

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) immediately, if you are in the United Kingdom, or from another appropriately authorised independent professional adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or transfer or have sold or otherwise transferred all of your Shares, please send this document at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, this document should not be forwarded, distributed or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold part of your holding of Shares in Capita plc (“Capita” or the “Company”), please retain this document and contact immediately the bank, stockbroker or other agent through whom the sale or transfer was effected.



CAPITA PLC

Incorporated in England and Wales with registered number 02081330

Proposed disposal of Capita’s 51 per cent. interest in AXELOS Limited Circular to Shareholders and Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Capita which is set out on pages 6 to 13 of this document and which contains the unanimous recommendation from the Board that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 10.30 a.m. on 15 July 2021 is set out at the end of this document. On the date of this document, prevailing Government guidance on holding indoor events and social distancing, means that it is possible for Shareholders to attend the General Meeting in person, subject to certain health and safety constraints. To allow for participation by Shareholders who choose not to attend the General Meeting in person, we are proposing to hold the General Meeting as a combined physical and electronic meeting.

The well-being of our Shareholders and employees is vitally important to Capita and, while it is possible for Shareholders to attend the General Meeting in person in accordance with the latest Government guidance, Shareholders are strongly encouraged not to attend the General Meeting in person unless considered absolutely necessary and Shareholders are instead encouraged to either attend and vote by electronic means or vote by proxy on the Resolution. Shareholders are able to attend the General Meeting electronically by accessing the General Meeting website: <https://web.lumiagm.com>. Full details of how to participate electronically in the General Meeting are set out in Notes 29 to 41 of the Notice of General Meeting set out at the end of this document.

In the interests of health and safety, we encourage Shareholders to pre-register their intention to attend in person as soon as practicable at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions>. To ensure that the physical place of meeting is safe for all Shareholders we or the personnel of the meeting venue may: require social distancing and the wearing of face coverings where appropriate; ask attendees to confirm that they (or members of their household, support bubble or childcare bubble) have not recently developed COVID-19 symptoms or been exposed to someone who has tested positive for COVID-19 or is displaying COVID-19 symptoms; restrict attendance to Shareholders and carers accompanying a Shareholder; not provide any refreshments at the General Meeting; have mandatory temperature checks as a condition of admission to the venue; and/or require attendees to produce a recent, valid COVID-19 negative test result. Capita or the personnel of the meeting venue may also impose restrictions on entry to the General Meeting in order to limit the number of attendees if this is necessary to maintain any required level of social distancing between attendees at the General Meeting as well as compliance with the meeting venue’s security requirements.

Capita will continue to closely monitor the latest Government guidance in respect of COVID-19 and how this may affect the arrangements for the General Meeting. Given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. If it becomes necessary or appropriate to revise the current arrangements for the General Meeting, further information will be made available on our website at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions> and/or via a Regulatory Information Service. Shareholders should monitor the Company’s website and regulatory news announcements for any updates relating to the General Meeting.

Shareholders are encouraged to attend and vote on the resolution electronically in the manner set out in the Notes to the Notice of General Meeting set out at the end of this document. If you cannot attend the General Meeting electronically but would like to vote on the resolution, you may do so by appointing a proxy in the manner set out below. A member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at www.capitashares.co.uk. To be a valid proxy appointment, the member’s electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the Company’s Registrars, Link Group by 10.30 a.m. on 13 July 2021. CREST members may use the CREST electronic proxy appointment service. Details of the CREST electronic appointment method are found in Notes 20 to 22 of the Notice of General Meeting set out at the end of this document. If you are an institutional investor, you may also be able to appoint a proxy electronically via the proximity platform. Details of the proximity platform appointment method are found in Note 23 of the Notice of General Meeting set out at the end of this document. Alternatively, hard copy forms for the appointment of a proxy are available on request from Link Group: email enquiries@linkgroup.co.uk or call +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 a.m. to 5:30 p.m., Monday to Friday excluding UK public holidays. Hard copy proxy appointment forms must be completed in accordance with the instructions that accompany them and delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Group, Proxy Department, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL so as to be received by the same time as stated above for electronic proxy appointments.

We encourage Shareholders to attend and vote by electronic means. **The actions to be taken in respect of the General Meeting are set out in paragraph 12 of the letter from the Chairman of Capita which is set out on pages 6 to 13 of this document.**

For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the General Meeting, please see Part II (Risk Factors) of this document.

Goldman Sachs International (“Goldman Sachs”), which is authorised by the Prudential Regulation Authority (the “PRA”) and regulated by the Financial Conduct Authority (“FCA”) and the PRA in the United Kingdom, is acting as sponsor to the Company and for no-one else in connection with the Disposal. Goldman Sachs will not regard any other person as its client in relation to the Disposal and will not be responsible to any person other than the Company for providing the protections afforded to clients of Goldman Sachs or for the giving of advice in relation to the contents of this document or the Disposal or any transaction, arrangement or other matter referred to herein. Goldman Sachs does not seek to limit or exclude its responsibilities and liabilities which may arise under FSMA or the regulatory regime established thereunder.

Barclays Bank PLC, acting through its investment bank (“Barclays”), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for AXELOS and no one else in connection with the Transaction and will not be responsible to anyone other than AXELOS for providing the protections afforded to clients of Barclays nor for providing advice in relation to the proposed sale or any other matter referred to in this announcement.

This document is dated 28 June 2021.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Disposal	21 June 2021
Publication and posting of this document and the Notice of General Meeting	28 June 2021
Latest time and date for receipt of forms of proxy	10.30 a.m. on 13 July 2021
Latest time and date for receipt of CREST proxy appointment instruction	10.30 a.m. on 13 July 2021
Latest time and date for receipt of proxy appointment via proxymity platform	10.30 a.m. on 13 July 2021
Record time and date for entitlement to vote at the General Meeting . . .	6.00 p.m. on 13 July 2021
General Meeting	10.30 a.m. on 15 July 2021
Expected date of Completion subject to the conditions being satisfied . . .	30 July 2021
Long Stop Date	30 September 2021

Notes:

All references to time in this document are to London time unless otherwise stated.

The dates given are based on the Company's current expectations and may be subject to change. If any of the times or dates above change, the Company will give notice of the change by issuing an announcement through a Regulatory Information Service.

CORPORATE DETAILS AND ADVISERS

Directors	Sir Ian Powell	Chairman
	Jonathan Lewis	Chief Executive Officer
	Tim Weller	Chief Financial Officer
	David Lowden	Senior Independent Director
	Matthew Lester	Independent Non-Executive Director
	Georgina Harvey	Independent Non-Executive Director
	John Cresswell	Independent Non-Executive Director
	Baroness Lucy Neville-Rolfe	Independent Non-Executive Director
	Neelam Dhawan	Independent Non-Executive Director
	Lyndsay Browne	Employee Non-Executive Director
	Joseph Murphy	Employee Non-Executive Director
Company Secretary	Francesca Todd	
Registered Office	65 Gresham Street London EC2V 7NQ United Kingdom	
Sponsor	Goldman Sachs International Plumtree Court 25 Shoe Lane London EC4A 4AU United Kingdom	
Legal Adviser	Linklaters LLP One Silk Street London EC2Y 8HQ	
Reporting Accountant and Auditor	KPMG LLP 15 Canada Square London E14 5GL	
Registrars	Link Group 10 th Floor Central Square 29 Wellington Street Leeds LS1 4DL	

GENERAL INFORMATION

FORWARD-LOOKING STATEMENTS

This document may include certain forward-looking statements, beliefs or opinions, including statements with respect to the Group's or the Continuing Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements are made by the Directors in good faith based on the information available to them at the date of this document and reflect the Directors' beliefs and expectations. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, the ongoing COVID-19 pandemic, changes in regulation and government policies, spending and procurement methodologies, currency fluctuations, a failure in the Group's or the Continuing Group's health, safety or environmental policies and other factors discussed in Part II (*Risk Factors*) of this document.

No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of their respective dates, reflect the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's or the Continuing Group's operations and growth strategy. You should specifically consider the factors identified in this document which could cause actual results to differ before making any decision in relation to the Disposal. Subject to the requirements of the FCA, the London Stock Exchange, the Listing Rules and the DTRs (and/or any regulatory requirements) or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document. Neither the forward-looking statements contained in this document, nor the statements in this General Information section seek to in any way qualify the working capital statement in Part VI (*Additional Information*) of this document.

No statement in this document is or is intended to be a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that the earnings of the Company or AXELOS for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company or AXELOS.

Any information contained in this document on the price at which shares or other securities in the Company have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

NO OFFER OR SOLICITATION

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security.

INFORMATION FOR OVERSEAS SHAREHOLDERS

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This document has been prepared for the purposes of complying with English law and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

A copy of this document, together with all information incorporated into this document by reference to another source, is and will be available for inspection on the Company's website at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions> from the time this

document is published. For the avoidance of doubt, the contents of the websites referred to in this document are not incorporated into, and do not form part of, this document.

If and to the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

In particular, information on or accessible through the Company's corporate website at www.capita.com and through AXELOS' corporate website at www.axelos.com does not form part of, and is not incorporated into, this document.

If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting the Company's Registrars, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or between 9:00 a.m. and 5:30 p.m., Monday to Friday (excluding UK public holidays), on +44(0) 371 664 0300, with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes). Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate.

PRESENTATION OF FINANCIAL INFORMATION

Percentages in tables may have been rounded and accordingly may not add up to 100 per cent. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

References to "m" are to "million".

References to "£", "GBP" "pounds", "pounds sterling", "sterling", "p", "penny" or "pence" are to the lawful currency of the United Kingdom.

References to "\$", "US\$", "\$US", "USD", "US Dollars", "US dollars" or "cents" are to the lawful currency of the United States of America.

