

Corporate governance



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Chair's report



“As we look ahead, the Board will maintain its focus on delivering sustainable value, supporting management in the execution of our strategy.”

David Lowden, Chair

Dear Shareholder,

On behalf of the Board, I am pleased to introduce Capita's corporate governance report for the year ended 31 December 2025.

Corporate governance

In January 2024, the Financial Reporting Council (FRC) issued the UK Corporate Governance Code (the 2024 Code), introducing significant changes to strengthen internal controls. Under the 2024 Code, boards are required to monitor and review all material controls and, from 2027, make an annual declaration on their effectiveness for the relevant financial year (for Capita, this will be the year ending 31 December 2026). The 2024 Code applies to Capita from 1 January 2025, with provision 29 on risk management and internal controls effective from 1 January 2026.

The Code also places greater emphasis on culture, with provision 2 requiring boards not only to assess and monitor organisational culture but to explain how it is embedded throughout the company. Recognising culture as a strategic lever in delivering transformation, the Board places significant emphasis on assessing and monitoring how Capita's new culture is being embedded across the Group. In line with provision 2 of the 2024 Code, the Board and its committees receive regular reporting on cultural progress, colleague insights and the development of Capita's multi-year culture programme, which is further detailed in the monitoring culture section on page 91. Embedding culture remains a key area of oversight as the Group continues to evolve.

This report sets out how the Company has complied with the 2024 Code and provides insight into the work of the Board and its committees. In addition, the Audit and Risk Committee report outlines the actions taken to ensure compliance with provision 29.

Board decision making

The Board is committed to strong and effective governance promoting the long-term success and resilience of the Company while acting in the interests of shareholders and wider stakeholders. This commitment is reflected in the Board's regular oversight of the business and the key decisions it takes throughout the year.

The Board maintained regular oversight of the Company's financial position and performance, including monitoring delivery against key contracts such as the Civil Service Pension Scheme transition and the extension of the BBC contract. The Board also oversaw governance of emerging technologies receiving updates on AI governance and innovation through our AI, cloud and data governance council.

During the year, the Board took a number of important decisions to support the Company's strategic, operational and financial priorities. These included approving the issuance of the US private placement notes to diversify the Group's funding sources and extend its debt maturity profile and approving a transition agreement with Royal London, formally establishing Capita's exit from its closed book Life & Pensions business – a significant element of our manage for value strategy. Further detail is set out on page 31.

Chair's report *continued*

The Board additionally took decisions relating to the Company's capital structure, including recommending a 15:1 share consolidation which the Board considered would support the marketability of Capita's shares, and approving a Court sanctioned share premium reduction. The reduction created distributable reserves providing greater flexibility to consider future capital allocation at the appropriate time.

The Board continued to monitor the embedding of Capita's culture, recognising its importance to the successful delivery of the Group's strategy and transformation.

Our s172 statement, which details how the Board considers the views of its stakeholders and principal Board decisions during 2025, is on pages 59 to 63.

Diversity, inclusion, and stakeholder engagement

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. This remains an important area of focus and further details are provided in the RB Committee report on page 107.

Further information on our engagement with stakeholders can be found in the Engaging with our stakeholders section on pages 59 to 63.

Board composition and review

In 2025, there were no new appointments, and the only change to the Board's composition was the stepping down of Brian McArthur-Muscroft as an Independent Non-Executive Director (NED) in July due to the activity levels of his external CFO role, which meant he was unable to continue to dedicate sufficient time to Capita. The composition of the Board is fully compliant with the requirements of the UK Listing Rules and the 2024 Code.

During the year, the Board has focused on monitoring the implementation of the Group's strategy, providing constructive challenge and support to the Executive Team, and maintaining robust oversight.

The Board continued to make good progress on the actions arising from the 2024 internal Board evaluation. Enhanced colleague and stakeholder engagement, improvements to Board and committee papers, and strengthened client insight were all areas of particular focus during 2025. Site visits, improved reporting and greater visibility of major contracts through more detailed updates all helped to strengthen the Board's overall effectiveness in these areas.

Building on this progress, during 2025 the Board continued to strengthen Capita's governance framework and ensure that its structures and behaviours support the successful delivery of the Company's long term strategy. As part of this commitment, and in line with the requirements of the 2024 Code for externally facilitated reviews, the Board commissioned Ceradas, an independent governance consultancy, to undertake an independent performance review of the Board and its principal committees. The review was conducted in accordance with the 2024 Code and comprised documentation analysis, observation of the December 2025 Board and Committee meetings, and one-to-one interviews with all Directors.

Ceradas concluded that the Board and its committees are operating effectively, with a strong culture of openness, constructive challenge and disciplined oversight. The Board was recognised for its clear strategic focus, high quality debate and strong engagement with transformation priorities, as well as the robust support provided through the Audit and Risk Committee on risk and internal controls.

“Improving the Group's diversity and inclusion remains an important area of focus.”

David Lowden, Chair

The external Board review also identified opportunities to enhance effectiveness further, including dedicating more time to strategic deep dive discussions on hyperscaler partnerships, strengthening focus on workforce health, safety and wellbeing, ensuring the rolling agenda evolves to reflect changing priorities and opportunities, receiving periodic briefings on UK regulatory and governance developments to keep directors up to date with their duties and responsibilities, and expanding NED exposure to the governance of AI. These proposed enhancements to the Board's governance and ways of working reflect its commitment to continuous improvement as Capita's strategy evolves.

A more detailed summary of the externally facilitated Board review undertaken by Ceradas, together with the Board's agreed priorities and action plan for 2026, is set out in the Board review section of this report on pages 99 to 100. This provides further insight into the scope of the review, the conclusions reached, and the steps the Board is taking to continue strengthening its effectiveness.

Governance and looking ahead

The Board remains committed to maintaining the highest standards of corporate governance, in line with the 2024 Code. We continue to monitor regulatory developments and ensure that Capita's governance framework evolves to meet the needs of our business and stakeholders. As we look ahead, the Board will maintain its focus on delivering sustainable value, supporting management in the execution of our strategy, and fostering a culture of openness and integrity across the Group.

On behalf of the Board, I thank you for your continued support and look forward to engaging with you at our 2026 Annual General Meeting.

Yours sincerely,

David Lowden
Chair

9 March 2026

Monitoring culture

Purpose, culture and values

The Board recognises its ultimate responsibility for ensuring that an appropriate culture is in place across Capita to underpin how the business behaves towards all stakeholders. In line with provision 2 of the UK Corporate Governance Code 2024, the Board has assessed and monitored the company's culture and acknowledges that embedding Capita's culture, including the newly introduced values, is an ongoing process. It is satisfied that actions taken to date support alignment with the company's purpose and strategy. Our culture programme is not a standalone initiative but a strategic lever for delivering our transformation agenda. Progress on cultural embedding remains a priority, and the Board will continue to oversee developments to ensure that the desired culture is fully integrated across the organisation.

Resetting our culture

In September 2024, Capita's Group People Director of Performance & Development updated the RB Committee on the multi-year programme to rally, reset and embed Capita's culture, which was initiated earlier that year following Adolfo Hernandez's appointment. This programme has been central to our transformation agenda, beginning with uniting senior leaders through the leadership playbook, mandating leadership development, refreshing our values and creating a colleague playbook.

Throughout 2025, the Board and its Committees received regular updates on the initiatives detailed below and their impact on embedding our new culture. Further details of these and other initiatives taken during the year are provided on page 59 in the Responsible business section.

Embedding new values

A significant milestone in 2025 was the launch of Capita's new values: Customer first, always; Fearless innovation; Achieve together; and Everyone is valued – alongside the colleague playbook. Both were co-created with colleagues globally through workshops, listening sessions and surveys, reinforcing our commitment to an inclusive and collaborative culture. These values are now evident in everyday behaviours, from recognition moments using our Celebrate! platform and team awards to celebrate initiatives across the business.

Listening to our people

The 2025 People Survey provided important insights into colleague engagement and cultural progress. The results were considered by the Board, the RB Committee and the Remuneration Committee, and these bodies will continue to receive updates on the action plans arising from the survey to ensure accountability and sustained improvement.

Leadership development

Additional progress included further development of Capita's top 500 leader programme, which strengthened leadership engagement through fireside chats, mentoring and development opportunities.

Colleague engagement

The Board recognises that meaningful engagement with colleagues is fundamental to Capita's long-term success. In 2025, Dr Nneka Abulokwe OBE, the designated non-executive director for colleague engagement, visited offices in Germany and Bulgaria, meeting colleagues at all levels and offering constructive feedback to management and the Board. Nneka also visited Capita's new flagship office in South Africa.

Jack Clarke, accompanied by Pablo Andres, visited the BBC TV Licensing operation in Darwen and the Primary Care Support England operation in Blackburn, spending time with colleagues and local management teams. In addition, the Board undertook a site visit to the Fire Service College in Moreton-in-Marsh, where members engaged with colleagues and met the Commissioner of the London Fire Brigade. These visits provided important business insights, strengthened the Board's understanding of colleague and stakeholder perspectives, and highlighted how Capita's new culture is being embedded across the organisation.

Georgina Harvey, Chair of the Remuneration Committee, also participated in colleague engagement sessions focused on pay and progression. The Board continues to monitor the effectiveness of these mechanisms in capturing and addressing workforce concerns. Engagement extended beyond colleagues to include clients and shareholders, ensuring that Board decision-making is informed by a broad range of stakeholder views and reinforcing our commitment to transparency and accountability.

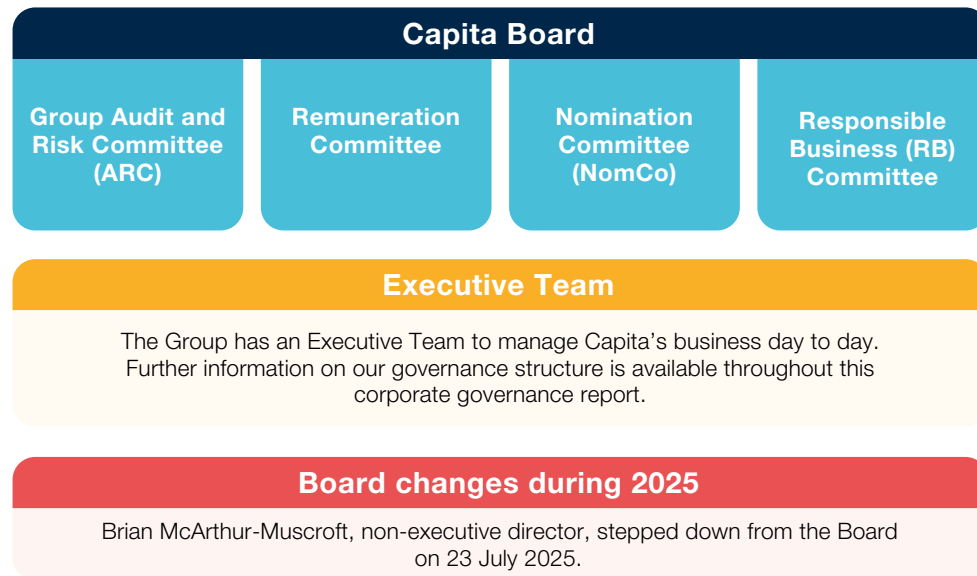
How the Board monitors culture

The Board monitors culture through a range of mechanisms, including regular updates, engagement activities and governance oversight:

- **Regular updates:** culture programme reports by the Chief People Officer and Group People Director of Performance & Development; strategy updates; CEO's report; divisional CEO presentations
- **Engagement mechanisms:** annual and pulse colleague surveys; site visits by the designated director with colleagues engagement, the Board and individual Board members; discussions with ENGs; and workforce engagement sessions on pay and progression attended by the Remuneration Committee Chair
- **Governance oversight:** Board Committees; Speak Up reports; Internal Audit reports reviewed by the ARC

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:



There have been no changes to Board membership from 1 January 2026 to the date of this report.

Governance highlights

During 2025 our governance framework supported our strategic delivery in a number of ways, including:

In March 2025, following repayment of £53.6m of US private placement loan notes in January 2025, the Board approved the issuance of £94.2m equivalent of US private placement loan notes across three tranches maturing between 2028 and 2030 to extend the Group's funding maturity profile and underpin the Group's transformation strategy.

In April 2025, the Board recommended the 15:1 share consolidation to shareholders, which was approved at the 2025 AGM. The Board considers that the share consolidation which was effective on 29 April 2025 has improved the marketability of Capita's ordinary shares.

