

# Corporate governance

## Corporate governance

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# “The Board has focused on the financial, operational and organisational transformation of the Group and implementation of its strategic priorities to deliver sustainable free cash flow.”

David Lowden, Chair

## Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Company's corporate governance report for the year ended 31 December 2024.

## Corporate governance

This corporate governance report sets out how the Company has complied with the 2018 UK Corporate Governance Code. It also aims to explain the work and activities of the Board, and the work of its committees.

## Company purpose and culture, and Board decision making

We recognise that the Board has ultimate responsibility for ensuring an appropriate culture is in place across Capita to underpin how the business behaves towards all its stakeholders. During 2024, management engaged with our

people, at all levels across the organisation, to design Capita's future culture blueprint. Our goal is to create a better Capita for all stakeholders with the use of better technology, providing better delivery and better efficiencies and becoming a better company. Further actions are being taken during 2025 to reset our company culture, which is critical to delivering a better Capita, with the Board and its Responsible Business Committee receiving regular reports and feedback on how this is being embedded within the organisation.

We fully understand our obligations to consider the interest of all our stakeholders when making decisions, but we recognise that in certain instances, including the delivery of our efficiency savings during 2024, the interests of our differing stakeholders may conflict, presenting challenging decisions for the Board and senior management.

During the year, principal issues for the Board's focus included: the Company's operational and financial performance; the strategic review undertaken by Adolfo Hernandez following his appointment as CEO in January 2024, the conclusions of which were announced at our Capital Markets Day on 13 June 2024 together with our related financial targets; and CFO succession planning.

The Board has focused on the financial, operational and organisational transformation of the Group and implementation of its strategic priorities to deliver sustainable free cash flow. The Group's technology strategy announced at our Capital Markets Day will be organic, with low capital intensity and principally funded through partial investment of our cost-savings programme and refocusing of the business towards more profitable customer solutions. This includes the development and adoption of our gen AI products by clients, often partnering with technology hyperscalers, and the monitoring of associated risks to ensure that there is appropriate rigour and governance.

In July 2024, and in line with the strategy announced at the Capital Markets Day, the Board approved the disposal of the Group's standalone software business, Capita One. The disposal realised net cash proceeds of c.£180m received in September 2024 and has strengthened the Group's financial position while providing funding and optionality for our transformation journey.

The Board spent considerable time during the year monitoring the cost reduction programme announced in November 2023. In December 2024, based on the success of the programme and positive results from early client adoption of the newly launched AI and gen AI products, the Board approved an increase in the Group's cost saving target from £160m to up to £250m to be delivered by December 2025, recognising that the Group's 12 month voluntary attrition rate of c.22% will contribute to these savings, reducing the need for further redundancies.

The Board and its committees have also spent considerable time focusing on actions being taken by management to improve the Group's diversity and inclusion.

Our s172 statement, which details how the Board considers the views of its stakeholders and principal Board decisions during 2024, is on pages 48 to 52.

### Board succession planning and composition

2024 has been a year of considerable change for the Board, with the appointment of Adolfo Hernandez as CEO on 17 January 2024, following the decision of Jon Lewis to retire in 2023. In addition, and as detailed in my Chairman's statement, in May, Tim Weller announced his intention to retire as CFO having joined the Board in May 2021. Pablo Andres was appointed as a director on 15 July 2024 and as CFO on 9 August 2024 following an extensive search led by the Nomination Committee. Pablo has the right skillset and drive to support Adolfo in leading the next chapter of Capita.

In October 2024, we welcomed Jack Clarke to the Board as independent non-executive director and chair of the Group's Audit and Risk Committee, succeeding Brian McArthur-Muscroft in this position. I am pleased that Brian continues in his role as independent non-executive director bringing his valuable and extensive experience.

Given the above significant changes to the Board's composition, including a change of both CEO and CFO, it was agreed that the Board and its committees should undertake an internal review during 2024 rather than a review facilitated by a third party which had been proposed. The Board intends to appoint a third party during 2025 to facilitate the annual review of the Board and its committees, details of which will be included in the Company's 2025 corporate governance report.

Further details of these changes are provided in the Nomination Committee report on pages 90 to 94.

### Stakeholder engagement

The Board values engagement with stakeholders.

Following her appointment in February 2024 as the designated non-executive director for colleague engagement, Nneka Abulokwe has spent time visiting our colleagues in South Africa and meeting with the chairs of the Group's employee network groups. In addition, she attended the Group's Black Employees' Network (BEN) Awards, together with Adolfo and Pablo and members of our executive team and presented the award for BEN Star which recognises members who have lived the Capita values.

Georgina Harvey, Remuneration Committee chair, continues to lead two sessions per year with colleagues to discuss pay at Capita including executive remuneration.

In addition, as shown in a number of photos throughout this report, the Board met with various colleagues in Capita's Transport for London offices in Coventry and with members of Transport for London management.

During the year, we had to make difficult decisions to remain competitive in a challenging economic climate and to continue to strengthen and grow the business, including our decision not to continue as a real living wage employer in 2024. These decisions are reflected in the Group's employee net promoter score, which showed a decline in the number of colleagues who would recommend Capita as an employer to friends and family. However, employee engagement was at 64%, representing only a small reduction of three-points on the prior year, with 81% of employees stating that they can be themselves at work.

The Board considers that engagement with colleagues is critical to understanding issues and embedding our culture, and further engagement and site visits are planned by the Board and our non-executive directors during 2025. The Board will also closely monitor the implementation of our company-wide culture change programme which is a key focus for both the Board and senior management during 2025. Our aim is to ensure that colleagues can build fulfilling careers at all levels of the organisation and are proud to be part of Capita.

Details of how the Board has oversight of stakeholders' interests, together with examples of how decisions taken by the Board have impacted stakeholders during the year, are on page 52.

### Governance reforms

In January 2024, the Financial Reporting Council (FRC) published the UK Corporate Governance Code (2024 Code). The main changes in the 2024 Code focus on internal controls and require boards to monitor and review all material controls and to make a declaration on their effectiveness in the annual report. The 2024 Code will apply to Capita for the financial year commencing 1 January 2025 (except for provision 29 in relation to risk management and internal controls which is effective from 1 January 2026). The Board and its Audit and Risk committee are updated on the forthcoming requirements and plans to ensure the Company is compliant with the provisions and principles of the 2024 Code at the appropriate time. Further information on the Company's actions to ensure compliance with provision 29 are included in the report of the Audit and Risk Committee on pages 99 to 107.

On behalf of the Board, the Responsible Business and Audit and Risk Committees are also monitoring the Group's progress to comply with the new Corporate Sustainability Reporting Directive in 2026.

### The year ahead

The Board is committed to doing things in the right way, and during 2024 we strengthened our governance processes to ensure that we were prepared for the introduction of the 2024 Code and that our approach to disclosure remains understandable and transparent.

### 2025 AGM

Our AGM will be held on 28 April 2025. This provides an opportunity for our shareholders to meet with our directors and I hope you will be able to attend.

### Corporate governance and committee reports

The following pages in this section consist of our corporate governance and committee reports. I hope that you will find these and the entire Annual Report informative. The Board will be pleased to receive any feedback you may have.

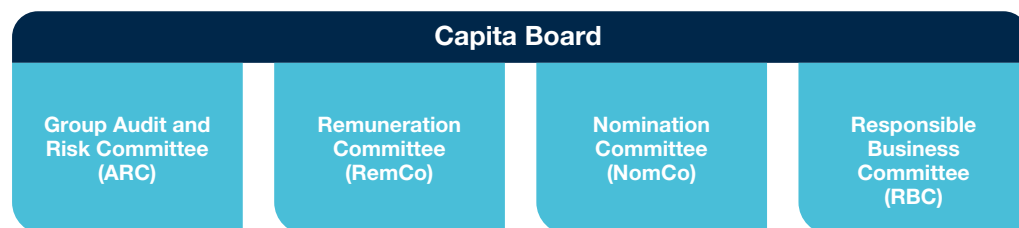
**David Lowden, Chairman**

4 March 2025



# Governance at a glance

The Board is collectively responsible for promoting Capita's long-term sustainable success, generating value for shareholders, and contributing to wider society. To assist in providing effective oversight and leadership, the Board has established the following committees:



**Executive Team**

The Group has an Executive Team to manage Capita's business day to day. Further information on our governance structure is available throughout this corporate governance report.

Board changes during 2024			
<b>17 January 2024</b> Jon Lewis stepped down as CEO and a Director, succeeded by Adolfo Hernandez	<b>15 July 2024</b> Pablo Andres was appointed as a Director and CFO designate	<b>9 August 2024</b> Tim Weller stepped down as CFO and a Director, with Pablo Andres succeeding him as CFO	<b>9 October 2024</b> Jack Clarke was appointed as a Non-Executive Director and Chair of the Audit and Risk Committee

There have been no changes to Board membership from 1 January 2025 to the date of this report.

## Governance highlights

During 2024 our governance framework supported our strategic delivery in a number of ways, including:

**Board approval of the strategy announced at the Capital Markets Day on 13 June 2024**

**Overseeing the Group's cost reduction programme, announced in November 2023, and, in December 2024, approving an increase in the Group's cost saving target from £160m to up to £250m to be delivered by December 2025**

Board approval of the disposal of the Group's standalone software business, Capita One, raising net cash proceeds of c.£180m

Board focus on strategic partnerships with hyperscalers

Conducting an internal Board and Committee evaluation

Reviewing and approving Capita's Gender and Ethnicity Pay Gap Report 2024

Reviewing and approving the Supplier Charter

Reviewing and approving Capita's Modern Slavery Statement 2024

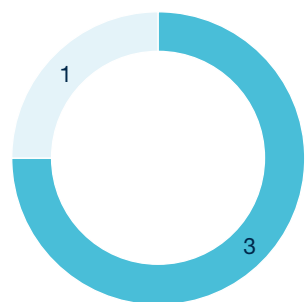
Approving the remuneration policy for executive directors proposed to shareholders at the 2024 annual general meeting

Search and identification of new CFO, Pablo Andres, to succeed Tim Weller upon his retirement and appointment of an Independent Non-Executive Director

## Board composition at 31 December 2024

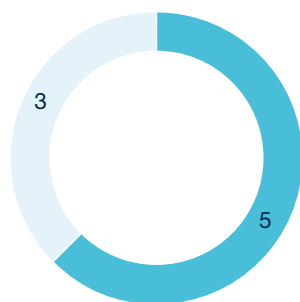
There have been no changes in the composition of the Board from 31 December 2024 to 4 March 2025

### Gender representation in senior Board positions



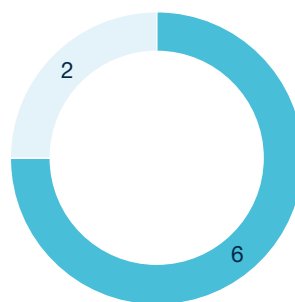
- Male – Chairman/CEO/CFO
- Female – SID

### Gender diversity



- Male (62.5%)
- Female (37.5%)

### Ethnic diversity



- White
- Persons of colour

### Board tenure

Appointed during:	2019	2020	2021	2022	2023	2024	2025
David Lowden							
Georgina Harvey							
Nneka Abulokwe							
Jack Clarke							
Neelam Dhawan							
Brian McArthur-Muscroft							

Length of tenure

## Board skills and experience

Director	Government contracting	Regulated businesses	Business process outsourcing	Consulting	Account management	Technology and/or digital	AI/gen AI	Transformation and strategy	Cyber security	Finance	International	Sustainability	P&L experience/responsibility	Corporate governance stakeholder in FTSE listed environment (exc. Capita)
David Lowden								•		•	•		•	•
Adolfo Hernandez	•	•		•	•	•	•	•	•	•	•	•	•	•
Pablo Andres	•	•	•					•		•	•		•	•
Nneka Abulokwe	•	•	•	•	•	•	•	•	•		•	•	•	
Jack Clarke			•			•		•		•	•		•	•
Neelam Dhawan	•	•	•	•	•	•		•	•		•		•	
Georgina Harvey			•		•			•				•	•	•
Brian McArthur-Muscroft		•	•			•		•	•	•	•	•	•	•

## Chairman



**David Lowden**  
Chairman

**Appointed:** January 2021 (Independent Non-Executive Director); March 2021 (Senior Independent Director); May 2022 (Chairman)

**Independent at appointment:** Yes

**Key skills and experience:** David is a highly experienced non-executive director, senior independent director and chair of UK listed companies. He was formerly Chair of PageGroup plc and Huntsworth plc, Senior Independent Director at Berendsen, Chair of the Audit and Risk Committee at William Hill, Chair of the Audit Committee at Cable & Wireless Worldwide plc and Chief Executive of Taylor Nelson Sofres plc.

**Other current appointments:** Chairman of Diploma plc; and Senior Independent Director of Morgan Sindall plc.

## Executive Directors



**Adolfo Hernandez**  
Chief Executive Officer

**Appointed:** January 2024

**Key skills and experience:** Adolfo has c.30 years' experience in the technology sector, achieving an excellent record in accelerating revenue growth driven by digital services. Prior to joining Capita, Adolfo was Vice President of Amazon Web Services Global Telecommunications which is focused on enabling digital transformation to the cloud for customers across the globe. Former positions include: CEO of SDL plc (now part of RWS Group); and CEO of Acision (now part of Mavenir) and various global leadership roles at Alcatel-Lucent, Sun Microsystems and IBM. In 2020, Adolfo was named Tech CEO of the Year at the UK Tech Awards.

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

**External appointments:** None.



**Pablo Andres**  
Chief Financial Officer

**Appointed:** Appointed as a Director on 15 July 2024, and as Chief Financial Officer on 9 August 2024.

**Key skills and experience:** Before joining Capita, Pablo was Group CFO of Ventient Energy, a pan-European renewable energy company. Prior to Ventient, Pablo was Group Financial Controller of G4S plc from 2013-2020 and CFO of London Stansted Airport from 2011 to 2013. He has also held senior finance roles at BAA airports and Ferrovial Group. He trained at Arthur Andersen/Deloitte in Spain between 1996 and 2005.

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

**External appointments:** Pablo is currently a Non-Executive Director, Chair of the Audit and Risk Committee and Chair of the Treasury Committee of the GreenSquareAccord Group.

## Independent Non-Executive Directors



**Georgina Harvey**  
Senior Independent Director

**Appointed:** October 2019 (Non-Executive Director); July 2022 (Senior Independent Director)

**Key skills and experience:** Georgina has significant experience across highly competitive consumer-facing markets and of delivering successful transformational change. Prior to her non-executive roles, Georgina was Managing Director of Regionals and a member of the Executive Committee of Trinity Mirror plc from 2005 to 2012. Georgina has previously served as a Non-Executive Director on the Boards of Superdry plc, McColl's Retail Group plc, Big Yellow Group plc, and William Hill – all as Chair of the Remuneration Committee. Georgina was a Non-Executive Director and Chair of the Remuneration Committee of Britvic plc from January 2024 until 16 January 2025, when she resigned following the completion of the takeover of Britvic by Calsberg A/S.

**Other current appointments:** Georgina is currently a non-Executive Director of M&C Saatchi Plc.

## Key to committees



Audit and Risk



Nomination



Remuneration



Responsible Business



Committee chair

## Independent Non-Executive Directors

**Nneka Abulokwe OBE**

**Appointed:** February 2022, and as designated director for employee engagement in February 2024.

**Key skills and experience:** Nneka has extensive experience of delivering IT and outsourcing services for governments and private institutions globally. Over her c.25 years' corporate career, she held senior positions with Logica (now CGI), Atos and Sopra Steria, before founding MicroMax Consulting. She holds a Bachelor's and Master's in History and an Executive Doctoral/PhD degree in Business Administration, specialising in the outsourcing of tech services. Nneka was awarded Officer of the Order of the British Empire (OBE) in 2019 for services to business.

**Other current appointments:** Non-Executive Director and Chair, RB Committee at Davies Group; Director of MicroMax Consulting; Board of Visitors Ashmolean Museum, University of Oxford; International Advisory Board member, Cranfield School of Management.

**Jack Clarke**

**Appointed:** October 2024

**Key skills and experience:** Jack has extensive experience of contracting businesses. Jack retired as a director and Chief Financial Officer of Essentra plc, a FTSE-250 global manufacturer and provider of essential components and solutions on 31 December 2024. Prior to this he was the Group Finance and Executive Director of Marshalls plc from October 2014 to April 2021. Jack served as the Strategy Director and then CFO of AMEC (E&I) between January 2010 and September 2014. Jack is a qualified accountant, having qualified with KPMG and has a diploma in treasury management. He has a Bachelor in Economics and Management Studies (Honours) and Master of Science (Civil Engineering) from Leeds University.

**Other current appointments:** None.

**Neelam Dhawan**

**Appointed:** March 2021

**Key skills and experience:** Neelam has c.40 years' leadership experience in the IT industry, where she held senior positions in Hewlett-Packard, Microsoft, Compaq and IBM with responsibility for a wide range of areas including strategy, corporate development, software engineering and offshoring. She now advises multinationals on business and technology transformation and, was formerly an advisor to IBM, helping them navigate through a business and talent transformation in India. Until 2023 Neelam was a director of Skylo Technologies Inc. and a member of the Koninklijke Philips NV Supervisory Board. Neelam stepped down as a Non-Executive Director of Yatra Online Inc. in January 2025.

**Other current appointments:** Non-Executive Director of ICICI Bank Limited, Hindustan Unilever Limited and Tech Mahindra Limited.

**Brian McArthur-Muscroft**

**Appointed:** June 2022

**Key skills and experience:** Brian was formerly Chief Financial Officer for Qontigo, a financial intelligence and investment management business. Prior to this he was the Group Chief Financial Officer for Micro Focus International plc, a FTSE100 global infrastructure software company. Former roles include CFO at Paysafe Group plc leading the business to a FTSE 250 listing in 2016 and Brian was Group FD at Telecity Group plc. Prior to joining Capita, Brian was a Non-Executive Director at Robert Walters plc. Brian holds a law degree and qualified as a chartered accountant with PricewaterhouseCoopers in London.

**Other current appointments:** Brian is the Group CFO at IQ-EQ, a Global Investor Services company.

**Directors who served during 2024**

**Jon Lewis** retired from his position as Chief Executive Officer on 17 January 2024. **Tim Weller** retired from his position as Chief Financial Officer on 9 August 2024.

# Corporate governance report

## Compliance with the UK Corporate Governance Code 2018

### Our commitment to corporate governance

Capita plc and its subsidiaries (the Group) are committed to maintaining high standards of corporate governance. The UK Corporate Governance Code 2018 (the Code) applies to accounting periods beginning on or after 1 January 2019 and is available from the Financial Reporting Council's website, [www.frc.org.uk](http://www.frc.org.uk). The Code sets out the framework of governance for premium listed companies such as Capita plc.

### Compliance statement

It is the Board's views that for the financial year ended 31 December 2024, the Company was compliant with all the principles and provisions set out in section 1 to 5 of the Code.

In Capita's 2023 Corporate governance report we noted that the 2024 annual evaluation would be externally facilitated. However, due to the appointment of Adolfo Hernandez as our new CEO in January 2024 and the appointment of Pablo Andres as CFO in August 2024, it was agreed during the year that an externally facilitated evaluation was not appropriate and was unlikely to provide any material benefit given these recent changes in the composition of the Board.

Consequently, it was agreed that it was appropriate to defer the external evaluation until 2025 when the new Board was fully established with our new directors integrated. Given that Capita is not currently a constituent of the FTSE 350 the Code does not require us to have an externally facilitated board evaluation at least every three years, however the Board has agreed that an externally facilitated board review should be undertaken during the second half of 2025, details of which will be included in our 2025 Corporate governance report.

Together with the Directors' remuneration report on pages 108 to 126, this report sets out the Board's approach to governance and the work undertaken over the year.

Further information about how the Company has applied the principles of the Code is set out in this corporate governance report. Key highlights of the Company's compliance with the Code together with cross references to other sections of the Annual Report are detailed in the table opposite.

## How we apply the principles of the Code

	Pages
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# Governance structure and division of responsibilities

## The Board

### Role of the Board

The Board is responsible for promoting Capita's long-term success. This is achieved through effective governance and keeping the interests of stakeholders at the fore in decision making. The Board establishes the Group's purpose and values and sets the Group's strategy, ensuring alignment with our culture, and overseeing its implementation by management. The Board is responsible for oversight of the Group's governance, financial reporting, internal controls, and risk management, including the Group's risk appetite.

A full schedule of matters reserved for the Board's decision is available in the Corporate Governance section of the Company's website at [www.capita.com](http://www.capita.com).

### Board composition and election

Our Board currently comprises eight members: the Chairman, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and five independent Non-Executive Directors who are experienced individuals, drawn from a wide range of industries and backgrounds with the skills to promote the long-term sustainable success of the Group.

Board composition is a deliberate balance of newer and longer-standing members and reflects the ongoing review and refreshment of Board membership to ensure a balance of skills and experience appropriate for the broad nature of Capita's businesses. The experience and breadth of tenure of the non-executive directors means the Board is well positioned to advise, challenge, and support executive management to deliver against our strategic priorities as the Group continues its transformation journey.

All non-executive directors are appointed to the Board for an initial fixed three-year term, subject to annual re-election by shareholders at the Company's AGM. In accordance with the Code, all directors will retire and offer themselves for election or re-election at the 2025 AGM to be held on 28 April 2025.

### Board independence

Non-executive directors are required to be independent in character and judgement. All relationships that may interfere materially with this judgement are disclosed as required under the conflicts of interest policy, see page 128. The Board believes that each of the non-executive directors has retained independence of character and judgement and has not formed associations with management or others that may compromise their ability to exercise independent judgement or act in the best interest of the Group.

The Code does not consider a chairman to be independent due to the unique position the role holds in corporate governance. David Lowden met the independence criteria outlined in the Code when he was appointed as the Group's chairman in 2022. The Board is satisfied that no conflict of interest for any director requires disclosure, see page 128.

Directors' biographies, tenures, key skills and experience, and external appointments are set out on pages 82 to 83.

\* The ESG Committee changed its name to the Responsible Business Committee on 1 October 2024, to align with Capita's refreshed responsible business strategy.

## The Board delegates certain matters to its four principal committees:

### Nomination Committee

Chair: David Lowden

Membership: 7

Chairman, 5 Independent Non-Executive Directors + CEO

- Reviews composition of the Board.
- Recommends appointments of new directors.
- Ensures plans are in place for orderly succession to both the Board and senior management positions.
- Overseas development of diverse pipeline for succession.

The Nomination Committee report can be found on pages 90 to 94.

### Audit and Risk Committee

Chair: Jack Clarke

Membership: 4

4 Independent Non-Executive Directors

- Reviews accounting policies and contents of financial reports.
- Monitors internal control environment.
- Considers adequacy, effectiveness, and scope of external and internal audit programme.
- Overseas relationship with external auditor.
- Monitors risk profile and obtains assurance that principal risks have been properly identified and appropriately managed.