References to "€", "EUR" or "euros" are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.

CERTAIN DEFINED TERMS

Certain terms used in this document, including capitalised terms and certain technical and other items, are defined and explained in Part VIII (*Definitions and Glossary*) of this document.

PART I
LETTER FROM THE CHAIRMAN OF CAPITA PLC
(incorporated in England and Wales with registered number 02081330)

65 Gresham Street
London
EC2V 7NQ
United Kingdom
28 June 2021

Dear Shareholder

**Proposed disposal of AXELOS Limited
and
Notice of General Meeting**

1 Introduction

Capita continues to execute on its strategy to simplify and strengthen the Group and its operations and has made significant progress in many aspects of the Group's transformation plan since 2018. Despite the challenges presented by the COVID-19 pandemic resulting in a fall in revenue and profit in 2020, decisive cost and cash preservation initiatives taken by Capita have ensured that the Group has met its covenant obligations and ended 2020 with a net debt position significantly better than at the end of 2019. The successful execution of disposals of non-core assets undertaken in the last 12 months, including the disposals of Eclipse Legal Systems (legal software) and ESS (education software), have contributed net cash proceeds excluding transaction costs of £344.2m to this improved financial position.

In addition, Capita has improved its contract performance resulting in a significant reduction in the cash costs of certain major contracts, in particular in Government Services. Capita has also won a number of extensions or new contracts with key customers, including the extension of the contract relating to Capita's Recruiting Partnering Project with the Army, a £1bn contract to train the Royal Navy, a framework extension with a large European telecoms provider and the renewal of a contract with Tesco Mobile and, in addition, there is a strong pipeline of new potential opportunities.

Against this backdrop, and with a more solid operational foundation in place, on 17 March 2021, Capita commenced the next stage of its transformation plan to 'simplify, strengthen and succeed', being the consolidation of Capita's operations into three divisions—two core divisions, Capita Public Service and Capita Experience, and a third, enlarged group of non-core businesses, "Capita Portfolio" that will be exited in due course.

On 21 June 2021, Capita and the Cabinet Office announced their agreement to dispose of their shareholdings in AXELOS Limited ("AXELOS") to PeopleCert International Limited (the "**Purchaser**") (the "**Transaction**"). AXELOS is owned by Capita (51 per cent. interest) and the Cabinet Office (49 per cent. interest). The disposal by Capita of its 51 per cent. interest in AXELOS to the Purchaser (the "**Disposal**") reflects the continuing implementation of Capita's programme of disposing of non-core businesses as part of Capita's strategy towards building a more focused, sustainable Capita for the long term.

This Disposal realises material value for Shareholders and the proceeds of the Disposal will provide the Continuing Group with additional liquidity to strengthen Capita's balance sheet, meet upcoming debt maturities and support the ongoing implementation of its transformation plan.

The purpose of this document is to provide you with information on the Disposal, to explain the background to and reasons for the Disposal and why the Directors unanimously consider the Disposal to be in the best interests of the Shareholders as a whole, and to recommend that you vote in favour of the Resolution to be proposed at the General Meeting. The Directors intend to vote in favour of the Resolution at the General Meeting in respect of their own beneficial holdings of 678,403 Shares, representing approximately 0.04 per cent. of the Company's existing issued ordinary share capital (excluding treasury shares) at the Latest Practicable Date.

Your attention is drawn to paragraph 11 of this letter for more information on the importance of your vote.

2 Principal terms of the Disposal

In order to implement the Transaction and to effect the Disposal, Capita Business Services Ltd (“**CBSL**”) and the Cabinet Office have entered into a conditional share purchase agreement with the Purchaser for the sale of the entire issued share capital of AXELOS (the “**Sale Agreement**”). CBSL is a wholly-owned subsidiary of the Company.

The total consideration payable by the Purchaser represents an enterprise value of £380.0m for AXELOS on a cash-free, debt-free basis, representing an 11.5x multiple on AXELOS’ 2020 EBITDA of £33.1m. The net cash proceeds from the Disposal receivable by the Continuing Group at Completion, which includes the settlement by the Purchaser and PeopleCert Wisdom Limited (“**PCW**”), as agents on behalf of AXELOS, of intercompany balances owed by AXELOS to CBSL at Completion, are expected to be £172.5m after costs and expenses of £9.6m associated with the Disposal. Prior to completion, AXELOS will pay a cash dividend to CBSL of £11.1m, resulting in total net cash receipts to the Continuing Group of £183.6m. The Purchaser shall also repay to the Cabinet Office the outstanding deferred consideration owed by AXELOS to the Cabinet Office pursuant to the Business Transfer Agreement. A summary of the principal terms of the Business Transfer Agreement is set out on pages 44 to 45 of this document.

The Disposal will be undertaken pursuant to the terms of the Sale Agreement, the Tax Indemnity and the Transitional Services Agreement (together, the “**Transaction Agreements**”). A summary of the principal terms and conditions of the Transaction Agreements is set out in Part III (*Summary of the Transaction Agreements*) of this document.

Due to the size of the Disposal in relation to the size of the Company, the Disposal constitutes a Class 1 transaction for the Company under the Listing Rules and is therefore conditional upon, amongst other things, the approval of the Shareholders. Accordingly, a General Meeting at which Shareholders will be asked to approve the Disposal is being convened at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 10.30 a.m. on 15 July 2021, to be held as a combined physical and electronic meeting in accordance with the articles of association of the Company, details of which are set out in paragraph 12 of this letter. The Disposal is also subject to other conditions which are summarised in Part III (*Summary of the Transaction Agreements*) of this document.

3 Background to and reasons for the Disposal

As part of its strategy to ‘*simplify, strengthen and succeed*’, Capita has identified businesses which do not fit within Capita’s core strategy, including those that will be held as part of Capita Portfolio.

On 16 February 2021, Capita and the Cabinet Office confirmed they were exploring strategic options for AXELOS, including a potential joint sale of the business, and in March 2021, the board of AXELOS appointed Barclays to commence a competitive sale process.

The proceeds of the Disposal will provide the Continuing Group with additional liquidity to strengthen Capita’s balance sheet and meet upcoming debt maturities, as well as support Capita’s ongoing implementation of its transformation plan.

4 Information on AXELOS

AXELOS is a UK-based joint venture company created in 2013 by the Cabinet Office and Capita. The business has c.100 employees and in 2020 generated revenue of £42.9m.

AXELOS develops, enhances and promotes best practice frameworks and methodologies used globally by professionals working primarily in IT and digitally enabled services management and project, programme and portfolio management. AXELOS’ products such as ITIL, PRINCE2 and MSP are used by customers in the private, public and voluntary sectors to help improve the competence, skills and knowledge of employees in more than 180 countries and to make both individuals and organisations work more effectively.

Professionals at 90 per cent. of Fortune 500 and FTSE100 companies use AXELOS’ methodologies:

- over 5 million people are certified in AXELOS’ best practice methodologies; and
- over 2 million professionals worldwide have taken the ITIL exam.

AXELOS is committed to nurturing best practice communities on a global scale. In addition to the globally recognised certifications, AXELOS equips professionals with a wide range of content, templates

and toolkits through the MYAXELOS subscription service and online community of practitioners and experts.

Trading results for AXELOS

The table below summarises the trading results of AXELOS for the three years ended 31 December 2020.

	Year ended 31 December		
	2020	2019	2018
	(£m)		
Revenue	42.9	47.6	48.1
Operating profit	25.3	25.7	26.8
Profit before tax	24.3	24.9	25.5
Profit for the year	19.2	20.2	21.0

Unless otherwise stated, the financial information set out in this paragraph 4 has been extracted from Part IV (*Historical Financial Information on AXELOS*) of this document. Shareholders should read the whole of this document and should not rely solely on the summarised financial information set out above.

5 Financial effects of the Disposal and use of proceeds

Financial effects of the Disposal

As Capita holds a 51 per cent. interest in AXELOS, the Group's consolidated accounts include AXELOS.

In the financial year ending 31 December 2020, AXELOS contributed operating profit of £25.3m to the Group. As at 31 December 2020, the total assets of AXELOS were £115.7m.

Following Completion, the Continuing Group will no longer receive the contribution AXELOS currently makes to the Group's operating profit and earnings per share. The pro forma effect of the Disposal on the net assets of the Continuing Group as at 31 December 2020, which has been prepared for illustrative purposes only, is set out in Part V (*Unaudited Pro Forma Statement of Net Assets*) of this document.

Use of proceeds

The net cash proceeds from the Disposal receivable by the Continuing Group at Completion, which includes the settlement by the Purchaser and PCW, as agents on behalf of AXELOS, of intercompany balances owed by AXELOS to CBSL at Completion, are expected to be £172.5m after costs and expenses of £9.6m associated with the Disposal. Prior to completion, AXELOS will pay a cash dividend to CBSL of £11.1m, resulting in total net cash receipts to the Continuing Group of £183.6m.

The net cash proceeds receivable by the Continuing Group at Completion will provide the Continuing Group with additional liquidity to strengthen the Continuing Group's balance sheet and meet upcoming debt maturities, as well as support Capita's ongoing implementation of its transformation plan.

6 Information on the Continuing Group and future strategy

As part of the next stage of the Group's stated strategy to simplify further, Capita has announced that, with effect from an expected date of 2 August 2021, it proposes to create two core divisions: "Capita Public Service" and "Capita Experience", focused on distinct markets and client needs, as well as a third division, "Capita Portfolio", comprising an expanded portfolio of non-core businesses from which Capita is targeting significant disposal proceeds.