In April 2025, the Board recommended the cancellation of the Company's share premium account, which was approved by shareholders at the 2025 AGM and by the High Court on 13 June 2025. This has created distributable reserves enabling the Company to optimise its balance sheet and return funds to shareholders at the appropriate time.

On 1 July 2025, the Board approved a 12-month extension of the maturity date of its £250m revolving credit facility to 31 December 2027, including a £50m accordion option, which gives flexibility to increase the facility by up to £50m if needed.

In October 2025, the Board approved a £14m settlement with the Information Commissioner's Office relating to the March 2023 cyber incident. The payment was made in 2025.

In December 2025, the Board approved the transition agreement with Royal London, marking Capita's exit from its closed book Life & Pensions business—a key milestone in our manage for value strategy. As part of this agreement the Board welcomed Royal London as a major shareholder.

Conducting an external Board and Committee review.

Reviewing and approving Capita's Gender, Ethnicity and Disability Pay Gap Report 2025.

Monitoring and assessing the Company's culture and how it is being embedded within the Group.

Reviewing and approving Capita's Modern Slavery Statement 2025.

Approval of Capita's low carbon transition plan.

Board composition at 31 December 2025

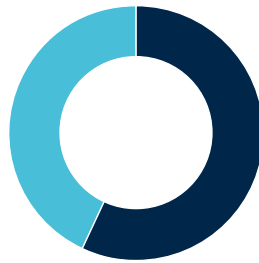
There were no changes in the composition of the Board from 1 January 2026 to 9 March 2026.

Gender representation in senior Board positions



Male: Chair/CEO/CFO 3
Female: SID 1

Gender diversity



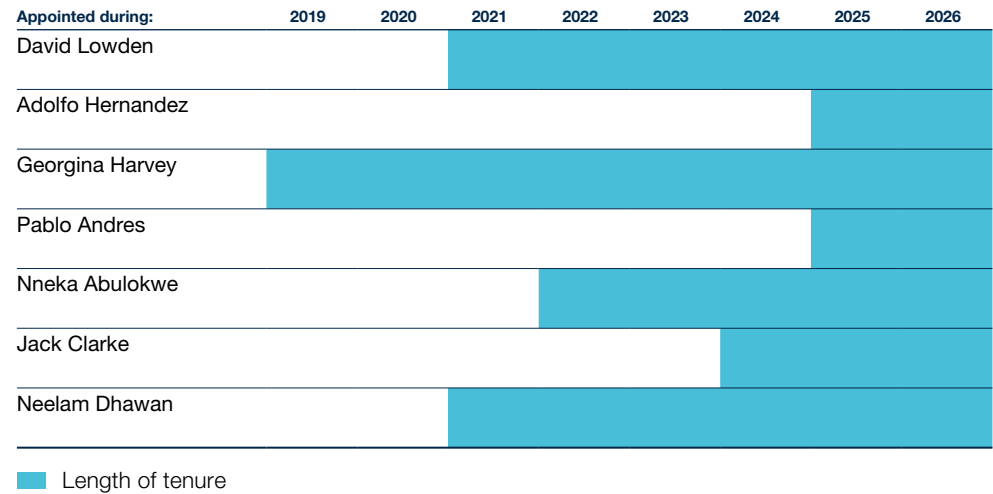
Male 57%
Female 43%

Ethnic diversity



White 5
Persons of colour 2

Board 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 (excl. Capita)
David Lowden								•		•	•		•	•
Adolfo Hernandez	•	•		•	•	•	•	•	•		•	•	•	•
Georgina Harvey			•		•			•				•	•	•
Pablo Andres	•	•	•					•		•	•		•	•
Nneka Abulokwe	•	•	•	•	•	•	•	•	•		•	•	•	•
Jack Clarke			•			•		•		•	•		•	•
Neelam Dhawan	•	•	•	•	•	•		•	•		•		•	•

Board of directors

Chair



David Lowden

Chair

Appointed: January 2021 Independent Non-Executive Director; March 2021 Senior Independent Director; May 2022 Chair

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:

- Chair 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:

- 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 (SID)

Appointed: October 2019 (Non-Executive Director); July 2022 (SID)

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:

- Senior Independent Director of M&C Saatchi Plc.

Key to committees

(A) Audit and Risk (N) Nomination (R) Remuneration (RB) Responsible Business (●) Committee chair

Independent Non-Executive Directors



Nneka Abulokwe OBE

Appointed: February 2022

Key skills and experience:

- Nneka has significant experience of delivering large-scale, high-profile technology programmes for governments and private institutions globally. She held senior and executive positions with Logica (now CGI), Atos and Sopra Steria during a corporate career spanning more than 25 years, before founding MicroMax Consulting, where she is currently Principal Advisor.
- Nneka was awarded Officer of the Order of the British Empire (OBE) in 2019 for services to business. 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.

Other current appointments:

- Director of MicroMax Consulting; Member of the Board of Visitors of Ashmolean Museum, University of Oxford; Adviser to the Cranfield School of Management International Advisory Board; and DoGood Africa.

Key to committees

- A Audit and Risk
 N Nomination
 R Remuneration
 RB Responsible Business
 Committee chair



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.
- 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:

- Non-Executive Director and Audit Committee Chair of Zotefoams plc. Director of the Bishops Wheeler Academy Trust.



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 advises multinationals on business and technology transformation and was formerly 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. and of ICICI Bank Limited in January 2025 and January 2026 respectively.

Other current appointments:

- Non-Executive Director of Hindustan Unilever Limited, Tech Mahindra Limited and Fractal Analytics Pvt Ltd.
- Chair of Capillary Technologies and Ather Energy Limited.

Directors who served during 2025:

Brian McArthur-Muscroft stepped down from his position as independent Non-Executive Director on 23 July 2025.

Corporate governance report

Compliance with the UK Corporate Governance Code 2024

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 2024 (the 2024 Code) applies to accounting periods beginning on or after 1 January 2025, (except for provision 29 in relation to risk management and internal controls which applies to accounting periods beginning on or after 1 January 2026). Information on the Company's actions to ensure compliance with provision 29 is included in the report of the Audit and Risk Committee on pages 110 to 118. The 2024 Code is available from the Financial Reporting Council's website, www.frc.org.uk. The 2024 Code sets out the framework of governance for premium listed companies such as Capita plc.

Compliance statement

It is the Board's view that for the financial year ended 31 December 2025, the Company was compliant with all the principles and provisions set out in section 1 to 5 of the Code.

Together with the Board Committee reports on pages 104 to 137, 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

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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 sustainable 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.

Board composition and election

Our Board currently comprises seven members: the Chair, the CEO, the CFO and four Independent Non-Executive Directors, including the Senior Independent Director, 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 re-election at the 2026 AGM to be held on 18 May 2026.

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 250. 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 chair 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 chair in 2022. The Board is satisfied that no conflict of interest for any director requires disclosure, see page 249. In the event of a potential conflict of interest, the director will recuse themselves from the relevant discussion.

Directors' biographies, tenures, key skills and experience, and external appointments are set out on pages 94 to 95.

The Board delegates certain matters to its four principal committees:

Nomination Committee

Chair: David Lowden

Membership: 6

Chair, 4 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.
- Oversees development of diverse pipeline for succession.

The Nomination Committee report can be found on pages 104 to 106.

Audit and Risk Committee

Chair: Jack Clarke

Membership: 3

3 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.
- Oversees 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 110 to 118.

Remuneration Committee

Chair: Georgina Harvey

Membership: 3

2 Independent Non-Executive Directors and Company Chair

- 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 119 to 137.

Responsible Business (RB) Committee

Chair: Nneka Abulokwe

Membership: 4

3 Independent Non-Executive Directors and Company Chair

- 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 107 to 109.

Committee terms of reference are available on the Company's website at 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.

Corporate governance report *continued*

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:

Chair

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

Independent Non-Executive Directors

(Georgina Harvey, Nneka Abulokwe, Jack Clarke and Neelam Dhawan)

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 Chair 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 responsibility of this role includes:

- 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 Chair 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

Except for Brian McArthur-Muscroft stepping down as a director on 23 July 2025, there were no changes to the Board's composition during the year.

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 119 to 137.

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 2025, the Board held six scheduled meetings. The Board also held an in-depth strategy session and made a site visit to the Fire Service College at Moreton-in-Marsh to meet with management and colleagues. Additional ad hoc meetings were held as required. In 2025, these included meetings in relation to the issuance of the US private placement notes, the extension of the maturity date of the revolving credit facility and the agreement with Royal London regarding the remaining two closed book Life & Pensions contracts. 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 company chair and non-executive directors held a closed session without management present at the end of several scheduled 2025 Board meetings. The company chair speaks on a regular basis with the CEO, CFO and the non-executive directors.

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

- David Lowden was appointed as a member of the Remuneration Committee on 6 March 2024. David was independent upon appointment as Company Chair and does not participate in any Remuneration Committee discussions that consider his remuneration.
- Adolfo Hernandez attended only part of the Board meeting on 8 October 2025 due to his participation in the UK Government's trade mission to India at the beginning of October, organised at short notice to advance bilateral trade and investment alongside senior ministers and other CEOs of leading UK businesses.
- Brian McArthur-Muscroft stepped down from the Board on 23 July 2025. Brian was unable to attend one Board, Audit and Risk Committee and Remuneration Committee meetings due to other business commitments. However, he was able to review all meeting papers and provided his comments to the Company and Committee Chairs who ensured that these were fully addressed during the meeting.
- Jack Clarke was unable to attend one Remuneration Committee meeting due to a business commitment. Jack was able to review the meeting papers in advance of the meeting and provide his comments to the Committee Chair who ensured that these were fully addressed during the meeting.

Director time commitments

In assessing the effectiveness of the Board and individual directors, the Board takes into account the time commitment required to fulfil their roles.

Neelam Dhawan holds a number of external appointments with companies listed in India. These positions are detailed in Neelam's biography on page 95. Several of these appointments relate to companies that have only recently transitioned to public company status following initial public offerings. During the year, Neelam attended 100% of Board and Committee meetings and remained fully engaged in discussions and decision-making. On this basis, the Board is satisfied that Neelam continues to devote sufficient time to the Company to discharge her responsibilities effectively. The Board will review this during 2026.

Board effectiveness

In 2025, the Board commissioned Ceradas, an independent corporate governance consultancy, to conduct an externally facilitated review of the effectiveness of the Board and its principal committees. Ceradas was appointed following a competitive tender process. Ceradas has no other relationship with Capita or any of its directors, confirming its full independence for the purposes of this review.

The review was undertaken at an important point in Capita's governance and strategic cycle, following the launch of the Better Capita transformation strategy and the significant changes in Board composition during 2024. The Board considered that an external review in 2025, whilst required under the 2024 Code, would also provide an objective assessment of its effectiveness as it supports the Company's transition from restructuring to long term transformation.

Approach and methodology

Ceradas' evaluation comprised a three part assessment:

- A documentation review, including Board and committee papers, minutes, annual reports, terms of reference and governance materials.
- Observation of the December 2025 Board and committee meetings to assess the quality of debate, behaviours and decision making in practice.
- Confidential one-to-one interviews with each Director, exploring strategy oversight, performance, risk, culture, stakeholder engagement and Board dynamics.

This comprehensive methodology provided a balanced and evidence based view of the Board's effectiveness.

Corporate governance report *continued*

Key findings

Cerasdas concluded that the Board and its committees are operating effectively, supported by strong governance foundations and a constructive culture. Directors demonstrated high levels of commitment, professional challenge and engagement with Capita's transformation agenda.

The review highlighted:

- Clear strategic focus and alignment, with full endorsement of the Better Capita transformation;
- Robust oversight of risk and internal controls;
- High quality boardroom behaviours, characterised by openness, respect and constructive challenge;
- Effective board processes, including well structured agendas, transparent reporting and strong executive presentations; and
- Strong stakeholder and workforce oversight, particularly through the RB Committee.

The review recognised the Board's ability to maintain high quality oversight despite a demanding workload of legacy issues, strategic projects, and the growing importance of AI and hyperscaler partnerships to Capita's future operating model.

Opportunities for improvement

Consistent with good governance practice, and reflecting the Board's commitment to continuous improvement, Cerasdas identified certain opportunities to further enhance effectiveness as the Company advances its transformation. These opportunities relate to strategic time allocation, Director development (particularly in AI and technology), and strengthening oversight of workforce health, safety and wellbeing.

