructions for the electronic appointment of a proxy at [www.capitashares.co.uk](http://www.capitashares.co.uk).

Resolutions 1 to 17 (inclusive) will be proposed as ordinary resolutions. For each of these Resolutions to be passed, more than half of the votes cast must be in favour of the Resolution.

Resolutions 18 to 21 (inclusive) will be proposed as special resolutions. For each of these Resolutions to be passed, at least three quarters of the votes cast must be in favour of the Resolution.

## Ordinary Resolutions

1. To receive and adopt the Company's financial statements and the reports of the Directors and the Auditor for the year ended 31 December 2019.
2. To approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, in the form set out in the Company's Annual Report and Accounts for the year ended 31 December 2019.
3. To approve the Directors' Remuneration Policy, in the form set out in the Company's Annual
4. To re-elect Sir Ian Powell as a Director.
5. To re-elect Jonathan Lewis as a Director.
6. To re-elect Patrick Butcher as a Director.
7. To re-elect Gillian Sheldon as a Director.
8. To re-elect Matthew Lester as a Director.
9. To elect Georgina Harvey as a Director.
10. To re-elect John Cresswell as a Director.
11. To re-elect Andrew Williams as a Director.
12. To re-elect Baroness Lucy Neville-Rolfe as a Director.
13. To elect Lyndsay Browne as a Director.
14. To elect Joseph Murphy as a Director.
15. To re-appoint KPMG LLP as Auditor of the Company.
16. To authorise the Audit and Risk Committee to fix the Auditor's remuneration.

#### Authority to allot shares

17. THAT, in place of any existing authority conferred upon them for the purpose of Section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised 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 and to make offers or agreements to allot shares or grant rights to subscribe for or to convert any security into such shares ('Allotment Rights') up to an aggregate nominal amount of £11,496,752, provided that this authority shall (unless otherwise revoked or renewed), expire at the close of business on 30 June 2021 or, if earlier, on the conclusion of the Company's next Annual General Meeting, save that the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry and the Directors may allot shares or grant Allotment Rights under any such offer or agreement as if the authority had not expired.

All authorities vested in the Directors on the date of the notice of this meeting to allot shares or to grant Allotment Rights that remain unexercised at the commencement of this meeting are revoked, without prejudice to any allotment of the securities pursuant thereto.

#### Special Resolutions

##### Authority to disapply pre-emption rights

18. THAT, subject to the passing of Resolution 17 in the notice of this meeting, the Directors be authorised pursuant to Sections 570 and 573 of the Companies Act 2006 to make allotments of equity securities, as defined in Section 560(1) of the Companies Act 2006, wholly for cash pursuant to the authority conferred on them by Resolution 17 in the notice of this meeting or by way of a sale of treasury shares (by virtue of Section 560(3) of the Companies Act 2006) and, in each case:

- (a) in connection with a pre-emptive offer; and
- (b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £1,724,513

as if Section 561 of that Act did not apply to any such allotment and such authority shall (unless otherwise revoked or renewed), expire at the close of business on 30 June 2021 or, if earlier, on the conclusion of the Company's next Annual General Meeting, save that the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry and the Directors may allot shares or grant Allotment Rights under any such offer or agreement as if the authority had not expired.

For the purposes of this Resolution, the nominal amount of any securities shall be taken to be, in the case of Allotment Rights, the nominal amount of such shares which may be allotted pursuant to such rights.

For the purposes of this Resolution, 'pre-emptive offer' means an offer of equity securities that is open for acceptance for a period determined by the Directors to the holders of ordinary shares in the Company (other than the Company) on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange.

19. THAT any general meeting of the Company that is not an Annual General Meeting may be called by not less than 14 clear days' notice.
20. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of ordinary shares of the Company provided that:
- (a) the maximum aggregate number of ordinary shares that may be acquired under this authority is 166,888,334;
  - (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is its nominal value (being 2<sup>1</sup>/<sub>15</sub> pence);
  - (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share shall be an amount equal to the higher of (i) 5% above the average of the closing price of the ordinary shares as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased or (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the market purchase by the Company pursuant to the authority conferred by this Resolution will be carried out;
  - (d) this authority shall expire at the close of business on 30 June 2021 or, if earlier, on the conclusion of the Company's next Annual General Meeting; and
  - (e) before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry and the Company may purchase shares pursuant to any such contract as if the authority had not expired.