"Capita Public Service" will integrate and simplify the Continuing Group's offering to the UK government, currently spread across four divisions, to focus on addressing the UK government's need to implement policy, transform productivity and improve citizen experience. The UK government market is currently worth around £69bn. The fastest-growing parts of that, at around mid-single digit compound annual growth rate, are business process and technology-enabled services. As the number one strategic supplier of IT and software to the UK government, the Continuing Group is already well positioned in this large and growing market, with a 2021 unweighted pipeline of £3.5bn.

"Capita Experience" will bring together the Continuing Group's experts in designing, transforming and delivering frictionless customer experiences for blue-chip clients, including the Continuing Group's regulated businesses, and a number of assets from three of the existing divisions. The global market is worth around £56bn and expected to grow at around 5 per cent. per annum for the next three years.

Currently one of the customer experience market leaders in the UK, and with a solid foothold in Germany and Switzerland, the Continuing Group has an opportunity to leverage its sector expertise, digital ecosystem and global delivery centre to become a pan-European leader.

At the same time, Capita has £440m of debt maturities due over the next two years under its US PP Notes and Euro Notes. In addition, the Group's RCF Agreement is due to expire in August 2022. On 17 March 2021, Capita set out its plan to address these debt maturities and to put in place a longer-term financing solution, including extending its RCF Agreement, targeting raising gross proceeds of at least £700m from the ESS disposal and other "Capita Portfolio" and non-core disposals and, when market conditions make this attractive, through the issuance of new longer-term debt funding.

The planning for exiting the assets in "Capita Portfolio" is now underway. Since March 2021, Capita has made good progress on the implementation of its strategy and plan. In particular:

- On 21 June 2021, Capita resized and extended by 12 months the maturity of its RCF Agreement. The RCF Agreement will remain at its current size of £452m until August 2022, and will then reduce to £300m until August 2023.
- Capita received £299m of proceeds from the ESS disposal on 1 February 2021 and, subject to the completion of the subsequent merger of ESS and ParentPay (Holdings) Limited, Capita will also receive an additional £45m of contingent consideration.

Capita believes that the sale of AXELOS, and continuing to progress its plans to exit from the non-core businesses in the "Capita Portfolio" will provide additional liquidity to strengthen the Continuing Group's balance sheet and meet its upcoming debt maturities, reduce its overall existing debt and be able to invest in its core businesses. The Company is also still considering longer-term debt solutions, when market conditions make this attractive. These steps would contribute to Capita completing its transformation plan and delivering sustainable free cash flow in 2022 and thereafter.

7 Trend information

On 21 June 2021 the Company published a trading update, which included the following updates in respect of the Group's financial performance and recent trends:

"We have seen an improving trend in our trading performance in the first half of the year, in line with our expectations.

Capita remains on track to deliver revenue growth in 2021, for the first time in six years, despite the ongoing impact of COVID lockdowns, in particular in its Specialist Services division.

We have won a number of significant contracts this year, including the Royal Navy Training contract through our Government Services and People Solutions divisions (Total Contract Value £925m), the extension of a European telecoms client (TCV £528m) and an extension for Tesco Mobile (TCV £58m), both in Customer Management.

As a result, we currently expect Half Year adjusted revenue to be flat on prior year adjusted revenue.

Our operational performance has been good, with a positive start to our Royal Navy Training contract and successful 'go-lives' for Irish Water in April and on GP Payments and Pensions in May.

We continue to make good progress with our cost saving programme which, together with an improving mix from new contract wins and stronger operational performance, will see the initial benefits of operating leverage at the half year, as expected.

Cash collection has improved in line with underlying trading performance and benefited from better than anticipated customer payments. Liquidity remains strong at £689m on 17 June, ahead of the scheduled repayment of c.£160m of private placement notes in July.

Non-core disposals

We continue to deliver on our plans, set out in March, to strengthen the balance sheet over the course of 2021.

We are making good progress with our planned disposals, and we remain on track to realise combined proceeds of at least £200m in 2021 (in addition to the £299m initial payment received from the sale of ESS in February).

...

Preparation for the sale of other non-core businesses, which will be held in our new division Capita Portfolio, is also progressing well.

...

We are well advanced in our plans to implement the next phase of our transformation.

In August we will move to the new structure of two core divisions, Capita Public Service and Capita Experience, and the third division holding our non-core assets, Capita Portfolio.

Capita remains on track to deliver £50m of annualised cost savings from 2022 onwards, associated with this structure, as announced in March.”

As set out in paragraph 12.1 of Part VI (*Additional Information*) of this document, there has been no significant change in the financial position or financial performance of the Continuing Group since 31 December 2020, being the end of the last financial period for which financial information on the Group has been published.

8 Information on the Purchaser

The Purchaser, PeopleCert International Limited, is a wholly-owned subsidiary of PeopleCert Holdings UK Ltd (“PC UK”, and together with its subsidiaries, the “**Purchaser’s Group**”) and is a private company incorporated in Cyprus.

The Purchaser’s Group is a global leader in the assessment and certification of professional and language skills. The Purchaser’s Group partners with multi-national organisations and government bodies to develop and deliver examinations worldwide. It is the sole examination institute for AXELOS providing administration and the delivery of examinations, the provision of physical certifications and accreditation of accredited training organisations providing training in AXELOS best practice frameworks.

9 Risk factors

For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the General Meeting, please see Part II (*Risk Factors*) of this document.

10 General Meeting

Completion of the Disposal is conditional upon, amongst other things, Shareholders’ approval being obtained at the General Meeting. Accordingly, you will find set out at the end of this document a notice convening a General Meeting to be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ at 10.30 a.m. on 15 July 2021, to be held as a combined physical and electronic meeting (the “**Notice of General Meeting**”), details of which are set out in paragraph 12 of this letter and at which the Resolution to approve the Disposal will be proposed.

11 Importance of your vote

The Resolution must be passed by Shareholders at the General Meeting in order for the Disposal to proceed. The proceeds of the Disposal will provide the Continuing Group with additional liquidity to strengthen the Continuing Group’s balance sheet and meet upcoming debt maturities, as well as support Capita’s implementation of its transformation plan.

The Company is of the opinion that, after taking into account the net proceeds of the Disposal payable at Completion and the facilities available to the Continuing Group, the Continuing Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

Consequences of the Disposal failing to complete

In connection with the Disposal and as part of the Group’s business planning process, the Board has closely monitored the Group’s financial forecasts, key uncertainties and sensitivities. As part of this exercise, the Board has reviewed a number of scenarios, including base case and reasonable worst case downside scenarios, which includes potential further impacts of COVID-19 on the Continuing Group’s business.

If the Continuing Group's results over the relevant period were to be in line with the Company's current base case scenario, it would not be in breach of the financial covenants contained in its financing documents or have insufficient liquidity headroom at any point within the 12-month period covered by the working capital statement set out in Part VI (Additional Information) of this document, even if the Disposal does not proceed. The Company confirms that its outlook remains unchanged from that outlined in the Trading Update, in which it was announced that the Company's trading for the year to date 2021 was "in line with our expectations".

If, however, the reasonable worst case downside scenario were to occur and the Disposal were not to proceed, and no other mitigating actions (including the successful execution of the planned Capita Portfolio disposals) were able to be taken by the Company, it would not be in breach of the financial covenants contained in its financing documents, but would have to operate with low levels of liquidity headroom during the 12-month period covered by the working capital statement set out in Part VI (Additional Information) of this document.

In addition, the Company projections show that, in this scenario, the Company would face a liquidity shortfall beyond the 12-month period covered by the working capital statement, in November 2022. Therefore, in the event that the net proceeds from the Disposal are not received, and the Company has not received proceeds from any of the other planned Capita Portfolio disposals, it is likely that the Company would face a liquidity shortfall in November 2022.

If the reasonable worst case downside scenario were to occur and the Disposal were not to proceed, and the Company has not received proceeds from any of the other planned Capita Portfolio disposals, and the Company were to anticipate that either low levels of liquidity within 12 months from the date of publication of this document, or a liquidity shortfall in November 2022, were a possibility, it expects that it would take mitigating action including, but not limited to, accelerating a disposal or disposals of other assets, raising new debt, ceasing discretionary spending, reducing senior management remuneration, reducing or ceasing capital expenditure, increasing cost efficiencies, delaying certain payments and/or accelerating cash receipts and/or seeking other forms of funding, which could include an equity raise. Other than accelerating a disposal or disposals of other assets, raising new debt and seeking other forms of funding, the Company considers these mitigating actions to be within its control.

There are a number of challenges to the implementation of the actions outlined above, and there can be no assurance that they would be capable of implementation prior to the anticipated date of liquidity shortfall in November 2022, nor that they would ultimately be successful in avoiding the outcome identified above if they were implemented. The Company's ability to implement any such actions will be subject to constraints imposed by the need for participation, agreement and/or approval of third party stakeholders to effect certain of these actions. In addition, the ongoing COVID-19 pandemic may adversely impact the value and/or benefit obtained by the Company as a result of taking any such actions.

Consequences of insufficient liquidity

In circumstances where the Company has insufficient liquidity to meet its liabilities as they fall due, the relevant contract, loan or note documentation under which the Company has failed to meet its liabilities as they fall due may permit the relevant creditors to demand the accelerated payment in full of the relevant amounts (principal, accrued interest and other fees) outstanding at the time of the breach and/or a cross-default in relation to each of the Group's other financing arrangements may occur. The total outstanding balance under the Company's financing arrangements in place as at the date of this document, being the RCF Agreement, the US PP Notes, the Euro Notes and the Schuldschein Loan, is expected to be approximately £735m as at the date of such shortfall.