Theme	Action
Strategic Oversight	Further embed dedicated time for strategic deep-dive discussions, including focused consideration of the Group's hyperscaler relationships.
Board Programme	Keep the rolling agenda under regular review to ensure an appropriate balance of meeting time as legacy matters diminish and strategic priorities continue to evolve.
AI & Technology Governance	Deepen Non-Executive Director engagement with AI, cloud and data governance through structured interaction with the AI, Cloud and Data Governance Council.
Governance & Regulation	Provide periodic updates on governance, reporting and regulatory developments to support the ongoing effectiveness and professional development of Non-Executive Directors.
Health, Safety & Wellbeing	Maintain and strengthen Board-level oversight of workforce health, safety and wellbeing, complementing the RB Committee's remit.

An update on the 2026 actions will be provided in the Company's 2026 Annual Report.

Conclusion

The Board welcomed Cerasdas' findings and is committed to implementing the agreed actions during 2026. The external review confirms that Capita's governance framework remains strong and that the Board and its committees are well placed to support the successful delivery of the better Capita strategy.

Progress on actions from the 2024 internal Board evaluation

The 2024 internal evaluation of the Board and its committees was undertaken internally through a director questionnaire and one-to-one discussions with the Chair, supported by the Chief General Counsel and Company Secretary. Committee-specific feedback was shared with the relevant Committee Chairs.

The evaluation highlighted opportunities to strengthen colleague engagement, improve the clarity and focus of Board and committee papers, and enhance visibility of major client contracts. Progress made during 2025 against these areas is set out below.

Finding from 2024 evaluation	Actions taken in 2025
<p>Stakeholders – 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 Chair and the independent Non-Executive Directors.</p>	<ul style="list-style-type: none"> • Fire Service College site visit (October 2025): The Board undertook a comprehensive visit to the Fire Service College, receiving a strategic overview from senior leadership, participating in virtual reality training used in firefighter development, and touring the incident ground to observe a live fire demonstration. Directors engaged with colleagues across the site, met the Commissioner of the London Fire Brigade, and attended an evening dinner with senior management. To gain deeper insight into the training environment, Board members stayed in the College’s residential facilities. • International engagement: Nneka Abulokwe visited operations in Germany and Bulgaria, attended meetings with colleagues and clients, and toured Capita’s flagship office in South Africa. During the year Nneka also met with chairs of the employee network groups. • Operational visits: Jack Clarke, accompanied by Pablo Andres, visited the BBC TV Licensing operation in Darwen and the Primary Care Support England operation in Blackburn, spending time with colleagues and local management teams. • Committee-led engagement: Georgina Harvey, Chair of the Remuneration Committee, participated in colleague engagement sessions focused on pay and progression which were held at the Company’s offices in Paddington, London and via Teams. These activities provided valuable business insights, strengthened the Board’s understanding of colleague and stakeholder perspectives, and demonstrated how Capita’s culture is being embedded across the organisation. A further programme of site visits is planned for 2026.
<p>Board support – 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.</p>	<p>Following discussion with and guidance from the Company chair, business updates now include the requested detail on client contracts and material issues. Board and committee papers have been refocused on key decisions, risks and outcomes, with supporting analysis provided in appendices where needed. Agendas have been refined to prioritise the main strategic themes and dedicate discussion time to priority items; these changes are now embedded in meeting packs and the forward agenda planning.</p>

Corporate governance report *continued*

Governance and strategy

The Board recognises the contribution that effective governance makes to the Company's long-term success and has strengthened its governance framework, including through the introduction of a dedicated AI governance structure, to support delivery of 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 on page 98. 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, with executive management 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 2025 is on pages 59 to 63.

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 2025 is provided on pages 101 and 108. In addition, all directors are encouraged to visit Capita's businesses to meet with colleagues. Further details of the Board's engagement with colleagues is provided on pages 59 and 101.

There is an active engagement programme with the Company's investors. The executive directors maintain regular dialogue with institutional shareholders to discuss and seek feedback on the Group's business, performance, strategy, capital structure and allocation, and corporate governance, as well as to address any areas of concern. Engagement is conducted through a combination of roadshows, group and one-to-one meetings, and participation in investor conferences. These activities included presentations to institutional and retail shareholders and analysts following the release of the Group's half-year and full-year results, which are available on the Group's website (www.capita.com). The Chair, David Lowden, also met with a number of institutional shareholders during the year.

In 2025, investors focused on the Group's progress in delivering its transformation strategy, the impact of technology and AI initiatives, drivers of margin improvement, the pathway to achieving sustainable free cash flow generation, and the Group's approach to portfolio management. In addition, investors sought updates on the timing and execution of the exit from the final closed book Life & Pensions contracts and the operational turnaround of the Contact Centre business.

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, the Head of Investor Relations and representatives from the Company's brokers are invited to attend Board meetings during the year to provide investor feedback. On 21 August 2025, we announced the appointment of RBC Capital Markets, replacing Deutsche Numis, as Joint Corporate Broker alongside the Company's existing Corporate Broker, Barclays Bank PLC. 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 2025 AGM, all resolutions were passed, with every resolution receiving more than 97% of votes cast in favour. The Board is grateful to shareholders for their continued support through Capita's transformation journey.

Further information on how the Board has engaged with its key stakeholder groups can be found on pages 59 to 62.

Annual general meeting

Shareholders are encouraged to attend the AGM. The 2026 AGM of the Company will be held at The Storey Club, 4 Kingdom Street, Paddington, London W2 6BD on 18 May 2026. 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 who have elected to receive a copy together with this report 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.

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 Chair, Senior Independent Director and Committee chairs are expected to attend the 2026 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. Information on how shareholders can view and manage their shareholdings, contact the Company's registrar and access shareholder services is set out in the Shareholder information section on page 239.

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 59 to 62.

Remuneration Committee

Details of the Remuneration Committee and its activities are given in the Directors' remuneration report on pages 119 to 137.

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 include 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 79 to 87.

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 79 to 85.

The ARC report contains information on actions taken by the Group during 2025 to ensure its compliance with provision 29 of the 2024 Code which applies 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.

Nomination Committee report



“Our ongoing commitment to Board effectiveness is demonstrated by the continuous development of skills and expertise, ensuring the Board remains well equipped to meet the evolving needs of the Company and its stakeholders.”

David Lowden, Chair, Nomination Committee

Principal role and responsibilities

As set out in the Committee’s terms of reference (available at www.capita.com), the Nomination Committee is responsible for:

- Identifying and nominating appropriate candidates for appointment to the Board, with due regard to the UK Corporate Governance Code, and ensuring the right balance of skills, knowledge, experience, and diversity;
- Keeping the structure and size of the Board, its committees, and the Group’s leadership requirements under review, ensuring orderly succession and appointments;
- Considering the independence, time commitment and performance of Non-Executive Directors; and
- Overseeing the development of a diverse pipeline for succession to the Executive Team.

Nomination Committee time allocation



Areas of focus in 2025

- Undertook a comprehensive review of senior management talent and Executive Team succession planning.
- Assessed the contributions and effectiveness of Non-Executive Directors seeking re-election at the 2025 AGM.
- Evaluated the skills and experience of directors, including expertise in AI.
- Considered potential conflicts of interest and time commitments for all Board members, confirming that each director continues to have sufficient capacity to fulfil their responsibilities.

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 2025.

Board and Executive appointments in 2025

Following the transition to a new Chief Executive Officer and Chief Financial Officer, and the appointment of a new independent Non-Executive Director during 2024, no Board appointments were made in 2025. As detailed in my introductory statement, the only change to the Board's composition was the stepping down of Brian McArthur-Muscroft as an independent Non-Executive Director in July 2025, owing to the demands of his external CFO role, which meant he was unable to continue to dedicate sufficient time to Capita. On behalf of the Board, I would like to thank Brian for his commitment, counsel, and valuable contribution during his tenure.

Throughout the year, the Committee – together with the Chief People Officer – has undertaken a comprehensive review of the Board's collective skills and experience. This analysis is part of our ongoing succession planning and governance oversight, ensuring that the Board remains well-equipped to support Capita's strategic objectives. In assessing the Board's composition, particular attention has been given to ensuring a broad mix of skills and experience relevant to Capita's strategic priorities, including technology-enabled transformation, commercial leadership, and strong governance. The Committee continues to monitor the Board's composition and to identify any potential gaps in expertise or experience that may arise, with a view to strengthening the Board as required.

Succession planning

In line with the Committee's remit, we are responsible for ensuring that robust succession plans are in place for both the Board and senior management positions. This involves maintaining a continuous and proactive approach to planning and assessment, as well as overseeing the development of a diverse pipeline for Board succession. Our work takes into account the challenges and opportunities facing the Company, and the skills and expertise required on the Board in the future.

The Committee's 2025 succession planning review confirmed that strong processes are in place for the Executive Team, including the Executive Directors, and for senior leadership roles across the Group, with significant management and strategic responsibility.

Since the last formal review, succession plans have been developed for key senior roles, with the potential of colleagues in senior leadership positions assessed as part of a structured process. The Committee noted that appropriate interim cover arrangements are maintained for Executive Team roles, ensuring continuity of leadership where required.

Capita continues to invest in leadership development through executive coaching, 360-degree feedback, mentoring, and targeted transition programmes. High-potential development initiatives and the Transformation Leader Accelerator programme provide colleagues at senior levels with stretch and exposure by involving them in major transformation projects.

The review highlighted a positive trend in gender diversity among nominated successors, though ethnic diversity remains an area for further focus. The Committee also noted the importance of cross-divisional and functional succession planning, with ongoing efforts to broaden the pipeline and accelerate the development of diverse talent for future leadership roles.

Key next steps include maintaining high-quality development plans for all nominated successors and high-potential colleagues, enhancing internal mobility, and working with external partners to strengthen the pipeline of ethnically diverse talent. The Committee, supported by the RB Committee, will continue to monitor progress and ensure succession planning remains aligned with Capita's strategic priorities and diversity, equity, and inclusion objectives.

Diversity

The Committee continues to champion diversity in all its forms, recognising that a blend of perspectives, expertise, and backgrounds within the Board and senior management is fundamental to delivering long-term value. While merit remains central to all appointments, there is an ongoing commitment to broadening diversity across gender, ethnicity, and professional experience.

The Board includes three experienced female directors, representing 43% of Board membership, compared with the UK Listing rules diversity benchmark of 40% of women on boards. 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 six years.

Our Board has two Directors of an ethnic minority background, meeting the target set by the Parker Review. To further advance representation, the Company has set a leadership diversity target for achievement by the end of 2027. This is supported by initiatives such as the RISE (reduce inequality strive for equality) leadership programme, which is designed to empower ethnic minority and female colleagues, and a reciprocal mentoring scheme that connects junior employees from diverse backgrounds with senior leaders.

Enhancing ethnic diversity, with particular emphasis on increasing the number of Black colleagues in senior roles, remains a key focus. The People Team collaborates closely with ENGs and has put in place targeted action plans, which are subject to regular review by both the Nomination and RB Committees.

During 2025, Capita's high-potential development programme engaged 52 colleagues in senior leadership roles. Of this group, 52% were female and 48% male, reflecting a continued emphasis on gender balance.

Nomination Committee report *continued*

Board skills and training

During the year, I, together with my fellow non-executive directors, participated in a dedicated AI workshop delivered by Deloitte. This session was designed to deepen our board-level understanding of AI and its potential impact on Capita. Over the course of three hours, we explored macro trends in AI, the strategic opportunities and risks it presents, and the ways in which business models are being disrupted across sectors. Through a blend of presentations and case studies, we examined how AI can drive value—both by unlocking new revenue streams and by improving operational efficiency – while also considering the challenges associated with automation and productivity.

The Committee encourages all non-executive directors to participate in ongoing AI learning and development, recognising that continuous education is essential for effective oversight in a rapidly changing environment. In addition to formal training, the Board benefits from regular presentations by the Chief AI and Product Officer, which not only provide updates on Capita's AI-enabled client solutions but also offer deeper insight into emerging technologies and their implications for the business.

The Board's oversight of AI is further supported by Capita's comprehensive AI governance structure. This framework ensures robust risk management, ethical standards, and regulatory compliance, enabling the Board to challenge assumptions, frame strategic questions, and provide effective oversight of AI-related opportunities and risks.

In addition to AI-focused development, the Board received training on the significant changes to the UK Listing Rules introduced in 2024/25, with particular emphasis on the implications for significant transactions and ongoing obligations for listed companies from external legal counsel together with refresher training on the UK Market Abuse Regulation, ensuring that all directors remain up to date with the latest requirements for the prevention, detection, and reporting of market abuse. The Board was regularly briefed on the Economic Crime and Corporate Transparency Act 2023, which introduced new corporate offences on 1 September 2025 relating to fraud and requires companies to have robust fraud prevention procedures in place. Capita has actively reviewed and strengthened its internal controls and processes to ensure compliance with these new requirements.