21. THAT the articles of association of the Company be amended by:

21.1 the insertion, in correct alphabetical order, of the following definitions into Article 1:

**combined physical and electronic general meeting** means a meeting convened and held in accordance with these Articles and which allows participants to attend in person or via an electronic platform;

**electronic platform** means any form of electronic platform or facility and includes, without limitation, website addresses, application technology and conference call systems;

**general meeting** means any general meeting of the Company, including any general meeting held as the Company's annual general meeting and whether held as a physical general meeting or as a combined physical and electronic general meeting;

**physical general meeting** means any general meeting attended by persons present in person at the location(s) specified in the notice of such general meeting;

21.2 the deletion of existing Article 1(B) and its replacement with the following new Article 1(B) and Article 1(C):

(B) A person who is a member is "**present**" at a general meeting which is held only as a physical general meeting for the purposes of these Articles if:

- (i) being an individual, he attends in person,
- (ii) being a corporation, a person that it has authorised to attend the meeting as its representative attends in person in that capacity, or
- (iii) a person appointed as his or its proxy attends in person.

(C) A person who is a member is "**present**" at a combined physical and electronic general meeting for the purposes of these Articles if he or it meets the requirements of Article 1(B) or:

- (i) being an individual, he attends via an electronic platform,
- (ii) being a corporation, a person that it has authorised to attend the meeting as its representative attends in that capacity via an electronic platform, or
- (iii) a person appointed as his or its proxy attends via an electronic platform.

21.3 the amendment of existing Article 18(A) by the inclusion of the words "or places (including, for a combined physical and electronic general meeting, electronic platform)" between the words "place" and "and" in the first sentence of Article 18(A);

21.4 the deletion of existing Article 20 and its replacement with the following new Article 20:

## 20 Postponement of general meetings

The Board may resolve to postpone any general meeting or move the place or places (including, for a combined physical and electronic general meeting, electronic platform) of such meeting before the date on which it is to be held, except where the postponement or move would be contrary to company legislation. The Board may give notice of a postponement or move as it thinks fit but any failure to give notice of a postponement or move does not invalidate the postponement or move or any resolution passed at a postponed or moved meeting. Notice of the business of a postponed or moved meeting does not need to be given again. If a meeting is postponed or moved, the appointment of a proxy for that meeting is valid if it is done in accordance with these Articles and received not less than 48 hours before the commencement of the postponed or moved meeting to which it relates. The Directors can also postpone or move a postponed or moved meeting under this Article.

21.5 the deletion of existing Article 23 and its replacement with the following new Articles 23 and 23A and by the consequential renumbering of subsequent Articles of the Company's articles of association and the updating of all cross references:

## 23 Combined physical and electronic general meetings

(A) Without prejudice to Article 21 (*Meetings at more than one location*), the directors may decide to hold a general meeting as a combined physical and electronic general meeting and, in such case, shall provide details of the means for members to attend and participate in the meeting, including the physical place or places of meeting and the electronic platforms to be used.

(B) The directors and the chairman of a combined physical and electronic general meeting may make any arrangement and impose any requirement or restriction as is:

- (i) necessary to ensure the identification of those taking part and the security of the electronic communication; and
- (ii) proportionate to achieving these objectives.

(C) All resolutions put to members at a combined physical and electronic general meeting shall be voted on by a poll in accordance with Articles 31 (*Taking a vote*) and 32 (*Polls*) and such poll votes may be cast by such means as the directors in their absolute discretion consider appropriate for the purposes of the meeting.