If an event of default were to occur in accordance with the terms of one or more of the Company's financing arrangements, the Company would not be able to draw under the RCF Agreement. The Company estimates that, if in the circumstances described above an event of default were to occur in accordance with the terms of one or more of the Company's financing arrangements, and if the relevant creditor(s) were to demand the accelerated payment in full of the relevant amounts outstanding and a cross-default were to occur in relation to each of the Company's remaining financing arrangements, then the total amount that the Company would be required to pay is expected to be approximately £735m as at the date of such shortfall. The Company does not expect that it would have access to funds immediately available to repay such amounts at that time. In such circumstances, the Company may take alternative measures, including a disposal of assets, a restructuring of its debts on a consensual basis or otherwise, raising new debt or seeking to secure other forms of funding (such as through a pre-emptive or

non-pre-emptive equity issuance, a new equity restructuring either with private capital investors or by a conversion by the Company's lenders of existing debt into equity) or seeking to re-engage with creditors to obtain an amendment or waiver. Any of the above actions may also be taken in order to mitigate the liquidity shortfall faced by the Company in such circumstances, alongside seeking additional liquidity through debt finance options. However, there is no guarantee that the aforementioned actions would succeed and, if they are not successful, the Company may be required to enter into liquidation or other insolvency proceedings. Shareholders would then be at risk of losing all or a substantial amount of their investment in such circumstances.

There can be no assurance that the reasonable worst case downside scenario will be avoided or that the Company's low levels of liquidity headroom will be sufficient in circumstances where the Company's actual performance is below the reasonable worst case downside scenario projections, in particular given the ongoing uncertainty caused by the COVID-19 pandemic, and, if it is not, there can be no assurance that the alternative actions outlined above would be capable of implementation in the time available nor that they would ultimately be successful. Accordingly, the Board believes that the successful completion of the Disposal is in the best interests of Shareholders as a whole.

As such, Shareholders are asked to vote in favour of the Resolution at the General Meeting so that, assuming that the other conditions to the Disposal are satisfied, the Disposal can proceed.

12 Action to be taken

Your support is important to Capita.

On the date of this document, prevailing Government guidance on holding indoor events and social distancing means that it is possible for Shareholders to attend the General Meeting in person, subject to certain health and safety constraints. To allow for participation by Shareholders who choose not to attend the General Meeting in person, we are proposing to hold the General Meeting as a combined physical and electronic meeting.

The well-being of our Shareholders and employees is vitally important to Capita and, while it is possible for Shareholders to attend the General Meeting in person in accordance with the latest Government guidance, Shareholders are strongly encouraged not to attend the General Meeting in person unless considered absolutely necessary and Shareholders are instead encouraged to either attend and vote by electronic means or vote by proxy on the Resolution. Shareholders are able to attend the General Meeting electronically by accessing the General Meeting website: <https://web.lumiagm.com>. Full details of how to participate electronically in the General Meeting are set out in Notes 29 to 41 of the Notice of General Meeting set out at the end of this document.

In the interests of health and safety, we encourage Shareholders to pre-register their intention to attend in person as soon as practicable at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions>. To ensure that the physical place of meeting is safe for all Shareholders we or the personnel of the meeting venue may: require social distancing and the wearing of face coverings where appropriate; ask attendees to confirm that they (or members of their household, support bubble or childcare bubble) have not recently developed COVID-19 symptoms or been exposed to someone who has tested positive for COVID-19 or is displaying COVID-19 symptoms; restrict attendance to Shareholders and carers accompanying a Shareholder; not provide any refreshments at the General Meeting; have mandatory temperature checks as a condition of admission to the venue; and/or require attendees to produce a recent, valid COVID-19 negative test result. Capita or the personnel of the meeting venue may also impose restrictions on entry to the General Meeting in order to limit the number of attendees if this is necessary to maintain any required level of social distancing between attendees at the General Meeting as well as compliance with the meeting venue's security requirements.

Capita will continue to closely monitor the latest Government guidance in respect of COVID-19 and how this may affect the arrangements for the General Meeting. Given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. If it becomes necessary or appropriate to revise the current arrangements for the General Meeting, further information will be made available on our website at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions> and/or via a Regulatory Information Service. Shareholders should monitor the Company's website and regulatory news announcements for any updates relating to the General Meeting.

Shareholders are encouraged to attend and vote on the resolution electronically in the manner set out in the Notes to the Notice of General Meeting set out at the end of this document. If you cannot attend the General Meeting electronically but would like to vote on the resolution you may do so by appointing a proxy in the manner set out below.

To register your proxy vote online, visit www.capitashares.co.uk where details of the procedure are shown. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received no later than 10.30 a.m. on 13 July 2021. When you first register on the share portal, you will need your "Investor Code" which can be found on your share certificate.

If you hold your Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy appointment instruction form so that it is received by the Company's Registrars, Link Group, Proxy Department (under CREST participant ID RA10) by no later than 10.30 a.m. on 13 July 2021. The time of receipt will be taken to be the time from which the Company's Registrars, Link Group, are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

If you are an institutional investor you may also be able to appoint a proxy electronically via the proxymity platform, a process which has been agreed by the Company and approved by the Registrars. For further information regarding proxymity, please go to www.proxymity.io. Your proxy must be lodged by no later than 10.30 a.m. on 13 July 2021 in order to be considered valid. Before you can appoint a proxy via this process, you will need to have agreed to proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Alternatively, hard copy forms for the appointment of a proxy are available on request from Link Group: email enquiries@linkgroup.co.uk or call +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 a.m. to 5:30 p.m., Monday to Friday excluding UK public holidays. To be valid, a hard copy proxy appointment form must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Group, Proxy Department at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by the same time as stated above for electronic proxy appointments.

As noted above, we encourage Shareholders to attend and vote by electronic means.

The completion and return of a form of proxy, registration of an online proxy appointment or completion and transmission of a CREST proxy instruction will not prevent you from attending the General Meeting and voting in person or by electronic means if you wish to do so.

13 Further information

The expected timetable of principal events for the matters described in this document is set out on page 2 of this document. Your attention is drawn to the further information contained in Parts II (*Risk Factors*) to VI (*Additional Information*) of this document. **Shareholders should read the whole of this document and not rely solely on information summarised in this letter.**

14 Recommendation

The Board considers the Disposal to be in the best interests of the Shareholders as a whole and unanimously recommends Shareholders to vote in favour of the Resolution at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings of 678,403 Shares, representing approximately 0.04 per cent. of the Company's existing issued ordinary share capital (excluding treasury shares) at the Latest Practicable Date.

Yours faithfully



Sir Ian Powell

Chairman

PART II RISK FACTORS

In addition to the other information contained in, or incorporated by reference into, this document, the following risk factors should be considered carefully prior to making any decision as to whether or not to vote for the proposed Disposal. The proposed Disposal may give rise to certain risks which, if they occur, may have a material adverse effect on the business, financial condition, results of operations and prospects of the Continuing Group. If any of the following risks were to materialise, the business, financial condition, results of operations and prospects of the Continuing Group could be materially adversely affected and the value of the Shares could decline and Shareholders could lose all or part of their investment in those Shares.

The Directors consider the following to be the material risk factors related to the Disposal, material new risk factors to the Company as a result of the Disposal, or existing material risk factors to the Company which will be affected by the Disposal. These risks do not purport to be a comprehensive list of all potential risks in relation to the Disposal and do not include additional risks relating to the Disposal that are not presently known to the Directors, or which the Directors deem immaterial in the context of the Disposal. The risks described in this Part II are based on information known at the date of this document but may not be the only risks to which the Continuing Group is or might be exposed. Additional risks and uncertainties, which are currently unknown to the Company or that the Company does not currently consider to be material, may adversely affect the business of the Continuing Group and could have material adverse effects on the business, financial condition, results of operations and future prospects of the Continuing Group.

Shareholders should read this document as a whole and not rely solely on the information set out in this Part II.

1 Risks relating to the Continuing Group's liquidity position

1.1 The Continuing Group may face a liquidity shortfall if the reasonable worst case downside scenario were to occur and Completion did not take place

The Company is of the opinion that, after taking into account the net proceeds of the Disposal payable at Completion and the facilities available to the Continuing Group, the Continuing Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

In connection with the Disposal and as part of the Group's business planning process, the Board has closely monitored the Group's financial forecasts, key uncertainties and sensitivities. As part of this exercise, the Board has reviewed a number of scenarios, including base case and reasonable worst case downside scenarios, which includes potential further impacts of COVID-19 on the Continuing Group's business. If the reasonable worst case downside scenario were to occur and the Disposal were not to proceed, and no other mitigating actions (including the successful execution of the planned Capita Portfolio disposals) were able to be taken by the Company, the Company would have to operate with low levels of liquidity headroom during the 12-month period from the date of publication of this document. In addition, the Company projections show that the Company would face a liquidity shortfall beyond such 12-month period, in November 2022. Therefore, in the event that the net proceeds from the Disposal are not received, and the Company has not received proceeds from any of the other planned Capita Portfolio disposals, it is likely that the Company would face a liquidity shortfall in November 2022.

If the reasonable worst case downside scenario were to occur and the Disposal were not to proceed, and the Company has not received proceeds from any of the other planned Capita Portfolio disposals, and the Company were to anticipate that either low levels of liquidity within 12 months from the date of publication of this document, or a liquidity shortfall in November 2022, were a possibility, it expects that it would take mitigating action including, but not limited to, accelerating a disposal or disposals of other assets, raising new debt, ceasing discretionary spending, reducing senior management remuneration, reducing or ceasing capital expenditure, increasing cost efficiencies, delaying certain payments and/or accelerating cash receipts and/or seeking other forms of funding, which could include an equity raise. Other than accelerating a disposal or disposals of other assets, raising new debt and seeking other forms of funding, the Company considers these mitigating actions to be within its control. There are a number of challenges to the implementation of the actions outlined above, and there can be no assurance that they would be capable of implementation prior to

the anticipated date of liquidity shortfall in November 2022, nor that they would ultimately be successful in avoiding the outcome identified above if they were implemented. The Company's ability to implement any such actions will be subject to constraints imposed by the need for participation, agreement and/or approval of third party stakeholders to effect certain of these actions. In addition, the ongoing COVID-19 pandemic may adversely impact the value and/or benefit obtained by the Company as a result of taking any such actions.