It is also a requirement for each Board member to undertake mandatory training on the Company's Code of Conduct and on cyber security matters, reflecting the Board's commitment to the highest standards of ethical behaviour and to safeguarding the Group's digital assets.

Conclusion

The Committee remains focused on ensuring that Capita has the right leadership, skills, and diversity to deliver its strategy and create long-term value for shareholders and stakeholders. The Committee will continue to review and enhance succession planning, diversity, and Board effectiveness in line with best practice and regulatory requirements.

David Lowden

Chair, Nomination Committee

9 March 2026

Nomination Committee members

Member	Member since	Date of retirement from Committee
David Lowden (Chair)	1 January 2021	
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	23 July 2025
Jack Clarke	9 October 2024	

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 2025, 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 2025
At least 40% of the individuals on the board are women	43% 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 has two Directors from an ethnic minority background

Information on actions taken by the Group to address diversity, inclusion and wellbeing across the workforce is in the responsible business section on pages 45 to 53.

Further details of the Company's compliance with LR6.6.6(9) at 31 December 2025 are provided on page 49.

Responsible Business Committee report



“Culture remained a central focus of the Committee’s work throughout the year, reflecting its critical importance to Capita’s long term success.”

Dr Nneka Abulokwe OBE, Chair, Responsible Business Committee

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; and
- Oversee and monitor the Group’s progress against its net zero strategy.

Principal activity in 2025

Strategy

- Monitored delivery of the responsible business strategy across all four pillars.
- Received updates on the implementation of new values, the culture programme and the Celebrate! recognition platform.
- Considered outcomes of the Group’s first double materiality assessment.

Colleague related matters

- Approved the 2025 Gender, Ethnicity and Disability Pay Gap Report.
- Received updates on culture, leadership development and C500 management programme, including review of colleague survey outcomes.

Health, safety, environment & wellbeing (HSEW)

- Reviewed UK and international HSEW performance.

Net zero & environmental strategy

- Approved the Group’s first low carbon transition plan.
- Reviewed progress against near-term science based emissions targets.

Other stakeholders

- Reviewed and approved the 2025 Modern Slavery Statement.
- Reviewed the Group’s procurement procedure
- Received annual stakeholder updates from the Cabinet Office and Investor Relations.

Governance

- Ratified Capita’s AI, Cloud and Data Governance Council and framework.

The Committee met three times during 2025.

Responsible Business Committee report *continued*

Dear Shareholders,

I am pleased to present this report, my second as Chair of the RB Committee. Throughout 2025, the Committee worked closely with colleagues across Capita to oversee the continued development of our RB agenda. It has been a year shaped by cultural progress, deepened transparency and a renewed focus on how we support our people, communities, customers and the environment. Our work has been grounded in collaboration, constructive challenge and a shared commitment to operating responsibly and sustainably.

Role of the Committee

The Committee oversees Capita's responsible business priorities across our people, communities, planet and business pillars. Our focus throughout the year was to understand progress, ask questions where needed, and ensure that our decisions and oversight supported a responsible, purpose-led and sustainable approach across the Group.

Our people: culture, inclusion and the colleague experience

Culture

Culture remained a central focus of the Committee's work throughout the year, reflecting its critical importance to Capita's long term success and the Committee's responsibility under the UK Corporate Governance Code to monitor how the Company's values and behaviours are embedded. During the year, we received detailed updates on our culture programme from the Chief People Officer and the Group Director of Performance & Development. These enabled the Committee to review progress, challenge management, and ensure that cultural initiatives are aligned with Capita's strategic transformation. We monitored the rollout of Capita's refreshed values and the embedding of Capita's values through the leadership playbook, the Celebrate! recognition platform and the continued development and engagement of the C500 leadership cohort through our leadership programme. We are pleased with the progress that has been made.

In reviewing the outcomes of the 2025 colleague survey, which was conducted in Q3 2025, the Committee discussed areas of stronger sentiment as well as those where colleagues were less engaged. We supported management's focus on developing targeted local action plans and on ensuring that these plans were informed by meaningful insights. Taken together, these updates reinforced the Committee's view that a strong, purpose led culture remains critical to Capita's ability to support colleagues through ongoing change and to deliver sustainable outcomes for all stakeholders.

We also reviewed management's ongoing focus on leadership capability, communication consistency and colleague support as digitisation and AI continue to transform roles and service delivery. Our discussions centred on understanding how these changes are experienced by colleagues and ensuring that leadership expectations remain clear and consistently reinforced.

Diversity, inclusion and representation

The Committee maintained close oversight of the Company's diversity and inclusion activity. In 2025 we approved the Gender, Ethnicity and Disability Pay Gap Report, and I am pleased that Capita continues to lead with transparency by voluntarily disclosing both ethnicity and, for the first time this year, disability pay gap data – neither of which are statutory reporting requirements. Capita reported no disability pay gap, supported by a disability declaration rate of 28%, and continued to publish ethnicity pay gap data, supported by a declaration rate of 82%. The Committee welcomed this additional voluntary disclosure as a positive demonstration of Capita's commitment to openness and understanding of workforce experience.

We reviewed representation data across senior levels, discussed progress against the Group's targets, and considered the actions being taken to accelerate progress. Updates on the partnership work with the gender network and Black employee network were particularly encouraging, and the Committee noted the continued development, confidence and growing influence of all ENG's across the organisation.

Colleague engagement

As the designated Non-Executive Director for colleague engagement, I continued to meet regularly with colleagues across all Capita geographies. These conversations remain one of the most valuable aspects of my role. Throughout the year, colleagues continued to share their experiences with openness and candour, offering insight into what is working well and where further support or clarity would be helpful.

During 2025, I held structured sessions with our ENG's, met regularly with the Chief People Officer, and connected with his People leadership team. I also visited colleagues in Germany and Bulgaria, where I had the opportunity to hear directly about local priorities, cultural strengths and operational challenges, and visited our offices in South Africa. These discussions provided an important perspective on colleague experience in our international businesses, and informed the Committee's subsequent discussions, where members considered these themes and agreed areas for senior leadership follow-up.

The Committee values colleague voice as a critical component of responsible business governance. After each engagement, I report insights to the CEO, the Committee and the Board, ensuring that themes raised – whether relating to communication, development opportunities, operational pressures or inclusion – are fully considered. This feedback cycle strengthens the connection between colleague experience and the Committee's oversight throughout the year. Actions arising from my feedback included the establishment of quarterly meetings between the Chief General Counsel and Company Secretary, the Director of Business Integrity and Financial Crime, and the chairs of the ENG's, ensuring continued development of our Speak Up policy.

We have also continued to see the ongoing growth, maturity and increasing influence of our ENG's, which play an important role in shaping Capita's culture and supporting colleagues across the organisation. Their insight, energy and constructive challenge have been instrumental in deepening understanding of colleague experience at all levels of the business.

Our planet: net zero and the low carbon transition plan

Environmental responsibility continued to be a significant focus for the Committee. A key milestone this year was our review and approval of Capita's first low carbon transition plan, presented by Capita's Group Environmental Manager, which outlines the path to achieving net zero by 2045. In reviewing the plan, the Committee discussed the feasibility, sequencing and affordability of proposed actions, and sought assurance that it aligned with the UK Transition Plan Taskforce recommendations. The Committee was pleased to approve the plan as presented.

We also considered the environmental implications of AI and cloud-based services and discussed the importance of transparency in our engagement with hyperscaler partners. Further detail on our environmental approach can be found in the RB section of this Report, to which this statement refers.

Our business: responsible operations, governance and reporting

RB strategy

The Committee reviewed progress against the RB strategy 2024–26, presented by the Group Senior Head of Responsible Business throughout the year, discussing performance against key metrics, accreditation progress, developments in stakeholder expectations and the evolving regulatory landscape. We worked collaboratively with management to understand progress and ensure that activity remained focused and evidence-based. Details of Capita's RB strategy, progress and accreditations are provided on pages 37 to 78 of this Report.

Double materiality assessment

In line with best practice, and to prepare for any changes in the regulatory environment, the Company completed its first double materiality assessment during the year, and certain members of the Committee – including myself – together with members of the Executive Team and senior management took part in the interview process. This participation enhanced our understanding of the ESG risks and opportunities most material to Capita and provided confidence in the robustness of the assessment process and supporting governance.

Supply chain governance and modern slavery

In December, the Committee received a presentation from the Group Procurement Director and the Procurement Director on supply chain governance, including modern slavery. We considered progress on the rollout of the supplier relationship management platform and ongoing enhancements to supplier oversight and due diligence.

Governance

The Committee undertook a formal review of Capita's AI, cloud and data governance framework, considering detailed proposals from management on the structure, scope and operating model for strengthened oversight of emerging technologies. We discussed the importance of ensuring that the framework supports both robust, regulatory and ethical assurance while providing the operational agility required to deliver technology enabled transformation at pace. Recognising the increasing strategic importance of AI to Capita's business model and client propositions, the Committee ratified the governance framework, confirming that it provided appropriate oversight, ethical safeguards, and alignment with Capita's values and responsible business priorities.

Looking ahead

In 2026, the Committee will continue to review the embedding of Capita's refreshed culture and values. We will maintain oversight of the low carbon transition plan and the next phase of the Group's net zero strategy, ensuring that progress remains both credible and affordable. In parallel, we will continue to monitor developments in sustainability and workforce regulation, including the UK Government's proposed reforms to worker rights legislation and other emerging reporting requirements. We will also continue our colleague engagement programme across the Group, ensuring that colleague voice remains a central part of the Committee's work.

Through this continued focus, the Committee will support the Board in ensuring responsible, sustainable outcomes for our colleagues, customers, communities and the environment.

Dr Nneka Abulokwe OBE

Chair, Responsible Business Committee

9 March 2026

Audit and Risk Committee report



“Strengthening the internal control environment remained a core focus, with the Committee overseeing the next phase of the Internal Control Framework programme to embed a more consistent, evidence-based approach to material controls across the Group.”

Jack Clarke, Chair, Audit and Risk Committee

Overview

The Audit and Risk Committee’s (the ARC’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-us/corporate-governance. The terms of reference are reviewed annually and updated as required.

Role and responsibilities

The ARC 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 ARC’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.

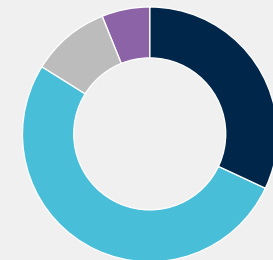
External audit

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



■ Risk management, internal control & compliance 32%
 ■ Financial reporting (incl. external audit) 52%
 ■ Private meetings with auditors 10%
 ■ Governance 6%

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

Dear Shareholders

2025 was my first full year as Chair of the Audit and Risk Committee, having been appointed on 9 October 2024. I am pleased to report on the ARC's work during 2025 and how we discharged our responsibilities on behalf of the Board. The ARC met five times during the year and continued to support the Board in overseeing the integrity of the Group's financial reporting, the effectiveness of internal controls and risk management systems, and the performance and independence of external and internal audit.

Risk and control framework

During the year, the Committee undertook a detailed review of the Group's principal risks to ensure they remained appropriately defined, monitored and aligned with Capita's strategy, including its focus on delivering modern, AI-enabled customer solutions. As part of this work, the Committee considered the impact of accelerating technological change, particularly the rapid adoption of artificial intelligence (AI) across the Group and within client service delivery. Reflecting its growing strategic importance, and consistent with advice from the executive risk & ethics committee, the Committee approved the reframing of principal risk 3 – Innovation into a dedicated artificial intelligence principal risk. This new risk captures both the strategic opportunities associated with AI deployment and the operational, ethical, legal and data-governance considerations that must be effectively managed as AI becomes increasingly embedded in Capita's products, platforms and internal processes. The Committee noted that AI is a critical enabler of improved margin, modernised service delivery and differentiated AI-enabled customer solutions, and therefore requires clear governance, defined accountabilities and ongoing monitoring.