- (D) Persons seeking to attend or participate in a combined physical and electronic general meeting via an electronic platform shall be responsible for ensuring that they have access to the facilities (including, without limitation, systems, equipment and connectivity) which are necessary to enable them to do so. Unless the meeting is adjourned by the chairman in accordance with the provisions of Article 27 (*Adjournments*), any inability of a person or persons to attend or participate in a combined physical and electronic general meeting via an electronic platform will not affect the validity of such meeting, or any business conducted at such meeting up to the point of adjournment, or any action taken pursuant to such meeting.

### **23A Attendance at and participation in general meetings**

- (A) In determining whether persons are attending or participating in a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other or how they are able to communicate with each other.
- (B) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak or vote at that meeting, they are (or would be) able to exercise them.
- (C) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (D) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information and opinions which that person has on the business of the meeting.
- (E) A person is able to exercise the right to vote at a general meeting when,
- (i) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (ii) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

21.6 the amendment of existing Article 25(B) by the inclusion of the words "or places (including, for a combined physical and electronic general meeting, electronic platform)" between the words "place" and "and" in Article 25(B)(ii);

21.7 the amendment of existing Article 27(A) and existing Article 27(C) by the inclusion of the words "or places and (if applicable for a combined physical and electronic general meeting) electronic platform" between the words "place" and "or indefinitely" in the first sentence of each of Article 27(A) and Article 27(C);

21.8 the amendment of existing Article 28(A) by the inclusion of the words "or places and (if applicable for a combined physical and electronic general meeting) electronic platform" between the words "place" and "of the adjourned" in each of Article 28(A)(i) and (ii);

21.9 the amendment of existing Article 31(A) by the inclusion of the words "which is held only as a physical general meeting" between the words "meeting" and "is" in the first sentence of Article 31(A);

21.10 the inclusion of the following new Article 31(D):

- (D) At a general meeting which is held as a combined physical and electronic general meeting, a resolution put to the vote of the meeting shall be decided on a poll, and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates.

21.11 the amendment of existing Article 32(B) by the inclusion of the words "or places and (if applicable for a combined physical and electronic general meeting) electronic platform" between the words "place" and "at which" in each of the third and fourth sentences of Article 32(B).

Registered Office:  
30 Berners Street  
London  
W1T 3LR

Registered in England No: 2081330

By Order of the Board

**Francesca Todd**  
Group Company Secretary

Dated: 22 May 2020

# Notes to the notice of Annual General Meeting

## Proxy appointment

- (1) A member who is entitled to vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him/her, as his/her proxy to exercise all or any of his/her rights to vote at the meeting. A proxy need not be a shareholder of the Company. Where a member appoints more than one proxy in relation to the Annual General Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
- (2) A member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at [www.capitashares.co.uk](http://www.capitashares.co.uk). To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the same time as stated below for hard copy proxy appointment forms.

Members who hold their shares in uncertificated form may also use the 'CREST voting service' to appoint a proxy electronically, as explained below. Alternatively, hard copy forms for the appointment of a proxy are available on request from Link Asset Services: email [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or call 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am to 5.30pm (UK time), Monday to Friday excluding UK public holidays. To be valid, a hard copy proxy appointment form must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Asset Services, Proxy Department at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by 11.00am on Tuesday 23 June 2020 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be) excluding any part of a day that is not a business day. Alternatively, a member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at [www.capitashares.co.uk](http://www.capitashares.co.uk). To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the same time as stated above for hard copy proxy appointments forms.

Members who hold their shares in uncertificated form may also use the 'CREST voting service' to appoint a proxy electronically, as explained below.

## Nominated persons

- (3) Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (a 'nominated person') may have a right under an agreement between him/her and that member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.

## Information about shares and voting

- (4) As at 7 May 2020 (being the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 1,668,883,343 ordinary shares of 21/15 pence each, carrying one vote each, excluding 2,390,180 shares held in Treasury and (ii) the total voting rights in the Company were 1,668,883,343.

## Right to vote and ask questions

- (5) The right of a member of the Company to vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the register of members.

A member must be registered on that register as the holder of ordinary shares by the close of business on Tuesday 23 June 2020 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be), excluding any part of a day that is not a business day, in order to be entitled to vote at the meeting as a member in respect of those shares. Only members of the Company, appointed proxies or corporate representatives are entitled to vote at the Annual General Meeting.