The Audit and Risk Committee report can be found on pages 99 to 107.

### Remuneration Committee

Chair: Georgina Harvey

Membership: 4

3 Independent Non-Executive Directors and Chairman

- Sets remuneration policy and principles for Board and senior management remuneration.
- Approves incentive design and setting of targets.
- Approves executive directors and senior management remuneration

The Directors' remuneration report can be found on pages 108 to 126.

### Responsible Business (RB) Committee\*

Chair: Nneka Abulokwe

Membership: 4

3 Independent Non-Executive Directors and Chairman

- Oversees the development of the Group's RB strategy, monitoring its performance in relation to RB matters.
- Considers the adequacy of the Group's RB policies and processes.
- Oversees and monitors the Group's progress against its net zero emissions strategy.
- Oversees and supports stakeholder engagement on RB matters.

The RB Committee report can be found on pages 95 to 98.

Committee terms of reference are available on the Company's website at [www.capita.com/about-capita/corporate-governance](http://www.capita.com/about-capita/corporate-governance).

### Executive Team Chair: Adolfo Hernandez

The Executive Team is responsible for the execution of the Company's strategy and the day-to-day management of the business.

### Disclosure Committee

The Disclosure Committee identifies and controls inside information or information which could become inside information and determines how and when that information is disclosed in accordance with applicable legal and regulatory requirements.

### Supporting committees

The Executive Team operates a number of supporting committees that provide oversight on key business activities and risk. These include the executive ethics and risk committee and the Capita investment review committee.

## Board leadership and roles

To ensure the Board performs effectively, there is a clear division of responsibilities between the leadership of the Board and the executive leadership:

### Chairman

**(David Lowden)**

Leadership of the Board and ensuring its effectiveness on all aspects of its roles. This includes:

- Ensuring there is effective communication between the Board, management, shareholders, and the Group's wider stakeholders, while promoting a culture of openness and constructive debate;
- Ensuring that the views of all stakeholders are taken into consideration in the Board's decisions;
- Promoting the highest standards of corporate governance;
- Setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- Ensuring that directors receive accurate, timely and clear information; and
- Overseeing the annual Board performance review and addressing any actions.

### Senior Independent Director

**(Georgina Harvey)**

The responsibility of this role includes:

- Acting as a sounding board for the Chairman on Board-related matters;
- Chairing meetings in the absence of the chairman;
- Acting as an intermediary for other directors when necessary;
- Leading the review of the Chairman's performance;
- Being available to shareholders who wish to discuss matters which cannot be resolved otherwise; and
- Leading the search for a new Chairman, when necessary.

### Independent Non-Executive Directors

**(Georgina Harvey, Nneka Abulokwe, Jack Clarke, Neelam Dhawan and Brian McArthur-Muscroft)**

The responsibility of this role includes:

- Providing effective and constructive challenge to the Board;
- Scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- Reviewing Group financial information and ensuring there are effective systems of governance, risk management and internal controls in place;
- Determining appropriate levels of remuneration of executive directors; and
- Having a prime role in appointing executive directors, and in succession planning.
- Nneka Abulokwe has been appointed as the designated non-executive director for colleague engagement.

### Chief Executive Officer

**(Adolfo Hernandez)**

The role of CEO is separate from that of Chairman to ensure that no one individual has unfettered powers of decision making. The CEO has responsibility for:

- The day-to-day running of all aspects of the Group's business;
- Developing and implementing the Group's strategy;
- Ensuring the effective implementation of Board decisions;
- Leading the Group's executive team; and
- Representing the Group to external stakeholders.

### Chief Financial Officer

**(Pablo Andres)**

The responsibility of this role includes:

- Supporting the CEO in developing the Group's strategy and its implementation;
- Representing the Group to external stakeholders;
- Ensuring that the Group has the appropriate financing structure and internal controls over financial reporting; and
- Oversight of the following key functions: Finance, Investor Relations, Internal Audit and Risk Management, Tax, Treasury, Insurance and Commercial.

### Chief General Counsel and Company Secretary

**(Claire Denton)**

The responsibilities of this role include:

- Available to all directors and is responsible for ensuring that all Board procedures are complied with. Has direct access and responsibility to the chairs of the standing committees and open access to all directors, and is secretary to the Board and all its committees.
- And/or the Deputy Company Secretary meets regularly with the Chairman and committee chairs and briefs them on areas of governance and committee requirements.

Independent advice: All Board members have access to independent advice on any matters relating to their responsibilities as directors and as members of the various committees of the Board at the Group's expense.

## Board composition at:

	1 January 2024	31 December 2024
<b>Chairman</b>	David Lowden <sup>1</sup>	David Lowden
<b>Chief Executive Officer</b>	Jon Lewis <sup>2</sup>	Adolfo Hernandez <sup>2</sup>
<b>Chief Financial Officer</b>	Tim Weller <sup>3</sup>	Pablo Andres <sup>3</sup>
<b>Senior Independent Director</b>	Georgina Harvey	Georgina Harvey
<b>Independent Non-Executive Director</b>	Nneka Abulokwe	Nneka Abulokwe
	Neelam Dhawan	Neelam Dhawan
	Brian McArthur-Muscroft	Brian McArthur-Muscroft
	–	Jack Clarke <sup>4</sup>

1. David Lowden was independent on appointment as chairman in accordance with the Code.
2. Jon Lewis retired as CEO and a director on 17 January 2024, with Adolfo Hernandez appointed as CEO and a director on that date.
3. Tim Weller retired as CFO on 9 August 2024. Pablo Andres was appointed as a director on 15 July 2024 and as CFO on 9 August 2024 upon Tim's retirement.
4. Jack Clarke was appointed as Independent Non-Executive Director and as chair of the Audit and Risk Committee on 9 October 2024.
5. Further information on these changes is provided in the Nomination Committee report on pages 90 to 94. There have been no changes to the Board from 1 January 2025 to the date of this report.

### Directors' interests

The interests of directors and their immediate families, who served during the year in the shares of the Company, together with details of executive directors' share options, are contained in the Directors' remuneration report set out on pages 108 to 126.

At no time during the year did any of the directors have a material interest in any significant contract with the Company or any of its subsidiaries.

### Board meetings and attendance.

During 2024, the Board held six scheduled meetings. The Board also held an in-depth strategy session and attended a site visit in Coventry to meet with management and colleagues managing and servicing the contract with Transport for London. Additional ad hoc meetings were held as required. In 2024, these included meetings in relation to the disposal of Capita One, Capita's standalone software solutions business. Meetings held outside the normal schedule need to be flexible and are principally held by video conference.

Attendance of the directors at scheduled Board and committee meetings is shown in the following table; the maximum number of meetings a director could attend is in brackets.

The chairman and non-executive directors held a closed session without management present at the end of several scheduled 2024 Board meetings. Throughout the year, directors also devoted time to interviewing candidates for both executive and non-executive roles. The Chairman also held one-to-one individual review sessions with each executive director and each non-executive director.

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	RB Committee
David Lowden <sup>1</sup>	6/(6)	N/A	4/(4)	3/(3)	4/(4)
Adolfo Hernandez	6/(6)	N/A	N/A	3/(3)	N/A
Pablo Andres <sup>2</sup>	3/(3)	N/A	N/A	N/A	N/A
Tim Weller <sup>2</sup>	4/(4)	N/A	N/A	N/A	N/A
Georgina Harvey	6/(6)	5/(5)	5/(5)	3/(3)	4/(4)
Brian McArthur-Muscroft <sup>3</sup>	6/(6)	5/(5)	4/(5)	3/(3)	N/A
Nneka Abulokwe <sup>4</sup>	6/(6)	4/(4)	1/(1)	3/(3)	4/(4)
Neelam Dhawan	6/(6)	5/(5)	5/(5)	3/(3)	N/A
Jack Clarke <sup>5</sup>	1/(1)	1/(1)	N/A	1/(1)	N/A

1. David Lowden was appointed as a member of the Remuneration Committee on 6 March 2024. David was independent upon appointment as Chairman and does not participate in any Remuneration Committee discussions that consider his remuneration.
2. Pablo Andres was appointed as a director on 15 July 2024 and as CFO on 9 August 2024 upon the retirement of Tim Weller.
3. Brian McArthur-Muscroft was unable to attend one Remuneration Committee meeting due to a late change in the Remuneration Committee meeting schedule which coincided with a prior business engagement. However, he was able to review the Remuneration Committee papers prior to the meeting and provide feedback to the Committee chair, who ensured that Brian's comments were discussed and taken into consideration by the Committee.
4. Nneka Abulokwe was appointed as a member of the Audit and Risk Committee on 27 February 2024 and stood down as a member of the Remuneration Committee on 6 March 2024.
5. Jack Clarke was appointed as a director, chair of the Audit and Risk Committee and a member of the Nomination Committee on 9 October 2024.
6. Jon Lewis retired as CEO and a director on 17 January 2024. No Board or committee meetings were held from 1 January 2024 to 17 January 2024.

Georgina Harvey, Senior Independent Director met with the Non-Executive Directors and Executive Directors without the Chairman being present to undertake the annual review of the Chairman's performance.

### Board effectiveness

The Board carries out effectiveness reviews annually.

The last external evaluation was undertaken by Independent Evaluation in 2021. Internal evaluations were performed during 2022, 2023 and 2024. As noted in the 2023 Corporate governance report, the 2024 evaluation was due to be facilitated externally. However, due to the change in CEO and CFO, the Board agreed that an externally facilitated review was unlikely to deliver value and that it would be appropriate to defer the external review until the new Board was fully established. It is the intention that the 2025 review will be conducted externally in H2 2025, with details of the process and outcome included in the 2025 Corporate governance report.

Key findings of the evaluation performed in 2023 are set out below together with actions taken during 2024:

Finding from 2023 evaluation	Actions taken in 2024
<b>Stakeholders –</b> The Board requested: <ul style="list-style-type: none"><li>• additional focus on client feedback.</li><li>• greater exposure of key supplier relationships.</li><li>• increased interaction with colleagues (see below)</li></ul>	The Board receives additional information on client feedback and key supplier relationships, including the Company’s relationship with its technology partners. The Divisional CEOs presented to the RB Committee on the results of the 2023 customer net promoter score (cNPS) and proposed actions. A further presentation was made in February 2025 on the results of the 2024 cNPS, noting the improvement from +16 in 2023 to +28 in 2024. In October 2024, the Board visited Capita’s offices in Coventry and met with representatives of Capita’s client, Transport for London.
<b>Wider engagement with colleagues</b> <ul style="list-style-type: none"><li>• The Board agreed that following the streamlining of the Group, the Board should have broader engagement with colleagues to include site visits by individual directors.</li></ul>	During the visit to Coventry the Board met with colleagues who manage and deliver our contract with Transport for London. During the year, Nneka Abulokwe visited Capita’s offices in South Africa and met with some chairs of the Group’s Employee Network Groups during her visit. Nneka also met with the chairs of the Group’s Employee Network Groups later in the year in the UK and attended and presented at Capita’s Black Network Group Awards event. Georgina Harvey, chair of the Remuneration Committee hosted two events for a broad range of colleagues which discussed pay at Capita and executive director remuneration. The Chairman encourages all directors to meet with colleagues and further visits by individual directors are being arranged for 2025.
<b>Board meeting support</b> <ul style="list-style-type: none"><li>• The Board requested further improvement in the quality of Board papers and formalisation of the process to review previous key decisions made by the Board.</li></ul>	The Chairman discussed these matters with the Chief General Counsel and Company Secretary and appropriate actions have been taken to improve Board meeting support and quality of papers.
<ul style="list-style-type: none"><li>• The Board requested that the Company focused on certain strategic matters for the future to achieve its strategic priorities and improved financial performance.</li></ul>	Adolfo Hernandez, CEO presented the outcome of his strategic review to the Board in May, details of which were announced at our Capital Markets Day in June 2024. The Board receives regular presentations from Adolfo, members of the Executive Team and other senior management relating to the Company’s strategic priorities including progress on Capita’s joint transformation initiatives with its hyperscaler partners. The Chairman, the CEO and the Chief General Counsel and Company Secretary discuss the Board agenda in detail ensuring that the Board has the appropriate time to fully discuss and consider the Group’s strategic priorities.

The 2024 Board evaluation, and the evaluation of its committees, was undertaken internally by the completion of a questionnaire by each director, followed by a one-to-one meeting with the Chairman. The Board received a report from the Chairman on the outcome of the evaluation, including formal recommendations which were discussed and approved by the Board. Committee feedback was presented to the relevant committee chair. The Chairman was assisted in this process by Claire Denton, Chief General Counsel and Company Secretary.

Overall, the performance of the Board and its committees was viewed positively, with effective handling of the CEO transition and a good understanding of the risks inherent in the Group’s business activities. Relationships within the Board, including between the non-executive directors and the executive directors, were rated highly with relationships with the new CEO and CFO and the NEDs continuing to develop positively.

The following principal areas were identified for actions:

Principal areas identified for action in the 2024 Board evaluation	Proposed action in 2025
<b>Stakeholders –</b> Although noting that interaction with colleagues had increased, particularly for Nneka Abulokwe, designated director for colleague engagement, the Board was seeking more engagement with the business for the NEDs.	A further site visit will be arranged for the Board in 2025. In addition, further interactions with the business will be considered. This will include further exposure to new products being developed together with our trusted hyperscaler partners.
<b>Board support –</b> The Board requested that additional information regarding client contracts be included in Business Updates, with further improvement on the length and focus of Board and committee papers and presentations requested, including increased focus in the Board meeting on key issues.	The Chairman, the Chief General Counsel and Company Secretary will work with the executive directors and members of the Executive Team to provide the required information and additional governance on processes.

An update on the 2025 actions will be provided in the Company’s 2025 Annual Report.

Governance and strategy

The Group recognises the contribution made by good governance to the Company’s success, and changes made at both Board and Executive Team level demonstrate the importance of embedding the right structures with the right people to deliver the Group’s strategy. The connection between governance and delivery of strategy is reflected throughout this Annual Report.

In addition to their statutory duties, the directors must ensure that the Board focuses effectively on all its accountabilities. The Board determines the strategic objectives and policies of the Group to best support the delivery of long-term value, providing overall strategic direction within an appropriate framework of rewards, incentives, and controls. The Board is collectively responsible for the success of the Company and directors’ roles are set out above. Following presentations by executive and divisional management, and a disciplined process of review and challenge by the Board, clear decisions on policy or strategy are adopted, and the executive management are fully empowered to implement those decisions.

Section 172 of the Companies Act 2006 requires directors to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of shareholders as a whole. The Company’s s172 statement together with principal decisions of the Board during 2024 is on pages 48 to 52.



## Stakeholder engagement

As highlighted by the Code, the Board recognises the importance of identifying its key stakeholders and understanding their perspectives and values. Through regular dialogue and communication, the Board is mindful of all of Capita's stakeholders when planning or making decisions of strategic significance.

In February 2024, the Board appointed Nneka Abulokwe as designated non-executive director for colleague engagement. Information on Nneka's engagement with colleagues during 2024 is provided on pages 48 and 98. In addition, all directors are encouraged to visit Capita's businesses to meet with colleagues. In October 2024, the Board met with colleagues in Coventry who service and deliver our contract with Transport for London. The Board also had an opportunity to meet with the client. Photographs from this visit are included in this report.

There is an active engagement programme with the Company's investors. The executive directors meet regularly with institutional shareholders to discuss and obtain feedback on the business, performance, strategy, capital structure and allocation and corporate governance, and address any issues of concern. This is undertaken through a combination of roadshows, group or one-to-one meetings and attendance at investor conferences. This engagement included presentations to institutional and retail shareholders and analysts following the release of the Group's half and full-year results (available on the Group's website [www.capita.com](http://www.capita.com)). Our Chairman, David Lowden, Georgina Harvey, Senior Independent Director, and Brian McArthur-Muscroft, former chair of the Audit and Risk Committee, also met with a number of institutional shareholders during the year.

Topics discussed in investor meetings included free cash flow generation, remuneration structure, operating margin improvement and the nomination committee's process for appointment of the new CEO.

The investor relations team has day-to-day responsibility for managing investor communications and always acts in close consultation with the Board. The Director of Investor Relations and representatives from the Company's brokers, Deutsche Numis and Barclays are invited to attend Board meetings during the year to provide investor feedback. The Investor Relations team also arranged specific responsible business engagements with investors. All members of the Board, including the non-executive directors, receive a report on any significant discussions with shareholders and anonymous feedback that follows the annual and half-yearly presentations to investment analysts and institutional investors. Analysts reports concerning Capita are circulated to the directors and the Board is kept informed of changes in the share register.

At the 2024 AGM, all resolutions were passed, with every resolution receiving more than 96% of votes cast in favour. The Board is grateful to shareholders for their continued support.

**+** Further information on how the Board has engaged with its key stakeholder groups can be found on pages 48 to 51.

## Annual general meeting

Shareholders are encouraged to attend the AGM. The 2025 AGM of the Company will be held at The Storey Club, 4 Kingdom Street, Paddington, London W2 6BD on 28 April 2025. Details of the meeting format and the resolutions to be proposed are set out in the Notice of Meeting, which will be sent to shareholders separately and includes notes explaining the business to be transacted. The Notice of Meeting will also be available on the Company's website at [www.capita.com](http://www.capita.com).

The directors consider that each of the resolutions to be proposed to shareholders is in the best interests of the Company and the shareholders as a whole and recommend that shareholders vote in favour of all the resolutions.

The Chairman, Senior Independent Director and Committee chairs are expected to attend the 2025 AGM and will be available to answer any questions from shareholders.

## Shareholder communications

In addition to the AGM, shareholders can access up-to-date information through the Group's website at [www.capita.com](http://www.capita.com). Shareholders can also view their holdings by using the Signal shares shareholder portal, a service offered by MUFG Corporate Markets (MUFG), the Group's registrar, at [www.capitashares.co.uk](http://www.capitashares.co.uk). The Signal shares portal is an online service enabling shareholders to easily access and maintain their shareholding online. Shareholders can also contact MUFG by email at [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com). MUFG also provides a telephone helpline, 0371 664 0300, calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

## Business relationships

Details regarding relationships with suppliers, clients and others, together with further cross references, are provided in the engaging with our stakeholders section on pages 48 to 51.

## Remuneration Committee

Details of the Remuneration Committee and its activities are given in the Directors' remuneration report on pages 108 to 126.

## Risk management and internal control

The Board monitors the Company's risk management and internal control systems and carries out an annual review of their effectiveness. The monitoring and review includes all material controls, including financial, operational and compliance controls. This process is regularly reviewed by the Board. The Group's key internal control procedures are fully documented within the strategic report on pages 68 to 70.

Furthermore, through the operation of the risk governance process, the directors confirm, for the purposes of provision 28 of the Code, that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. A description of those principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated, is set out on pages 70 to 74.

The ARC report contains information on actions taken by the Group during 2024 to ensure its compliance with provision 29 of the 2024 Code which will apply to Capita for the financial year commencing 1 January 2026. This provision will require boards to monitor and review all material controls and to make a declaration on their effectiveness in the annual report.

# “Succession planning is a key focus for the Committee from both a leadership and governance perspective.”

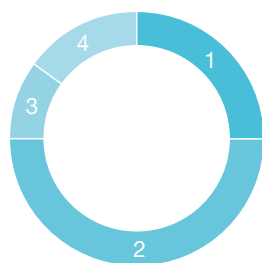
David Lowden, Chair, Nomination Committee

## Principal role and responsibilities

As set out in the terms of reference, which are available on the Company’s website, [www.capita.com](http://www.capita.com), the Nomination Committee is responsible for a number of key matters, including to:

- Identify and nominate appropriate candidates for appointment to the Board, having due regard to the provisions of the Code and, in particular, the balance of skills, knowledge and experience on the Board and the diversity of its composition.
- Keep the structure and size of the Board, its committees and the leadership requirements of the Group under review and ensure that plans are in place for orderly succession and appointment to the Board.
- Consider the independence, time commitment and performance of the Non-Executive Directors.
- Oversee development of a diverse pipeline for succession to the Executive Team.

## Nomination Committee time allocation



1. Board appointments	25%
2. Succession planning	50%
3. Diversity	10%
4. Governance	15%

The time allocation chart is provided for guidance only and other matters were also considered by the committee.

## Areas of focus in 2024

- Succession planning for the Chief Financial Officer.
- Recruitment and appointment of an independent non-executive director.
- Review of diversity and inclusion activities and measures.
- Review of senior management talent and Executive Team succession planning.
- Consideration of the contributions and effectiveness of the Non-Executive Directors seeking re-election at the 2024 AGM.
- Reviewing the constitution of the Board and its Committees.
- Reviewing the skills and experience of the directors and their other commitments.

## Dear Shareholder,

On behalf of the Nomination Committee, I am pleased to present this report, which outlines our activities and achievements in ensuring effective governance and leadership succession throughout 2024.

## Board and Executive appointments in 2024

Board succession planning continued to be an important area of focus for the Committee during the year.

As announced during 2023, Jon Lewis retired as a Director and Chief Executive Officer on 17 January 2024, succeeded by Adolfo Hernandez. Details of the process undertaken by the Committee which led to Adolfo's appointment were included in the Committee's 2023 Report.

In addition, during the past 12 months the Committee has managed the appointment of two other new Directors to the Board: Chief Financial Officer (CFO) and additional Non-Executive Director.

In August 2023, Tim Weller, CFO, had surgery following the diagnosis of a relatively severe form of prostate cancer and, whilst he was expected to make a full recovery, he indicated to the Board that he was considering drawing to a close his career as a CFO. As Chair of the Committee, and with the support of our Chief People Officer and my fellow Committee members I led a thorough recruitment process for a new CFO, assisted by search firm Odgers Berndtson. On 2 May 2024, we announced that Tim had advised the Board of his intention to retire in August 2024, and I was pleased to announce the appointment of Pablo Andres as a Director and CFO designate effective from 15 July 2024. Pablo was appointed as CFO on 9 August 2024 upon Tim's retirement. Further information on the appointment process is provided on page 93.

Prior to joining Capita, Pablo was the CFO of Ventient Energy S.à r.l., a position he had held for the previous three years. Pablo has extensive experience operating as a senior finance executive across a range of sectors with companies directly comparable with Capita. Pablo is highly experienced in driving change in complex businesses and has delivered significant cost savings, streamlined organisation structures and enhanced processes and systems. He has the right skillset and drive to support Adolfo in leading this next chapter of Capita.

I would like to extend my gratitude to Tim for his dedicated service and leadership during his three years as Capita's CFO and in facilitating the smooth transition to Pablo as CFO.