In circumstances where the Company has insufficient liquidity to meet its liabilities as they fall due, creditors may be able to demand the accelerated payment in full of the amounts outstanding at the time of the breach and/or a cross-default in relation to each of the Group's other financing arrangements may occur. If an event of default were to occur, the Company may need to take alternative measures or seek to re-engage with creditors to obtain an amendment or waiver. However, there is no guarantee that the aforementioned actions would succeed and, if they are not successful, the Company may be required to enter into liquidation or other insolvency proceedings. Shareholders would then be at risk of losing all or a substantial amount of their investment in such circumstances.

The Board accordingly believes that the successful completion of the Disposal is in the best interests of Shareholders as a whole.

2 Risks relating to the Disposal

2.1 Completion of the Disposal is conditional on the satisfaction of certain conditions

Completion of the Sale Agreement is subject to the satisfaction of the following conditions:

- 2.1.1 the approval (by ordinary resolution) of the Disposal by the Shareholders (the **"Shareholder Condition"**);
- 2.1.2 Capita and/or the relevant members of the Continuing Group having received the necessary consents from the Required Creditors and/or implemented the necessary amendments to any Required Debt Instruments as required pursuant to the terms of the applicable Required Debt Instrument in order to expressly permit the Disposal (the **"Debtholder Condition"**); and
- 2.1.3 the approval of the Cyprus Commission for the Protection of Competition (the **"Merger Control Authority"**) or waiver by the Merger Control Authority of its jurisdiction or the relevant statutory waiting period or prohibitions on Completion have expired or otherwise ceased to apply (the **"Antitrust Condition"**).

There can be no assurance that these conditions will be satisfied and, accordingly, that Completion will take place. If Completion does not take place, any of the risks and uncertainties set out in paragraph 3 of this Part II may adversely affect the Group's business, results of operations and financial condition.

2.2 Warranties in the Sale Agreement

CBSL has given business and tax warranties as are customary for a transaction of this nature. Both Sellers have given customary fundamental warranties relating to title, capacity, authority and solvency matters which will be repeated by the Sellers at Completion. While due diligence has been undertaken and limitations of liability have been negotiated between the Sellers and the Purchaser, and although the Purchaser has the benefit of the W&I Insurance Policy in respect of certain claims under the warranties given by CBSL, the Sellers retain liability in respect of customary fundamental warranties. Any liability to make a payment arising from a successful claim by the Purchaser under these warranties would reduce the net proceeds receivable by the Continuing Group from the Disposal at Completion and could have a material adverse effect on the financial condition of the Continuing Group.

2.3 The Disposal may have a disruptive effect on AXELOS

The Sale Agreement requires the Sellers to continue operating AXELOS in the ordinary course until Completion. As a result of the announcement of the Disposal, key persons in management and/or operating functions may choose to leave AXELOS prior to Completion. If key management and employees decide to leave, AXELOS may encounter additional costs in recruiting and there is no guarantee it will identify appropriate replacements.

2.4 Separation of AXELOS may have a disruptive effect on the Continuing Group

In order to facilitate the separation of AXELOS from the Continuing Group, CBSL has entered into a Transitional Services Agreement with AXELOS, pursuant to which CBSL has agreed to provide or procure the provision of certain services relating to AXELOS for a period following Completion in exchange for a fee.

In addition, certain members of the Continuing Group will continue to provide services to AXELOS pursuant to certain commercial services agreements entered into on an arm's length basis.

There is no guarantee that these services will be provided or procured without disruption to the business of the Continuing Group and the Continuing Group could incur unexpected material additional costs and/or adverse impacts on the functioning of its business as a result of the fulfilment of its obligations under the Transitional Services Agreement or the commercial services agreements, which in each case may adversely affect the Continuing Group's business, results of operations and financial condition.

3 Risks related to the Disposal not proceeding

3.1 Inability to realise value if Completion does not take place

The Disposal is subject to the Shareholder Condition, the Debtholder Condition and the Antitrust Condition being satisfied. If Completion does not take place, the Continuing Group will not receive the proceeds from the Disposal and consequently the transaction costs and other costs incurred by the Group in connection with the Disposal will not be offset by such proceeds. In addition, the market's perception of a failed Completion could result in a negative impact on the price of the Shares.

The Group intends to use the net proceeds of the Disposal payable at Completion to strengthen the Continuing Group's balance sheet by providing additional liquidity, meet upcoming debt maturities and support Capita's ongoing implementation of its transformation plan. If Completion does not take place, the Continuing Group will not receive the proceeds from the Disposal. This may require the Group to revisit its financial planning, which may impact the Group's ability to meet its strategic objectives and may require the Group to pursue alternative opportunities and/or take additional actions in order to enable it to do so.

Furthermore, if Completion does not take place, AXELOS will remain part of the Group, which may result in a delay in the strategic objectives of the Group.

3.2 There may be an adverse impact on the value of AXELOS if Completion does not take place

The Board believes that the Disposal is in the best interests of the Shareholders taken as a whole and that the Disposal currently provides the best opportunity to realise an attractive and certain value for the Group's interest in AXELOS. If Completion does not take place, the realisable value of the Group's interest in AXELOS may be lower than can be realised by way of the Disposal.

This could result in the value of the Group's interest in AXELOS being materially different to the position it would be in if Completion had taken place. There is also no assurance that the Group would be able to dispose of its interest in AXELOS at a later date on the same or on improved terms to those contained in the Sale Agreement, or at all.

3.3 There may be an adverse impact on the Group's reputation if Completion does not take place

If Completion does not take place, there may be an adverse impact on the reputation of the Group as a result of media scrutiny arising in connection with the attempted Disposal. Any such reputational risks may adversely affect the Group's business, results of operations and financial condition.

4 Risks related to the Continuing Group

4.1 The Continuing Group will be more dependent on its core business

Following the Disposal, without the benefit of the revenues or profits of AXELOS consolidated with the Continuing Group, the Continuing Group's overall financial performance will depend more on the performance of each of its continuing operations and the success of its business strategy. In particular, any underperformance by any division within the Continuing Group may have a larger relative impact on the Continuing Group than would have been the case before the Disposal. Furthermore, the

business of the Continuing Group will be less diversified and may be more susceptible to adverse economic changes.

4.2 The Continuing Group's ability to obtain new financing may be reduced

Following the Disposal, the Continuing Group will no longer receive the contribution that AXELOS currently makes to the net operating profit, EBITDA and free cash flow of the Group as AXELOS will no longer be consolidated in the Continuing Group's accounts. This may impact the ability of the Continuing Group to secure financing and may increase the Continuing Group's cost of borrowing and/or make it more difficult for the Continuing Group to obtain new or replacement financing over the short-to-medium term, which could in turn adversely impact the Continuing Group's business, results of operations, financial condition and prospects.

4.3 The future success of the Continuing Group may be impacted if its business strategy is not successfully implemented

The future success of the Continuing Group will depend on the successful implementation of its business strategy, including the successful execution of the planned Capita Portfolio disposals, following the Disposal. The implementation of this business strategy will be subject to certain risks and factors outside management's control, including changes in the markets in which the Continuing Group currently operates and in the global macroeconomic context, including as a result of COVID-19 as well as transaction uncertainties relating to the Capita Portfolio disposals.

Furthermore, the level of investment required to implement the Continuing Group's strategy may be greater than expected and/or the Company may not receive the expected proceeds from the planned Capita Portfolio disposals. In these scenarios, the Continuing Group may require additional funding or financing after the 12-month working capital period, in November 2022, in order to implement such future strategy and management may be obliged to re-evaluate the Continuing Group's business strategy.

In circumstances where the Continuing Group determines that it requires additional funding or financing after the 12-month working capital period, the Company expects that it would address this through actions which may include, but which are not limited to, accelerating a disposal or disposals of other assets, raising new debt, ceasing discretionary spending, reducing senior management remuneration, reducing or ceasing capital expenditure, increasing cost efficiencies, delaying certain payments and/or accelerating cash receipts and/or seeking other forms of funding, which could include an equity raise. Other than accelerating a disposal or disposals of other assets, raising new debt and seeking other forms of funding, the Company considers these actions to be within its control.

4.4 The Continuing Group's ability to retain key employees may be impacted

The success of the Continuing Group depends on the efforts, abilities, experience and expertise of its senior management team, and on recruiting, retaining, motivating and developing highly skilled and competent people across its divisions and at all levels of its business. There can be intense competition for personnel from other companies and organisations and there may at any time be shortages in the availability of appropriately skilled individuals at any or all levels. The reduction in size and diversification of the Continuing Group following the Disposal may make it more difficult to attract and retain talented employees, which may adversely affect the Continuing Group's business, results of operations, financial condition and reputation.

The simplifying from six divisions to three divisions may create uncertainty for certain employees within the Continuing Group and may adversely affect the ability of the Continuing Group to attract and retain talented employees. This may in turn adversely affect the Continuing Group's ability to implement its transformation strategy.

4.5 The implementation of the Continuing Group's transformation plans may be impacted by the Disposal

The Disposal comes at a time at which the Continuing Group is further simplifying its structure by consolidating its current six-division structure into two core divisions together with a third division of non-core businesses that Capita intends to exit in due course. The consolidation to the new structure is expected to be effected on 2 August 2021. Completing the Disposal while undertaking a major

transformation may increase demands on management time and divert management focus and attention from the implementation of the Continuing Group's business strategy, which, in turn, may adversely affect the ability of the Continuing Group to successfully focus on its core government and blue-chip customer experience clients.