- (6) Each member has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered. Questions may be asked using the online facility at [www.capita.com/shareholder-questions](http://www.capita.com/shareholder-questions). This facility will be available until 11.00am on Tuesday 23 June 2020.

## Website information and use of electronic address

- (7) Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at [www.capita.com](http://www.capita.com).
- (8) A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.



## CREST members

- (9) CREST members who wish to appoint one or more proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the 'CREST voting service' section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (10) In order for a proxy appointment or proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a 'CREST proxy appointment instruction') must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ('Euroclear'), and must contain all the relevant information required by the CREST Manual. To be valid, 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 be transmitted so as to be received by Link Asset Services (ID RA10), as the Company's 'issuer's agent', by 11.00am on Tuesday 23 June 2020 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be), excluding any part of a day that is not a business day. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner.
- (11) Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on 'Practical limitations of the system'. In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
- (12) Please note the Company takes all reasonable precautions to ensure that no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that the members subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.

## Votes by poll

- (13) In accordance with the Company's established practice, all Resolutions will be voted on by a poll so as to record accurately the decision of all members based on their shareholding interests in the Company. The results of the poll will be published on the Company's website and notified to the Financial Conduct Authority once the votes have been counted and verified.

## Documents available for inspection

- (14) Copies of the service contracts of the Executive Directors and the letters of appointment of the Non-Executive Directors and the Employee Directors are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

## Coronavirus (Covid-19)

- (15) In response to Covid-19, new laws have been introduced by the UK Government to prevent non-essential travel and public gatherings of more than two people, except where essential for work purposes. To comply with these legal requirements, and following guidance published by the Chartered Governance Institute, the Financial Reporting Council, the Investment Association and several large City law firms, among others, shareholders will not be permitted to attend the Company's Annual General Meeting this year. Instead, only essential personnel from the Company will attend the Annual General Meeting, observing social distancing, to ensure a quorum is present and to conduct the business of the meeting as an essential work purpose. All other shareholders will be excluded from the Annual General Meeting on grounds of public safety. The Company continues to monitor the impact of the pandemic, and the health and safety of shareholders, employees and customers is of paramount importance. Shareholders should monitor the Company's website and regulatory news announcements for any Annual General Meeting updates and are encouraged to vote on all resolutions by appointing the chairman of the meeting as their proxy in the manner set out in these notes. An online facility for shareholders to ask questions relating to the business of the meeting is available at [www.capita.com/shareholder-questions](http://www.capita.com/shareholder-questions).

# Explanatory notes to the resolutions to be proposed at the Annual General Meeting

## (1) Resolution 1 – Financial statements and reports 2019

For each financial year, the Directors are required to present the Directors' reports, the audited financial statements and the Auditor's reports to shareholders at a general meeting. The financial statements and reports laid before the Annual General Meeting are for the financial year ending 31 December 2019 and the Company proposes a Resolution on their adoption.

## (2) Resolution 2 – Approval of the Directors' Remuneration Report

In accordance with the Companies Act 2006, shareholders are invited to approve the Directors' Remuneration Report for the financial year ended 31 December 2019.

The Directors' Remuneration Report is set out on pages 78 to 97 of the Annual Report and Accounts 2019. For the purposes of this Resolution, the Directors' Remuneration Report does not include the Directors' Remuneration Policy which is set out on pages 82 to 88. The vote on this Resolution is advisory only and the Directors' entitlement to remuneration is not conditional on this Resolution being passed.

## (3) Resolution 3 – Approval of the Directors' Remuneration Policy

In accordance with the Companies Act 2006, shareholders are invited to approve the Directors' Remuneration Policy contained within the Directors' Remuneration Report. The proposed policy is set out on pages 82 to 88 of the Annual Report and Accounts 2019.

The Companies Act 2006 requires the Directors' Remuneration Policy to be put to shareholders for approval annually unless the policy as approved by shareholders remains unchanged, in which case the Company need only propose a similar resolution at least every three years. The Company's current Directors' Remuneration Policy was last approved by shareholders at the Annual General Meeting in 2017. The new Directors' Remuneration Policy sets out how the Company proposes to pay its Directors and includes details of the Company's approach to recruitment remuneration.