During the year, and as part of our Board and Board Committee succession planning process, the Committee concluded that a further independent non-executive director should be appointed with contracting business experience. Brian McArthur-Muscroft, chair of the Audit and Risk Committee also advised that due to additional responsibilities connected with his executive role as CFO at IQ-EQ he did not consider that he would have the capacity, going forward, to commit to the additional significant work involved with acting as chair of this committee. It was therefore agreed that the new independent non-executive director should also have the appropriate financial expertise to succeed Brian as chair of this committee. I led this process with the support of our Chief People Officer and assisted by search firm Spencer Stuart. Further information on the appointment process is provided on page 93.

As a result of this process, on 9 October 2024, we announced that Jack Clarke had been appointed as independent non-executive director and Chair of the Audit and Risk Committee. Jack was CFO of Essentra plc, a FTSE-250 global manufacturer and provider of essential components and solutions from May 2022 until his retirement on 31 December 2024. Prior to this Jack was the CFO of Marshall's plc from 2014 until 2021. Jack brings extensive and relevant experience from these roles. Jack is a qualified chartered accountant, having qualified with KPMG and has a diploma in treasury management.

Jack succeeded Brian McArthur-Muscroft as Chair of Capita's Audit and Risk Committee, with Brian remaining as a member of the Committee and assisting in the handover of the chair role to Jack. Both Jack and Brian bring strong financial experience and expertise to this committee. I would like to thank Brian for having chaired the Audit and Risk Committee with such skill and diligence. The Board is pleased that Brian has been able to remain as a director and member of the Audit and Risk Committee.

## Diversity

The Committee believes that a Board and management team which has a range of diverse skills, background and experience is best equipped to make the decisions which will deliver sustainable value to shareholders and other stakeholders. We are therefore committed to fostering diversity in its broadest sense, and we continue to ensure that our Board membership draws from a wide range of backgrounds and cultures. However, the Committee will continue to appoint Board members on merit, valuing the unique contribution that they will bring to the Board, regardless of gender or diversity. During 2024, the Board has continued to benefit from the diversity of experience, background and global and regional expertise of its members.

Our Board has two Directors of an ethnic minority background, meeting the target set by the Parker Review. The Company has also approved an ethnic diversity target for its leadership team levels by 31 December 2027, demonstrating our commitment to improve diversity within Capita. We consider that this is an ambitious target, and specific programmes are in place including our RISE (Reduce Inequality Strive for Equality) programme which is a leadership programme for ethnic minority background employees, as well as female employees, which aims to reduce the representation gap across the business. In addition, our mutual mentoring scheme pairs junior colleagues from an ethnic minority background with senior leaders to enable them to learn from one another. Further information on these and other relevant initiatives are included in the responsible business section of this report on page 44. Both this committee and the RB Committee receive regular updates on these and other initiatives in place to improve the Group's diversity.

The Board includes three experienced female directors. Georgina Harvey is the Company's Senior Independent Director and chair of the Remuneration Committee, and is the longest serving director on the Board, having served for five years.

However, the Committee is cognisant that, following the appointment of Jack Clarke as a non-executive director on 9 October 2024, the Board comprises 37.5% of female directors (three female and five male directors), compared with the UK Listing Rules diversity benchmark target of 40% of women on boards. The Board's target remains to have at least 40% of women on the board and we will seek to return to greater than 40% female representation within the Board as and when the opportunity arises.

Board and Executive succession planning

Succession planning is a key focus for the Committee from both a leadership and governance perspective. The Committee reviewed the Board Skills Composition Matrix (please see table on page 81 which sets out the tenure, skills, competencies and diversity of the Board. Priorities for recruiting and succession planning include the ability to respond to evolving strategic imperatives for the Group, adding and enhancing Board skills including in the areas of operational, finance, gen AI, government contracting, cyber experience and responsible business and enhancing diversity in the boardroom. The Committee recognises that, except for Adolfo and Nneka, no director has detailed experience of AI or gen AI. The Committee is taking steps to ensure that directors are provided with requisite training and knowledge in this respect in order that they can provide the appropriate level of challenge and oversight to management and to up-skill the Board in line with our strategy and this matter will be taken into consideration in any future appointment process.

The Committee discusses succession plans with management for senior executives and in December 2024, received a detailed presentation from the Chief Executive Officer, the Chief People Officer and the Group Director of People & Development on succession planning for the Executive Directors, members of the Executive Team and their direct reports. This will receive enhanced focus in 2025, with a biannual Board review of talent pipeline planned. These plans include consideration and monitoring of diversity in the executive pipeline. Page 41 gives details of the members of the Executive Team as at 31 December 2024, 40% of whom are female, and 10% are of Asian ethnicity. Following the leadership changes at executive level this year, the Committee is aware that management is focused on ensuring that there are development plans in place to enable a broader range of candidates to be considered within the internal succession pipeline for senior management roles.

Further details of the Committee’s responsibilities and work undertaken by the Committee during 2024 are included in the Nomination Committee report. I hope you will find this informative.

**David Lowden, Chair**  
**Nomination Committee**  
4 March 2025

Nomination Committee members

Member	Member since	Date of retirement from the Committee (if applicable)
David Lowden (Chair)	1 January 2021	
Jon Lewis	1 July 2022	17 January 2024
Adolfo Hernandez	17 January 2024	
Georgina Harvey	1 October 2019	
Nneka Abulokwe	1 February 2022	
Neelam Dhawan	1 March 2021	
Brian McArthur-Muscroft	1 June 2022	
Jack Clarke	9 October 2024	

Board changes

The appointment of our new CFO, Pablo Andres, was a key area of focus for the Committee during H1 2024. In addition, we continued to focus on the evolution of the Board and, as part of our succession planning identified a need for an additional non-executive director who had a strong financial and operational background with recent executive role experience. Jack Clarke was appointed as an independent non-executive director and as Chair of the Audit and Risk Committee on 9 October 2024. Board appointments are made on merit, taking account of the specific skills, experience, knowledge and independence needed to ensure a rounded board. We seek to ensure a minimum of 40% female representation on recruitment shortlists and, where appropriate, to include candidates who may not have listed company experience but who possess suitable skills and qualities. We only engage executive search firms that have signed up to the voluntary code of conduct on gender diversity and best practice.



## Recruitment of the CFO

The Committee was assisted in the search for a new CFO, which was led by the Chair, by the search firm, Odgers Berndtson (Odgers) which has no connection to the Company or individual Directors. Odgers was not engaged by the Company for any other purpose during 2024. The search process was conducted as follows:



A detailed induction plan was created for Pablo focusing on building his understanding of the business.

## Non-Executive Director appointment

To assist with the recruitment of a new Non-Executive Director, the Committee appointed search firm Spencer Stuart, which has no connection to the Company or individual Directors. The Committee reviewed the skills matrix of the directors which is updated annually, and a candidate profile was developed to address any identified gaps and to complement the needs of the business and the Board as a whole. Spencer Stuart was not engaged by the Company for any other purpose during the year. Having considered the shortlist, the Chair and fellow committee members interviewed the preferred candidates and recommended the appointment of Jack Clarke as a director and as Chair of the Audit and Risk Committee to the Board for approval.

The appointment of both Pablo and Jack involved a formal, rigorous, and transparent appointment process based on merit and objective criteria, with due consideration being given to a broad range of factors such as social and ethnic backgrounds, cognitive and personal strengths, diversity of gender and the Group's future strategic direction.

## Board of directors' induction and training

All new directors are provided with a robust induction, tailored to suit their individual needs. This is an invaluable step to not only support directors in meeting their statutory duties, but also gives them a comprehensive introduction to the business and its strategic priorities.

Ongoing training and briefings are also given to all directors, including external courses as required. In addition, all directors are required to undertake online training on the Company's Code of Conduct and cyber and information security awareness, which are also mandatory for all Group employees.

All new directors receive training on the Company's obligations as a public listed company, including its obligations under the UK Listing Rules and the Market Abuse Regulation.

Induction case study – Jack Clarke

Jack Clarke was appointed to the Board on 9 October 2024. The Company Secretary assisted the Chairman with the preparation and delivery of a tailored and comprehensive induction programme, designed to give Jack a thorough overview and understanding of our business with a focus on the Group’s strategy, and wider business objectives. The induction programme gave specific focus to Jack’s appointment as chair of the Audit and Risk Committee with meetings arranged with the Group’s Director Internal Audit and Risk, Group Director Financial Control, Group Chief Accountant and a number of meetings with KPMG, the Group’s external auditor. The induction sessions provided Jack with an opportunity to meet with members of the Executive Team, and other members of senior management and advisers and build an understanding of the key areas of focus for the Board, its committees, and the Group.

After 9 October 2024 (the date of the announcement of Jack’s appointment)

Jack was provided with a comprehensive pre read, including previous Board and relevant Committee papers

9 October

Jack was formally appointed to the Board and as chair of the Audit and Risk Committee

October/November/December

Jack met with all members of the Executive Team, senior management and functional heads (principally on a one-to-one basis) to provide him with an understanding of the Group’s operations, culture, and values.

Jack also had a session with the Company’s external legal counsel regarding the Company’s obligations under the UK Listing Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules.

2025

A number of site visits are being arranged for Jack to meet with management and colleagues and obtain a greater understanding of Capita’s business.

Diversity and inclusion

Capita’s diversity and inclusion policy is based on a commitment to creating an environment where diversity is valued and respected. We believe that business success is a direct result of the experience and quality of its people. Inherent within this approach is an acceptance and embracing of diversity in all its forms and an endorsement that the entire workforce, including the Board, be representative of the communities in which Capita operates.

Board and executive management diversity data disclosures

As required by FCA UK Listing Rule 6.6.6R(9), below is the Company’s compliance statement regarding Board diversity targets as at 31 December 2024, being the selected reference date used for the purposes of FCA UK Listing Rule 6.6.6R(9)(a).

Target	Position as at 31 December 2024
At least 40% of the individuals on the Board are women	37.5% of the Board are women
At least one of the senior Board positions is held by a woman	The Senior Independent Director position is held by a woman
At least one individual on the Board of Directors is from an ethnic minority background	The Board had two Directors from on ethnic minority background

Upon the appointment of Jack Clarke as a director on 9 October 2024, the percentage of females on the Board reduced from 43% to 37.5%. However, based on the Committee’s recommendation, following a thorough search and appointment process, the Board concluded that Jack Clarke was the right candidate for this position given his skills and experience. The Board’s target remains to have at least 40% female representation on the Board and we will seek to return to greater than 40% female representation on the Board when the opportunity arises.

Information on actions taken by the Group to address diversity, inclusion and wellbeing across the workforce is in the responsible business section on pages 39 to 45.

Further details of the Company’s compliance with LR6.6.6(9) at 31 December 2024 and 4 March 2025 are provided on page 41.

At 31 December 2024, female representation on the Capita plc Board was 56% and on the Executive Team was 40%. At 31 December 2024, ethnically diverse representation on the Board and on the Executive Team was 25% and 10% respectively. Further disclosures on our gender and ethnicity diversity and how percentages are calculated and information collated is provided on page 41.

Succession planning and Board composition

A formal succession framework is in place for the Executive Team and the two management layers beneath. The purpose of the framework is to apply a fair, objective and consistent methodology to identify future potential career paths for individuals within the Group.

Structured development plans are implemented to support individuals in improving their skills and experience. The depth of the framework means talent can be identified and nurtured at an early stage, and combined with the approach to Board appointments, means the pool of possible future candidates for Board roles is sufficiently wide and diverse.

Board evaluation

Details of the annual Board evaluation process are provided in the Chairman’s report on page 88.

“In September, our Group Director of Performance & Development presented to the Committee on the multi-year programme to rally, reset and embed our culture, which was mobilised in 2024.”

Dr Nneka Abulokwe,  
OBE, Chair  
Responsible  
Business  
Committee



Overview

The Responsible Business Committee (the Committee) met four times during 2024. Nneka Abulokwe succeeded David Lowden as Committee chair on 6 March 2024, with David remaining as a member of this committee. Georgina Harvey, Senior Independent Director, was also a member of the Committee during 2024. Neelam Dhawan, Independent Non-Executive Director was appointed as a member of the Committee on 1 January 2025, following the Nomination Committee’s review of Board committee membership.

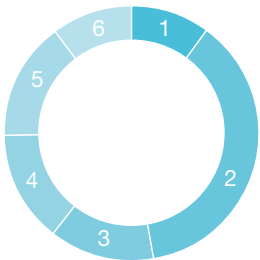
The Committee changed its name from the ESG Committee to the Responsible Business (RB) Committee on 1 October 2024 to align with Capita’s refreshed responsible business strategy.

Responsibilities and activities

Key responsibilities

- Oversee the development of the Group’s responsible business strategy and monitor its performance in respect of responsible business-related matters on behalf of the Board.
- Oversee and monitor the Group’s progress against its net zero strategy.
- Review diversity and inclusivity data and approve the Group’s Gender and Ethnicity 2024 Pay Gap Report.
- Review and approve the Group’s Modern Slavery Statement.

Responsible Business Committee  
time allocation



1.	Governance/regulatory	10%
2.	Employee-related issues including diversity and inclusion	37%
3.	Net zero	13%
4.	Strategy	14%
5.	HSEW	15%
6.	Stakeholders excluding colleagues	10%

The time allocation chart is provided for guidance only and other matters were also considered by the Committee.

## Activity in 2024

**Strategy:**

- Review and approved Capita's refreshed responsible business strategy.
- Considered stakeholder feedback from shareholders, clients, employees, colleagues and regulators, including review of the 2023 customer net promoter score.

**Net zero:**

- Approved an update to Capita's net zero targets in February 2024, reviewed progress against these targets in December 2024.
- Reviewed proposed timeline for Capita's low carbon transition planning.

**Approval of external RB communications:**

- Reviewed and approved the responsible business section of the 2023 Annual Report for publication.

**Our people:**

- Reviewed progress against Capita's ethnicity and gender targets.
- Received a presentation from the Chief People Officer and Group Director of Performance & Development on Capita's people strategy and culture refresh programme.

- Reviewed the outcome and feedback of the 2023 colleague survey and the employee net promoter score;

- Reviewed the Board's engagement with colleagues.

**Health, safety, environmental and wellbeing:**

- Received presentations from the Divisional CEOs on health, safety, environmental and wellbeing in Capita's UK and global businesses.

**Policies and procedures:**

- Reviewed and approved the Company's Modern Slavery Statement on behalf of the Board.
- Reviewed and approved Capita's Gender and Ethnicity Pay Gap Report 2024

**Governance**

- Discussed the outcome of the annual evaluation of the Committee.
- Reviewed the terms of reference of the Committee.
- Considered forthcoming responsible business legislation, with specific reference to the Corporate Sustainability Reporting Directive (CSRD).

**Dear Shareholders,**

I am pleased to present this report, my first report as chair of the Committee.

**Role of the Committee**

The Committee oversees Capita's conduct as a responsible business. During the year, the Committee focused on responsible business challenges, and providing additional strategic alignment and oversight, accountability, and guidance.

**Focus of the Committee**

This Committee provides a forum within which all components of Capita's responsible business strategy can be considered on a regular basis.

**Responsible business strategy**

During 2024, the Committee considered and approved a new responsible business strategy which has the following four key theme areas:

**Our people**

- support a safe, healthy, diverse, and inclusive workforce.

**Our communities**

- have a positive impact on our customers and communities.

**Our planet**

- reduce our environmental impact.

**Our business**

- operate ethically, responsibly and securely.

For each theme, the Company identified commitments, KPIs and has existing and planned initiatives to ensure that we continue to deliver as a responsible business. The Committee monitors progress of these commitments. For more information about our responsible business strategy visit: [www.capita.com/about-capita/ensuring-sustainable-future-through-responsible-business](http://www.capita.com/about-capita/ensuring-sustainable-future-through-responsible-business).

**Our people: support a safe, healthy, diverse and inclusive workforce****Culture**

In September, our Group People Director of Performance & Development presented to the Committee on the multi-year programme to rally, reset and embed our culture, which was mobilised in 2024. This focused on bringing together our senior leadership team through the launch of our Leadership Playbook, mandating management and leadership development, refreshing our values to launch in Q2 2025 and the creation of an employee playbook. The Board and this Committee will receive regular updates and presentations on the progress of our programme to reset and embed our culture at Capita.



## Diversity & inclusion

Capita is committed to representation, at all levels of the business, of the diversity of the communities in which we live.

During 2024, our Executive Team approved challenging targets to improve our ethnic diversity and female representation in our leadership team levels. The Committee received information on and discussed Capita's initiatives to support this commitment, including our RISE (reduce inequality strive for equality) programme which is a leadership programme for Black, Asian and minority ethnic employees, as well as female employees, which aims to reduce the representation gap across the business. In addition, our mutual mentoring scheme pairs junior colleagues from a Black, Asian or minority ethnic background with senior leaders to enable them to learn from one another.

During the year, the Committee reviewed and approved the Group's 2024 UK gender and ethnicity pay gap report. 2024 was the fourth consecutive year that Capita voluntarily published its ethnicity pay gap. We believe that analysing diversity data and being transparent about the diversity of our workforce is an important step in moving towards a fairer, more equitable and inclusive workplace.

The 2024 pay gap report showed continued improvement in our gender pay gap, although the year-on-year improvement was marginal, with the median gender pay gap decreasing by c.0.5%. Since we started reporting in 2018, our gender pay gap has closed by 10.3%, evidencing considerable progress over this period. Our focus remains on enhancing female representation in higher-paid roles and at leadership levels. Our year-on-year succession pipeline is showing stronger female talent, we recognise that more positive affirmative action is required to further enhance this progress.

Capita continues to receive accreditations as an equal opportunities' employer and the Committee is proud that Capita was once again ranked by Forbes magazine as a top employer for women.

Our ethnicity declaration rate was at 77% at the end of 2024, which is a positive trend. The median ethnicity pay gap decreased by c.2% during 2024 compared with 2023, with a notable 4% decrease for Capita's Black colleagues.

The Group has introduced further diversity, ethnicity, and inclusivity reporting, and is developing its employee network groups (ENGs) to support the above. During the year, we spent time as a committee, discussing the Group's initiatives on how we can improve disability and sexuality disclosure by our colleagues. We recognise an individual's right to retain their privacy, however without this disclosure it is difficult to monitor how successful our initiatives are in improving our representation across different minority groups.

The Committee recognises the important part the ENGs play in informing our ambition to improve both female and ethnic representation at senior levels and to increase representation from other minorities. As Committee chair, I have asked that chairs of the various ENGs attend Committee meetings when matters of specific relevance to them are being discussed.

## Wellbeing of our colleagues

The health, safety, and wellbeing of all our colleagues is a priority for the Committee and the Company. The Committee received presentations during the year on the health, safety, and wellbeing of our colleagues both in the UK business and globally. These were based on our new geographically dispersed operating model, with Public Service being responsible for health, safety, wellbeing and

environmental matters for the UK businesses and Experience being responsible for Capita's non-UK businesses.

The Committee was pleased to note that the new operating model is functioning effectively, with well-defined roles and responsibilities.

## Our communities: have a positive impact on our customers and communities

### Supplier charter

The Committee received further information from senior management, including via discussion with the Group Procurement Director on Capita's supplier charter, particularly to assist our understanding of how the Company monitors the obligations of its suppliers to adhere to Capita's Human Rights Statement and net zero targets. We also discussed changes introduced by the Government to the UK's Prompt Payment Code.

## Our planet: reduce our environmental impact

### Net zero and low carbon transition plan

As detailed in our 2023 report, in early 2024, the Committee considered and approved a proposal from management to update our targets to become fully net zero by 2045. This recognised that a significant amount of our carbon emissions originates from our supply chain and that by extending our target by ten years we have additional time to engage with our suppliers and work with them to reduce their environmental impact. Our revised targets also reflect and are aligned with the UK Government's revised timeline. Our new targets are being validated by Science Based Target initiative (SBTi), the globally recognised body for climate-related target setting.

In late 2024, the Committee received a presentation from our Group Environmental Manager, on our plans to develop a low carbon transition plan, which will be a key focus for Capita during 2025. This is not only an important issue for Capita, it is of increasing importance to our clients, colleagues, and other key stakeholders. Although not a legislative requirement, our aim is to approve and publish our low carbon transition plan by the end of 2025.

Capita continues to collaborate with clients to identify new sustainability propositions.

## Our business: operate ethically, responsibly and securely

The Committee reviewed and approved Capita's 2024 Modern Slavery Statement and discussed changes to the UK's Prompt Payment Code. Our Board and Audit & Risk Committee received presentations during the year on cyber security and our data governance programme, which also includes data privacy.

## Colleague engagement

During the year, I was appointed as the designated director for Colleague Engagement. Since my appointment:

- I have visited Capita's offices in Cape Town, South Africa, home to our multi-award-winning contact centre services business. During my visit I met with colleagues for an informal discussion, including with some of our centre agents who support our Marks & Spencer and Virgin Media O2 contracts. During my visit I joined the Global Town Hall meeting hosted by Adolfo Hernandez, Capita CEO.

I also had the pleasure to visit the SOS Children's Villages, a home and safe environment for children. This is one of several non-governmental organisations supported by our South Africa team. We recruit individuals from the Cape Town townships for our internship programme, helping with social mobility in the area and bringing prosperity. I also visited the township where more than 80% of our employees live.

- I met with the chairs of four of the Group's ENGs for an informal discussion.
- On 30 October, I attended and spoke at the Black ENG awards and had the pleasure of presenting the BEN Star Award, which recognises members who have lived the Capita values.
- I also attended one of the Capita sessions on Pay at Capita, hosted by Georgina Harvey, chair of the Remuneration Committee.
- I provide a full report to both the Committee and the Board following my discussions with colleagues, acting as facilitator, ensuring that actions can be taken as appropriate to address issues raised by our colleagues and that the Board is aware of the views of these colleagues.

I have found these discussions with colleagues rewarding and I thank those colleagues who I have met for their transparency, honesty, and openness. I look forward to meeting more colleagues during 2025 and visiting further Capita businesses in different geographies. One or more of my fellow directors will be invited to join me on these visits.

### Other matters

During the year, the Committee considered both the CSRD and the UK Sustainability Disclosure Requirements, noting the actions being undertaken by management to ensure the Group's compliance with this new legislation. CSRD aims to provide investors and other stakeholders with access to more decision-useful information about companies' sustainability risks, opportunities, and impacts. CSRD is applicable to our Capita EU Entities in Ireland, Germany, and Poland from 1 January 2025, with first local reporting in 2026.

This will be a continued focus for the Committee during 2025.

The Committee looks forward to reporting more on the above matters and the progress made in our 2025 report.

**Dr Nneka Abulokwe, OBE, Chair  
Responsible Business Committee**

4 March 2025



# “The Committee has a robust plan to evolve Capita’s internal control framework such that we will be ready for the introduction of Provision 29 of the 2024 UK Corporate Governance Code.”