4.6 The market price of the Shares may fluctuate on the basis of market sentiment surrounding the Disposal

The value of an investment in Capita may go down as well as up. The price of the Shares will be influenced by a large number of factors, some specific to the Continuing Group and its operations and some which may affect the markets and segments in which the Continuing Group operates as a whole. The sentiment of the stock market regarding the Disposal is one such factor. The other factors that may affect the price of the Share include (but are not limited to) (i) actual or anticipated fluctuations in the financial performance of the Continuing Group, (ii) market fluctuations, and (iii) legislative or regulatory changes in the markets and segments in which the Continuing Group operates.

PART III

SUMMARY OF THE TRANSACTION AGREEMENTS

The following is a summary of the principal terms of the Transaction Agreements relating to the Disposal. The Transaction Agreements are available for inspection as described in Part VI (*Additional Information*) of this document.

1 Sale Agreement

The Sale Agreement was entered into on 20 June 2021 between the Sellers, the Purchaser, PCW (an affiliate of the Purchaser) and PC UK (as guarantor for the Purchaser and PCW) to give effect to the Transaction. Pursuant to the Sale Agreement, CBSL shall sell its 51 per cent. shareholding in AXELOS to the Purchaser and the Cabinet Office shall sell its 49 per cent. shareholding in AXELOS to the Purchaser, subject to the conditions described in paragraph 1.1 of this Part III.

1.1 Conditions Precedent

Completion of Transaction under the Sale Agreement is subject to the satisfaction of the following conditions:

- 1.1.1 the approval (by ordinary resolution) of the Disposal by the Shareholders;
- 1.1.2 Capita and/or the relevant members of the Continuing Group having received the necessary consents from the Required Creditors and/or implemented the necessary amendments to any Required Debt Instruments as required pursuant to the terms of the applicable Required Debt Instrument in order to expressly permit the Disposal; and
- 1.1.3 the approval of the Merger Control Authority or waiver by the Merger Control Authority of its jurisdiction or the relevant statutory waiting period or prohibitions on Completion have expired or otherwise ceased to apply.

1.2 Consideration

The cash consideration payable at Completion values AXELOS at £380.0m on a cash-free, debt-free basis, representing an 11.5x multiple on 2020 EBITDA of £33.1m

The net cash proceeds from the Disposal receivable by the Continuing Group at Completion, which include the settlement by the Purchaser and PCW, as agents on behalf of AXELOS, of intercompany balances owed by AXELOS to CBSL at Completion, are expected to be £172.5m after costs and expenses of £9.6m associated with the Disposal. Prior to completion, AXELOS will pay a cash dividend to CBSL of £11.1m, resulting in total net cash receipts to the Continuing Group of £183.6m. In addition, the Purchaser shall repay to the Cabinet Office the outstanding deferred consideration owed by AXELOS to the Cabinet Office pursuant to the Business Transfer Agreement.

Neither Seller shall sell any of the shares held in AXELOS to the Purchaser unless the Purchaser purchases all of the shares in AXELOS simultaneously.

1.3 Pre-Completion obligations

The Sellers have given certain customary undertakings in relation to the period between signing of the Sale Agreement and Completion, including an undertaking to procure that AXELOS carries on its business as a going concern in the ordinary course until Completion.

1.4 Non-compete

CBSL has undertaken to the Purchaser that it shall not, and shall procure that no member of the Continuing Group shall, carry on, be engaged in or be economically interested in any business which is of the same or similar type to the business of AXELOS (or any material part thereof) as carried on at the date of Completion and which is or is likely to be in direct competition with the business of AXELOS (or any material part thereof) as at Completion, in the UK, the Netherlands, the People's Republic of China, the United States of America or India for a period of 24 months after Completion, subject to certain exceptions.

1.5 Warranties

CBSL has given business and tax warranties as are customary for a transaction of this nature. Both Sellers have given customary fundamental warranties relating to title, capacity, authority and solvency matters which will be repeated by the Sellers at Completion.

The Purchaser, PCW and PC UK have also given customary warranties in favour of the Sellers under the Sale Agreement.

1.6 Limitations on liabilities

The maximum aggregate liability of CBSL for all claims relating to a breach of the warranties (excluding certain fundamental warranties) and tax claims under the Sale Agreement shall not exceed £1.

The maximum aggregate liability of each Seller for all claims (including claims relating to a breach of the fundamental warranties) under the Sale Agreement shall not exceed the aggregate consideration payable by the Purchaser to such Seller under the Sale Agreement (including for these purposes amounts paid by or due from PCW, as agent on behalf of AXELOS, to settle intercompany balances owed by AXELOS to the relevant Seller).

No claims may be brought by the Purchaser unless notice is received in accordance with the Sale Agreement: (a) in respect of fundamental warranty claims and other claims for a breach of the Sale Agreement (other than leakage claims), within 24 months of the date of Completion; (b) in respect of tax claims, within four years of the date of Completion, and (c) in respect of any claims for a breach of the non-compete provisions, within 36 months from the date of Completion.

The Purchaser has the benefit of the W&I Insurance Policy which provides, conditional on Completion, insurance cover in respect of certain claims under the warranties and indemnities given by the Sellers under the Sale Agreement and the Tax Indemnity referred to below.

1.7 Governing law and jurisdiction

The Sale Agreement is governed by the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Sale Agreement.

2 Tax Indemnity

CBSL has agreed to pay the Purchaser, in proportion to the percentage of its shareholding in the Company at Closing (which currently stands at 51 per cent.), the amount of (in summary) any tax liabilities arising to the Company that are attributable to the period up to and including completion of the proposed Disposal under the Sale Agreement. This is subject to exclusions customary for a transaction of this nature. The Tax Indemnity also includes other customary provisions relating to, amongst other things, notification of claims, withholdings and gross-ups and VAT. Under the Tax Indemnity CBSL remains responsible for the management of tax affairs of the Company prior to Closing.

The liability of CBSL under the Tax Indemnity is limited to £1.

3 Transitional Services Agreement

3.1 Scope

The Transitional Services Agreement (the “TSA”) was entered into on 20 June 2021 between CBSL and AXELOS to govern the separation and transition of AXELOS from the Continuing Group.

Pursuant to the TSA, CBSL will provide (or procure the provision of) certain IT, HR, finance and logistics services (the “TSA Services”) to AXELOS on the terms of the TSA, and the parties will co-operate to achieve separation of AXELOS from the Continuing Group and migration of AXELOS from the TSA Services.

3.2 Charges for the services

The charges for TSA Services relating to IT and payroll will comprise fixed monthly charges for each AXELOS employee receiving the benefit of those services in the relevant month. Those monthly

fixed charges will be set out in the TSA and are no greater than £10 per employee for an individual TSA Service.

The charges for the TSA Service relating to raising of credit notes will be a variable monthly charge, set out in the TSA, based on the number of credit notes issued.

In relation to other TSA Services that incur charges, those services will be charged at the actual costs incurred in providing the services, which are expected to include any salaries, benefits and expenses of employees or subcontractors involved in the service provision, payments to third parties necessary for the service provision, and costs of any hardware, software and other raw materials used (or, in each case, an equitable portion of those costs, if the services are also provided to other members of the Continuing Group).

3.3 Third party consents

CBSL and AXELOS will share the costs of obtaining any third party consents (other than certain existing third party consents) required for the provision of TSA Services during the initial term (except in relation to certain software licences, for which AXELOS will bear all costs).

3.4 Limitations on liabilities

Subject to the following, CBSL's aggregate liability in respect of claims under the TSA will be limited to £1,500,000. CBSL's liability is not limited in respect of monies paid or transferred otherwise than in accordance with instructions from AXELOS in relation to certain payroll and accounts payable services (or liability which cannot otherwise be lawfully excluded).

3.5 Term and termination

Provision of the TSA Services will commence from Completion, and each TSA Service has a service term of six months. The TSA will expire automatically without notice on the day on which the last of the service terms expires or is terminated.

AXELOS may terminate any TSA Service for convenience on no less than one month's written notice to CBSL (and provided that AXELOS pays certain early termination costs to CBSL). Both AXELOS and CBSL may terminate the TSA immediately on written notice in the event of an insolvency event or irremediable material breach occurring under the TSA.

CBSL may terminate the TSA where the undisputed amount of service charges which remain unpaid after the due date for payment exceeds £30,000, and where at least a further 30 days' notice has been given by CBSL to AXELOS requiring such payment.

3.6 Governing law and jurisdiction

The TSA will be governed by English law. Any disputes arising under or in connection with the TSA are to be settled informally through discussion between the parties provided that, if no agreement has been reached within the specified periods, the dispute resolution process shall be deemed to have been exhausted and the courts of England shall have exclusive jurisdiction to settle any such dispute without further reference to this dispute resolution process.

PART IV

HISTORICAL FINANCIAL INFORMATION ON AXELOS

The following historical financial information relating to AXELOS has been extracted without material adjustment from the consolidation schedules that underlie the Company's audited consolidated financial statements for the three years ended 31 December 2020 subject to the notes referred to within the tables.

The financial information contained in this Part IV does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and has not been audited.

The independent auditor's report of the Company for the year ended 31 December 2020 was: (i) unqualified; (ii) contained a material uncertainty in respect of going concern to which the auditor drew attention by way of emphasis without modifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The independent auditor's reports of the Company for the years ended 31 December 2019 and 31 December 2018 were: (i) unqualified; (ii) did not include a reference of any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this Part IV.