The vote on this Resolution is binding and, if approved, the new Directors' Remuneration Policy will replace the Directors' Remuneration Policy approved in 2017, becoming effective following the Annual General Meeting and valid for three years thereafter without further shareholder approval or until replaced by a new or amended Directors' Remuneration Policy. Any future changes to the Directors' Remuneration Policy will require shareholder approval. Directors will only be able to make remuneration payments in accordance with the approved new Directors' Remuneration Policy unless such payments have otherwise been approved by a separate shareholder resolution.

## (4) Resolutions 4 to 14 – Election and re-election of Directors

Resolutions 4 to 14 relate to the retirement and election or re-election of the Directors. The Company's articles of association require a Director who was appointed as such by the Board during the year to retire at the Annual General Meeting next following his or her appointment. Georgina Harvey, Lyndsay Browne and Joseph Murphy have been appointed as Directors by the Board since the date of the Company's last Annual General Meeting. Consequently, they will retire from office at the Annual General Meeting and intend to stand for election by shareholders for the first time.

The Company's articles of association also require any Director who has not been elected or re-elected by the Company's shareholders at either of the two previous annual general meetings to retire. Notwithstanding the provisions of the Company's articles of association, and in line with Provision 18 of the UK Corporate Governance Code 2018, each of the remaining Directors shall retire from office at the Annual General Meeting and stand for re-election by the shareholders.

Resolutions 13 and 14 relate specifically to the election of two Employee Directors. The intention to appoint two employees to Capita's Board as "Employee Directors" was announced publicly during 2018 and the appointment of Lyndsay Browne and Joseph Murphy as Directors on 1 July 2019 followed a rigorous selection process, including external independent review. Remuneration of the Employee Directors was separately approved by shareholders at the 2019 Annual General Meeting and is now included in the proposed new Remuneration Policy being put to shareholders at the Annual General Meeting.

## (5) Resolutions 15 and 16 – Appointment and remuneration of Auditor

The Company is required to appoint an Auditor to serve for each financial year of the Company. The appointment must be made before the end of the general meeting before which accounts are laid. KPMG LLP have indicated that they are willing to continue as the Company's Auditor for another year and Resolution 15 is, therefore, to appoint KPMG LLP as Auditor for the financial year ending 31 December 2020. Separately, Resolution 16 authorises the Audit and Risk Committee to determine the Auditor's remuneration.

The proposal to appoint KPMG as the Company's Auditor is based on a recommendation from the Audit and Risk Committee, is free from third party influence and is not subject to any restrictive contractual arrangement.

## (6) Resolution 17 – Renewal of Directors' authority to allot shares

The Directors are currently authorised to allot shares in the Company or grant rights to subscribe for or convert any securities into shares, but their authorisation ends on the date of the Annual General Meeting. This Resolution seeks to renew the Directors' allotment authority.

If passed, this Resolution will give the Directors the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal value equal to £11,496,752. This represents approximately 33% of the total ordinary share capital in issue (excluding treasury shares) as at 7 May 2020 (being the latest practicable date prior to the publication of this document).

The renewed authority will remain in force until 30 June 2021 or, if earlier, the conclusion of the Company's next Annual General Meeting. As at 7 May 2020, the Company held 2,390,180 treasury shares, being approximately 0.14% of the total ordinary share capital in issue (exclusive of treasury shares).

The Directors have no present intention of exercising this authority. However, by granting this authority, the Directors will have the flexibility to take advantage of any appropriate opportunities that may arise.

## (7) Resolution 18 – Disapplication of statutory pre-emption rights

Resolution 18 is a special resolution which, if passed by shareholders, will enable the Directors to allot ordinary shares in the Company, or to sell any shares out of treasury, for cash, without first offering those shares to existing shareholders in proportion to their existing holdings.