Jack Clarke, Chair, Audit and Risk Committee

## Overview

The Audit and Risk Committee’s (the Committee’s) terms of reference set out in full the role, responsibilities and authority of the Committee and can be found on the Company’s website at [www.capita.com/about-capita/corporate governance](http://www.capita.com/about-capita/corporate-governance). The terms of reference are reviewed annually and updated as required.

## Role and responsibilities

The Committee is responsible for carrying out the audit functions as required by DTR 7.1.3R and assists the Board in fulfilling its oversight responsibilities in respect of the Company and the Group. The Committee’s key responsibilities are:

### Financial reporting

To review the reporting of financial and other information to the Company’s shareholders and to monitor the integrity of financial statements, including the application of key judgements in determining reported outcomes, to ensure they are fair, balanced and understandable.

### Risk management, internal control and compliance

To review and assess the adequacy of systems of internal control and risk management and monitor the risk profile of the business.

### Internal audit

To approve the annual internal audit plan, review the effectiveness of the internal audit function and review all significant recommendations, and ensure they are addressed in a timely manner.

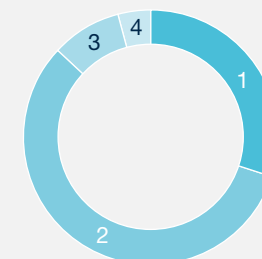
### External audit

To review the effectiveness and objectivity of the external audit process, assess the independence of the external auditor and ensure appropriate policies and procedures are in place to protect such independence.

### Effectiveness

To report to the Board on how it has discharged its responsibilities.

## Audit and Risk Committee time allocation



1. Risk management, internal control & compliance	30%
2. Financial reporting (incl. external audit)	57%
3. Private meetings with auditors	9%
4. Governance	4%

The time allocation chart is provided for guidance only and other matters were also considered by the Committee.

### Dear Shareholders

I was delighted to be appointed as a Director and Chair of the Audit and Risk Committee in October 2024, during a transitional year for the Group, with the Company continuing to demonstrate good progress against our strategic priorities. I would like to thank Brian McArthur-Muscroft, who chaired the Committee from July 2022 until my appointment, for his help during my onboarding to the business and for the full handover of the Committee chair role, ensuring that this transition was undertaken smoothly.

I would like to give you an overview of the operation and scope of the Audit and Risk Committee and report on the Committee's work over the past year.

### Risk and control framework

The Committee continued to fulfil its role of supporting the Board in its review of the integrity of the Group's financial reporting, monitoring the effectiveness of the Group's system of risk management and internal controls, and overseeing the activities of the Group's internal audit function and its external auditor.

As detailed below, the Committee continued to monitor the progress of projects to strengthen the Group's controls. This included the Group's project to optimise its existing finance reporting systems. The Committee also reviewed and approved a plan for evolving Capita's internal control framework (ICF). This framework provides a strong blueprint in preparation for compliance with Provision 29 of the 2024 UK Corporate Governance Code (the 2024 Code), which comes into effect for the Company on 1 January 2026. Provision 29 of the 2024 Code has strengthened board accountability for the effectiveness of the Group's risk and internal control framework and will require the Board to make an explicit declaration on the effectiveness of the Group's material controls at the balance sheet date, including a description of any material controls which have not operated effectively, and the action taken or proposed to approve them, as appropriate. The Committee acknowledges the work required to fully embed robust internal control and risk assessment framework. These two projects were a considerable area of focus for the Committee during the year and will remain a priority for focus during 2025 and 2026.

In addition, as in prior years, a key control questionnaire process was completed, through which the Executive Team and their direct reports attest to the operation of a set of specific controls and activities and their effectiveness in each of their respective areas. This enables management to develop actions and focus on control areas. The outcome of this process including details of specific identified actions was presented to the committee. Following completion of this process, the CEO and CFO confirmed to the committee that an adequate system of internal control operated across the Group during 2024.

Further detail on the risk management and internal control environment is set out later in this report on pages 105 and 106.

### Controls improvement

The Board and the Committee continue to monitor the progress of the Group's programmes to optimise the existing finance reporting systems and improve the Group risk and control framework and financial controls. These programmes have continued to focus on the simplification of finance activities and controls, continuing to embed the enterprise risk management framework, and further rationalisation of our Group legal structure. Key improvements in 2024 include: improving controls governing access rights to SAP, including privileged access and access conflicts; documenting the key risks and controls over financial reporting including independent testing by Group Internal Audit of the design and operating effectiveness of those key financial controls.

In addition, the legal entity rationalisation programme continued to progress well during the year with the number of legal entities in the Group being reduced by a further 38. On 1 January 2025, the Group had 92 legal entities compared with 369 in July 2018. The rationalisation programme is ongoing, with a target of less than 50 Group legal entities by mid-2026.

The Group's controls activity continued to be supported by a Speak Up policy which facilitates whistleblowing across the Group with a function dedicated to identifying, preventing and investigating where inter alia fraud and other concerns have been raised. Further detail is provided on page 107 of this report.

We also reviewed and discussed the evolving corporate governance reporting requirements, particularly relating to non-financial reporting and the EU Corporate Sustainability Reporting Directive (CSRD). Our Responsible Business Committee is also focussing on this matter and monitoring management's actions to ensure that our relevant Group legal entities, within the EU will comply with this new legislation, and further information is contained in their report on page 98.

### Committee membership and attendance

During the year, until my appointment as Committee chair in October 2024, the Committee comprised Brian McArthur-Muscroft as Committee chair, Georgina Harvey, Senior Independent Director and Chair of the Remuneration Committee and Neelam Dhawan independent non-executive director. Nneka Abulokwe, independent non-executive director, was appointed as a member of the Committee on 27 February 2024. From 1 January 2024, the Committee has comprised solely of independent non-executive directors.

Following a review of Board Committee membership by the Nomination Committee, Georgina Harvey stepped down as a member of the Audit and Risk Committee on 1 January 2025.

During the year, Brian McArthur-Muscroft advised the Chair that due to additional responsibilities connected with his executive role as CFO at IQ-EQ he did not consider that he would have the capacity, going forward, to commit to the additional significant work involved with acting as chair of this committee. It was therefore agreed that the new independent non-executive director, being considered for appointment by the Nomination Committee, should have the appropriate financial expertise to succeed Brian as chair of this committee. Following the Nomination Committee search I was appointed as independent non-executive director and Committee chair on 9 October 2024. I am extremely grateful to Brian that, given his wealth of experience in audit committee chair roles at Capita and prior to that at Robert Walters plc, where he acted as committee chair from 2013 to 2022, he agreed to remain as a member of this committee.



The Committee is required to include at least one financially qualified member. Both Brian and I are chartered accountants, with recent and relevant experience. As stated above, Brian is currently CFO of IQ-EQ, a global investor services company operating in 25 locations worldwide and until 31 December 2024, I was CFO of Essentra plc a FTSE-250 global manufacturer and provider of essential components and solutions. Prior to this I acted as CFO at Marshall's plc from 2014 until 2021 and as Strategy Director and then CFO of AMEC (E&I) between January 2010 and September 2014.

As part of my induction programme, I met with Ian Griffiths, Audit Partner, KPMG, our external auditor, Capita's Group Director Financial Control, Group Chief Accountant and Director Internal Audit and Risk. Further information on my induction programme is provided in the Nomination Committee report on page 94.

All other Committee members are considered financially literate given their qualifications and experience. Neelam has held senior positions in Hewlett-Packard, Microsoft, Compaq and IBM with responsibility for areas including strategy and corporate development. Nneka has previously held P&L and senior governance and risk responsibilities in the tech industries and was formerly an external member of the audit and risk committee of the University of Cambridge. Georgina Harvey who stepped down from the Committee on 1 January 2025 has significant experience across highly competitive consumer-facing markets. During 2024, Georgina was a non-executive director of Superdry plc and a member of its audit committee until July 2024, when she resigned as a director. She is currently a non-executive director of M&C Saatchi Group plc and a member of its audit committee. Biographies of the directors, including their skills and experience are on page 82 to 83.

To encourage effective communication, in addition to the above members, the Chairman, CEO, CFO, Chief General Counsel and Company Secretary, Group Director Financial Control and Group Chief Accountant are invited to attend Committee meetings along with certain members of the senior management team, the Director Internal Audit and Risk and representatives from KPMG, the Group's external auditor. The Director Business Integrity and Financial Crime provides a report at each meeting to update the Committee on cases reported under the Group's Speak Up policy and related issues. Opportunity exists at the end of each Committee meeting for the representatives of the internal and external audit teams to meet with the Committee in the absence of management and both have access to the Committee should they wish to voice any concerns outside formal meetings.

Committee performance was assessed as part of the annual Board evaluation, see pages 87 to 88 for more information. The Board is satisfied that the combined knowledge and experience of its members, both during the year and currently is such that the Committee discharges its responsibilities in an effective, informed and challenging manner and that, the Committee has competence relevant to the sector in which the Company operates. The Chief General Counsel and Company Secretary, or their nominee, acts as Secretary to the Committee and is available to assist the members of the Committee as required, ensuring that timely and accurate information is distributed accordingly.

## How the Committee operates

The Committee has an annual forward agenda to cover the key events in the financial reporting cycle, specific risk matters identified by the Committee and standing items that the Committee is required to consider in accordance with its terms of reference. The annual agenda is supported by planning meetings held in advance of the principal Committee meetings, led by me with the CFO, members of the Group Finance team and the external auditor. I also meet on a regular basis and separately with the CFO and Director Internal Audit and Risk. The purpose of these meetings is to identify key issues impacting the business that may require consideration by the Committee. Reports are received from Group functions, including risk and internal audit, as appropriate. The Group's Chief Technology Officer and/or the Chief Information Security Officer regularly attend Committee meetings to provide an update on the Group's cyber and IT resilience. Additional reports are provided as may be required. I report to the Board the key matters of discussion and make any significant recommendations as necessary.

## How the Committee discharged its roles and responsibilities in 2024

The Committee held five scheduled meetings during the year and attendance at each meeting is shown on page 87. Meetings are planned around the Company's financial calendar.

## Financial reporting

### Accounting judgements and significant accounting matters

As part of the process of monitoring the integrity of the financial information presented in the half-year results and the Annual Report and Accounts, the Committee reviewed the key accounting policies and judgements adopted by management to ensure that they were appropriate. The significant areas of judgement identified by the Committee, in conjunction with management and the external auditor, together with a number of areas that the Committee deemed significant in the context of the financial statements, are set out on pages 102 to 104.

### Fair, balanced and understandable

At the Board's request, the Committee considered whether the half-year results and the Annual Report and Accounts were fair, balanced and understandable, and whether the information provided was sufficient for a reader of the statements to understand the Group's position and performance, business model and strategy. The Committee reviewed both the narrative and financial sections of the reports to ensure they were consistent and gave a balanced view of the performance of the business in the year and that appropriate weight was given to both positive and negative aspects. The Committee also considered the use of alternative performance measures (APMs) and whether the APMs are appropriate, including any changes to their definition in the period. The Committee also considered whether the full year announcement was presented clearly.

The Committee considered whether the Annual Report and Accounts enables readers to understand the Company's financial position and prospects, as well as assess its going concern status and longer-term viability.

### Significant issues in relation to the financial statements considered by the Audit and Risk Committee

#### Going concern and viability assessment

##### Matter considered

Consideration of the going concern assumption and viability of the Group and Parent Company is the responsibility of the Board. The Committee conducted an assessment as part of its support role, given the inherent judgements required to assist the Board in evaluating the resilience of the Group.

##### Action

The Committee considered the projections within the business plan, agreed by the Board in February 2025, and the key assumptions underpinning the future cash flow and profit forecasts. The Committee received reports from executive management and KPMG (as part of their standard reporting to the Committee in the course of performing their duty as statutory auditor) concerning the going concern and viability assessments, including the key risks identified. These included details on the key assumptions, in particular the ability of the Group to grow revenues and the ongoing cost reduction programme, the forecasting process, the committed facilities available, and the mitigations within direct control of the Group. The Committee also considered the current financing structure of the Group and forthcoming debt repayments, and therefore the ability of the Group to refinance. The Committee also considered the risks identified and appraised the severity and plausibility of these in setting the downside scenario (see section 1 to the consolidated financial statements for details).

The Committee reviewed the disclosures presented in section 1 of the consolidated financial statements together with the viability statement on page 75 to ensure there was sufficient detail provided to explain the basis of preparation and the Board's conclusion.

##### Outcome

The Committee is satisfied that the analysis presented by executive management and KPMG provides enough detail to allow a robust assessment of relevant risks and mitigations to be undertaken. This supported full discussion of the severe but plausible downsides and allowed the Committee to recommend to the Board that the going concern assumption be applied and the viability statement be approved.

The Committee is satisfied that section 1 to the consolidated financial statements and the viability statement on page 75 include proportionate disclosures to inform users of the assessments undertaken by the Board.

### Revenue and profit recognition

#### Matter considered

There is significant risk on long-term contracts related to revenue recognised from variations or scope changes, where significant judgement is required to be exercised by management. There is a risk that revenue may be recognised even though it is not probable that consideration will be collected, which could be due to uncertainties over contractual terms and ongoing negotiations with clients.

Judgement is also required when customers request scope changes to determine if there is a contract modification or a contract termination followed by a new contract. Contract terminations can lead to the immediate recognition of any deferred income being held for recognition in future periods.

#### Action

The Committee received regular updates on major contracts during the year and specifically reviewed the material judgements as part of the half-year and year-end close process. The Committee has also considered the recognition of onerous contract provisions, where appropriate, and the lifetime profitability of contracts.

To aid the reader, the Company has included a detailed explanation of the Group's accounting for long-term contracts (see note 2.1 to the consolidated financial statements).

#### Outcome

The revenue recognition policy includes disclosure of the significant judgements and estimates in relation to its application and the Committee is satisfied that these have been properly disclosed. The Committee is satisfied that the disclosures given within the accounts are sufficient to gain a proper understanding of the methodology of accounting for revenue across the Group, including the recognition of deferred income at the balance sheet date. The Committee reviewed the disclosure and concluded that these provide information that is helpful to allow a fuller understanding of the application of IFRS 15 to the Group's contracts.

## Contract fulfilment assets

### Matter considered

Costs incurred to deliver a customer contract may be capitalised as contract fulfilment assets (CFAs) in accordance with IFRS15. Judgements are involved in assessing whether the costs incurred on a contract or an anticipated contract meet the capitalisation criteria as set out under the standard.

In addition, the amortisation of these assets involves estimation of the expected life of the contract, and when a contract is in the early years post-inception and undergoing major transformation activities, the CFAs are at heightened risk of impairment. Judgements are involved in assessing whether the costs incurred on a contract or an anticipated contract meet the capitalisation criteria as set out under the standard.

### Action

The Committee has considered and challenged the significant judgements and estimates involved in determining the carrying value of CFAs.

As part of the review of all major contracts, the Committee has also considered the recoverability of CFAs.

### Outcome

The Committee is satisfied that appropriate judgements and estimates have been made in determining the carrying value of CFAs in these statements is appropriate. The Committee is satisfied that the accounting policy note provides sufficient clarity as to the policy adopted and that the disclosures provide information to allow a reader to understand the risks associated with different stages of a typical long-term Capita contract.

## Impairment of goodwill and Parent Company's investment in subsidiaries, and recoverability of receivables from subsidiary undertakings in the Parent Company

### Matter considered

The Group carries significant asset balances in respect of goodwill related to its acquisition activity. In addition, the Parent Company carries a material balance of investment in, and receivables from, subsidiaries in its financial statements. The impairment and recoverability assessments require the application of judgement concerning future prospects and forecasts. There is heightened judgement in the determination of future cash flows for the Contact Centre cash generating unit (CGU), mostly as a consequence of the lower volumes seen in the Telecommunications vertical during the second half of 2024, which are expected to remain subdued in 2025.

### Action

The Committee has challenged the appropriateness of assumptions used to calculate and determine the existence of impairment. The Committee gave particular consideration to the revenue growth and cost saving assumptions within the Contact Centre cash flow forecasts.

The Committee has also reviewed the robustness of the assessment of recoverability of receivables from subsidiary undertakings in the parent company and challenged the appropriateness of assumptions used to calculate and determine any provisions required.

### Outcome

The Committee is satisfied that the impairment of goodwill recognised at 31 December 2024 in respect of the Contact Centre CGU is as expected given performance of the business.

The Committee is also satisfied that the assumptions, methodology and disclosure in note 3.4 to the consolidated financial statements are sufficient to give the reader an understanding of the action taken and the sensitivities within the goodwill balance to a risk of impairment.

Of particular importance to the Committee was the inclusion of sufficient disclosures to set out the events and circumstances that have led to the impairment charge recorded in the year.

The Committee considered that any impairment of investment in subsidiaries, or any provision against amounts receivable from subsidiaries, at the Parent Company level were appropriate and properly accounted for.

The Committee acknowledged the gap between the net assets of the Parent Company and its market capitalisation. The Committee gave consideration as to why this might be the case and whether goodwill or assets on the Parent Company balance sheet may be impaired. The factors considered included: the differing basis of valuations (including that third parties value the services sector on income statement multiples versus long-term view using a discounted cash flow for the basis of impairment testing under accounting standards), sum-of-the parts view and the multiples achieved on recent disposals, general market assumptions of the sector which can ignore the liquidity profile and specific risks of an entity, and other specific items which impact the market's view of the Group at the moment. Taking these points into consideration the Committee is comfortable that there is no impairment in respect of goodwill or the net assets of the Parent Company to be recognised at 31 December 2024, despite the continuing low market capitalisation of the Company.

## Pensions

### Matter considered

The measurement of the defined benefit liabilities in respect of defined benefit pension schemes operated within the Group requires assumptions to be taken on inflation, mortality, corporate bond yields, expectations of returns on assets and several other key inputs. There is a risk that any one of these could lead to misstatement of the Group's liabilities in respect of pension obligations and the pension charge or movement recognised in the income statement or statement of comprehensive income.

### Action

The Committee reviewed the disclosure as presented in the accounts. The Committee also challenged the key assumptions and reviewed the sensitivity to changes in some of the key assumptions on a standalone basis as well as in the context of defined benefit schemes across other external benchmarks.

### Outcome

The Committee is satisfied that the estimation of the Group's pension liabilities and the narrative that accompanies them gives the required level of information for a reader of the accounts to determine the impact on the Group of its pension obligations.

### Deferred tax assets

#### Matter considered

The Group carries significant deferred tax assets. The recoverability assessment requires the application of judgement concerning future prospects and forecasts.

#### Action

The Committee reviewed the disclosure as presented in the accounts. The Committee also considered the recognition model adopted, challenged the key assumptions and reviewed the sensitivity to changes in some of the key assumptions on a standalone basis as well as in the context of defined benefit schemes across other external benchmarks.

#### Outcome

The Committee is satisfied with the amount of deferred tax recognised in these financial statements.

The Committee is also satisfied that the assumptions, methodology and disclosure in note 2.6 to the consolidated financial statements are sufficient to give the reader an understanding of the approach taken and the sensitivities within the assumptions that could reasonably give rise to a material derecognition of deferred tax.

### Other issues considered in relation to the financial statements

#### Materiality

Materiality is important in determining the risk attached to any judgement. The Committee considers the audit materiality set by the external auditor to ensure that the Committee is informed of individual items above a certain threshold that are most likely to have an impact on the financial statements. The Committee reviews the external auditor's report and the individual items that breach the materiality thresholds and assesses their relative impact on the reported statements. These are: income statement, statement of comprehensive income; balance sheet; statement of changes in equity and cash flow; as well as the notes to the accounts.

The Committee requests further clarification from the external auditor, the CFO and Director of Financial Control as to the nature of these items and also their relative importance in the financial statements.

After having made such enquiries, the Committee is satisfied that materiality has been applied correctly in the accounts.

### Disclosure of information to the auditor

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's external auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information required for the audit and to establish that the Company's external auditor is aware of that information.

### External auditor

The Committee provides a forum for reporting by the Group's external auditor (KPMG) and it advises the Board on the appointment, independence and objectivity of the external auditor and on fees earned for both audit and permitted non-audit work. The Committee discusses the nature, scope and timing of the audit with the auditor and, in making a recommendation to the Board on external auditor reappointment, performs an annual, independent assessment of the external auditor's suitability, performance and independence.

The external auditor attends meetings of the Committee and provides updates on statutory reporting, non-audit services and fees, and ongoing audit items.

The external auditor has the opportunity to raise concerns in private session with the Committee and separately with the chair. Specifically, the Committee asks the external auditor if discussion of business performance in the strategic report is consistent with the external auditor's overall impression of Capita. Any material discrepancies are discussed (refer to the independent auditor's report on pages 132 to 153).

### Auditor independence

The Committee has a responsibility to put in place safeguards to external auditor objectivity and independence and the key measures are:

- The CFO monitors the independence of the external auditor as part of the Group's assessment of external auditor effectiveness and reports to the Committee accordingly.
- The CFO must approve all non-audit engagements above £5,000 (below this level the Group Director of Financial Control must approve) – further details are set out in the section below on non-audit services. The Committee reviews non-audit fees twice a year and considers the implications for external auditor objectivity and independence.
- The external auditor must confirm its independence to the Committee every six months.

Ensuring conflicts of interest are avoided is a fundamental criterion in the selection of any external auditor. Such conflicts may arise across public and private sector clients, and in key supplier relationships. They are a key factor in the award process for an external audit assignment.



### Non-audit services and fees

The Company's policy on auditor independence describes the non-audit services that may be procured from the auditor. Permitted non-audit services include those required by laws and regulations, or where it is more practical for the external auditor to perform the service (eg review of interim results, reporting accountant role related to certain public company transactions, and audit and other assurance services related to public reporting on other information issued by Capita, such as reports on information in the front of the annual reports not covered by the auditor's report on the financial statements).

Under the policy, which is reviewed annually, executive management has discretion to engage the auditor for non-audit services but the nature of such assignments and associated fees must be reported regularly to the Committee. All assignments require approval from the CFO where the fee exceeds £5,000 (below this level the Group Director of Financial Control must approve). Where the fee exceeds £150,000, the Committee Chair is also required to approve the assignment, and above £350,000 the Committee's approval is required. Where executive management has any concern that a proposed assignment might threaten the auditor's independence, this is discussed with the Committee chair.

Total non-audit fees during the year were £1.3m and related to the review of interim results, ISAE 3402 assurance reporting on controls operating by a subsidiary, ISAE 3000 assurance reporting over non-financial metrics reported within the Annual Report and Accounts, and services as reporting accountant for the disposal of Capita One Limited. The Committee was satisfied that the services provided were in accordance with the Company's policy on auditor independence. Further details are provided in note 2.3.2 to the consolidated financial statements.

### External auditor performance

The Committee discussed regularly the performance of KPMG during the year, which included a review of the effectiveness and quality of the audit process, audit planning and a formal post-audit evaluation.