In parallel, the Committee reviewed the Group's overall risk appetite to ensure it remained aligned to the Group's strategy, including its focus on strengthening cyber resilience, data governance and AI governance. An 'averse' risk appetite was retained for cyber security and data governance, with maturity measured using the NIST cyber security framework and DAMA data governance model scores. These benchmarks will support transparent, evidence-based assessments of control effectiveness as automation and AI use cases expand. The ARC also recognised that increased adoption of AI brings new interdependencies with hyperscaler technology providers and with Capita's broader supply chain. These interdependencies will be further assessed through ongoing oversight of the cyber transformation programme, red-team testing, supply chain assurance activities and the internal control work being delivered under the internal control framework project.

The ARC was satisfied that the governance foundations for effective AI oversight had been established during the year. This will remain a significant area of focus in 2026 as Capita continues to scale its use of advanced technologies to support the delivery of innovative, AI-enabled customer solutions. Following its review, the ARC recommended the updated principal risks and the Group's risk appetite to the Board, which approved both during 2025.

Internal control framework (ICF)

Strengthening the internal control environment continued to be a core area of focus for the ARC throughout 2025. During the year, the ARC oversaw delivery of the next phase of the ICF programme, which is aimed at strengthening the Group's underlying control environment and building a more consistent, Group wide approach to documenting, assessing and assuring material controls. Key activities included completing the mapping of key business processes and controls, progressing design and operational effectiveness testing of material controls. The ARC received regular updates on the progress of the programme.

This programme represents an important foundation for the Group's preparations for the enhanced reporting on the effectiveness of material controls required under provision 29 of the UK Corporate Governance Code 2024 for accounting periods beginning on or after 1 January 2026. Under this provision, the Board will be required 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 improve them, as appropriate. The ARC acknowledges the significant progress made to date by the programme and recognises that further work is required to fully embed a robust and consistently evidenced control environment as the Group prepares for the enhanced reporting requirements introduced by provision 29.

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 2025.

Further detail on the risk management and internal control environment is set out later in this report on pages 117 and 118.

Controls improvement

The ARC continued to oversee the Group's programme of work to strengthen finance processes, reporting and controls. Throughout 2025, management focused on embedding new reporting and planning systems, improving the consistency of financial information, and streamlining key finance activities. Progress during the year included wider adoption of the enhanced reporting and planning tools, greater standardisation of month-end processes, and the transition of several initiatives into established business-as-usual operation.

The ARC also received regular updates on the enhancement of the Group's financial control environment. Work completed during the year included strengthening system access governance, updating key process and control documentation, and further embedding the Group's approach to financial controls. Group Internal Audit provided ongoing assurance through design and operational effectiveness testing, and a new financial control team was established in India to support continuous monitoring and improvement. These activities have contributed to a more consistent and resilient control framework across the Group.

Audit and Risk Committee report *continued*

In addition, the legal entity rationalisation programme continued to progress well during the year with the number of legal entities in the Group reducing further. On 1 January 2026, the Group had 85 legal entities, including 15 legal entities in liquidation, compared with 369 in July 2018. The rationalisation programme is ongoing.

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 118 of this report.

Committee membership

From 1 January 2025, the ARC comprised me as Chair, together with Brian McArthur-Muscroft, Neelam Dhawan, and Nneka Abulokwe. The ARC operated throughout the year as a fully independent non-executive committee, in line with the requirements of the UK Corporate Governance Code.

Brian stepped down as a director of the Board and as a member of the ARC on 23 July 2025. I would like to thank Brian for his contribution to the ARC, both during his tenure as committee chair and subsequently as a member. His extensive financial expertise and constructive challenge added significant value to the ARC's work. At the time he stepped down from the ARC, Brian was CFO of IQ-EQ, having previously been CFO of several listed UK companies, experience that materially supported the ARC's oversight role.

The ARC is required to include at least one member with recent and relevant financial experience, and this requirement continued to be met following Brian's departure through my own experience as a chartered accountant. I have held senior financial leadership roles most recently as CFO of Essentra plc. I qualified with KPMG and I have extensive experience of complex contracting environments, financial reporting and internal control oversight.

Neelam and Nneka each bring strong board-level and governance experience, supported by backgrounds in strategy, technology, transformation and risk oversight across large, multi-national organisations. Both bring the experience and financial understanding needed to support the ARC's work effectively.

To support the ARC's work, the Chair, CEO, CFO, Chief General Counsel and Company Secretary, Group Director Financial Control, Group Chief Accountant, and the Director of Internal Audit & Risk were invited to attend meetings, alongside senior management and representatives from KPMG, the external auditor, for relevant agenda items. The Director of Business Integrity and Financial Crime provided updates at each meeting. Private sessions were held with the external auditor in the absence of management.

The ARC's performance was reviewed as part of the externally facilitated Board review, which concluded that the ARC continued to operate effectively, highlighting the Chair's constructive leadership, the ARC's rigorous oversight of financial reporting and its positive working relationship with the external auditor. The Chief General Counsel and Company Secretary, or their nominee, acts as Secretary to the ARC and ensures that members receive timely and accurate information to support effective oversight.

How the Committee operates

The ARC has an annual forward agenda to cover the key events in the financial reporting cycle, specific risk matters identified by the ARC and standing items that the ARC is required to consider in accordance with its terms of reference. I meet with the CFO, members of the Group Finance team, the Director of Internal Audit and Risk and the external auditor prior to the principal meetings. The purpose of these meetings is to identify key issues impacting the business that may require consideration by the ARC. 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 ARC 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 2025

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 ARC reviewed the key accounting policies and judgements adopted by management to ensure that they were appropriate. The significant areas of judgement identified by the ARC, in conjunction with management and the external auditor, together with a number of areas that the ARC deemed significant in the context of the financial statements, are set out on pages 113 to 115.

Fair, balanced and understandable

At the Board's request, the ARC 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 ARC 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 ARC 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 ARC also considered whether the full year announcement was presented clearly.

The ARC 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.

Communications with the Financial Reporting Council

In June 2025, the Company received a letter from the Financial Reporting Council (FRC) following its review of the Company's 2024 Annual Report and Accounts. The FRC did not raise any questions or queries that required the Company to respond, and no changes to the numbers reported were required, however they noted a number of matters where they believed users of the accounts would benefit from improvements to the Company's reporting. The matters have been given full consideration and disclosures revised in the Company's 2025 Annual Report and Accounts where material or relevant to do so.

The FRC's review was based on the Annual Report and Accounts and did not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. It was, however, conducted by FRC staff with an understanding of the relevant legal and accounting framework. The review carried out by the FRC provides no assurance that the Annual Report and Accounts were correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

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 ARC 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 ARC considered the projections within the business plan, agreed by the Board in March 2026, and the key assumptions underpinning the future cash flow and profit forecasts. The ARC received reports from executive management 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, the forecasting process, the committed facilities available, and the mitigations within direct control of the Group. The ARC also considered the current financing structure of the Group and forthcoming debt repayments, and therefore the ability of the Group to refinance. The ARC 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 ARC reviewed the disclosures presented in section 1 of the consolidated financial statements together with the viability statement on page 86 and 87 to ensure there was sufficient detail provided to explain the basis of preparation and the Board's conclusion.

Outcome

The ARC 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 ARC to recommend to the Board that the going concern assumption be applied and the viability statement be approved.

The ARC is satisfied that section 1 to the consolidated financial statements and the viability statement on page 86 and 87 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 ARC 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 ARC has also considered the recognition of variable revenue where significant on any particular major contract, 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 ARC is satisfied that these have been properly disclosed. The ARC 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 ARC 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.

Audit and Risk Committee report *continued*

Contract fulfilment assets

Matter considered

Costs incurred to deliver a customer contract may be capitalised as contract fulfilment assets (CFAs) in accordance with IFRS 15. 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 ARC 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 ARC has also considered the recoverability of CFAs.

Outcome

The ARC is satisfied that appropriate judgements and estimates have been made in determining the carrying value of CFAs in these statements is appropriate. The ARC 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 and the loss of contracts.

Action

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

The ARC 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 ARC is satisfied that the impairment of goodwill recognised at 31 December 2025 in respect of the Contact Centre CGU is as expected given performance of the business.

The ARC 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 ARC 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 ARC 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 ARC acknowledged the gap between the net assets of the Parent Company and its market capitalisation. The ARC 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 ARC 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 2025, 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 ARC reviewed the disclosure as presented in the accounts. The ARC 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 ARC 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 ARC reviewed the disclosure as presented in the accounts. The ARC 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.

Outcome

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

The ARC 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.

Provisions in respect of claims and litigation**Matter considered**

Due to the inherent uncertainty and complexity involved in determining the financial impact of legal proceedings, significant estimation is required. This includes making an assessment of the likelihood of unfavourable outcomes and estimate the potential financial impact, which involves making judgements based on legal and subject matter experts' advice, past experience, relevant facts, and the nature of the claims. It is therefore important to understand the estimation being made.

Action

The ARC has reviewed the disclosure in the financial statements and challenged management to justify the level of provisioning.

Outcome

The ARC is satisfied with the fact patterns underlying the provisions, with both the treatment and levels of provision being properly justified.

Other issues considered in relation to the financial statements**Materiality**

Materiality is important in determining the risk attached to any judgement. The ARC considers the audit materiality set by the external auditor to ensure that the ARC is informed of individual items above a certain threshold that are most likely to have an impact on the financial statements. The ARC 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 ARC requests further clarification from the external auditor, the CFO and Group 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 ARC 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 ARC 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 ARC 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 ARC 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 ARC and separately with the chair. Specifically, the ARC 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 139 to 160).

Audit and Risk Committee report *continued*

Auditor independence

The ARC 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 ARC 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 ARC 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 ARC 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 ARC. 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 ARC Chair is also required to approve the assignment, and above £350,000 the ARC'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 ARC chair.

Total non-audit fees during the year were £2.2m 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 to support the Group in fulfilling obligations required by the UK Listing Rules. The ARC 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 ARC 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 ARC 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 ARC 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 ARC 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 ARC 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 ARC 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 ARC'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 ARC.

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 ARC by the Board.

Effectiveness and efficiency of risk management

During 2025, the ARC maintained close oversight of the principal risk landscape, emerging risk themes, and the effectiveness of the internal control environment.

As referenced above, the ARC 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 ARC 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 ARC receives regular updates from the Group's executive risk and ethics committee (EREC). EREC supports the ARC 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 ARC 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 ARC

The ARC 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. The ARC was pleased to note the improvement in the NIST cyber maturity score, following assessment from an independent third party. This remains a principal focus for the ARC and the CTO and CISO will continue to attend committee meetings on a regular basis to present to the ARC. 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. The ARC receives regular updates on progress in this area.

In December, Claire Denton, Chief General Counsel provided an annual update to the ARC on regulatory, employment and litigation matters. Claire is also the Company Secretary and attends all ARC 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 79 to 85. As detailed on page 111 further improvements to the Group risk and control framework, including financial controls were delivered during the year.

The ARC 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 2026 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 79 to 85.

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 ARC. The function operates a co-sourcing model which provides additional expertise and breadth to the work of the in-house audit team. It is led by the Director of Internal Audit and Risk, who also has responsibility for the Group's non regulated business risk function.

Internal Audit's 2025 programme highlighted several Group wide themes relating to control maturity and operational consistency. Reviews continued to identify the need for more standardised and better documented processes, the importance of strengthening first line ownership of controls, with clearer accountabilities and improved timeliness of action closure evident as the year progressed. Cyber resilience remained prominent with progress noted. Overall, the programme indicated a stable control environment, and a more consistent approach to remediation and escalation.

The 2026 internal audit programme, approved by the ARC in December 2025, is structured around the Group's key risk priorities and the continued development of the Internal Control Framework. Reflecting the Board's averse risk appetite in critical areas, the plan provides focused assurance over cybersecurity, data governance and data privacy, recognising both heightened regulatory expectations and the Group's increasing reliance on digital infrastructure and hyperscaler partnerships. Contract governance will remain a major component of the programme, with a significant proportion of planned audits dedicated to revenue integrity, billing accuracy, transformation governance and commercial controls, consistent with the operational and financial significance of contract execution across the Group.

Audit and Risk Committee report *continued*

The programme also embeds the next phase of ICF implementation, with internal audit undertaking ICF-aligned control testing as the framework moves into operational effectiveness in early 2026. This approach is intended to provide the ARC the evidence required to support future provision 29 disclosures, including controls linked to the refreshed principal risks.

During 2025, the Group's internal audit function was independently assessed through an External Quality Assessment. The review concluded that internal audit is well established, operates with appropriate independence and objectivity. The assessment recognised the function's strong mandate, risk-based planning approach and constructive engagement with management, while also identifying a number of enhancement opportunities. The ARC noted that these findings provide a clear roadmap to support the continued effectiveness and impact of internal audit.