1 Income statement

	Year ended 31 December		
	2020	2019	2018
	(£m)		
Revenue	42.9	47.6	48.1
Cost of sales	(4.6)	(5.0)	(6.2)
Gross profit	38.3	42.6	41.9
Administrative expenses	(13.0)	(16.9)	(15.1)
Operating profit	25.3	25.7	26.8
Net finance costs	(1.0)	(0.8)	(1.3)
Profit before tax	24.3	24.9	25.5
Income tax charge ⁽¹⁾	(5.1)	(4.7)	(4.5)
Profit for the year	19.2	20.2	21.0

Notes:

- (1) Tax on the profit for the period comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using the UK statutory corporation tax rate (19 per cent. for all tax years since 1 April 2017), and any adjustment to tax payable in respect of previous years. Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2 Balance sheet

	As at 31 December 2020 <u>(£m)</u>
ASSETS	
Non-current assets	
Property, plant and equipment	0.2
Intangible assets	22.8
Goodwill	65.7
Contract fulfilment assets	0.1
	88.8
Current assets	
Trade and other receivables	5.6
Cash	21.3
	26.9
TOTAL ASSETS	115.7
LIABILITIES	
Current liabilities	
Trade and other payables	(3.9)
Deferred income	(2.8)
Financial liabilities	(8.7)
Income tax payable	(0.2)
	(15.6)
Non-current liabilities	
Deferred income	(0.6)
Financial liabilities	(18.4)
Deferred taxation	(3.7)
	(22.7)
Total liabilities	(38.3)
Net assets/(Liabilities)	77.4

PART V
UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

The unaudited pro forma statement of net assets set out below has been prepared to illustrate the impact of the Disposal on the net assets of the Group as if the Disposal had taken place on 31 December 2020. The unaudited pro forma statement of net assets has been prepared on the basis of, and should be read in conjunction with, the notes set out below.

The unaudited pro forma statement of net assets of the Group is based on the consolidated net assets of the Group as at 31 December 2020 and has been prepared on the basis that Disposal was effective as of 31 December 2020 and in a manner consistent with the accounting policies adopted in the Company's financial statements for the year ended 31 December 2020.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and by its nature addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results, nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma statement of net assets has been prepared for illustrative purposes only in accordance with Annex 20 of Commission Delegated Regulation (EU 2019/980) as it forms part of domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 (as amended).

The unaudited pro forma statement of net assets does not constitute financial statements within the meaning of section 434 of the Companies Act.

The unaudited pro forma financial information does not take into account trading of the Group subsequent to the period end balance sheet of 31 December 2020.

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this Part V.

KPMG's report on the unaudited pro forma statement of net assets is set out in section B of this Part V.

SECTION A: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE CONTINUING GROUP AS AT 31 DECEMBER 2020

	As at 31 December 2020 (£m)						
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7
ASSETS							
Non-current assets							
Property, plant and equipment	157.2	—	(0.2)	—	—	—	157.0
Intangible assets	265.0	—	(22.8)	—	—	—	242.2
Goodwill	1,120.5	—	(65.7)	—	—	—	1,054.8
Right-of-use assets	342.1	—	—	—	—	—	342.1
Investment in associates and joint ventures . .	5.1	—	—	—	—	—	5.1
Contract fulfilment assets	294.8	—	(0.1)	—	—	—	294.7
Financial assets	117.0	—	—	—	—	—	117.0
Deferred taxation	242.8	(27.8)	—	—	—	—	215.0
Trade and other receivables	22.1	—	—	—	—	—	22.1
	2,566.6	(27.8)	(88.8)	—	—	—	2,450.0
Current assets							
Financial assets	32.1	—	—	—	—	—	32.1
Disposal group assets held for sale	114.6	(96.1)	—	—	—	—	18.5
Trade and other receivables	551.0	—	(5.6)	—	—	—	545.4
Cash	460.9	231.5	(21.3)	183.6	—	—	854.7
Income tax receivable	2.9	—	0.2	—	—	—	3.1
	1,161.5	135.4	(26.7)	183.6	—	—	1,453.8
TOTAL ASSETS	3,728.1	107.6	(115.5)	183.6	—	—	3,903.8
LIABILITIES							
Current liabilities							
Trade and other payables	635.0	—	(3.9)	—	0.3	—	631.4
Deferred income	822.2	—	(2.8)	—	—	—	819.4
Overdrafts	332.7	—	—	—	—	—	332.7
Lease liabilities	77.5	—	—	—	—	—	77.5
Disposal group liabilities held for sale	53.9	(45.8)	—	—	—	—	8.1
Financial liabilities	347.8	—	(8.7)	—	—	(96.5)	242.6
Provisions	107.0	(8.8)	—	—	—	—	98.2
	2,376.1	(54.6)	(15.4)	—	0.3	(96.5)	2,209.9
Non-current liabilities							
Trade and other payables	23.6	—	—	—	—	—	23.6
Deferred income	153.0	—	(0.6)	—	—	—	152.4
Lease liabilities	426.0	—	—	—	—	—	426.0
Financial liabilities	554.3	—	(18.4)	—	—	—	535.9
Deferred tax liabilities	6.7	—	(3.7)	—	—	—	3.0
Provisions	17.4	—	—	—	—	—	17.4
Employee benefits	252.1	(50.2)	—	—	—	—	201.9
	1,433.1	(50.2)	(22.7)	—	—	—	1,360.2
TOTAL LIABILITIES	3,809.2	(104.8)	(38.1)	—	0.3	(96.5)	3,570.1
NET ASSETS/(LIABILITIES)	(81.1)	212.4	(77.4)	183.6	(0.3)	96.5	333.7

Notes:

- (1) The information in this column has been extracted without adjustment from the Company's consolidated financial statements for the year ended 31 December 2020, which have been incorporated by reference as described in Part VII of this document.
- (2) The disposal of Capita's Education Software Solutions business completed on 1 February 2021. This adjustment reflects:
 - The removal of the net assets of the Education Software Solutions business as at 31 December 2020 (£50.3m), which were reported under "Disposal group assets held for sale" (£96.1m) and "Disposal group liabilities held for sale" (£45.8m) in the Group's financial statements for the year ended 31 December 2020.
 - The disposal proceeds receivable by the Continuing Group on completion of the disposal of £298.5m, less a contribution of £50.2m that was made to the Capita Pension and Life Assurance Scheme to facilitate the unwind of an asset backed financing arrangement. Proceeds from the disposal are shown net of transaction costs either incurred in 2021 (£8.0m) or accrued for but unpaid as at 31 December 2020 (£8.8m). Total expected transaction costs for the Education Software Solutions disposal are £28.6m. £11.8m of these costs had been incurred and cash settled in the year ended 31 December

2020, with a further £8.8m accrued for and presented in current provisions as at 31 December 2020.

- The unwind of deferred tax asset positions against taxable gains arising on the disposal of Education Software Solutions business (£27.8m).

No adjustment has been made for potential additional consideration of £45m that is payable to the Continuing Group in connection with the Education Software Solutions disposal as it is contingent on certain future events and as such does not meet the conditions for recognition.

- (3) This adjustment removes the net assets of AXELOS as at 31 December 2020 and has been extracted without material adjustment from Part IV (*Historical Financial Information on AXELOS*) of this document.
- (4) Reflects the Disposal proceeds receivable by the Company at Completion of £154.9m less transaction costs of £9.6m borne by the Company. Overall transaction costs were £16.2m with the remaining balance paid by AXELOS. This adjustment also reflects dividends of £38.3m to be paid by AXELOS to the Capita Group prior to the Disposal with an additional £36.8m to be paid to the Cabinet Office. Dividends due to Capita will be paid partially in cash (£11.1m) and partially left outstanding on intercompany balances that will be settled on Completion of the Disposal (£27.2m).
- (5) Reflects an adjustment to eliminate intercompany balances between AXELOS and the rest of the Continuing Group.
- (6) Represents the derecognition of the Group's put option liability as at 31 December 2020 to acquire the non-controlling interest in AXELOS. This option expired without being exercised on 28 February 2021, with the related liability of £96.5m being derecognised in full.
- (7) The pro forma net assets and liabilities statement has been prepared in a manner consistent with the accounting policies adopted in the Company's financial statements for the year ended 31 December 2020.

SECTION B: ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE CONTINUING GROUP AS AT 31 DECEMBER 2020



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The Directors
Capita plc
65 Gresham Street
London
EC2V 7NQ

28 June 2021

Ladies and Gentlemen

Capita plc

We report on the pro forma financial information (the 'Pro forma financial information') set out in Section A of Part V of the Class 1 circular dated 28 June 2021. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and is given for the purpose of complying with that paragraph and for no other purpose.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Capita plc.

Responsibilities

It is the responsibility of the directors of Capita plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

Basis of Preparation

The pro forma financial information has been prepared on the basis described in Section A of Part V, for illustrative purposes only, to provide information about how the Class 1 disposal of AXELOS Limited might

have affected the financial information presented on the basis of the accounting policies adopted by Capita plc in preparing the financial statements for the period ended 31 December 2020.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC'). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of Capita plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Capita plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Yours faithfully

KPMG LLP

PART VI

ADDITIONAL INFORMATION

1 Responsibility

The Company and the Directors, whose names are set out in paragraph 3 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Company

The Company was incorporated and registered in England and Wales on 8 December 1986, as a private company limited by shares under the Companies Act 1985 and with registered number 02081330. The Company was re-registered on 12 April 1989, as a public company limited by shares. The Company's shares were admitted to trading on the main market of the London Stock Exchange in 1991 under the symbol "CPI".

Its legal entity identifier is CMIGEWPLHL4M7ZV0IZ88.

The registered office of the Company is 65 Gresham Street, London EC2V 7NQ, United Kingdom and its telephone number is 020 7799 1525.

The Company's website is www.capita.com. The information on the website does not form part of this document unless that information is incorporated by reference into this document.