The formal evaluation comprises separate assessments by both management and the Committee of the auditor's role, activity and performance including:

- Calibre and risk profile of the audit firm;
- Audit governance, independence and objectivity;
- Audit scope and strategy;
- Audit team and relations with management and business; and
- Audit communications and resolution of audit issues.

The Committee concluded that KPMG demonstrated professional integrity and objectivity, was effective, and that there was adequate scepticism and challenge on the key judgements adopted by management, in particular those relating to the going concern assumption. The Committee was also satisfied that KPMG remained independent of the Group.

### Financial Reporting Council: audit quality inspections

Each year, the Audit Quality Review team (AQR) of the FRC issues a report that sets out the principal findings arising from the audit quality inspections conducted in the previous calendar year across a sample of audits for all major audit firms. The AQR's objective is to monitor and promote improvements in the quality of auditing. The report highlights improvements required to promote audit quality, and areas of good practice. The FRC publishes separate reports on the individual firms, including KPMG.

The Committee received a presentation from the KPMG lead audit partner on the findings from the FRC Audit Quality Inspection Report for KPMG.

### External auditor reappointment

Following a robust and rigorous audit tender process in 2018, the Committee and Board recommended the reappointment of KPMG LLP as the Group's auditor and this was approved by shareholders at the 2019 AGM. KPMG was first appointed in 2010, initially as KPMG Audit plc.

The lead audit partner is rotated on a five-yearly basis. The current lead audit partner rotated onto the audit following the completion of the 2021 audit in March 2022. There are no contractual obligations which restrict the Committee's choice of auditor.

Under the requirements of the Statutory Audit Services Order and the EU Audit Directive and Audit Regulation, the provision of audit services should be retendered every 10 years. The complex nature of the Group requires that a knowledge base is built up year on year by the incumbent to ensure that the external audit is conducted with a proper understanding of the Group's operations and the nature of the risks that it faces. This is an important factor in ensuring audit quality. The Group has complied with the provisions of the Statutory Audit Services Order.

A resolution to reappoint KPMG as the external auditor of the Company will be put forward at the forthcoming annual general meeting. If approved, KPMG will hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and its remuneration will be determined by the Committee.

### Review of risk management and internal control

Responsibility for reviewing the effectiveness of the Group's risk management and internal control systems is delegated to the Committee by the Board.

## Effectiveness and efficiency of risk management

During the year, the Committee considered the Group's principal risks and reviewed the Group's risk appetite. The Group's risk appetite statement is set over a three-year horizon to align with the Group's business planning and viability reporting processes. However, it is reviewed annually to ensure it remains fit-for-purpose and aligned with our strategic objectives. The principal risk assessment also considered any emerging risks that would threaten Capita's business model, future performance, solvency, or liquidity. The assessment process included regular engagement with the Executive Team members accountable for the management of risk falling under their remit.

The Committee received reports on the following themes during the year:

- Finance transformation.
- Internal controls framework.
- Cyber and information security.
- IT resilience.
- Data governance:
- Code of conduct matters, including fraud and other matters raised under the Group's Speak Up policy; and
- Legal, regulatory and litigation matters

In addition, the Committee receives regular updates from the Group's executive risk and ethics committee (EREC). EREC supports the Committee and is responsible for identifying, assessing, overseeing and challenging principal risks across all Capita's unregulated businesses. EREC is comprised of the Executive Team and the Director Internal Audit and Risk.

The Committee recognises the importance of the Group's financial services businesses and the need for specific oversight, to manage and mitigate regulatory risks associated within those businesses. This oversight is provided by the financial regulated entities oversight committee (the FREOC). The FREOC is chaired by an independent non-executive director, supported by specialist risk and compliance professionals, who provides regular updates to the Committee

The Committee continued its increased scrutiny of the Group's cyber security given the cyber incident in late March 2023, receiving regular presentations from the Chief Technology Officer (CTO) and the Chief Information Security Officer (CISO) on the Group's cyber transformation programme and challenging management on their assessments. In addition, given the importance of this issue to the Company the CTO and CISO also presented to the Board. The Committee was pleased to note the improvement in the Group's National Institute of Standards and Technology (NIST) cyber maturity score, following assessment from an independent third party. This remains a principal focus for the Committee and the CTO and CISO will continue to attend committee meetings on a regular basis to present to the Committee. In addition, the Chief Data Governance Officer, who also presented to the Board during the year, provided a paper to the Committee on the Group's data maturity and actions being taken to further improve the Group's capabilities. Capita has adopted the Data Management Association (DAMA) model which is a comprehensive framework for data governance standards and practices. The DAMA framework is being used within Capita to continuously improve our data management competence, processes, technology, and skills.

In December, Claire Denton, Chief General Counsel provided an annual update to the Committee on regulatory, employment and litigation matters. Claire is also the Company Secretary and attends all Committee meetings and is available to answer questions from the Committee on any of these matters.

## Effectiveness and efficiency of financial controls

Detail on the status of internal financial controls is in the risk management and internal control section of this report and can be found on pages 68 to 74. As detailed on page 100 further improvements to the Group risk and control framework, including financial controls were delivered during the year.

The Committee concluded that the Group risk and control framework, including financial controls could be relied upon to be materially effective, noting that further improvements to the Group risk and control framework are planned for 2025 to ensure that financial controls are appropriately efficient for a Group of the scale and complexity of Capita.

Further information on the Group's risk management and internal control process is set out on pages 68 to 74.

## Internal audit

The Group internal audit function has an administrative reporting line to the CFO and an independent reporting line to the Chair of the Committee. The function has in place a co-sourcing arrangement which adds expertise and breadth to the work of the inhouse audit team. The function is led by the Director Internal Audit and Risk who is also responsible for the Group's non-regulated business risk function. Regulated business risk is the responsibility of the CEO, Capita.

The 2025 internal audit plan was approved by the Committee in February 2025. The plan focuses on the following four categories (i) risk-based audits recommended for processes, projects or programmes that have known issues with the aim of understanding their cause and impact; (ii) advisory reviews used to evaluate the risk and control framework for processes, project or programmes that are not yet mature and therefore do not meet the criteria for an audit; (iii) thematic audits performed over core organisational processes that require regular checks to gain assurance that they continue to operate effectively and (iv) progress assurance with the objective to provide real-time assessment and advice regarding risks and controls for in-flight or emerging initiatives to enable issues to be addressed as activities progress. Key areas identified for audit during 2025 included contract delivery and sales pipeline management.

In addition to planned audits and reviews, internal audit will continue to drive Phase One of our Internal Controls Framework project. This will include ten ICF reviews which will cover all nine of the Company's principal risks and financial disclosure, fraud and entity level controls.

Conducting cyclical audits over these risks and processes provides better insight into how risk is being managed and provides comparison across business units. The plan is structured to be flexible; to provide assurance over core 'business as usual' activities aligned to our principal risks; and, to offer continued support for ongoing change activities.

Throughout the year, the Group internal audit function provides written reports to the Committee on the work carried out to date and the in-flight work to be completed, together with oral updates. An annual report is provided each year summarising the key matters arising. Reports set out controls and process weaknesses identified during the work, together with any recommendations for action.

In all cases, management responded with appropriate actions to mitigate the associated risks. The Committee reviews management's response to the matters raised and ensures that any action is commensurate with the level of risk identified. The Committee receives regular status updates on identified actions and provides robust challenge. Key actions taken following the conclusion of specific audits, included improvement in training of personnel, additional review sessions to ensure compliance with certain processes and procedures and improvement of governance and oversight in specific areas.

Through regular interaction between the Committee and the Director Internal Audit and Risk, as well as reports received from the function, the Committee can assess and satisfy itself that the Group's provision of internal audit is effective.

#### **Anti-bribery and corruption**

Capita has a Group-wide anti-bribery and corruption policy, which complies with the Bribery Act 2010. Procedures are reviewed periodically to ensure continued effective compliance in Group businesses around the world.

#### **The Internal Control Framework (ICF) Project**

As detailed in my introduction the ICF project is a significant initiative within Capita to comply with Provision 29 of the 2024 Code. The project, which is being executed in two phases, aims to ensure the effectiveness of the Group's risk management and our internal control framework. Phase One is focussing on identifying and mapping material business processes and documenting material controls to meet the 2024 Code's requirements. The Committee receives regular updates on the progress of the ICF project from the Director Internal Audit and Risk and remains a key focus for the Committee.

#### **Economic Crime and Corporate Transparency Act**

The Committee also focused on the Economic Crime and Corporate Transparency Act (ECCTA) which comes into effect in the UK on 1 September 2025. The Committee received regular updates on actions being taken by the Company to ensure compliance with ECCTA which requires businesses to implement fraud prevention controls to defend against corporate liability. The key controls include top-level commitment, risk assessment, proportionate risk-based prevention procedures, due diligence, communication, including training, and monitoring and review. The Committee will continue to focus on this matter and the progress of this project which aims to ensure that all key controls are in place by the required timeline. The project to implement the ECCTA will support our ICF project and will also strengthen Capita's bribery controls. We will provide an update on this matter in our 2025 Committee report.

#### **Code of Conduct and Speak Up**

The Code of Conduct sets the standard of how Capita operates. Our Code of Conduct training is mandatory for all Group employees including Capita plc directors. The Speak Up policy provides a framework for concerns to be raised in a responsible and effective manner. Capita uses a third party Speak Up platform to facilitate individuals raising concerns. Where concerns are raised, they are escalated to the Business Integrity team within Capita for further assessment and investigation. This ensures that concerns are addressed in a manner independent of a colleague's business area.

The Group Director Business Integrity and Financial Crime attends meetings of the Committee and provides regular updates on matters under his remit, including on issues reported under the Company's Speak Up policy, including an update on the current level of reported cases. The number of cases reported under the Company's Speak Up policy slightly reduced in 2024 compared to 2023. Engagement with colleagues will continue into 2025 to raise awareness of the available reporting channels, with a focus on improving reporting numbers and addressing local issues in specific jurisdictions. This includes focused communication and town hall sessions in India, Ireland, Switzerland, and Bulgaria to enhance awareness and engagement of our colleagues within these jurisdictions. In addition, focused videos will be made available globally to emphasise the importance of our Speak Up policy, and regular communication and training sessions are planned to build awareness of the Speak Up process and its importance within the Group.

During the year, the Chief General Counsel and Company Secretary and the Group Director Business Integrity and Financial Crime, met with the chairs of our employee network groups to discuss the use of Speak Up throughout the Group and what further actions could be taken to raise the profile of Speak Up to ensure that it is being used effectively.

This is an area of continued focus for the Committee. Oversight of these arrangements is a matter reserved to the Board, and during the year Brian, in his capacity as committee chair, provided regular updates on the operation of the policy to the Board, a practice which I will continue.

I look forward to updating shareholders on matters detailed above in the 2025 committee report.

**Jack Clarke, Chair  
Audit and Risk Committee**  
4 March 2025



**“Following the renewal of our remuneration policy at the 2024 AGM and noting the recently appointed CEO and CFO, no changes are proposed for 2025 as the new leadership team focuses on delivering our financial targets and creating sustainable value for stakeholders.”**

**Georgina Harvey, Chair,  
Remuneration Committee**

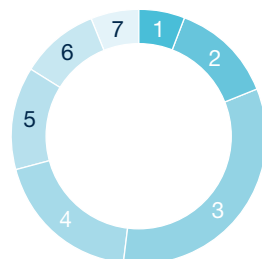
### Remuneration Committee membership and attendance

From 1 January 2025, the committee comprises three independent non-executive directors and the Chairman (considered independent on appointment). The number of formal meetings held and the attendance by each member is shown in the table on page 87.

The committee also held informal discussions as required. The Chief General Counsel and Company Secretary acts as secretary to the committee and is available to assist the members of the committee as required, ensuring that timely and accurate information is distributed accordingly.

The committee's terms of reference set out the role, responsibilities and authority of the committee and can be found on the Company's website at [www.capita.com/investors](http://www.capita.com/investors). These are normally reviewed, and updated where appropriate, on an annual basis.

### Remuneration Committee approximated time allocation



1. Governance	6%
2. Executive directors & executive team remuneration	13%
3. Annual bonus plan	33%
4. Long term incentives	19%
5. Wider workforce	13%
6. Policy review & shareholder views	10%
7. Committee time only	6%

### This report is split into three sections:

- The annual statement summarises how the committee discharged its roles and responsibilities in respect of 2024 and the proposed implementation of the directors' remuneration policy (the policy) for 2025.
- A summary of the policy which was approved by shareholders at the 2024 AGM. No changes are proposed for 2025.
- The annual report on remuneration sets out how the remuneration policy was implemented in respect of the year under review and explains how the policy will be operated for 2025.

The directors' remuneration report (excluding the policy) will be subject to an advisory shareholder vote at the 2025 AGM.



# Annual statement

Dear shareholder,

I am pleased to present the directors' remuneration report for the year ended 31 December 2024.

In 2024, Capita unveiled its forward-looking medium-term targets and demonstrated momentum against its strategic priorities to deliver a Better Capita, with new leadership at the helm, which this year delivered a 50 bps improvement in operating margin, significantly improving the Group's customer net promoter score and launching a number of AI products which are already delivering to clients.

The committee's focus in 2024 has been centred on:

- Operating our remuneration policy as approved by shareholders at the 2024 AGM;
- Agreeing the remuneration arrangements in respect of senior joiners and leavers; and
- Colleague development and workforce strategy: completing the multi-year rollout of our career path framework incorporating job sizing and market-informed job pay ranges to deliver transparency on pay throughout the Group.

Details of the committee's approach to remuneration in 2024, and the proposed implementation of the policy for 2025, are set out below.

## How the committee operates

The committee has an annual agenda covering the key planning and decision events in the annual remuneration cycle. Each meeting is supported by an agenda setting discussion held in advance with the committee Chair, Chief People Officer and Group Reward Director, to identify issues affecting remuneration that may require consideration by the committee. Regular reports, including updates on corporate governance and regulatory developments, are received from the committee's advisor. At each committee meeting the members may receive other reports and presentations covering wider workforce arrangements which include the annual pay review, wider workforce strategy, incentive scheme arrangements, gender pay and ethnicity reporting, engagement on how executive remuneration aligns with wider company pay policy, salary proposals for members of the senior team and approval of remuneration packages for new members of the executive team.

## Committee activities

The key workstreams of the committee during the year included:

- Assessing the performance underpin in respect of the Restricted Share Awards (RSAs) held by executive directors which were granted in 2021 with a 2024 vesting date;
- Agreeing the annual bonus outturn for the year ended 31 December 2023;
- Agreeing 2024 RSA levels;

- Agreeing the design and targets for the 2024 annual bonus;
- Determining the remuneration arrangements for senior management leavers/joiners, including the remuneration arrangements in respect of Tim Weller's retirement as CFO and the appointment of Pablo Andres as his successor;
- Consideration of executive pay arrangements and alignment with those for the wider workforce;
- Ongoing workforce engagement in respect of executive remuneration; and
- Receiving progress updates in respect of the implementation of wider workforce strategy on pay and progression (career path framework).

In addition, the committee has ensured that the remuneration policy and practices are consistent with the six factors set out in Provision 40 of the 2018 UK Corporate Governance Code (the Code):

**Clarity** – our policy is well understood by our senior management team and has been clearly articulated to our major shareholders and representative bodies (both on an ongoing basis and during the detailed consultation exercise in respect of the last policy review).

**Simplicity** – the committee is mindful of the need to avoid overly complex remuneration structures, which can be misunderstood and deliver unintended outcomes. A key objective of the committee is to ensure our executive remuneration policies and practices are straightforward to communicate and operate.

**Risk** – our policy has been designed to ensure that inappropriate risk taking is discouraged and will not be rewarded via: (i) the balanced use of both short-term incentives and long-term share awards; (ii) the significant role played by equity in our incentive plans (together with in employment and post cessation shareholding guidelines); and (iii) malus/clawback provisions and the committee's ability to use discretion to adjust vesting levels.

**Predictability** – our incentive plans are subject to annual individual limits, with our share plans also subject to a share dilution limit.

**Proportionality** – there is a clear link between individual awards, delivery of strategy and our long-term performance through performance conditions or underpins applied to the annual bonus plan and RSAs. In addition, the significant role played by incentive/at-risk pay, together with the structure of the executive directors' service contracts, ensures that poor performance is not rewarded.

**Alignment to culture** – our executive pay policies are fully aligned to Capita's culture, including elements of fixed pay (executive director pension provision is aligned with the workforce) and through the use of performance metrics that measure how we perform against our financial and non-financial KPIs. RSAs further increase alignment to Capita's responsible business strategy by offering a narrower range of value outcomes.

## Remuneration for 2024

A summary of the approach to remuneration in 2024 is as follows:

### Fixed remuneration

- The CEO and CFO were appointed on base salaries of £700,000 and £450,000 respectively, in both cases lower than those of their predecessors (£748,000 and £545,000 respectively).
- No changes were made to benefit provision and executive directors continued to receive a workforce-aligned pension allowance (5% of salary) in line with other employees.

### Annual bonus for 2024

- Annual bonus continued to be capped at 200% of salary for the CEO and 175% of salary for the CFO (pro-rated from their respective joining dates). In addition, the previous CFO was eligible for a pro-rated 2024 annual bonus up to the date he stepped down from the Board.
- Following the appointment of the new CEO, the committee agreed to defer the finalisation of the annual bonus targets by a number of months until the CEO had carried out a review of the business and the Capital Markets Day (CMD) had been completed. Following the CMD and reflecting the importance of improving profitability and delivering sustainable cash generation, the committee agreed that the 2024 annual bonus would be based on profit before tax (PBT), free cash flow and revenue weighted 40%, 50% and 10% respectively (totalling 80% of maximum bonus) and a key customer-based strategic objective (totalling 20% of maximum bonus).
- Following a review of performance against the annual bonus targets, annual bonuses of 29.28% of the maximum were awarded to the new CEO, the new CFO and the outgoing CFO (pro-rata to appointment/stepping down) in respect of the year ended 31 December 2024. While free cash flow and revenue performance were below threshold, PBT performance was between threshold and target and the customer based strategic objective was met in full.
- Further details in respect of the annual bonus performance assessment are set out on page 120.

## Restricted Share Awards

- RSAs granted to Jon Lewis and Tim Weller in April 2022, which were due to vest in April 2025, lapsed in full post year end following the application of the total shareholder return (TSR) underpin.
- RSAs were granted under the Capita Executive Plan in May 2024 at 125% of salary for the new CEO. This reflects a reduction compared to the former CEO's RSA level given the new CEO's lower salary (£700,000 versus £748,000 paid to the former CEO) and lower award as a percentage of salary (i.e. 125% of salary versus 150% of salary). RSAs were granted in September 2024 at 50% of salary for the new CFO which was a pro-rated from the normal 100% of salary award level to reflect his mid-year appointment. The former CEO and CFO were not eligible to receive 2024 RSAs. Further details of the 2024 RSAs are set out in the annual report on remuneration.

## Total remuneration

- The committee is satisfied that total remuneration paid to the executive directors in respect of 2024 was appropriate in the context of the shareholder and broader stakeholder experience.

## Use of discretion

The committee retains the right to exercise discretion to override formulaic outcomes and ensure that the level of bonus and/or share award payable is appropriate. It may also use its judgement to adjust outcomes to ensure that any payments made reflect overall Company performance and stakeholder experiences more generally. Where discretion is exercised, the rationale for this discretion will be fully disclosed to shareholders in the relevant annual report. A summary of the discretion exercised by the committee over the last five years, is set out below:

	2020	2021	2022	2023	2024
<b>Annual bonus</b>	In light of the impact of Covid-19, the annual bonus plan was withdrawn for 2020 for the executive directors (plus the executive committee and selected senior managers) before the targets were agreed.	No committee discretion exercised.	Annual bonus awards for the CEO and CFO for the year ended 31 December 2022 were reduced from 69% to 60% of the maximum, see page 115 of the 2022 annual report.	No committee discretion exercised (albeit it should be noted that the committee accepted management's proposal not to pay an annual bonus for 2023).	No committee discretion exercised.
<b>Share awards</b>	2020 LTIP award levels were reduced by around 70% compared with normal grant levels. In addition, and to reflect underlying financial and operational performance, the committee applied downward discretion when assessing the vesting of the 2018 LTIP.	2021 RSA levels were reduced from the normal policy grant level by around 17%.	The 2022 RSA level for the CEO was reduced from the normal award level of 150% of salary to 100% of salary, see page 116 of the 2022 annual report.	No committee discretion exercised.	No committee discretion exercised.

### Board changes in 2024

Adolfo Hernandez replaced Jon Lewis as CEO and executive director on 17 January 2024. The remuneration arrangements relating to Jon Lewis's retirement and the appointment of Adolfo Hernandez are presented on page 114 of last year's Annual Report and Accounts.

As per the announcement on 2 May 2024 in respect of Tim Weller's retirement, Tim stepped down as CFO and an executive director on 9 August 2024. Pablo Andres was appointed CFO designate and an executive director on 15 July 2024 and was appointed CFO on 9 August 2024. The remuneration arrangements relating to Tim Weller's retirement and the appointment of Pablo Andres are set out on page 123.

Jack Clarke was appointed as a non-executive director on 9 October 2024. Jack was also appointed chair of the audit and risk committee succeeding Brian McArthur-Muscroft who remains an independent non-executive director. Nneka Abulokwe was appointed chair of the responsible business (RB) committee in March 2024.

### Remuneration for 2025

The committee's intended approach to the implementation of the policy for 2025 is set out below.

#### Fixed remuneration

- No base salary increases will be awarded to the executive directors during 2025.
- No significant changes will be made to benefit provision and executive directors will continue to receive a workforce-aligned pension allowance (5% of salary) in line with other employees.

#### Annual bonus for 2025

- Maximum annual bonus potential will continue to operate at 200% (CEO) and 150% (CFO) of salary.
- The financial performance metrics will continue to be based on profit before tax, free cash flow and revenue targets (weighted 40%, 50% and 10% respectively) and totalling 80% of bonus potential. The remaining 20% will be based on strategic/individual objectives incorporating customer, colleague, AI growth and leadership targets.

#### Restricted Share Awards

The 2025 RSAs to be granted to executive directors in 2025 will:

- be set at a maximum of 125% of salary for the CEO and 100% of salary for the CFO;
- vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment of performance against the underpins (including three-year TSR to be positive). No shares can normally be sold until at least six years from grant, other than those required to settle any taxes.

The actual number of shares under award will be determined just prior to the date of grant and those details and the underpins that will apply to the awards will be set out in the RNS issued immediately following grant.

### Shareholder views

The committee engaged with Capita's major shareholders and the main representative bodies in advance of the 2024 AGM in respect of the renewal of the remuneration policy and our major shareholders confirmed that they were supportive. As such, no changes were made to the proposals following consideration of the feedback received and the committee was pleased with the high level of shareholder support in respect of the remuneration-related resolutions at the 2024 AGM.