The Pre-Emption Group's Statement of Principles supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5% of issued ordinary share capital (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of Resolution 18 is to authorise the Directors to allot new shares (and other equity securities) pursuant to the allotment authority given by Resolution 17, for cash up to a nominal amount of £1,724,513 without the shares first being offered to existing shareholders in proportion to their existing holdings. This amount represents approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 7 May 2020 (being the latest practicable date prior to the publication of this document).

The Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles and not to allot shares or other equity securities or sell treasury shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 18 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, other than:

- (i) with prior consultation with shareholders; or
- (ii) in connection with 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 sought under Resolution 18 will remain in force until 30 June 2021 or, if earlier, the conclusion of the Company's next Annual General Meeting.

#### **(8) Resolution 19 – Notice of general meetings**

The Companies Act 2006 requires the notice period for general meetings of the Company to be at least 21 days. The Company, however, currently has the power to call general meetings (other than an Annual General Meeting) on at least 14 clear days' notice and would like to preserve this ability. In order to be able to do so, shareholders must approve the calling of meetings on at least 14 clear days' notice. Resolution 19, which will be proposed as a special resolution, seeks such approval. The approval will 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 general 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.

#### **(9) Resolution 20 – Authority to make market purchases of ordinary shares**

Resolution 20, which will be proposed as a special resolution, is to renew the authority granted to the Directors at last year's Annual General Meeting, which expires on the date of the forthcoming Annual General Meeting, and to give the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006.

The authority limits the number of ordinary shares that could be purchased to a maximum of 166,888,334 shares, which represents approximately 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at 7 May 2020 (being the latest practicable date prior to publication of this document). The authority also sets minimum and maximum prices at which shares may be bought. The renewed authority will, if passed, remain in force until 30 June 2021 or, if earlier, the conclusion of the Company's next Annual General Meeting.

The total number of options to subscribe for ordinary shares for all executive and employee share schemes of the Company which were outstanding as at 7 May 2020 was 49,151,731 which represents 2.95% of the issued share capital of the Company (excluding treasury shares), and would represent 3.27% of the issued share capital of the Company (excluding treasury shares) if the full authority to repurchase ordinary shares, as proposed by Resolution 20, were exercised. As at 7 May 2020, the Company held 2,390,180 treasury shares, being approximately 0.14% of the total ordinary share capital in issue (excluding treasury shares).

Any ordinary shares purchased under this authority would be by means of market purchases through the London Stock Exchange. Shares so purchased would be held as treasury shares or cancelled and the number of ordinary shares in issue reduced accordingly. The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account other investment opportunities. The authority to repurchase ordinary shares will, if approved by shareholders, only be exercised after careful consideration by the Directors, and if such an exercise would result in an increase in earnings per share and would be in the best interests of shareholders generally.

#### **(10) Resolution 21 – Amendments to articles of association**

Resolution 21, which will be proposed as a special resolution, is to update the Company's articles of association to expressly permit the Company to hold combined physical and electronic (or "hybrid") general meetings and to grant the Directors powers to facilitate such meetings.

Although there is no express statutory prohibition on the Company holding "hybrid" general meetings in the Companies Act 2006, the Directors consider it to be appropriate to include express provisions in the Company's articles of association setting out the framework for any "hybrid" general meeting that may be convened in the future and the actions the Directors may take in order to facilitate any such meeting.

The Directors note the Investment Association has expressed its support for hybrid meetings in its position paper published in December 2017 and the Institutional Shareholder Services UK and Ireland guidelines, published in November 2019 in relation to meetings on or after 1 February 2020, support the adoption of new articles of association allowing for hybrid meetings.

#### **Recommendation**

The Board considers that the passing of all the Resolutions set out in the notice of Annual General Meeting is likely to promote the success of the Company and would be in the best interests of the Company and its shareholders as a whole. The Directors recommend unanimously that you vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings (save in respect of those Resolutions in which they are interested).



# Appendix 1

## Directors' Biographies

### Sir Ian Powell

Chairman

**Appointed to Board:** September 2016

**Independent at appointment:** Yes

**Key skills and experience:** Sir Ian was appointed as Non-Executive Director on 1 September 2016 and as Chairman on 1 January 2017. He is a chartered accountant and, before his retirement in June 2016, was Chairman and Senior Partner of PwC UK between 2008 and 2016.