Throughout the year, the Group internal audit function provides written reports to the ARC on work completed and in progress, supplemented by oral updates. These reports set out control and process weaknesses identified during audit activity, together with recommendations for action.

In all cases, management responded with appropriate actions to mitigate the associated risks. The ARC reviews management's response to the matters raised and ensures that any action is commensurate with the level of risk identified. The ARC receives regular status updates on identified actions and provides robust challenge.

Through its regular interaction with the Director of Internal Audit and Risk, and its consideration of reports from the function, the ARC is able to 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.

Economic Crime and Corporate Transparency Act

The Committee also focused on the Economic Crime and Corporate Transparency Act (ECCTA) which came into effect in the UK on 1 September 2025. The ARC received regular updates on actions 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 project to implement the ECCTA has supported our ICF project and strengthened Capita's bribery controls.

Code of Conduct and Speak Up

The Code of Conduct sets the standard of how Capita operates and forms a central part of the Group's governance and our culture. Our Code of Conduct training is mandatory for all Group employees including Capita plc directors and compliance continues to be monitored throughout the year. The Speak Up policy provides a confidential 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 of Business Integrity and Financial Crime is invited to attend each meeting of the ARC and provides updates on reported Speak Up matters, investigation outcomes, thematic trends and the status of actions taken. Outcomes during the year ranged from disciplinary action and training interventions to process improvements and strengthened controls. Recommendations arising from cases were shared with relevant management teams to support continuous improvement and to enhance the broader control environment.

In addition, the Director of Business Integrity and Financial Crime has direct access to the Chair of the Committee and informs the Chair promptly of any serious Speak Up matters requiring urgent or heightened oversight.

During 2025, the number of Speak Up cases increased compared with 2024, reflecting both heightened awareness and strengthened reporting culture across the Group. Reporting levels varied across geographies, with higher levels of engagement in South Africa and India and lower levels in Germany and Switzerland. Targeted engagement continued during the year, including focused communication campaigns, town hall events and the deployment of global training materials and videos to ensure all colleagues understand how and when to raise concerns. The Group Director of Business Integrity and Financial Crime and the Chief General Counsel and Company Secretary continued to meet periodically with the chairs of employee network groups to gather insights on colleague experience and discuss opportunities to further raise awareness and confidence in the Speak Up process.

The ARC remains focused on ensuring that Capita maintains a culture where colleagues feel safe, supported and empowered to speak up, and will continue to monitor reporting levels, investigation outcomes and the progress of associated improvement actions during 2026.

Looking ahead

During 2026, the ARC will continue to focus on the delivery of the Internal Control Framework, further strengthening cyber resilience and IT controls, and maintaining high-quality financial reporting in a period of ongoing transformation. Consistent with the Group's risk management approach, the ARC will place oversight on the evolving use of artificial intelligence and emerging technologies, and their impact on the control environment. This will include continued focus on the effectiveness of governance, risk management and internal controls as automation and AI-enabled solutions become more embedded across the Group. We remain committed to ensuring a robust, transparent and proportionate control environment that supports the Group's long-term performance and resilience.

Jack Clarke, Chair

Audit and Risk Committee

9 March 2026

Directors' remuneration report



“With the CEO and CFO now established in their roles, the committee will review the remuneration policy during 2026 ahead of the policy vote in 2027. No changes are proposed for 2026.”

Georgina Harvey, Chair, Remuneration Committee

Remuneration Committee membership and attendance

- The committee comprises two independent non-executive directors and the Company Chair (considered independent on appointment). The number of formal meetings held and the attendance by each member is shown in the table on page 99.
- The committee also held informal discussions as required. The Chief General Counsel and Company Secretary acts as

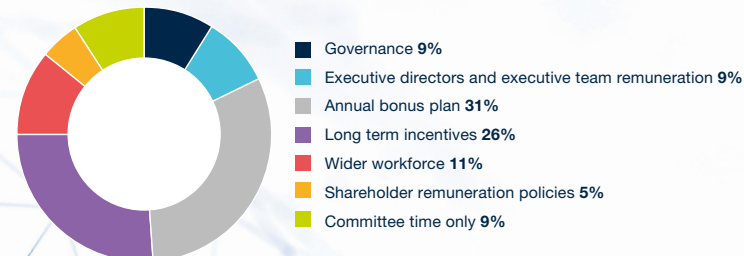
- secretary to the committee and is available to assist the members of the committee as required, ensuring that timely and accurate information is distributed accordingly.
- The committee's terms of reference set out the role, responsibilities and authority of the committee and can be found on the Company's website at www.capita.com/about-us/corporate-governance. These are normally reviewed, and updated where appropriate, on an annual basis.

This report is split into three sections:

- The annual statement summarises how the committee discharged its roles and responsibilities in respect of 2025 and the proposed implementation of the directors' remuneration policy (the policy) for 2026.
- A summary of the policy which was approved by shareholders at the 2024 AGM. No changes are proposed for 2026.
- The annual report on remuneration sets out how the remuneration policy was implemented in respect of 2025.

The directors' remuneration report (excluding the policy) will be subject to an advisory shareholder vote at the 2026 AGM.

Remuneration Committee approximated time allocation



Directors' remuneration report *continued*

Annual statement

Dear shareholder,

I am pleased to present the directors' remuneration report for the year ended 31 December 2025.

In 2025, Capita continued to execute against its medium-term priorities, strengthening delivery consistency and showing growing momentum against its better strategy. The Group advanced its simplification agenda driving significant cost efficiencies and scaled the deployment of AI-enabled solutions, supporting stronger customer outcomes, where we saw a three point increase in cNPS to +31 points. In 2025, the Group launched its AI Catalyst Lab and Catalyst Stack, with over 400 ideas submitted to the Lab since it was launched and 40 pilot products launched. 2025 saw a 34% increase in adjusted operating profit and the actions taken this year should further improve the Group's financial performance going forward.

How the committee operates

The committee operates 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:

- Agreeing the terms of the 2025 Restricted Share Awards (RSAs);
- Assessing the performance underpin in respect of the RSAs held by former executive directors Jon Lewis and Tim Weller which were granted in 2022 with a 2025 vesting date;
- Agreeing the annual bonus outturn for the year ended 31 December 2024;
- Agreeing the design and targets for the 2025 annual bonus;
- Determining the remuneration arrangements for the executive team;
- 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).

Remuneration for 2025

A summary of the approach to remuneration in 2025 is as follows:

Fixed remuneration

- There was no change in the base salary for the CEO or CFO in 2025. As such, the CEO and CFO remained on the base salaries that they were appointed on (being £700,000 and £450,000 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 2025

- Annual bonus continued to be capped at 200% of salary for the CEO and 150% of salary for the CFO.
- Reflecting the continued importance of improving profitability and delivering sustainable cash generation, the 2025 annual bonus was again based on profit before tax (PBT), free cash flow and revenue, weighted 40%, 50% and 10% respectively (totalling 80% of maximum bonus). Strategic/individual objectives (totalling 20% of maximum bonus) were based on customer, colleague, AI growth and leadership.
- Following a review of performance against the annual bonus targets, annual bonuses of 60.4% of the maximum and 56.4% of the maximum were awarded to the CEO and the CFO respectively in respect of the year ended 31 December 2025. While revenue performance was below threshold, free cash flow performance was between threshold and target and PBT performance was between target and stretch. Strategic/individual objectives were met in full for the CEO and to a significant extent for the CFO.
- Further details in respect of the annual bonus performance assessment are set out on pages 131 to 132.

Restricted Share Awards

- RSAs were granted under the Capita Executive Plan in June 2025 at 125% of salary for the CEO and 100% of salary for the CFO. Further details of the 2025 RSAs are set out in the annual report on remuneration.
- The March 2023 RSAs granted to former executive directors Jon Lewis and Tim Weller, which were due to vest in March 2026, lapsed in full post year end following the application of the total shareholder return (TSR) underpin.

Total remuneration

- The committee is satisfied that total remuneration paid to the executive directors in respect of 2025 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:

	2021	2022	2023	2024	2025
Annual bonus	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.	No committee discretion exercised.
Share awards	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.	No committee discretion exercised.

Board changes in 2025

Brian McArthur-Muscroft stepped down as a non-executive director on 23 July 2025.

Share consolidation in 2025

Details of the share consolidation which took place in 2025 are set out in the CFO review on pages 30 to 36. Shareholdings and share awards have been restated where relevant throughout this Directors' remuneration report.

Remuneration for 2026

The committee's intended approach to the implementation of the policy for 2026 is set out below.

Fixed remuneration

- No changes will be made to the CEO and CFO's ongoing salaries which will remain at 2025 levels (£700,000 and £450,000 respectively). The annual salary review budget for the UK workforce for 2026 was set at 3% although the below board senior management team (c.450 individuals) will instead receive an RSA in lieu of salary increases for 2026 which will vest over three years subject to continued service. To align the CEO and CFO to the approach adopted below board, albeit noting the policy prevents Capita from replicating the approach exactly, the CEO and CFO will receive a one-off salary award equating to 3% of their current salaries during 2026 with the expectation that they will use the net of tax amount to buy and hold Capita shares. The additional award will not be counted as salary for the purposes of pension, annual bonus or RSAs and as such, this is less generous than an equivalent salary increase. The CEO and CFO have agreed to hold the shares that they acquire for a minimum of three years and thereafter for such extended period (if any) as required in respect of the relevant executive director shareholding guideline.

- 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 2026

- Maximum annual bonus potential will continue to operate at 200% (CEO) and 150% (CFO) of salary.
- The performance metrics will continue to be based on 80% financial metrics and 20% strategic/individual objectives.

Restricted Share Awards

- The 2026 RSAs to be granted to executive directors in 2026 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). A three-year post vesting holding period will continue to operate.

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

Directors' remuneration report *continued*

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 change be proposed to the policy.

Employee engagement and workforce strategy

Through 2025, our CEO Adolfo Hernandez continued to place significant emphasis on engaging with our colleagues globally. Through regular site visits, which included colleague/CEO forums, discussions with our employee network groups and increased use of Viva Engage, all colleagues got an improved opportunity to feedback to the CEO and executive team directly. 2025 saw the implementation of a new internal communications strategy with focus on CEO/executive team engagement with our leadership population (c.500 leaders) but also all colleague messages through newsletters, emails and Viva Engage that focused on our transformation achievements. The bi-annual global townhalls (held virtually) continue to be run with positive feedback. Also included were the announcement of our 2024 financial results 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.

During 2025, the committee encouraged further development of the process of engaging with the workforce on how executive remuneration aligns with wider company pay policy. As in previous years, a session was held remotely with the chairs and co-chairs of the Capita employee network groups. These sessions are always well attended and generate an engaging conversation. It was decided that this year, the session with a cross-section of employees within the Capita Group would be held face-to-face with a view to encouraging greater engagement and more opportunity for questions and answers. This change worked well, and the committee will consider how more face-to-face sessions might be held at different sites in the future. An additional session was also held with the SLT which was attended by over 100 people. All 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. Questions and feedback are encouraged in each session. The feedback this year primarily related to the level of transparency on pay provided in these sessions which was well received by participants.

As noted in last years' report, in February 2024 Nneka Abulokwe was appointed as the designated non-executive director to engage with our colleagues. Details of the work she has undertaken in this role during 2025 are set out in the RB report on pages 107 to 109.

The committee continues to take a keen interest in Capita's wider workforce strategy on pay and development. In 2025, the committee received updates on the evolution of the global reward framework, including the full implementation of the career path framework across all global colleagues. This milestone marks the culmination of a multi-year transformation, embedding market-informed pay ranges and transparent principles to support fairness and consistency. The committee welcomed the improvement of controls to mitigate unconscious bias in pay decisions and noted the significant progress made in improving pay outcomes for lower earners, whose pay has increased by over 40% since 2021. The committee also reviewed enhancements to manager enablement, including improved training and tools for evidence-based salary reviews. Further detail is included in the Responsible business section of the Annual Report on page 50. The committee will continue to monitor the reward strategy as part of its annual agenda, with a focus on fairness, transparency, and recognition.

The committee considers that our remuneration policy approved by shareholders at the 2024 AGM continues to remain appropriate. Work will begin in 2026 to review the policy ahead of the renewal at the 2027 AGM as part of the normal three-year cycle.