### Employee engagement and workforce strategy

In 2024, our new CEO Adolfo Hernandez placed significant emphasis on engaging with our colleagues globally. Through regular site visits, which included colleague/CEO forums and more regular use of Viva Engage, all colleagues got an improved opportunity to feedback to the CEO and executive team directly. Adolfo and the executive team regularly communicated with all employees through newsletters, emails, Viva Engage and our first ever global townhalls (held virtually). Also included were the announcement of our 2023 financial results, our CMD and mid-year trading update – all of which our colleagues were invited to join. Employees are able to submit any questions about the company, including in relation to the directors' remuneration policy and report, pay and benefits, both online and during live employee briefings.

The committee has an established process of engaging with the workforce on how executive remuneration aligns with wider company pay policy, in compliance with the Code. The purpose and content of the sessions are clearly articulated and publicised to encourage a wide range of attendees and questions. A session was held with the chairs and co-chairs of the Capita employee network groups and members of the leadership council in 2024. In addition, a further session was held with a cross-section of employees from different levels, divisions and territories within the Capita Group. Both sessions were chaired by Georgina Harvey and covered: the work of the committee; executive pay in the UK and at Capita; how executive remuneration is linked to performance; wider workforce pay policy and how this is linked to Capita executive pay policy including how each element of the remuneration package cascades down the business; transparency on pay within Capita and future pay strategy. These sessions provide an opportunity for questions and answers and the provision of feedback is encouraged. Further workforce engagement sessions will take place during 2025 following a similar structure although it is proposed that sessions will be held face to face where possible and a separate further session with the senior leadership team is also planned.

Following the decision to change the constitution of the Board from January 2024, there is no longer an employee non-executive director. The Board agreed that it would be appropriate to consider a wider level of engagement with colleagues including site visits to meet with local management and colleagues at Capita's businesses. Nneka Abulokwe was appointed as the designated non-executive director to engage with our colleagues in February 2024. Details of the work she has undertaken in this role during 2024 is set out in the Responsible Business section of the Annual Report on page 48.

The committee takes a keen interest in wider workforce strategy on pay and development. During 2024, the committee has received presentations on progress in establishing a global reward framework for Capita. This has been a multi-year project and the Capita career path framework for all global colleagues was completed during the year. Further detail is included in the Responsible Business section of the Annual Report on page 43. The committee acknowledges the significant improvements made in the wider workforce pay environment at Capita in recent years and will continue to monitor the ongoing strategy as part of the annual committee agenda.

The committee considers that our remuneration policy approved by shareholders at the 2024 AGM continues to remain appropriate and was pleased with the level of support it received at the 2024 AGM.

I hope you find this report to be clear and helpful in understanding our remuneration practices and that you will be supportive of the advisory vote to approve the annual report on remuneration.

Finally, I would like to thank our shareholders for their ongoing support.

**Georgina Harvey, Chair  
Remuneration Committee**

4 March 2025



# Directors' remuneration policy

This part of the remuneration report sets out a summary of our remuneration policy which was approved by shareholders at the 2024 AGM. The full policy approved by shareholders at the 2024 AGM is presented in the Annual Report and Accounts 2023. No changes to the policy are proposed for 2025. The information provided in this section of the remuneration report is not subject to audit.

## Responsibilities and activities of the Remuneration Committee

The committee is responsible for determining and agreeing with the Board the remuneration policy for the executive directors, executive team members, and the Chief General Counsel and Company Secretary role, including setting the overarching principles, parameters and governance framework and determining each remuneration package. In addition, the committee reviews remuneration for the wider workforce and related policies and the alignment of incentives and rewards with culture. The committee also sets the Chairman's fee.

In setting the remuneration policy for the executive directors, executive team members and the Chief General Counsel and Company Secretary role, the committee ensures that the arrangements are in the best interest of both the Group and its shareholders, by taking into account the following general principles:

- To ensure total remuneration packages are simple and fair in design so that they are valued by participants;
- To ensure that total remuneration strongly reflects performance;

## Remuneration policy table

The following table sets out the key aspects of the policy.

### Base salary

Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
To attract and retain talent by ensuring base salaries are sufficiently competitive	<p>Normally reviewed annually. The committee may award salary increases at other times of the year if it considers it to be appropriate. The review takes into account:</p> <ul style="list-style-type: none"> <li>• Salaries in similar companies and comparably-sized companies</li> <li>• Remuneration policy</li> <li>• Economic climate</li> <li>• Market conditions</li> <li>• Group performance</li> <li>• The role and responsibility of the individual director</li> <li>• Employee remuneration across the broader workforce.</li> </ul>	<p>There is no prescribed maximum monetary annual increase to base salaries. Any annual increase in salaries is at the discretion of the committee, taking into account the factors stated in this table and the following principles:</p> <ul style="list-style-type: none"> <li>• Salaries would typically be increased at a rate consistent with the average salary increase (in percentage of salary terms) for the broader workforce.</li> <li>• Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group).</li> <li>• Larger increases may also be considered appropriate if a director has been initially appointed to the Board at a lower than typical salary.</li> </ul>	Individual and business performance are considerations in setting base salaries.

- To balance performance-related pay between: the achievement of financial performance objectives and delivering sustainable performance; creating a clear connection between performance and reward; and providing a focus on sustained improvements in profitability and returns; and
- To provide a material proportion of remuneration in shares, allowing senior management to build a significant shareholding in the business and, therefore, aligning management with shareholders' interests and the Group's performance, without encouraging excessive risk taking.

## Consideration of shareholder views

The Company is committed to maintaining good communications with shareholders. It considers the AGM to be an opportunity to communicate with shareholders, giving them the opportunity to raise any issues or concerns they may have. In addition, the committee seeks to engage directly with major shareholders and the main representative bodies, should any material changes be proposed to the policy.

## Consideration of our people

When determining executive director remuneration policy and practices, the committee reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture to ensure that workforce pay and conditions are taken into account when setting the pay of executive directors and senior management.

## Benefits

Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Designed to be consistent with benefits available to employees in the Group.	Benefits may include car allowance, private medical insurance, travel and property hire. Executive directors can also participate in all-employee share plans. The committee has discretion to add additional benefits which are not currently provided, such as relocation expenses.	Benefit provision varies between different executive directors. While there is no maximum level set by the committee, benefits provision will be set at a level the committee considers appropriate and be based on individual circumstances. Participation in the Company's HMRC-approved all-employee share plan will be limited by the maximum level prescribed by HMRC.	Not performance-related.

## Pension

Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Consistent with benefits available to employees in the Group.	Pension contributions are paid into the Group's defined contribution scheme and/or as a cash allowance.	5% of salary.	Not performance-related.

## Annual bonus

Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Performance measures are selected to focus executives on delivery of the Group's business plan for the financial year.	The bonus measures and targets are reviewed annually to ensure that bonus opportunity and performance measures are appropriately stretching and continue to support the business plan. Performance against targets is reviewed following completion of the final accounts for the period under review. 50% of any bonus earned (net of tax) is normally delivered in shares deferred for three years, with the remainder delivered in cash or deferred shares at the executive director's discretion. An additional payment may be made at the time of vesting in respect of dividends that would have accrued on deferred shares during the deferral period. Malus and clawback provisions apply to all annual bonus and deferred bonus share awards for a period of up to three years after the determination of the annual bonus.	200% of salary.	Performance is normally measured over a one-year period relative to challenging targets for selected measures of Group financial, strategic and/or individual performance. The majority of the bonus will be determined by measure(s) of Group financial performance. A sliding scale is set for each Group financial measure: 50% of the bonus will be paid at target performance, increasing to 100% for maximum performance. Any bonus payout is ultimately at the discretion of the committee, and the amount of any bonus that would be determined based on performance may be reduced if the committee believes this better reflects the underlying performance of Capita over the relevant period.

## Restricted share awards

Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Designed to reward and retain executives over the longer term, while aligning their interests with those of shareholders. To link reward to longer-term performance. To encourage share ownership.	Awards normally vest after three years from grant and, once vested, shares may not normally be sold until at least six years from the grant date (other than to pay relevant taxes). Dividends or dividend equivalents may accrue over the vesting period and any holding period but only to the extent awards vest. Malus and clawback provisions apply to awards for a period up to the fifth anniversary of grant.	125% of salary.	Vesting will be subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against one or more underpins. In addition, the committee may reduce the extent to which an award vests if it believes this better reflects the underlying performance of Capita over the relevant period.

## Shareholding guidelines

Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
To align interests of management and shareholders and promote a long-term approach to performance and risk management.	Shareholding guidelines require executive directors to reach a specified shareholding. Executive directors are required to retain 100% of any shares from deferred bonus awards, RSAs (or LTIPs as granted under the previous policy) on vesting (net of tax) until the guideline level is achieved. Post-cessation guidelines apply to share awards granted following the 2020 AGM. In determining the relevant number of shares to be retained post cessation, shares acquired from own purchases, any buyout awards and share awards granted prior to the 2020 AGM will not be counted.	<p><b>In employment:</b> 300% of salary (CEO); 200% of salary (CFO).</p> <p><b>Post cessation:</b> 100% of the relevant guideline between cessation and the second anniversary of cessation (or the actual shareholding if the guideline has not been met at cessation).</p>	Not performance-related.

## Non-executive director (NED) fees

Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Market competitive fees are set to attract and retain non-executive directors with the required skills, experience and knowledge so that the Board can effectively carry out its responsibilities.	<p>Reviewed periodically by the Board. Fee levels set by reference to market rates, taking into account the individual's experience, responsibilities, time commitment and pay decisions for the broader workforce. NED fees comprise payment of an annual basic fee and additional fees for further Board responsibilities such as:</p> <ul style="list-style-type: none"> <li>• Senior independent director</li> <li>• Audit and Risk Committee chair</li> <li>• Remuneration Committee chair</li> <li>• The Chairman of the Board receives an all-inclusive fee.</li> </ul> <p>Additional fees/allowances may also be paid for intercontinental travel for business purposes where appropriate. No NED participates in the Group's incentive arrangements or pension plan or receives any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in which case a NED may receive grossed-up costs of travel as a benefit.</p>	As per the executive directors, there is no prescribed maximum monetary annual increase. Fees are limited to an aggregate annual sum of £1m increased only to take account of the effect of inflation as measured by the retail price index or such index as the directors consider appropriate or such other amount as the Company may by ordinary resolution decide.	Not performance-related.

The annual bonus performance measures are Group financial, strategic or individual measures which are selected annually to be consistent with key priorities for the Group.

Targets are normally set on sliding scales that take account of internal strategic planning and external market expectations for the Company.

Only modest rewards are available for achieving threshold performance with maximum rewards requiring substantial outperformance of challenging strategic plans approved at the start of each year.

The committee operates share-based arrangements for the executive directors in accordance with their respective scheme rules, the Listing Rules and the HMRC rules where relevant. The committee, consistent with market practice and the scheme rules, retains discretion over a number of areas relating to the operation and administration of the plans. These include (but are not limited to) the following:

- Who participates
- The form in which the award is granted and settled (eg shares, nil cost options, cash)
- The timing of the grant of award and/or payment
- The size of an award (up to individual and plan limits) and/or a payment
- Discretion relating to the measurement of any performance target/underpin and pro-rating of awards in the event of a 'good leaver' scenario or a change of control or restructuring of the Company
- Determination of whether or not a person is characterised as a good leaver (in addition to any specified categories) for incentive plan purposes
- Adjustments required in certain circumstances (eg share capital variation, rights issues, demerger, corporate restructuring, special dividends)
- The ability to vary or substitute any performance condition(s)/underpins if circumstances occur which cause it to determine that the original condition(s) have ceased to be appropriate, provided that any such variation or waiver is fair, reasonable and not materially less difficult to satisfy than the original condition (in its opinion). In the event that the committee were to make an adjustment of this sort, a full explanation would be provided in the next remuneration report.

In all cases, the committee retains absolute discretion to override formulaic outcomes in the bonus, RSA and any other remuneration arrangements (eg to ensure that any payouts reflect underlying Company performance and the broader stakeholder experience).

The committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed: (i) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved directors' remuneration policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a director of the Company and, in the opinion of the committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes payments includes the committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted. The committee retains discretion to make minor amendments to the policy set out in this policy report (for regulatory, exchange control, tax or

administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

### Malus and clawback

Malus and clawback provisions apply to all incentive awards granted to executive directors. These provisions permit the committee to reduce or recover bonus awards (including deferred shares) for up to three years after the determination of the annual bonus and to reduce or recover RSA awards (and LTIP awards granted under the previous policy) up to the fifth anniversary of grant. The potential circumstances in which malus or clawback provisions can be applied include:

- material misstatement of a Group company's financial results
- a participant deliberately misleads relevant parties regarding financial performance
- serious misconduct or conduct which causes significant financial loss
- overpayments due to material abnormal write-offs of an exceptional basis
- an error was made, or inaccurate or misleading information was used to determine the value of an award
- reputational damage
- material failure of risk management
- corporate failure or the occurrence of an insolvency event.

### Application of our remuneration policy

When determining executive director remuneration policy and practices, the committee reviews workforce remuneration and related policies, and the alignment of incentives and rewards with culture.

Share awards are granted to senior management in order to encourage a high level of employee share ownership, albeit remuneration is more heavily weighted towards long-term variable pay for executive directors than other employees. This is to ensure that there is a clear link between the value created for shareholders and the remuneration received by the executive directors. The committee did not consult with employees formally in respect of the design of the policy, although the employee non-executive director who attended the committee by invitation during 2023 was involved in the committee's discussions.

### Directors' recruitment and promotions

The committee takes into account the need to attract, retain and motivate the best person for each position, while at the same time ensuring a close alignment between the interests of shareholders and management.

If a new executive director were to be appointed on a permanent basis, the committee would seek to align their remuneration package with other executive directors in line with the policy table. However, flexibility would be retained to make buyout awards or payments in respect of remuneration arrangements and contractual terms forfeited on leaving a previous employer. In such circumstances, the committee would look to replicate the arrangements being forfeited as closely as possible and, in doing so, would take account of relevant factors including the nature of the remuneration and contractual terms, performance conditions and the time over which they would have vested or been paid.



If appropriate, a new appointee's incentives in their year of joining may be subject to different targets than for other executive directors. The committee may also agree that the Company will meet certain relocation and incidental expenses, as it considers appropriate.

The maximum level of variable remuneration which may be granted (excluding awards to compensate for remuneration arrangements and contractual terms forfeited on leaving the previous employer) to new executive directors in the year of recruitment shall be limited to 325% of salary (the maximum limit permitted within the policy table).

The initial notice period for a service contract may be up to 24 months, which is longer than that stated in the policy of a 12-month notice period, provided it reduces to 12 months within a short space of time.

For an internal appointment or an appointment following the Company's acquisition of or merger with another company, any incentive amount awarded in respect of a prior role may be allowed to vest on its original terms, or adjusted as relevant to take into account the appointment. Any other ongoing remuneration obligations or terms and conditions existing prior to appointment may continue.

The committee retains discretion to make appropriate remuneration decisions outside the standard policy to meet the individual circumstances of recruitment when:

- An interim appointment is made to fill an executive director role on a short-term basis.
- Exceptional circumstances require that the Chairman or a non-executive director takes on an executive function on a short-term basis.

In the event of the appointment of a new non-executive director, remuneration arrangements will normally be in line with the structure set out in the policy table for non-executive directors. However, the committee (or the Board as appropriate) may include any element listed in the policy table or any other element which the committee considers is appropriate given the particular circumstances excluding any variable elements, with due regard to the best interests of shareholders.

### Directors' service agreements and payments for loss of office

The committee regularly reviews the contractual terms of the service agreement to ensure these reflect best practice.

The service contracts for executive directors are for an indefinite period and provide for a 12-month notice period. They do not include provisions for predetermined compensation on termination that exceed 12-months' salary, pension and benefits. There are no arrangements in place between the Company and its directors that provide for compensation for loss of office following a takeover bid. All directors are appointed subject to annual re-election at the annual general meeting.

In circumstances of termination on notice, the committee will determine an equitable compensation package, having regard to the particular circumstances of the case. The committee reserves the right to make payments in connection with a director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of a compromise or settlement of any claim arising in connection with the cessation of a director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with his cessation of office or employment.

The committee has discretion to require notice to be worked or to make payment in lieu of notice or to place the director on garden leave for some or all of the notice period. Any payment in lieu of notice will be reduced for any period of time worked post notice being given or received.

The annual bonus may be payable for a good leaver (as defined in the plan rules) in respect of the period of the bonus plan year worked by the director; there is no provision for an amount in lieu of bonus to be payable for any part of the notice period not worked. Bonus payments would normally be paid at the normal payment date.

On cessation, an executive director's share plan entitlements will be determined in accordance with the rules of the relevant plan.

Unvested deferred share awards will normally lapse on the earlier of notice being given/received and cessation. However, the committee has discretion to allow awards to instead continue to vest in full on the normal vesting date (or earlier at the discretion of the committee) for a good leaver (as defined in the relevant plan rules).

In respect of RSAs/LTIPs, unvested awards will normally lapse on the earlier of notice being given/received and cessation. However, the committee has discretion to allow awards to instead continue to vest on the normal vesting date (or earlier at the discretion of the committee) to the extent any performance conditions/underpins attached to the relevant award are satisfied at vesting. In such cases awards will, other than in exceptional circumstances, be scaled back on a time pro-rated basis and post-vesting holding periods would normally apply.

In the event of a change of control, all unvested LTIP awards/RSAs would (unless rolled over) vest, to the extent that any performance conditions/underpins attached to the relevant awards have been achieved. Awards would normally be subject to time pro-rating (unless the committee determines otherwise).

Unvested deferred share awards would vest in the event of a change of control (unless rolled over). Shares held within the share ownership plan will be removed from the plan or exchanged for replacement shares in accordance with the scheme rules and HMRC guidelines.

### Non-executive directors' terms of engagement

Non-executive directors are appointed by letter of appointment for an initial period of three years. Each appointment is terminable by three months' notice on either side. At the end of the initial period, the appointment may be renewed by mutual consent, subject to annual re-election at the AGM.

### Inspection of service agreements/letters of appointment

The service agreements and non-executive directors' letters of appointment are available for inspection during normal business hours at the Company's registered office, and available for inspection at the AGM.

# Annual report on remuneration

This part of the remuneration report has been prepared in accordance with The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and paragraphs 9.8.6R and 9.8.8 of the Listing Rules. The annual report on remuneration will be put to an advisory shareholder vote at the 2025 AGM. The information on pages 118 to 126 has been audited as indicated.

FIT Remuneration LLP (FIT) was appointed by the committee during 2020 to provide independent advice on executive remuneration matters. During the year, the committee received independent and objective advice from FIT primarily on market practice, governance updates, the operation of the remuneration policy, shareholder/proxy feedback, remuneration-related disclosure within the accounts and the retirement of Tim Weller and appointment of Pablo Andres as CFO. FIT's fees were £55,741 (excluding VAT) during 2024 for its services (charged on a time plus expenses basis). The fees were considered appropriate for the work undertaken. No other services were provided to the Group by FIT.

FIT is a founding member of the Remuneration Consultants Group and, as such, operates voluntarily under the code of conduct in relation to executive remuneration consulting in the UK. The committee considers FIT's advice on remuneration to be independent and objective, and there is no connection with the Company or individual directors.

The committee also consulted with the CEO, CFO, the Chief People Officer and the Group Reward Director to provide further information to the committee on the performance and proposed remuneration for the executive directors and other senior management, but not in relation to their own remuneration.

The work of the committee is detailed in the annual statement.

## Shareholder voting at the AGM

At the 2024 AGM, shareholder voting in respect of the resolution to approve the remuneration report for the year ended 31 December 2023 and the 2024 remuneration policy is presented below.

	Votes cast for	Votes cast against	Abstentions <sup>1</sup>
Directors' remuneration report, excluding the directors' remuneration policy, for the year ended 31 December 2023	986,401,044	38,263,345	1,591,360
	96.27%	3.73%	
	1,016,454,099	8,251,055	1,550,595
Directors' remuneration policy (2024 AGM)	99.19%	0.81%	

1. A vote abstained is not a vote in law and is not counted in the calculation of the proportion of votes 'for' and 'against' a resolution.

## Policy implementation for 2025

Details of the committee's intended approach to the implementation of the policy for 2025 is set out in the annual statement.

## Fees for the Chairman, senior independent director and non-executive directors

A summary of the fees for 2025 are set out in the table below. Fee levels are unchanged other than for Nneka Abulokwe who was appointed responsible business (RB) committee chair and designated non-executive director for colleague engagement during 2024 with an associated fee increase for the additional duties, and Brian McArthur-Muscroft who stepped down as audit committee chair during 2024.

	Annual fee from 1 January 2025
David Lowden, Chairman	£290,000
Georgina Harvey, Senior Independent Director and Remuneration Committee Chair	£85,500
Jack Clarke, Audit and Risk Committee Chair	£75,000
Nneka Abulokwe, Responsible Business Committee Chair and designated non-executive director for colleague engagement	£80,000
Neelam Dhawan	£64,500
Brian McArthur-Muscroft	£64,500

## Directors' remuneration earned in 2024 – single-figure table (audited)

The table below summarises directors' remuneration received in 2024 (with prior year comparators).