**Other current appointments:** Chairman, Police Now; trustee of The Old Vic, and of Wellbeing of Women; member of the Development Committee, The National Gallery; board member of London First.

**Contribution to long-term success:** Sir Ian's leadership is key to the Board's oversight of the multi-year transformation programme and the Company's strategy. His experience, coupled with his collaborative and engaging style ensures full and open debate by Board members and this approach is fundamental to the necessary support and challenge being provided by the Board to executive management.

### Jon Lewis

Chief Executive Officer

**Appointed:** December 2017

**Key skills and experience:** Before joining Capita, Jon was Chief Executive Officer of Amec Foster Wheeler. Prior to that, he had a 20-year career at Halliburton Company Inc, where he held a number of senior roles, including Senior Vice President and member of the Halliburton Executive Committee.

**Board responsibilities:** Managing and developing Capita's business to achieve the Company's strategic objectives.

**External appointments:** Board member of Equinor.

**Contribution to long-term success:** Jon has embraced fully his responsibility to lead Capita through the ongoing multi-year transformation he initiated and he has introduced and embedded significant change throughout the Group. He leads with great enthusiasm and drive, and his ongoing leadership of the executive management team, combined with his experience of prior transformations, is a key ingredient for the successful transformation of Capita and the delivery of its strategy.

### Patrick Butcher

Chief Financial Officer

**Appointed:** January 2019

**Key skills and experience:** Patrick is a member of the Institute of Chartered Accountants (South Africa) and has over 17 years of experience as a finance director at board level in transport and infrastructure companies. Before joining Capita, he was Group Chief Financial Officer at Go-Ahead Group and formerly Group Finance Director of Network Rail.

**Board responsibilities:** Overall control and responsibility for all financial aspects of the business's strategy.

**External appointments:** None.

**Contribution to long-term success:** Patrick has significant experience in financial, commercial and strategic roles, which have enabled him to engage with the transformation challenges faced by the Group. In addition, Patrick is analytical, articulate and decisive, which the Board views as essential attributes for his leadership role and the ongoing transformation of the Group.

### Gillian Sheldon

Senior Independent Director

**Appointed:** September 2012

**Key skills and experience:** Gillian is a senior adviser in Credit Suisse's investment banking division, where she has gained substantial experience of advising boards across a wide range of complex situations and transactions.

**Other current appointments:** Senior adviser at Credit Suisse; trustee of BBC Children in Need and Chair of its Investment Committee; member of Corporate Advisory Board of the Royal Academy of Arts.

**Contribution to long-term success:** Gillian brings to the Board a wealth of experience in banking and finance, and her perspective is highly relevant to the complexities of Capita's activity.

### Matthew Lester

Independent Non-Executive Director

**Appointed:** March 2017

**Key skills and experience:** Matthew is a chartered accountant with over 20 years' experience in senior finance roles. He was Group Chief Financial Officer of Royal Mail plc from November 2010 to July 2017. Matthew served as Group Chief Financial Officer for ICAP plc from May 2006 to November 2010.

**Other current appointments:** Chair of Kier Group plc; and a senior advisor to Hermes Investment Management.

**Contribution to long-term success:** Matthew has significant financial and risk management experience from his career and this continues to be invaluable to the Board at a time of great change within Capita. He fosters a culture of oversight, challenge and transparency in his role of Chair of the Audit & Risk Committee, and he will continue in that role as a strong and robust leader, at a significant time as the wider UK audit landscape comes under increased scrutiny.

### Georgina Harvey

Independent Non-Executive Director

**Appointed:** October 2019

**Key skills and experience:** Georgina has significant experience across highly competitive consumer-facing markets and of delivering successful transformational change. Prior to her current roles, Georgina was Managing Director of Regionals and a member of the Executive Committee of Trinity Mirror plc from 2005 to 2012.

**Other current appointments:** Non-Executive and Senior Independent Director of McColl's Retail Group plc; Non-Executive Director of Superdry plc and Big Yellow Group plc.