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

9 March 2026

Director's 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 2026. 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 Chair'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"> • Salaries in similar companies and comparably-sized companies • Remuneration policy • Economic climate • Market conditions • Group performance • The role and responsibility of the individual director • Employee remuneration across the broader workforce. 	<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"> • Salaries would typically be increased at a rate consistent with the average salary increase (in percentage of salary terms) for the broader workforce. • 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). • Larger increases may also be considered appropriate if a director has been initially appointed to the Board at a lower than typical salary. 	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.

Directors' remuneration report *continued*

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
<p>Designed to reward and retain executives over the longer term, while aligning their interests with those of shareholders.</p> <p>To link reward to longer-term performance.</p> <p>To encourage share ownership.</p>	<p>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).</p> <p>Dividends or dividend equivalents may accrue over the vesting period and any holding period but only to the extent awards vest.</p> <p>Malus and clawback provisions apply to awards for a period up to the fifth anniversary of grant.</p>	125% of salary.	<p>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.</p> <p>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.</p>

Shareholding guidelines

Purpose and link to strategy	Operation	Shareholding requirement	Performance framework
<p>To align interests of management and shareholders and promote a long-term approach to performance and risk management.</p>	<p>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.</p> <p>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>	<p>In employment: 300% of salary (CEO); 200% of salary (CFO).</p> <p>Post cessation: 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.

Directors' remuneration report *continued*

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"> • Senior independent director • Audit and Risk Committee chair • Remuneration Committee chair <p>The Chair of the Board receives an all-inclusive fee.</p> <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 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 (in its opinion) fair, reasonable and not materially less difficult to satisfy than the original condition. 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 Chair 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' remuneration report *continued*

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 6.6.6R and 9.3.3 of the Listing Rules. The annual report on remuneration will be put to an advisory shareholder vote at the 2026 AGM. The information on pages 129 to 137 has been audited as indicated.

FIT Remuneration Consultants 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 and remuneration-related disclosure within the accounts. FIT's fees were £42,251 (excluding VAT) during 2025 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 2025 AGM, shareholder voting in respect of the resolution to approve the remuneration report for the year ended 31 December 2024 is presented below together with the vote on the 2024 remuneration policy at the 2024 AGM.

	Votes cast for	Votes cast against	Abstentions ¹
Directors' remuneration report, excluding the directors' remuneration policy, for the year ended 31 December 2024 (2025 AGM)	936,899,904	6,044,626	2,761,359
	99.36%	0.64%	
Directors' remuneration policy (2024 AGM)	1,016,454,099	8,251,055	1,550,595
	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 2026

Details of the committee's intended approach to the implementation of the policy for 2026 is set out in the annual statement.

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

A summary of the fees for 2026 (and those for the prior year) are set out in the table below. The Chair's fee and the base fee for the non-executive directors were increased by 3% from 1 January 2026 (the first base fee increase for NEDs since 2016). The fee for chairing a committee was increased from £10,500 to £12,500 with effect from the same date to reflect the additional time commitments of the roles.

	Annual fee from 1 January 2026	Annual fee from 1 January 2025
David Lowden, Chair	£298,700	£290,000
Georgina Harvey, Senior Independent Director and Remuneration Committee Chair	£89,435	£85,500
Jack Clarke, Audit and Risk Committee Chair	£78,935	£75,000
Nneka Abulokwe, Responsible Business Committee Chair and designated non-executive director for colleague engagement	£83,935	£80,000
Neelam Dhawan	£66,435	£64,500

Directors' remuneration report *continued*

Directors' remuneration earned in 2025 – single-figure table (audited)

The table below summarises directors' remuneration received in 2025 (with prior year comparators).

		Base salary and fees £	Benefits' £	Pension £	Annual bonus £	RSA £	Buy-Out Awards £	Total remuneration £	Total fixed remuneration £	Total variable remuneration £
David Lowden	2025	290,000	1,862	–	–	–	–	291,862	291,862	–
	2024	290,000	1,046	–	–	–	–	291,046	291,046	–
Adolfo Hernandez ^{2,4}	2025	700,000	32,076	35,000	845,600	–	–	1,612,676	767,076	845,600
	2024	669,565	20,033	33,478	392,000	–	1,611,836	2,726,912	723,076	2,003,836
Pablo Andres ^{3,4}	2025	450,000	3,180	22,500	380,681	–	–	856,361	475,680	380,681
	2024	208,696	929	7,500	91,800	–	–	308,925	217,125	91,800
Georgina Harvey	2025	85,500	0	–	–	–	–	85,500	85,500	–
	2024	85,500	132	–	–	–	–	85,632	85,632	–
Jack Clarke ⁵	2025	75,000	3,166	–	–	–	–	78,166	78,166	–
	2024	17,120	0	–	–	–	–	17,120	17,120	–
Nneka Abulokwe ⁶	2025	80,000	1,253	–	–	–	–	81,253	81,253	–
	2024	73,375	483	–	–	–	–	73,858	73,858	–
Neelam Dhawan ⁷	2025	64,500	12,224	–	–	–	–	76,724	76,724	–
	2024	64,500	16,000	–	–	–	–	80,500	80,500	–
Former Directors										
Jon Lewis ^{8,10}	2025	–	–	–	–	–	–	–	–	–
	2024	33,244	878	1,622	–	0	–	35,784	35,784	0
Tim Weller ^{9,10}	2025	–	–	–	–	–	–	–	–	–
	2024	330,028	12,146	16,501	169,386	0	–	528,061	358,675	169,386
Brian McArthur-Muscroft ¹¹	2025	35,989	245	–	–	–	–	36,234	36,234	–
	2024	75,000	104	–	–	–	–	75,104	75,104	–
Claire Miles ¹²	2025	–	–	–	–	–	–	–	–	–
	2024	1,251	–	–	–	–	–	1,251	1,251	–

1. Company car allowance, private health insurance, work travel and the value of matching share awards under the UK all-employee share scheme.

2. Adolfo Hernandez was appointed CEO on 17 January 2024. Base salary, benefits, pension and bonus for 2024 are shown from the date of appointment. Details of the Buy-Out Awards are set out on page 121 of last years' report.

3. 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. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. Jon Lewis stepped down as a director and CEO on 17 January 2024.

9. Tim Weller stepped down as a director and CFO on 9 August 2024.

10. Details of the performance assessment and vesting of the 2023 RSA awards held by Jon Lewis and Tim Weller are set out on page 132.

11. Brian McArthur-Muscroft stepped down as a non-executive director on 23 July 2025.

12. Claire Miles stepped down from the Board on 31 December 2023 and was paid up to 6 January 2024 in line with the terms of the notice period in her service contract.

Annual bonus for 2025 (audited)

The annual bonus for 2025 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 strategic/individual objectives focused on customer, colleague, AI growth and leadership (20% of maximum bonus).

For each financial 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, 40.4% of the maximum 80% available for the financial measures was earned as follows:

Financial targets (80% of the bonus)¹

	Weighting (% of maximum bonus)	Threshold target (25% vests)	Target (50% vests)	Stretch (100% vests)	Actual performance	Achievement against financial performance weighting
Adjusted PBT ²	32% (40% of potential)	£53.8m	£67.2m	£80.6m	£74.3m	76.49%
Free cash flow excluding business exits ³	40% (50% of potential)	£(60.6)m	£(25.8)m	£9m	£(40)m	39.8%
Adjusted Revenue	8% (10% of potential)	£2,225.7m	£2,299.6m	£2,414.6m	£2,197.3m	0%
Financial measures	80% of maximum total award					40.4% of maximum total award

- The targets and performance above have been adjusted to exclude closed book Life & Pensions, which has met the criteria to be classified as a business exit at 31 December 2025 and therefore excluded from adjusted performance.
- The adjusted PBT outcome above excludes costs that have complied with the criteria to be treated as exceptional costs.
- The free cash flow outcome excludes the £14m fine announced by the Information Commissioner's Office (ICO) in October 2025. This is consistent with the approach adopted for Adjusted PBT where the fine has been treated as an exceptional item. This approach, which neutralises the impact of the fine in respect of the 2025 annual bonus, was considered fair and reasonable by the committee given: (i) both the CEO and CFO joined Capita in 2024, i.e. significantly after the March 2023 data breach; and (ii) the fine, which was settled much sooner than envisaged and at a significantly lower amount than the ICO's provisional intended fine, was not included in the annual bonus financial targets that were set at the start of 2025.

Strategic/individual objectives (20% of the bonus)

For 2025, three 'what' objectives – aligned to the themes of customer, colleague and AI growth – and one leadership 'how' objective were set. These objectives were rated on a scale of 1 = improvement required, 2 = meets expectations and 3 = exceeds expectations with the committee then assessing overall performance. The strategic/individual objectives represented 20% of the total bonus opportunity for each director.

CEO

Objective	Action	
Customer	Complete the annual customer visit plan and engage with clients/customers. Facilitate quarterly review of customer account plans.	Exceeds Expectations. Customer – the cNPS improved in 2025 by 3 points from the 2024 score. This is driven by a refocus on customer centricity that the CEO has clearly owned and driven. The CEO's personal ownership of key accounts has driven an "exceeds expectations" rating.
Colleague	Complete the annual site visit plan and engage with colleagues on site. Lead the cascade of the strategic objectives and Capita strategy.	Exceeds Expectations. The eNPS improved by 11 points year on year and although the engagement index went back by 1% this is not a reflection of the engagement work the CEO has done.
AI growth	Increase the actual number of contracts that have an AI based initiative implemented in 2025.	Exceeds Expectations. Revenue growth and/or changing services has been driven through digital and AI solutions, especially in the public sector. Capita has progressed well in 2025 under the CEO's leadership to become the leading AI-powered BPO.
Leadership	Lead the SLT engagement activity in 2025.	Exceeds Expectations. The CEO has proved to be a highly visible leader with frequent engagement on Viva Engage, site visits, leadership calls and global calls.
Overall performance assessment		Exceeds Expectations.
% of strategic/individual element payable		100% out of 100%

Directors' remuneration report *continued*

CFO

Objective	Action	Committee assessment
Customer	Finance cost reduction. Shared services operating model.	Exceeds Expectations. Finance cost reduction target delivered within the financial year. Successfully established the Group Finance Shared Services Centre, enabling standardisation, control and automation.
Colleague	Complete the annual site visit plan and engage with colleagues on site. Lead the cascade of the strategic objectives and Capita strategy.	Exceeds Expectations. Strong leadership visibility through site visits, including a first CFO visit to India. Colleague engagement appropriately managed through open and honest communications.
AI Growth	Deploy at least 5 use cases of GenAI in finance.	Meets Expectations. Two live AI-enabled Finance solutions were delivered during 2025. That said, significant groundwork has also been completed on data, workflows and process documentation.
Leadership	Lead the SLT engagement activity in 2025.	Exceeds Expectations. The CFO has been a trusted executive partner during a year of significant change. He has demonstrated values-led, transparent leadership through cost reduction and organisational transition.
Overall performance assessment		Meets/Exceeds Expectations
% of strategic/individual element payable		80% out of 100%

Summary of total 2025 bonus awards

	Adolfo Hernandez		Pablo Andres	
	% of maximum	% of salary	% of maximum	% of salary
Total financial	40.4%	80.8%	40.4%	60.6%
Strategic/individual	20%	40%	16%	24%
Total (%)	60.4%	120.8%	56.4%	84.6%
Total bonus (£)	845,600		380,681	

Following a review of performance by the committee post year end, annual bonuses of 120.8% of salary for the CEO and 84.6% of salary for the CFO were awarded. 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 2026 (audited)

RSAs were granted under the Capita Executive Plan in March 2023 as follows:

Name of director	Number of shares awarded ¹
Jon Lewis	84,984
Tim Weller	42,010

1. The number of shares awarded in each case has been reduced to reflect time pro-rating due to retirement and is a restated figure following the share consolidation.

Vesting of the 2023 RSAs in March 2026 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 2025 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).

As TSR over the three year performance period was assessed by the committee to be negative, the 2023 RSAs lapsed in full post year end.

RSAs granted in 2025 (audited)

RSAs were granted under the Capita Executive Plan in June 2025 as follows:

Name of director	Number of shares awarded ¹	Face value of RSA	Percentage of salary
Adolfo Hernandez	304,878	£875,000	125%
Pablo Andres	156,794	£450,000	100%

1. The number of shares awarded was calculated using the 5-day average share price prior to the grant date.

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 share price (adjusted for the value of dividends as appropriate) to be 280p or above as at 31 December 2027. If this is not deemed to be met, the committee may reduce vesting. In addition, if Capita's TSR over the three years ending 31 December 2027 is negative, awards will be reduced to nil; 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).