		Base salary and fees £	Benefits <sup>1</sup> £	Pension £	Annual bonus £	RSA £	Buy-out Awards £	Total remuneration £	Total fixed remuneration £	Total variable remuneration £
David Lowden	<b>2024</b>	290,000	1,046	–	–	–	–	<b>291,046</b>	291,046	–
	2023	290,000	1,876	–	–	–	–	<b>291,876</b>	291,876	–
Adolfo Hernandez <sup>2,4</sup>	<b>2024</b>	669,565	20,033	33,478	392,000	–	1,611,836	<b>2,726,912</b>	723,076	2,003,836
	2023	–	–	–	–	–	–	<b>–</b>	–	–
Pablo Andres <sup>3,4</sup>	<b>2024</b>	208,696	929	7,500	91,800	–	–	<b>308,925</b>	217,125	91,800
	2023	–	–	–	–	–	–	<b>–</b>	–	–
Georgina Harvey	<b>2024</b>	85,500	132	–	–	–	–	<b>85,632</b>	85,632	–
	2023	85,500	567	–	–	–	–	<b>86,067</b>	86,067	–
Jack Clarke <sup>5</sup>	<b>2024</b>	17,120	0	–	–	–	–	<b>17,120</b>	17,120	–
	2023	–	–	–	–	–	–	<b>–</b>	–	–
Nneka Abulokwe <sup>6</sup>	<b>2024</b>	73,375	483	–	–	–	–	<b>73,858</b>	73,858	–
	2023	64,500	567	–	–	–	–	<b>65,067</b>	65,067	–
Neelam Dhawan <sup>7</sup>	<b>2024</b>	64,500	16,000	–	–	–	–	<b>80,500</b>	80,500	–
	2023	64,500	8,520	–	–	–	–	<b>73,020</b>	73,020	–
Brian McArthur-Muscroft <sup>8</sup>	<b>2024</b>	75,000	104	–	–	–	–	<b>75,104</b>	75,104	–
	2023	75,000	567	–	–	–	–	<b>75,567</b>	75,567	–
<b>Former Directors</b>										
Jon Lewis <sup>9,11</sup>	<b>2024</b>	33,244	878	1,622	–	0	–	<b>35,784</b>	35,784	0
	2023	748,000	19,475	37,400	0	0	–	<b>804,875</b>	804,875	0
Tim Weller <sup>10,11</sup>	<b>2024</b>	330,028	12,146	16,501	169,386	0	–	<b>528,061</b>	358,675	169,386
	2023	545,000	17,703	27,250	0	0	–	<b>589,953</b>	589,953	0
John Cresswell <sup>12</sup>	<b>2024</b>	–	–	–	–	–	–	<b>–</b>	–	–
	2023	16,125	1,325	–	–	–	–	<b>17,450</b>	17,450	–
Claire Miles <sup>13</sup>	<b>2024</b>	1,251	–	–	–	–	–	<b>1,251</b>	1,251	–
	2023	40,897	311	–	–	–	–	<b>41,208</b>	41,208	–
Janine Goodchild <sup>14</sup>	<b>2024</b>	–	–	–	–	–	–	<b>–</b>	–	–
	2023	64,500	1,021	–	–	–	–	<b>65,521</b>	65,521	–

- Benefits include all taxable benefits as defined by paragraph 11(1) of the regulations. This includes private medical insurance, company car allowance, work travel and the value of matching share awards under the UK all-employee share scheme.
- Adolfo Hernandez was appointed CEO on 17 January 2024. Base salary, benefits, pension and bonus for 2024 are shown from the date of appointment. The Buy-out Awards granted to Adolfo in March 2024 are presented at face value as at the grant date given that the vesting of each tranche is contingent on continued service only. Further details of the buy-out awards are presented on page 121.
- Pablo Andres was appointed as a director and CFO designate on 15 July 2024. Base salary, benefits, pension and bonus for 2024 are shown from the date of appointment as a director. He succeeded Tim Weller as CFO on 9 August 2024. Pablo does not receive a car allowance in line with Capita's policy for new hires.
- The value of the RSAs granted to the executive directors, the vesting of which are subject to both continued service and performance underpins, will be disclosed in the year ending just prior to the normal vesting date.
- Jack Clarke was appointed as a non-executive director and Chair of the Audit and Risk Committee (replacing Brian McArthur-Muscroft) on 9 October 2024. Fees for 2024 are shown from 9 October 2024 and reflect his appointment as a chair of a committee from his appointment date.
- Nneka Abulokwe was appointed Chair of the RB committee and designated non-executive director for workforce engagement in early 2024. Fees for 2024 reflect her appointment as a chair of a committee from 27 February 2024.
- Neelam Dhawan is based outside the UK and receives an allowance for physical attendance at a Board meeting. This is shown in the benefits column.

- Brian McArthur-Muscroft stepped down from the role of Chair of the Audit and Risk Committee on 9 October 2024 and was replaced by Jack Clarke. He retained the chair fee until the end of 2024 reflecting a handover period.
- Jon Lewis stepped down as a director and CEO on 17 January 2024 and was replaced by Adolfo Hernandez. Base salary, benefits and pension for 2024 are shown up to the date of stepping down. Jon Lewis was not eligible for an annual bonus under the Group annual bonus plan for 2024.
- Tim Weller stepped down as a director and CFO on 9 August 2024 and was replaced by Pablo Andres. Base salary, benefits and pension for 2024 are shown up to the date of stepping down with annual bonus calculated on a pro-rata basis.
- Details of the performance assessment and vesting of the 2022 RSA awards held by Jon Lewis and Tim Weller are set out on page 120. RSAs granted to the former executive directors in March 2023 with performance underpins, will be disclosed in the year ending just prior to the normal vesting date.
- John Cresswell stepped down as a non-executive director on 31 March 2023. Fees for 2023 are shown from 1 January 2023 to 31 March 2023.
- Claire Miles was appointed as a non-executive director on 12 May 2023. Fees for 2023 are shown from 12 May 2023 to 31 December 2023. Claire stepped down from the Board on 31 December 2023 following her appointment as CEO of Stagecoach. She was paid up to 6 January 2024 in line with the terms of the notice period in her service contract. These fees are included in the table above and include a small amount in respect of accrued annual leave.
- Janine Goodchild stepped down as employee non-executive director on 31 December 2023.

## Directors' remuneration report *continued*

### Annual bonus for 2024 (audited)

The annual bonus for 2024 was based on a combination of profit before tax (PBT), free cash flow and revenue targets, weighted 40%, 50% and 10% respectively (totalling 80% of maximum bonus) and a customer objective (20% of maximum bonus).

For each performance measure, 25% of bonus was payable for achieving the threshold target, 50% was payable for achieving target performance, with 100% of the bonus payable for achieving the stretch target. Based on performance against the targets set, 9.28% of the maximum 80% available for the financial measures was earned as follows:

#### Financial targets (80% of the bonus)

	Weighting (% of maximum bonus)	Threshold target (25% vests)	Target (50% vests)	Stretch (100% vests)	Actual performance	Achievement against financial performance weighting
Adjusted PBT	32% (40% of potential)	£48m	£60m	£72m	£50m	29%
Free cash flow excluding business exits	40% (50% of potential)	£(110)m	£(100)m	£(90)m	£(122)m	0%
Adjusted Revenue	8% (10% of potential)	£2,582m	£2,605m	£2,736m	£2,369m	0%
Financial measures	80% of maximum total award					9.28% of maximum total award

1. The Adjusted PBT outturn above excludes costs that have complied with the criteria to be treated as exceptional costs.

#### Strategic objective (20% of the bonus)

The strategic objective for 2024 was focused on improvement in the cNPS and represented 20% of the total bonus opportunity for each director.

Objective and weighting (% of maximum bonus)	Threshold	Target	Maximum	Actual	Achievement against strategic performance weighting
Customer (20%) – cNPS Deliver improvement in customer net promoter score (cNPS) for Capita Group by the end of 2024	Maintain score at 2023 level (+16)	+4 point improvement	+8 point improvement	+12 point improvement	100% of max

## Strategic report

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### Summary of total 2024 bonus awards

	Adolfo Hernandez		Pablo Andres		Tim Weller	
	% of maximum	% of salary	% of maximum	% of salary	% of maximum	% of salary
Total financial	9.28%	18.56%	9.28%	13.92%	9.28%	16.24%
Strategic	20%	40%	20%	30%	20%	35%
Total (%)	29.28%	58.56%	29.28%	43.92%	29.28%	51.24%
Total bonus (£)		392,000		91,800		169,386

Following a review of performance by the committee post year end, annual bonuses of 58.56% of salary for the CEO, 43.92% of salary for the CFO and 51.24% of salary for the former CFO were awarded (on a pro-rata basis according to date of appointment/stepping down). The total bonus in £ shown above is the actual amount awarded calculated pro-rata. Consistent with the shareholder approved remuneration policy, 50% of the bonus awards will be deferred into Capita plc shares for three years.

### Restricted Share Awards due to vest in 2025 (audited)

RSAs were granted under the Capita Executive Plan in April 2022 as follows:

Name of director	Number of shares awarded
Jon Lewis	3,481,985
Tim Weller	2,537,008

Vesting of the 2022 RSAs in April 2025 was subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against the following underpins:

underpin 1: Capita's TSR over the three years ended 31 December 2024 must be positive for any RSAs granted to executive directors to vest; and

underpin 2: the committee must be satisfied with the underlying performance of Capita and that there have been no environmental, social or governance issues resulting in material reputational damage. If this is not deemed to be met, the committee will consider a reduction to the final vesting level of the RSAs (including to nil).

Given that Capita's share price has fallen over the three years ended 31 December 2024 (ie TSR has been negative), the 2022 RSAs lapsed in full post year end.

### RSAs granted in 2024 (audited)

RSAs were granted under the Capita Executive Plan in May 2024 and September 2024 respectively as follows:

Name of director	Number of shares awarded	Face value of RSA	Percentage of salary
Adolfo Hernandez	6,433,823	£875,000	125%
Pablo Andres	1,241,721	£225,000	50% <sup>1</sup>

1. Pro-rated from the normal 100% of salary award to 50% of salary reflecting the CFO's mid-year appointment in July 2024.

Tim Weller was not eligible to receive an RSA in 2024 given his impending retirement.

Award levels reflect the continued operation of a TSR underpin. RSAs will normally vest after three years from grant subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against the following two underpins:

- underpin 1: Capita's TSR over the three years ending 31 December 2026 must be positive for any RSAs granted to executive directors to vest; and
- underpin 2: the committee must be satisfied with the underlying performance of Capita and that there have been no environmental, social or governance issues resulting in material reputational damage. If this is not deemed to be met, the committee will consider a reduction to the final vesting level of the RSAs (including to nil).

Once vested, shares received may not normally be sold until at least six years from the grant date (other than to pay relevant taxes).

### Buy-out awards granted in 2024 (audited)

On 19 March 2024, Adolfo Hernandez was granted a buy-out award (Buy-Out Award) to compensate for the forfeiture of incentive arrangements held with his previous employer. Details of the Buy-Out Award, which is comprised of five tranches with vesting subject to continuous service, is set out below:

Tranche	Shares under award	Face value at date of grant <sup>1</sup>	Normal vesting date <sup>2</sup>
1	2,509,709	£335,799	Vested August 2024
2	2,497,467	£334,161	The dealing day immediately following the date on which the Company announces its results for FY 2024
3	1,897,585	£253,897	The dealing day immediately following the date on which the Company announces its results for H1 2025
4	1,885,343	£252,259	The dealing day immediately following the date on which the Company announces its results for FY 2025
5	3,256,501	£435,720	The dealing day immediately following the date on which the Company announces its results for H1 2026
Total	12,046,605	£1,611,836	

1. Based on the closing share price on the date of grant.

2. Following grant, the committee extended the vesting periods for each tranche of the Buy-Out awards by linking the vesting dates to the relevant interim/final results announcement to avoid tranches vesting during closed periods.



## Directors' interests and shareholding guidelines (audited)

The CEO and CFO are expected to build and hold 300% and 200% of salary in shares in the Company respectively. The guidelines include shares held beneficially and also shares, on a net of tax basis in respect of: deferred annual bonus (DAB) awards deferred over the three-year period; RSAs which are not subject to performance conditions/performance underpins; and share awards which have vested but not yet been exercised. Share awards subject to performance conditions/underpins are excluded.

	Beneficially held interests at 31 December 2024	Beneficially held interests at 31 December 2023	Interests in share incentive schemes, awarded without performance conditions at 31 December 2024	Interests in share incentive schemes, awarded without performance conditions at 31 December 2023	Interests in share incentive schemes, awarded subject to performance conditions/underpins at 31 December 2024	Interests in share incentive schemes, awarded subject to performance conditions at 31 December 2023	Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2024	Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2023	Percentage of shareholding target requirement at 31 December 2024 <sup>1</sup>
David Lowden	500,000	250,000	–	–	–	–	–	–	–
Adolfo Hernandez	3,159,709	–	9,536,896	–	6,433,823	–	–	–	54.8%
Pablo Andres	1,850,000	–	–	–	1,241,721	–	–	–	28.8%
Georgina Harvey	6,000	6,000	–	–	–	–	–	–	–
Jack Clarke	0	–	–	–	–	–	–	–	–
Nneka Abulokwe	74,324	–	–	–	–	–	–	–	–
Neelam Dhawan	0	–	–	–	–	–	–	–	–
Brian McArthur-Muscroft	0	–	–	–	–	–	–	–	–
Jon Lewis <sup>2</sup>	2,731,025	2,730,255	2,069,612	2,069,612	8,395,971 <sup>3</sup>	8,395,971	265,500	265,500	–
Tim Weller <sup>2</sup>	826,728	818,240	1,093,053	1,093,053	3,870,308	4,953,003	–	–	–

1. Calculated using the closing share price on 31 December 2024 (14.02p).

2. Beneficially held interests and interests in share awards are shown at the date of their resignation from the Board (on 17 January 2024 for Jon Lewis and 9 August for Tim Weller). Outstanding RSAs are subject to time pro-rating at the time of vesting.

3. This figure includes 2,169,100 shares in respect of the RSA 2021 which did not formally lapse until the end of the three year performance period in May 2024, ie after Jon's resignation date.

Although Capita does not have a formal policy on hedging shares, executive and non-executive directors attest annually they have not pledged any shares held in the Company.

## Unvested Share awards (audited)

Year of grant:	DAB <sup>1</sup>		RSA <sup>2</sup>			Buy-out Award <sup>3</sup>
	2023	2024	2022	2023	2024	2024
Adolfo Hernandez	–	–	–	–	6,433,823	9,536,896
Pablo Andres	–	–	–	–	1,241,721	–
Jon Lewis <sup>4</sup>	868,456	1,201,156	3,481,985	2,744,886	–	–
Tim Weller <sup>4</sup>	327,276	765,777	2,537,008	1,333,300	–	–

1. Deferred Annual Bonus awards relate to the deferred element of an individual's annual bonus. Awards normally vest over 3 years subject to continued service.

2. There are no performance targets attached to the RSAs. However, vesting is subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against the following two underpins: (i) Capita's TSR over the three financial years ending prior to the relevant vesting date must be positive for any RSAs granted to executive directors to vest; and (ii) the committee must be satisfied with the underlying performance of Capita and that there have been no environmental, social or governance issues resulting in material reputational damage. If this is not deemed to be met, the committee will consider a reduction to the final vesting level of the RSAs (including to nil).

3. Buy-out Awards vest in tranches based on continued service. Further details of the award and normal vesting dates are set out on page 121.

4. As detailed in the Restricted Share Awards due to vest in 2025 section above, the RSAs granted in 2022 to the former CEO and CFO lapsed in full post year end following the failure to meet the TSR underpin. The RSAs granted in 2023 to the former CEO and CFO will vest on the normal vesting date subject to time pro-rating and the committee's assessment of the relevant underpins.

## Satisfaction of options

When satisfying awards made under its share plans, the Company uses newly issued, treasury or market purchased shares as appropriate. The Buy-Out Award may only be satisfied by market purchased shares.

## Dilution

All awards are made under plans that incorporate the overall dilution limit of 10% in 10 years. The estimated dilution from existing awards, including executive and all-employee share awards, was approximately 5.6% of the Company's share capital at 31 December 2024.

## Executive directors' service agreements

Executive directors	Date of joining the Company	Notice period
Adolfo Hernandez	17 January 2024	12 months
Pablo Andres	15 July 2024	12 months

## Executive directors' service agreements

Non-executive directors	Date of joining the Board	Expiry date of current appointment
David Lowden	1 January 2021	9 May 2025
Georgina Harvey	1 October 2019	1 July 2025
Jack Clarke	9 October 2024	8 October 2027
Nneka Abulokwe	1 February 2022	31 January 2028
Neelam Dhawan	1 March 2021	28 February 2027
Brian McArthur-Muscroft	1 June 2022	31 May 2025

## Board changes

### Retirement of Jon Lewis

Jon Lewis retired as CEO of Capita and stepped down from the Board on 17 January 2024 although he remained an employee until July 2024 to ensure an orderly transition. Details of his remuneration arrangements on stepping down from the Board are set out of page 114 of last years' report.

### Appointment of Adolfo Hernandez

Adolfo Hernandez was appointed CEO and executive director on 17 January 2024. Details of his remuneration arrangements on appointment to the Board are set out on page 114 of last years' annual report and accounts.

### Retirement of Tim Weller

Tim Weller retired as CFO of Capita plc and stepped down from the Board on 9 August 2024. Tim received his base salary, pension and benefits up to stepping down from the Board and was eligible to receive a pro-rated annual bonus in respect of the year ended 31 December 2024 subject to the performance targets and payable at the normal payment date, with 50% of any award deferred into shares as per the normal deferral policy.

Post stepping down from the Board, Tim continues to receive his base salary, pension and benefits up to the end of his notice period in May 2025. Tim will not be eligible to participate in the Group annual bonus plan for 2025, nor will he be entitled to future RSAs. In respect of Tim's share awards:

- Deferred Annual Bonus (DAB): 327,276 shares granted in 2022 in respect of the 2021 annual bonus, 765,777 shares granted in 2023 in respect of the 2022 annual bonus and shares granted in 2025 in respect of any annual bonus award for 2024 will continue to vest at the normal vesting dates.
- Restricted Share Awards (RSAs): 1,333,300 shares granted under the 2023 RSA will continue to vest on the normal vesting dates, subject to the relevant underpins being met and reduced for time pro-rating. To the extent that any RSAs vest in the future, the net of tax shares will need to be retained for three years post vesting.

For 24 months following cessation, Tim will be required to retain the lower of Capita plc shares equal to 200% of base salary and actual shares held (excluding shares acquired from own purchases).

Tim was reimbursed for legal fees in connection with his retirement amounting to £7,500 plus VAT.

Capita will make no payment to Tim by way of compensation for loss of office on retirement from the Board.

### Appointment of Pablo Andres

Pablo Andres was appointed as an executive director and CFO designate on 15 July 2024 and became CFO on 9 August 2024. He was appointed on a base salary of £450,000 which is lower than that of his predecessor (£545,000). Pablo's annual bonus maximum is 150% of salary (pro-rated for 2024), which is also lower than that of his predecessor (175% of salary) and which is subject to performance targets and deferral requirements in line with policy. He is normally entitled to an annual RSA of up to a maximum of 100% albeit he received a 50% of salary RSA in 2024 to reflect his mid-year appointment. Benefits and pension are in line with the shareholder approved policy.

### Other Board changes

Jack Clarke was appointed as a non-executive director on 9 October 2024. Jack was also appointed chair of the audit and risk committee succeeding Brian McArthur-Muscroft who remains an independent non-executive director. Nneka Abulokwe was appointed chair of the RB committee in March 2024.

### Payments to former directors (audited)

No payments were made to former directors in respect of loss of office.

### External appointments for executive directors

Pablo Andres is a non-executive director, chair of the audit and risk committee and chair of the treasury committee at GreenSquareAccord Group. He received and retained fees of £6,464 for the period from 15 July 2024 to 31 December 2024 (a fee of £14,000 per annum). The committee considers that such roles can benefit Capita through broadening knowledge and experience.

## Percentage change in remuneration levels

The table below shows the change in base compensation, benefits and annual bonus for the Board directors in the 2020 to 2024 financial years (excluding directors who left Capita before 2023, details for which are set out in previous remuneration reports), compared with the average for all employees of the Company (Capita plc):

	2024			2023			2022			2021			2020		
	Base salary and fees	Taxable benefits <sup>15</sup>	Annual bonus	Base salary/fees	Taxable benefits <sup>15</sup>	Annual bonus	Base salary/fees	Taxable benefits <sup>15</sup>	Annual bonus	Base salary/fees	Taxable benefits <sup>15</sup>	Annual bonus	Base salary/fees	Taxable benefits <sup>15</sup>	Annual bonus
<b>Executive directors<sup>1</sup></b>															
Adolfo Hernandez <sup>2</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Pablo Andres <sup>3</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Jon Lewis <sup>4</sup>	0%	-2.94%	–	0%	8.3%	-100%	3.2%	-45%	150%	14.3%	5.1%	100%	-12.5%	-36.9%	–
Tim Weller <sup>5</sup>	0%	13.1%	100%	0%	-3.8%	-100%	0%	23%	132%	–	–	–	–	–	–
<b>Non-executive directors<sup>1</sup></b>															
David Lowden <sup>6</sup>	0%	-44.2%	–	0%	123.6%	–	286.7%	100%	–	–	–	–	–	–	–
Georgina Harvey <sup>7</sup>	0%	-76.7%	–	0%	100%	–	14%	–	–	14.3%	–	–	-12.5%	–	–
Jack Clarke <sup>8</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Nneka Abulokwe <sup>9</sup>	13.8%	-14.8%	–	0%	194%	–	–	–	–	–	–	–	–	–	–
Neelam Dhawan <sup>10</sup>	0%	87.8%	–	0%	-66.7%	–	0%	540%	–	–	–	–	–	–	–
Brian McArthur-Muscroft <sup>9</sup>	0%	-81.7%	–	0%	100%	–	–	–	–	–	–	–	–	–	–
John Cresswell <sup>11</sup>	–	–	–	0%	100%	–	0%	–	–	14.3%	–	–	-12.5%	–	–
Claire Miles <sup>12</sup>	0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Janine Goodchild <sup>9,13</sup>	–	–	–	0%	100%	–	–	–	–	–	–	–	–	–	–
Employee population <sup>14</sup>	8.5%	-3.5%	100%	5.6%	0.1%	-100%	5%	7.4%	38.1%	2.8%	4.4%	123.2%	5.5%	20.6%	-35.2%

- The percentage change shown for the directors is based on the single figure information disclosed on page 119. The increase in salary/fees shown as the comparative for 2021 is due to the voluntary reduction taken by executive and non-executive directors in 2020 in response to Covid-19.
- Adolfo Hernandez was appointed to the Board on 17 January 2024. Comparative figures for 2024 are therefore unavailable.
- Pablo Andres was appointed to the Board on 15 July 2024. Comparative figures for 2024 are therefore unavailable.
- Jon Lewis stepped down from the Board on 17 January 2024. For comparative purposes, his 2024 base salary and benefits have been annualised to show an approximate percentage change since 2023. He was not eligible for an annual bonus in 2024. As no bonus was awarded in respect of the year ended 31 December 2023 the decrease is shown as -100%. Jon Lewis did not receive a bonus in 2020 as the bonus plan was cancelled in response to Covid-19. The increase in 2021 is therefore shown as 100%.
- Tim Weller stepped down from the Board on 9 August 2024. For comparative purposes, his base salary and benefits have been annualised to show an approximate percentage change since 2023. As no bonus was awarded in respect of the year ended 31 December 2023 the decrease between 2022 and 2023 is shown as -100% and the increase between 2023 and 2024 is therefore shown as 100%. Tim Weller was appointed to the Board on 12 May 2021. Comparative figures for 2021 are therefore unavailable. His salary, benefits and annual bonus for 2021 have been annualised to show an approximate percentage change between 2021 and 2022. The increase in benefits in 2022 is due to a backdated payment for car allowance (£1,342) which was underpaid in 2021.
- David Lowden was appointed Chairman in May 2022. His fee for 2022 has been annualised to show the percentage change between 2021 and 2022 following his change in role which has a significantly increased time commitment and associated fee. His fee for 2023 reflects that there has been no change in his annual fee for the Chairmanship since 2022. David was appointed to the Board during 2021, comparative figures for 2021 are therefore unavailable.
- Georgina Harvey was appointed Senior Independent Director in July 2022. Her fee for 2022 has been annualised to show the percentage change between 2021 and 2022 following her change in role. Her fee for 2023 reflects that there

- has been no change in her annual fee for being a non-executive director, chair of the remuneration committee and Senior Independent Director since 2022.
- Jack Clarke was appointed to the Board during 2024. Comparative figures for 2023 are therefore unavailable.
- Nneka Abulokwe, Brian McArthur-Muscroft and Janine Goodchild were appointed to the Board during 2022. Comparative figures for 2021 are therefore unavailable. Fees for 2022 have been annualised to show that there has been no increase in their annual fee in 2023. The increase for Nneka Abulokwe relates to her appointment as chair of the RB committee.
- Neelam Dhawan was appointed to the Board during 2021. Comparative figures for 2021 are therefore unavailable. Her fee for 2021 has been annualised to show the percentage change since 2021. The increase in benefits in 2022 is due to additional fees payable for physical attendance at board meetings as Neelam is based outside the UK. The reduction in benefits in 2023 is due to fewer meetings attended in person. The increase in benefits in 2024 is due to a greater number of meetings attended in person.
- John Cresswell stepped down from the Board during 2023. Comparative figures for 2024 are therefore unavailable.
- Claire Miles was appointed to the Board during 2023 and stepped down on 31 December 2023 although was paid until the end of her notice period 6 January 2024. Comparative figures for 2023 are therefore unavailable. Her fee for 2024 has been annualised to show the percentage change since 2023.
- Janine Goodchild stepped down from the Board on 31 December 2023. Comparative figures for 2024 are therefore not available.
- The employee population information shown is for UK employees employed in the Capita plc entity. Changes in annual bonus are calculated by reference to the MBP population. As no bonus was paid in respect of the year ended 31 December 2023 the decrease between 2022 and 2023 is shown as -100% and the increase between 2023 and 2024 is therefore shown as 100%.
- Taxable benefits were £0 in 2021 but £839 for David Lowden in 2022. The increases are therefore shown as 100%. Taxable benefits were £0 in 2022 but £567, £567 and £1,021 for Georgina Harvey, Brian McArthur-Muscroft and Janine Goodchild in 2023 respectively. The increases are therefore shown as 100%.