**Contribution to long-term success:** Georgina brings to her role as Chair of the Remuneration Committee experience of this role in other listed companies. She has already made a strong contribution by leading the remuneration consultation with investors shortly after she joined Capita and, following analysis of consultation feedback, development of the proposed new Directors' Remuneration Policy. Georgina will continue to lead on the implementation of the new policy, subject to its approval at the Annual General Meeting.

### John Cresswell

Independent Non-Executive Director

**Appointed:** November 2015

**Key skills and experience:** John has substantial experience in leading, growing and advising media and broadcast organisations as CEO and executive director. He is a Chartered Accountant, has a BSc in Economics and Politics, and attended the advanced management programme at Harvard Business School. Previously, he was CEO of Arqiva and held a number of executive director roles on the Board of ITV plc.

**Other current appointments:** Chief Executive Officer of Bibby Line Group Limited; member of University of Liverpool Management School Advisory Board.

**Contribution to long-term success:** John brings to the Board his experience of leading a group that provides services across a variety of business sectors.

### Andrew Williams

Independent Non-Executive Director

**Appointed:** January 2015

**Key skills and experience:** Andrew is Chief Executive of FTSE 100 company Halma plc, a leading specialist in safety, health and environmental technologies. He is also a chartered engineer and a production engineering graduate of Birmingham University. He attended the advanced management programme at Wharton Business School, University of Pennsylvania, in 2004.

**Other current appointments:** Chief Executive of Halma plc and Non-Executive Director of Cardiff Blues Ltd.

**Contribution to long-term success:** Andrew's wealth of executive management experience in a listed company environment enables him to understand the challenges faced by Capita's executive team at the same time as bringing thoughtful challenge to Board discussions.

### Baroness Lucy Neville-Rolfe DBE CMG

Independent Non-Executive Director

**Appointed:** December 2017

**Key skills and experience:** Baroness Neville-Rolfe has been a member of the House of Lords since 2013, and served between 2014 and 2017 as a government minister in the business and culture departments, and as Commercial Secretary to the Treasury. She has a senior background in international retail, governance, legal and regulatory issues, and communications.

**Other current appointments:** Chairman of Assured Food Standards; Non-Executive Director of Secure Trust Bank plc, Thomson Reuters Founders Share Company, and Health Data Research UK; Chair of UK-ASEAN Business Council; and member of House of Lords EU Select Committee.

**Contribution to long-term success:** Lucy's experience of government and retail at the highest level and internationally enables her to provide a unique perspective on Capita's relationships and interactions. She shares her insights at Board meetings and provides in-depth understanding of the political climate in which the Group is operating.

### Lyndsay Browne

Employee Non-Executive Director

**Appointed:** July 2019

**Key skills and experience:** Lyndsay is a member of the Institute of Chartered Accountants (Scotland) and has undertaken various finance roles in insurance and financial services since joining Capita in 2003. She currently works as a finance manager in the Specialist Services division and is involved in commercial contract management, the finance transformation programme and financial reporting. Before joining Capita, Lyndsay worked for KPMG Audit and Advisory in Glasgow and Bermuda.

**Other current appointments:** None

**Contribution to long-term success:** Lyndsay is able to provide an employee's perspective in Board discussions, ensuring the Board's decisions properly take into account Capita's workforce and other stakeholders. She does this clearly and concisely, and she shares ideas and constructive insight on how employees might perceive Board decisions.

### Joseph Murphy

Employee Non-Executive Director

**Appointed:** July 2019

**Key skills and experience:** Joseph works in the technical advisory team in the Real Estate and Infrastructure business within Specialist Services. He joined Capita in 2015 and is a chartered civil engineer with a master's degree in ground engineering. His role involves monitoring and advising on large infrastructure projects in the UK and Europe. His previous experience includes engineering design and construction management.

**Other current appointments:** None

**Contribution to long-term success:** Joseph is able to provide an employee's perspective in Board discussions, ensuring the Board's decisions properly take into account Capita's workforce and other stakeholders. He is thoughtful and gives direct feedback to the Board on the viewpoint of those in the wider workforce.





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