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; Buy-Out Awards and 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. All share numbers shown in the table below are restated following the share consolidation at a ratio of 15 to 1 which took effect on 29 April 2025.

	Beneficially held interests at 31 December 2025	Beneficially held interests at 31 December 2024	Interests in share incentive schemes, awarded without performance conditions at 31 December 2025	Interests in share incentive schemes, awarded without performance conditions at 31 December 2024	Interests in share incentive schemes, awarded subject to performance conditions/underpins at 31 December 2025	Interests in share incentive schemes, awarded subject to performance conditions at 31 December 2024	Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2025	Interests in share option schemes where performance/vesting conditions have been met but not exercised at 31 December 2024	Percentage of salary held at 31 December 2025 ¹
David Lowden	50,000	33,333	–	–	–	–	–	–	
Adolfo Hernandez	503,650	210,647	437,201	635,793	733,799	428,921	–	426%	
Pablo Andres	220,000	123,333	22,109	–	239,575	82,781	–	208.8%	
Georgina Harvey	400	400	–	–	–	–	–	–	
Jack Clarke	5,165	0	–	–	–	–	–	–	
Nneka Abulokwe	9,748	4,955	–	–	–	–	–	–	
Neelam Dhawan	0	0	–	–	–	–	–	–	
Brian McArthur-Muscroft ²	0	0	–	–	–	–	–	–	

1. Calculated using the closing share price on 31 December 2025 (405.50p).

2. Beneficially held interests are shown at the date of resignation from the Board on 23 July 2025.

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.

Directors' remuneration report *continued*

Unvested Share awards (audited)

Year of grant:	DAB ¹		RSA ²		Buy-Out Award ³
	2024	2025	2024	2025	2025
Adolfo Hernandez	–	94,412	428,921	304,878	342,789
Pablo Andres	–	22,109	82,871	156,794	–

- 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.
- 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; (ii) for the 2025 RSAs only, Capita's share price (adjusted for the value of dividends as appropriate) to be 280p or above as at 31 December 2027; and (iv) 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).
- Buy-Out Awards, (which were presented in last year's single-figure table at the face value as at the grant date given that the vesting of each tranche is contingent on continued service only) vested/vest in tranches based on continued service as follows:

Tranche	Shares under award	Normal vesting date
1	167,314	Vested August 2024
2	166,498	Vested March 2025
3	126,506	Vested August 2025
4	125,689	Unvested – vests on the dealing day immediately following the announcement of results for FY 2025
5	217,100	Unvested – vests on the dealing day immediately following the announcement of results for HY 2026

Further details of the award and normal vesting dates are set out on page 121 of last year's report.

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 6.06% of the Company's share capital at 31 December 2025.

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 Company	Expiry date of current appointment
David Lowden	1 January 2021	9 May 2028
Georgina Harvey	1 October 2019	1 July 2028
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	23 July 2025

Board changes

Brian McArthur-Muscroft stepped down as a non-executive director on 23 July 2025.

Payments to former directors (audited)

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

Tim Weller continued to receive salary, pension and benefits up to the end of his notice period in May 2025 (as set out on page 123 of last year's report).

DAB awards granted to Jon Lewis and Tim Weller in 2022 vested in 2025 (over 57,897 and 21,818 shares respectively on a post share consolidation basis).

2023 RSAs granted to the former directors lapsed in full post the 31 December 2025 year end given that TSR over the three year performance period was assessed by the committee to be negative.

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. 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 2021 to 2025 financial years (excluding directors who left Capita before 2024, details for which are set out in previous remuneration reports), compared with the average for all employees of the Company (Capita plc):

	2025			2024			2023			2022			2021		
	Base salary and fees	Taxable benefits ¹³	Annual bonus	Base salary/fees	Taxable benefits ¹³	Annual bonus	Base salary/fees	Taxable benefits ¹³	Annual bonus	Base salary/fees	Taxable benefits ¹³	Annual bonus	Base salary/fees	Taxable benefits ¹³	Annual bonus
Executive directors¹															
Adolfo Hernandez ²	0%	52.7%	106%	-	-	-	-	-	-	-	-	-	-	-	-
Pablo Andres ³	0%	59.4%	91%	-	-	-	-	-	-	-	-	-	-	-	-
Jon Lewis ⁴	-	-	-	0%	-2.94%	-	0%	8.3%	-100%	3.2%	-45%	150%	14.3%	5.1%	100%
Tim Weller ⁵	-	-	-	0%	13.1%	100%	0%	-3.8%	-100%	0%	23%	132%	-	-	-
Non-executive directors¹															
David Lowden ⁶	0%	78%	-	0%	-44.2%	-	0%	123.6%	-	286.7%	100%	-	-	-	-
Georgina Harvey ⁷	0%	-100%	-	0%	-76.7%	-	0%	100%	-	14%	-	-	14.3%	-	-
Jack Clarke ⁸	0%	100%	-	-	-	-	-	-	-	-	-	-	-	-	-
Nneka Abulokwe ⁹	0%	159.4%	-	13.8%	-14.8%	-	0%	194%	-	-	-	-	-	-	-
Neelam Dhawan ¹⁰	0%	-23.6%	-	0%	87.8%	-	0%	-66.7%	-	0%	540%	-	-	-	-
Brian McArthur-Muscroft ¹¹	-14%	321.2%	-	0%	-81.7%	-	0%	100%	-	-	-	-	-	-	-
Employee population ¹²	2.74%	17.51%	106%	8.5%	-3.5%	100%	5.6%	0.1%	-100%	5%	7.4%	38.1%	2.8%	4.4%	123.2%

1. The percentage change shown for the directors is based on the single figure information disclosed on page 130.

2. Adolfo Hernandez was appointed to the Board on 17 January 2024. Comparative figures for 2024 are therefore unavailable. Salary for 2024 has been annualised to show that there was no change between 2024 and 2025. Annual bonus and benefits for 2024 have been annualised to show the approximate percentage change.

3. Pablo Andres was appointed to the Board on 15 July 2024. Comparative figures for 2024 are therefore unavailable. Salary for 2024 has been annualised to show that there was no change between 2024 and 2025. Annual bonus and benefits for 2024 have been annualised to show the approximate percentage change.

4. Jon Lewis stepped down from the Board on 17 January 2024. Comparative figures for 2025 are therefore not applicable. For comparative purposes, his 2024 base salary and benefits were annualised to show an approximate percentage change between 2023 and 2024. 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%.

5. Tim Weller stepped down from the Board on 9 August 2024. Comparative figures for 2025 are therefore not applicable. For comparative purposes, his base salary and benefits were annualised to show an approximate percentage change between 2023 and 2024. 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 were annualised to show an approximate percentage change between 2021 and 2022.

6. David Lowden was appointed Chair in May 2022. His fee for 2022 was annualised to show the percentage change between 2021 and 2022 following his change in role with a significantly increased time commitment and associated fee. David was appointed to the Board during 2021, comparative figures for 2021 are therefore unavailable.

7. Georgina Harvey was appointed Senior Independent Director in July 2022. Her fee for 2022 was annualised to show the percentage change between 2021 and 2022 following her change in role.

8. Jack Clarke was appointed to the Board during 2024. Comparative figures for 2023 are therefore unavailable. Fees for 2024 have been annualised to show that there was no increase in his fees between 2024 and 2025.

9. Nneka Abulokwe was appointed to the Board during 2022. Comparative figures for 2021 are therefore unavailable. Fees for 2022 were annualised to show that there was no increase in her annual fee in 2023. The increase for 2024 relates to Nneka's appointment as chair of the RB committee. Fees for 2024 have been annualised to show that there was no increase in her fees between 2024 and 2025.

10. Neelam Dhawan was appointed to the Board during 2021. Comparative figures for 2021 are therefore unavailable. Her fee for 2021 was annualised to show that there was no change between 2021 and 2022. Neelam's benefits figure primarily relates to additional fees payable for physical attendance at board meetings as Neelam is based outside the UK therefore the variation in benefits from year to year is mainly due to the number of meetings attended in person.

11. Brian McArthur-Muscroft was appointed to the Board during 2022. Comparative figures for 2021 are therefore unavailable. Fees for 2022 were annualised to show that there was no increase in his annual fee in 2023. Brian stepped down from the board during 2025. Fees for 2025 have been annualised to show that there was no increase in his fees between 2024 and 2025. Benefits for 2025 have been annualised to show the approximate percentage increase between 2024 and 2025.

12. 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. The change between 2024 and 2025 is calculated as the increase in the average percentage payout for a participant in the MBP. 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%.

13. A change of 100% or -100% in Taxable benefits illustrates that there were no benefits incurred by the relevant director in the corresponding comparator year.

Directors' remuneration report *continued*

CEO pay ratio

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

Year	Method 25 th percentile pay ratio	50 th percentile pay ratio	75 th percentile pay ratio
2025 Option B	64:1	46:1	33:1
2024 ¹ Option B	49:1	40:1	27:1
2023 Option B	33:1	23:1	17:1
2022 ² Option B	78:1	57:1	37:1
2021 ² Option B	49:1	38:1	24:1
2020 ² Option B	61:1	44:1	29:1
2019 Option B	41:1	25:1	14:1

- The single figure for the CEO excludes the value of the Buy-Out Awards due to the one-off nature in 2024.
- 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 2025 remuneration figures for the employee at each quartile were determined with reference to the financial year ending 31 December 2025. 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 2025 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 2025 full-time equivalent salary and total pay and benefits for the three identified quartile point employees:

2025	25 th percentile (P25)	Median (P50)	75 th percentile (P75)
Salary	£25,140	£35,086	£47,819
Total pay and benefits	£25,140	£35,086	£49,261

The committee recognises that the 2025 ratios are higher than last year. The CEO's single figure of remuneration for 2025 is higher than the figure for 2024 (excluding Buy-Out Awards) (c.45% increase). This is primarily due to a higher annual bonus awarded in respect of 2025.

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 2025 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 2025 and 2024 financial years, compared with dividends:

	2025 £m	2024 £m	% change
Employee costs ¹	1,292.3	1,399.6	-7.67
Dividends	–	–	–

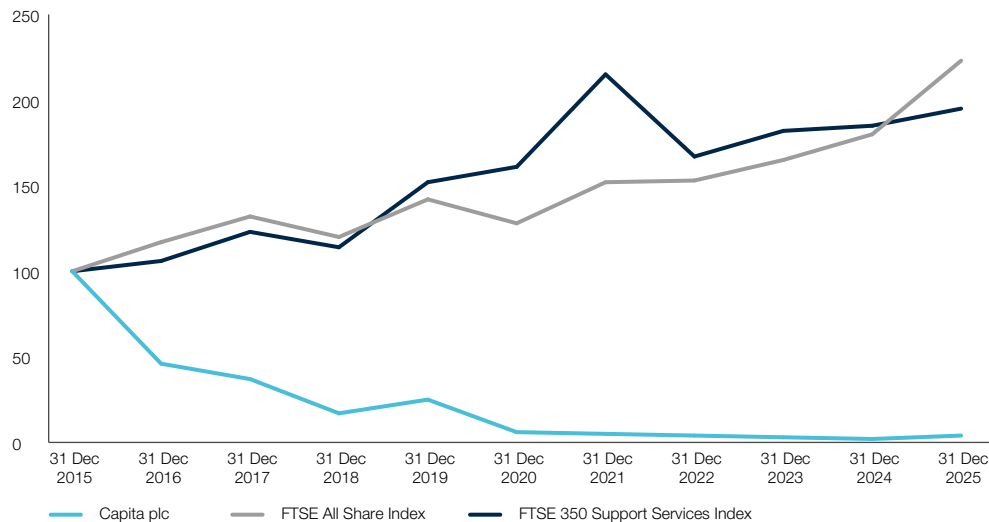
- The reduction in employee benefit expense reflects the reduction in the average number of employees during the year.

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 2025 and the previous nine years are shown in the table below based on the single-figure methodology.

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)
2025	£1,612,676	60.4%	0%
2024	£2,762,696	29.98%	0%
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%

Note: The annual bonus potential for 2025 reflects Adolfo Hernandez's annual bonus award while the long-term incentive reflects the fact that the 2023 RSA (retained by Jon Lewis on a pro-rated basis) will lapse post year end as a result of the TSR underpin not being met. Details of single figures annual bonus and long-term incentive vesting levels for earlier years can be found in the relevant Directors' remuneration report.

Approval of the Directors' remuneration report

The Directors' remuneration report was approved by the Board on 9 March 2026.

Georgina Harvey, Chair

Remuneration Committee

9 March 2026