## CEO pay ratio

The table below compares the single total figure of remuneration for the CEO<sup>1</sup> with that of the Group's employees who are paid at the 25<sup>th</sup> percentile (lower quartile), 50<sup>th</sup> percentile (median) and 75<sup>th</sup> percentile (upper quartile) of its UK employee population.

Year	Method 25 <sup>th</sup> percentile pay ratio	50 <sup>th</sup> percentile pay ratio	75 <sup>th</sup> percentile pay ratio
<b>2024 Option B</b>	<b>49:1</b>	<b>40:1</b>	<b>27:1</b>
2023 Option B	33:1	23:1	17:1
2022 <sup>2</sup> Option B	78:1	57:1	37:1
2021 <sup>2</sup> Option B	49:1	38:1	24:1
2020 <sup>2</sup> Option B	61:1	44:1	29:1
2019 Option B	41:1	25:1	14:1

1. The single figure for the CEO excludes the value of the buy-out awards due to the one-off nature in 2024.
2. In accordance with the relevant disclosure regulations, the 2020, 2021 and 2022 CEO single figures and associated pay ratios have been updated to reflect LTIP values based on the share prices at the relevant vesting dates.

The 2024 remuneration figures for the employee at each quartile were determined with reference to the financial year ending 31 December 2024. Due to the complexity of Capita's corporate and workforce structure, Option B was used to calculate these figures. The committee believes that this approach provides a fair representation of the CEO to employee pay ratios and is appropriate in comparison to alternative methods, balancing the need for statistical accuracy with internal operational constraints.

A full-time and full-year equivalent total pay and benefits figure for 2024 was calculated for each quartile point employee using the single figure methodology. This was also sense checked against a sample of employees with hourly pay rates either side of the identified individuals to ensure that the appropriate representative employee was selected. No adjustments were made to the total pay and benefits figures (other than the approximate up-rating of pay elements where appropriate to achieve full-time and full-year equivalent values) and no components of pay have been omitted.

The table below sets out the 2024 full-time equivalent salary and total pay and benefits for the three identified quartile point employees:

2024	25 <sup>th</sup> percentile (P25)	Median (P50)	75 <sup>th</sup> percentile (P75)
Salary	£23,731	£29,000	£34,465
Total pay and benefits	£23,957	£29,000	£45,154

The committee recognises that the 2024 ratios are higher than last year (c.59% increase). This is primarily because the 2024 single figure includes an annual bonus of £392,000 (annualised) (29.28% of maximum) whereas no annual bonus was awarded in 2023. This outweighs the lower salary awarded to the new CEO.

The pay ratios have fluctuated since reporting commenced in 2019, primarily as a result of variability in incentive outcomes for the CEO.

Capita is committed to offering its employees a competitive remuneration package. Base salaries for employees, including our executive directors, are determined with reference to a range of factors including market practice, experience and performance in role. Due to the nature of his role, the CEO's remuneration package has higher weighting on performance-related pay (including the annual bonus and RSAs) compared to the majority of the workforce. This means the pay ratios are likely to fluctuate depending on the outcomes of incentive plans in each year. The committee also recognises that, due to the nature of the Company's business and the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, the ratios reported above may not be comparable to those reported by other companies. For these reasons, the committee considers that the median CEO pay ratio is representative of the UK employee base.

## Gender pay gap reporting

The Company's 2024 gender pay gap data is available on the Company website.

## Relative importance of the spend on pay

The table below shows the spend on employee costs in the 2024 and 2023 financial years, compared with dividends:

	2024 £m	2023 £m	% change
Employee costs <sup>1</sup>	<b>1,399.6</b>	1,636.5	-17%
Dividends	–	–	–

1. The reduction in employee benefit expense reflects the reduction in the average number of employees during the year.

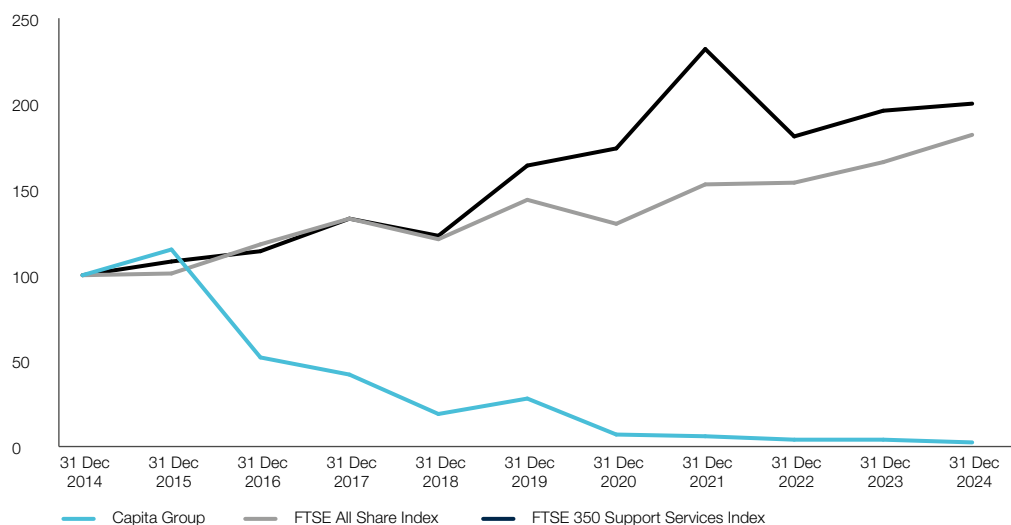
## Directors' remuneration report *continued*

### Performance graph and CEO pay

The following chart compares the value of an investment of £100 in the Company's shares with an investment of the same amount in the FTSE All-Share Index and the FTSE 350 Support Services Index over the past 10 years, assuming that all dividend income is reinvested. The FTSE 350 Support Services has been chosen as the appropriate comparator as Capita has been a constituent of this index for the majority of the 10 year period.

#### Total shareholder return rebased at 100

Source: Datastream (a LSEG product)



The total remuneration figures for the CEO for 2024 and the previous nine years are shown in the table below based on the single-figure methodology. The CEO single figure of remuneration for 2024 includes £1,611,836 in respect of buy-out awards granted to Adolfo Hernandez.

The annual bonus payout and LTIP/RSA vesting percentage (in respect of the estimated/actual value at vesting in respect of the year ending just prior to the vest date) are also shown for this year.

Year	CEO – single figure of total remuneration	Annual bonus (vs max opportunity)	Long-term incentive (vs max opportunity)
<b>2024</b>	<b>£2,762,696</b>	<b>29.98%</b>	<b>0%</b>
2023	£804,875	0%	0%
2022	£1,799,964	60%	15%
2021	£1,185,415	24.8%	12.5%
2020	£1,196,582	0%	60%
2019	£789,678	0%	0%
2018	£2,014,209	85%	0%
2017	£741,376	0%	0%
2016	£682,958	0%	0%
2015	£2,520,428	50%	71.4%

Note: the vesting percentages for the long-term incentives are averaged between the LTIP and the DAB vesting rates for 2015. Figures for 2015–2016 are based on remuneration for Andy Parker. Figures for 2017 are based on remuneration paid to Andy Parker as CEO until 15 September 2017, to Nick Greatorex as interim CEO from 16 September 2017 to 30 November 2017, and to Jon Lewis as CEO from 1 December 2017. The single figure of remuneration for 2024 reflects amounts paid to Jon Lewis to 17 January 2024 and Adolfo Hernandez from 17 January 2024 (including £1,611,836 in respect of buyout awards). The annual bonus potential for 2024 reflects Adolfo's annual bonus award while the long-term incentive reflects the fact that the 2022 RSA will lapse post year end as a result of the TSR underpin not being met. Where relevant, the CEO single figures have been updated to reflect the value of the LTIPs based on the share price at the vesting date (rather than an estimate of the share price at vesting).

### Approval of the directors' remuneration report

The directors' remuneration report was approved by the Board on 4 March 2025.

**Georgina Harvey, Chair**  
**Remuneration Committee**  
 4 March 2025



# Directors' report

The Directors present their report, together with the audited accounts for the 52 weeks ended 31 December 2024.

## Group activities

Capita is a modern outsourcer that supports clients across the public and private sectors to run complex business process more efficiently. Capita provides people-based services underpinned by market-leading technology to create better consumer experiences. A review of the development of the Group and its business activities during the year is contained in the strategic report on pages 2 to 76. The operational and financial performance of its divisions are detailed on pages 19 to 25.

## Results and dividends

The Group's reported profit before tax amounted to £116.6m from continued operations (2023 loss before tax: £106.6m). As previously announced, the directors do not recommend the payment of a final dividend (2023: nil). The total dividend for the year was nil (2023: nil). The employee benefit trust, which holds shares for the purpose of satisfying employee share scheme awards, has waived its right to receive future dividends on shares held within the trust.

## Share capital

At 3 March 2025, the number of ordinary shares of 2 1/15 p each (the Ordinary Shares) in issue, fully paid up and quoted on the London Stock Exchange is detailed in the following table:

	Number of shares	% of issued share capital
Issued shares	1,701,273,523	100%
Treasury shares	0	0%
Total voting rights	1,701,273,523	100%
Employee Benefit Trust (EBT) shares <sup>1</sup>	7,174,484	0.4%

1. Shares held in the EBT are used for satisfying employee share options.

During the year ended 31 December 2024, no new ordinary shares were issued and options exercised pursuant to the Company's share schemes were satisfied by the transfer of 9,476,429 shares from the EBT. No new ordinary shares have been allotted under the Company's share option schemes since the end of the financial year to the date of this report. 152,999 shares have been transferred from the EBT to satisfy the exercise of options during the period 1 January 2025 to the date of this report.

The share price at close on 31 December 2024 was 14.02p. The highest share price in the year was 23.00p and the lowest was 12.40p.

The Company was authorised by shareholders at the 2024 AGM to replace the existing authority (as granted by shareholders at the Annual General Meeting held on 11 May 2023) for Directors to allot new shares that represent not more than one third of the issued share capital of the Company. No shares were allotted under that authority during the financial year. The Company is seeking to renew this authority at the forthcoming AGM, within the limits set out in the notice of that meeting. The Company is seeking to renew the authority at the forthcoming AGM, within the limits set out in the notice of that meeting and in line with the recommendations of the Pre-Emption Group.

On 21 May 2024, shareholders granted authority for the Company to purchase up to 170,120,000 ordinary shares. This authority will expire at the conclusion of the 2025 AGM and the Board will seek approval to renew this authority at the 2025 AGM. No shares were purchased during 2024.

## 2025 AGM – Special Business

In addition to the ordinary business to be conducted at the Company's 2025 annual general meeting to be held on 28 April 2025, (the 2025 AGM) the following resolutions will be proposed:

An ordinary resolution will be proposed to consolidate the Ordinary Shares in a ratio of 15 to 1.

A special resolution will be proposed to cancel the entire amount standing to the credit of the Company's share premium account (the Share Premium Reduction). The Share Premium Reduction is conditional upon the passing of the special resolution by shareholders, the confirmation of the Court, the registration of the Court order by the Registrar of Companies: and the Share Premium Reduction not being prohibited under applicable law or regulation.

Further details of the Special Business to be conducted at the 2025 AGM, including the reasons why these resolutions are considered in the best interest of shareholders, are included in the 2025 AGM Notice.

## Rights and restrictions attaching to shares

Under the Company's Articles, holders of ordinary shares are entitled to participate in the receipt of dividends pro rata to their holding. The Board may propose and pay an interim dividend and recommend a final dividend in respect of any accounting period out of the profits available for distribution under English law. A final dividend may be declared by the shareholders in general meeting by ordinary resolution, but no dividend

may be declared in excess of the amount recommended by the Board.

At any general meeting, a resolution put to vote shall be decided on a poll, and every member who is present in person or by proxy shall have one vote for every share of which they are the holder.

No person holds securities in the Company carrying special rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

## Restrictions on transfer of shares

The Company's Articles allow directors, in their absolute discretion, to refuse to register the transfer of a share in certificated form unless the instrument of transfer is lodged, duly stamped, at the registered office of the Company, or at such other place as the directors may appoint and (except in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer. They may also refuse to register any such transfer where it is in favour of more than four transferees or in respect of more than one class of shares.

The directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse (or is exempted from the requirement) under the Uncertificated Securities Regulations to register the transfer.

## Major shareholders

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure Guidance and Transparency Rules (DTR) are published via a Regulatory Information Service. At 31 December 2024, the Company had received notification of the following interests in voting rights pursuant to Chapter 5 of the DTR.

Shareholder	Number of shares	% of voting rights at 31 December 2024 <sup>1</sup>	Number of shares direct	Number of shares indirect
Schroders plc	341,205,681	20.06	–	341,205,681
RWC Asset Management LLP	238,112,879	13.99	238,112,879	–
Lombard Odier Asset Management (Europe) Limited	90,267,266	5.31	–	90,267,266

1. Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.

On 3 February 2025, notification in accordance with the DTRs was received from RWC Asset Management LLP that it held indirectly 220,813,701 shares, being 12.97% of voting rights and on 3 March 2025 from Schroders plc that it held indirectly 339,946,970 shares being 19.98% of voting rights.

At 3 March 2025, no further notifications had been received under the DTRs in relation to interests in the Company's shares.

## Powers of directors

The business of the Company is managed by the directors who are subject to the provisions of the Companies Act 2006, the Articles of the Company and any directions given by special resolution, including the Company's power to repurchase its own shares.

The Company's Articles may only be amended by a special resolution of the Company's shareholders.

## Change of control

All the Company's share schemes contain provisions in relation to a change of control. Outstanding options and awards would normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time.

Capita has borrowing facilities provided by banks and has issued loan notes to financial investors. The borrowing facilities contain change of control provisions under which the banks may require immediate repayment in full on a change of control of Capita plc. The loan notes issued by Capita contain similar change of control provisions which are likely to require the Group to offer to prepay the notes in full if there is a change in control of Capita plc.

There are a number of significant client agreements which contain provisions relating to change of control, which in some cases could present a right of termination of the contract.

## Appointment, reappointment, and retirement of directors

Directors are appointed and may be removed in accordance with the Articles of Association (Articles) of the Company and the provisions of the Companies Act 2006. All directors are subject to election at the first AGM after their appointment and, in accordance with Provision 18 of the Code, to annual re-election thereafter. A resolution to elect or re-elect each director will therefore be proposed at the AGM on 28 April 2025.

No person, other than a director retiring at the meeting, shall be appointed or reappointed a director of the Company at any general meeting unless they are recommended by the directors.

No person, other than a director retiring at a general meeting as set out above, shall be appointed or reappointed unless between seven and 35 days' notice, executed by a member qualified to vote on the appointment or reappointment, has been given to the Company of the intention to propose that person for appointment or reappointment, together with notice executed by that person of his/her willingness to be appointed or reappointed.

## Directors' indemnities

As permitted by its Articles, the Company has indemnified each director in respect of certain liabilities and costs they might incur in the execution of their duties as a director. Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the year and continue to remain in force. The directors' indemnities will be available for inspection at the AGM together with directors' service contracts.

## Conflicts of interests

Under the Companies Act 2006, directors are under an obligation to avoid situations in which their interests can or do conflict, or may possibly conflict, with those of the Company. A policy and procedures are in place for identifying, disclosing, evaluating and managing conflicts so that Board decisions are not compromised by a conflicted director. The Company's Articles give the Board power to authorise matters that give rise to actual or potential conflicts. Procedures are reviewed annually to ensure they are operating effectively.

All conflicts of interest are reviewed annually by the Board and included in year-end attestations by the directors. None of the directors of the Company has a material interest in any contract with the Company or its subsidiary undertakings, other than their contracts of employment.

## Employment policies, employee development and engagement

Information on the Group's employment policies, including for disabled persons, and information on employee development, consultation and engagement is included in the responsible business sections on pages 34 to 47 and the engaging with our stakeholders section on pages 48 to 52.

## Political donations

The Group did not make any political donations or incur any political expenditure during the year (2023: nil).

## Greenhouse gas emissions

Details of the Group's greenhouse gas (GHG) emissions, including metrics and methodology, are set out on pages 56 to 60 of the strategic report.

## Going concern and viability statement

The viability statement is detailed in full on pages 75 and 76. The directors have assessed the viability of the Group over the three-year period to 31 December 2027, taking into account the Group's current position and the potential impact of the principal risks set out in the strategic report. Based on this assessment, the directors have a reasonable expectation that the Group and Parent Company will be able to continue in operation and meet their liabilities as they fall due over the period of the viability assessment.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 to 76. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 27 to 33. In addition, section 4 in the financial statements on pages 199 to 212 includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

In determining the appropriate basis of preparation of the financial statements for the year ending 31 December 2024, the directors are required to consider whether the Group can continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

The Board monitors closely the Group's funding position throughout the year, including monitoring compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. In addition, to support the going concern assumption, the Board conducts a robust assessment of the Group's financial projections for the foreseeable future, considering also the committed facilities available to the Group. The Board has considered risks to the projections under a severe but plausible downside. This includes the potential adverse financial impacts resulting from the following risks: revenue growth falling materially short of plan; operating margin expansion not being achieved; targeted cost savings delayed and/or not delivered; unforeseen operational issues leading to contract losses and cash outflows, sustained interest rates at current levels; non-availability of the Group's non-recourse trade receivables financing facility; and unexpected financial costs linked to incidents such as data breaches and/or cyber attacks.

The Board has considered the mitigations, under the direct control of the Group, that could be implemented to address the financial impact should these risks materialise. These mitigations include, but are not limited to, reductions or delays in capital investment, and substantially reducing (or removing in full) bonus and incentive payments. The Board has also assumed that the intended renewal or extension of the Group's revolving credit facility by 31 December 2025 to meet the requirements of the March 2025 private placement loan notes is successful.

The Board has concluded that the Group and Parent Company will continue in operation and meet their liabilities as they fall due over the period to 30 June 2026.

Accordingly, the directors have formed the judgement that it is appropriate to prepare the consolidated financial statements on the going concern basis. The Board's assessment is set out in more detail in Section 1 of the consolidated financial statements.

## Directors' statement of disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware: and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

## Anti-bribery and corruption

Capita has a Group-wide anti-bribery and corruption policy, which complies with the Bribery Act 2010. Procedures are reviewed periodically to ensure continued effective compliance in Group businesses around the world.

## Election to apply FRS 101 – reduced disclosure framework

The Parent Company continues to apply UK GAAP in the preparation of its individual financial statements in accordance with FRS 101 and these are contained in section 1 of the financial statements on pages 160 to 162. FRS 101 applies IFRS as adopted by the UK with certain disclosure exemptions. No objections have been received from shareholders.

## Management report

For the purposes of Rule 4.1.5R(2) and Rule 4.1.8R of the DTRs, this directors' report and the strategic report on pages 2 to 74 comprise the management report.

## Strategic report

The Company is required to prepare a fair review of the business of the Group during the financial year ended 31 December 2024 and of the position of the Group at the end of the financial year, and a description of the principal risks and uncertainties facing the Group (known as a strategic report).

The purpose of the strategic report is to enable shareholders to assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the Company). The Company has chosen, in accordance with section 414C (11) of the Companies Act 2006, and as noted in this Directors' report, to include certain matters in its strategic report that would otherwise be required to be disclosed in this Directors' report.

The information that fulfils the requirements of the strategic report can be found on pages 2 to 74 and includes an indication of future likely developments in the Company, details of important events and the Company's business goals, strategy and business model.

## Additional disclosures

Other information that is relevant to the Directors' report, and which is incorporated by reference into this report, can be located as follows:

	Pages
Events after the balance sheet date	222
Future developments	8 to 18
Research and development	27 to 33
Financial instruments and financial risk management	199 to 212
Greenhouse gas emissions	54 to 58
Corporate governance report, including the corporate governance statement as required by Rule 7.2.1 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.	84 to 89
Colleague engagement	48
Stakeholder engagement	48 to 51
Section 172 statement	48 to 52

For the purposes of LR 6.6.1R, and 6.6.6R the following information is located as set out below:

Listing Rule	Subject	Pages
6.6.1 (1)	Capitalisation of interest	207
6.6.1 (11–12)	Shareholder waiver of dividends	127
6.6.6 (8)	Climate-related financial disclosures consistent with TCFD	59 to 67

## Statement of Directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and Accounts and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable and, in respect of the Parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;

- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and corporate governance statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

## Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

**Claire Denton,**  
**Chief General Counsel and**  
**Company Secretary**  
 4 March 2025