3 Directors

The Directors and their principal functions are as follows:

- Sir Ian Powell—Chairman
- Jonathan Lewis—Chief Executive Officer
- Tim Weller—Chief Financial Officer
- David Lowden—Senior Independent Director
- Matthew Lester—Independent Non-Executive Director
- Georgina Harvey—Independent Non-Executive Director
- John Cresswell—Independent Non-Executive Director
- Baroness Lucy Neville-Rolfe—Independent Non-Executive Director
- Neelam Dhawan—Independent Non-Executive Director
- Lyndsay Browne—Employee Non-Executive Director
- Joseph Murphy—Employee Non-Executive Director

4 Directors' and senior managers' shareholdings and share interests

4.1 Shares

As at the Latest Practicable Date, the interests of the Directors and senior managers in the share capital of the Company were as follows:

<u>Director</u>	<u>Number of Beneficially Held Shares</u>
Sir Ian Powell	30,000
Jonathan Lewis	461,066
Tim Weller	4,954
David Lowden	75,000
Matthew Lester	49,186
Georgina Harvey	6,000
John Cresswell	20,500
Baroness Lucy Neville-Rolfe	13,842
Neelam Dhawan	0
Lyndsay Browne	8,858
Joseph Murphy	8,997

<u>Senior manager</u>	<u>Number of Beneficially Held Shares</u>
Ismail Amla	166,410
Chris Baker	209,065
Claire Chapman	37,461
Aimie Chapple	158,844
Mark Cook	0
Garry Dryburgh	593,525
Chantal Free	166,450
Rupert Green	218,489
Katja Hall	9,332
Will Serle	433,626
Manpreet Singh	0
Andy Start	153,407
Jim Vincent	68,907

These interests include Shares held beneficially under the Capita Share Ownership Plan.

4.2 Share interests

As at the Latest Practicable Date, the following options and awards to acquire Shares had been granted and remained outstanding under the DAB, LTIP and RSA:

<u>Director</u>	<u>Date of grant</u>	<u>Plan</u>	<u>Number of Shares over which option/ award granted</u>	<u>Exercise price</u>	<u>Vesting period</u>	<u>Exercise period from vesting</u>
Sir Ian Powell	—	—	—			
Jonathan Lewis ⁽¹⁾	24 April 2018	LTIP	413,876	Nil	3 years	12 months
	25 May 2018	LTIP	769,790	Nil	3 years	12 months
	21 March 2019	LTIP	1,782,786		3 years	12 months
	16 April 2020	LTIP	1,770,000	Nil	3 years	12 months
	21 March 2019	DAB	516,029		3 years	12 months
Tim Weller ⁽¹⁾	12 May 2021	RSA	2,169,100	Nil	3 years	39 months
	12 May 2021	RSA	1,082,695	Nil	3 years	39 months
David Lowden	—	—	—			
Matthew Lester	—	—	—			
Georgina Harvey	—	—	—			
John Cresswell	—	—	—			
Baroness Lucy Neville-Rolfe	—	—	—			
Neelam Dhawan	—	—	—			
Lyndsay Browne	—	—	—			
Joseph Murphy	—	—	—			

<u>Senior manager</u>	<u>Date of grant</u>	<u>Plan</u>	<u>Number of Shares over which option/ award granted</u>	<u>Exercise price</u>	<u>Vesting period</u>	<u>Exercise period from vesting</u>
Ismail Amla	4 December 2018	LTIP	728,930	Nil	3 years	12 months
	21 March 2019	LTIP	655,737	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	715,779	Nil	3 years	12 months
Chris Baker	21 March 2019	LTIP	426,229	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	334,030	Nil	3 years	12 months
Claire Chapman	2 August 2018	LTIP	439,040	Nil	3 years	12 months
	21 March 2019	LTIP	532,786	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	581,570	Nil	3 years	12 months
	12 May 2021	RSA ⁽²⁾	777,884	Nil	3 years	12 months
Aimie Chapple	16 April 2020	LTIP ⁽²⁾	318,372	Nil	3 years	12 months
	14 May 2021	RSA ⁽²⁾	733,006	Nil	3 years	12 months
Mark Cook	16 April 2020	LTIP ⁽²⁾	334,030	Nil	3 years	12 months
Garry Dryburgh	21 March 2019	LTIP	622,950	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	453,326	Nil	3 years	12 months
	12 May 2021	RSA ⁽²⁾	909,526	Nil	3 years	12 months
Chantal Free	14 October 2019	LTIP	226,708	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	217,716	Nil	3 years	12 months
Rupert Green	24 April 2018	LTIP	248,571	Nil	3 years	12 months
	25 May 2018	LTIP	277,289	Nil	3 years	12 months
	21 March 2019	LTIP	532,786	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	387,714	Nil	3 years	12 months
	12 May 2021	RSA ⁽²⁾	777,884	Nil	3 years	12 months
Katja Hall	21 March 2019	LTIP	225,409	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	369,073	Nil	3 years	12 months
	12 May 2021	RSA ⁽²⁾	730,014	Nil	3 years	12 months
Will Serle	21 March 2019	LTIP	573,770	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	417,538	Nil	3 years	12 months
	12 May 2021	RSA ⁽²⁾	837,721	Nil	3 years	12 months
Manpreet Singh	—	—	—	—	—	—
Andy Start	14 August 2019	LTIP	403,846	Nil	3 years	12 months
	16 April 2020	LTIP ⁽²⁾	313,153	Nil	3 years	12 months
	12 May 2021	RSA ⁽²⁾	733,006	Nil	3 years	12 months
Jim Vincent	24 April 2018	LTIP	191,208	Nil	3 years	12 months
	25 May 2018	LTIP	213,299	Nil	3 years	12 months
	21 March 2019	LTIP	409,836	Nil	3 years	12 months

Notes:

- (1) Awards are subject to further holding periods of two years (for LTIP awards) and three years (for RSA awards) after the vesting date.
- (2) LTIP and RSA awards granted to senior managers in 2020 and 2021 vest annually, in equal tranches, over the three-year period. The exercise period applies to each tranche from that tranche's vesting date.

5 Directors' service contracts and letters of appointment

Save for the service contracts described below, there are no existing or proposed service contracts between any Director or proposed director of the Company and the Company and its subsidiary undertakings.

Executive Directors

The Company has entered into service agreements with each of the following Executive Directors, the particulars of which as at the Latest Practicable Date are:

<u>Name</u>	<u>Date of Appointment</u>	<u>Notice Period</u>
Jonathan Lewis	1 December 2017	12 months
Tim Weller	12 May 2021	12 months

Jonathan Lewis

Jonathan is employed as Chief Executive Officer under a service agreement with the Company which took effect on 1 December 2017. He is entitled to a base salary of £725,000 per annum, which was fixed for three years from the date he commenced employment with the Company. Jonathan's salary was reviewed in December 2020 but no change was proposed, and it will be reviewed again in December 2021 and may, at the Company's sole discretion, be increased with effect from 1 January 2022.

Jonathan is also entitled to an annual taxable cash payment in lieu of his pension allowance equal to five per cent. of the base salary. He is also entitled to receive a car allowance, a contribution towards the cost of an annual health assessment and benefits in kind, principally private health insurance, travel benefits, life insurance and access to other insurance schemes operated by the Company for himself, his spouse and his children. In addition, he is entitled to company sick pay and to participate in the Company's all-employee share plans. Jonathan is entitled to 27 days' paid holiday (in addition to public and statutory holidays in England and Wales). The Company will reimburse Jonathan for reasonable expenses properly incurred by him in performing his duties.

Jonathan's service contract is terminable by either party giving 12 months' written notice. Alternatively, the Company may terminate the employment by making a payment in lieu of notice of a sum equal to base salary and the value of contractual benefits and allowances (including pension allowance, but excluding bonus) in respect of any unexpired period of notice. The Company may pay such payment in lieu of notice in equal monthly instalments. He will be under an obligation to seek alternative income during his notice period and must notify the Company of any income so received. Any outstanding monthly instalment(s) shall be reduced by the amount of any such alternative income. He is subject to standard business protection provisions, including intellectual property and confidentiality undertakings, garden leave and post-termination restrictive covenants.

Jonathan is eligible to participate in the annual performance-related bonus plan with a maximum bonus opportunity of 200 per cent. of salary earned during the year, half of which will be paid in cash and half in shares deferred for three years. In addition, until 11 May 2021, he was eligible to participate in the LTIP plan with a maximum annual LTIP award over shares worth 300 per cent. of salary earned during the year. From 11 May 2021, he is eligible to participate in the Capita plc Executive Share Plan and receive awards of restricted shares with a maximum annual limit of 150 per cent. of salary earned during the year. For the 2021 performance year, the amount of the award will be no more than 125 per cent. of salary. Subject to the Company's directors' remuneration policy, he may also be considered for an award under other incentive plans operated by the Company from time to time.

Tim Weller

Tim is employed as Chief Financial Officer under a service agreement with the Company which took effect on 12 May 2021, and he joined the Board on this date. He is entitled to a base salary of £545,000 per annum, which is subject to review from time to time.

Tim is not enrolled in the Company's pension scheme, but instead receives a cash allowance equal to five per cent. of the base salary. He is also entitled to receive a car allowance and benefits in kind, principally private health insurance (for himself and his dependants), life insurance and company sick pay. In addition, Tim is entitled to 27 days' paid holiday (in addition to public and statutory holidays in England and Wales). The Company will reimburse Tim for reasonable expenses properly incurred by him in performing his duties.

Tim's service agreement is terminable by either party giving 12 months' written notice. Alternatively, the Company may terminate Tim's employment by making a payment in lieu of notice of a sum equal to base salary in respect of any unexpired period of notice. The Company may pay such payment in lieu of notice in equal monthly instalments. Tim's service agreement contains business protection provisions, including intellectual property, confidentiality undertakings and garden leave.

Tim is eligible to participate in the annual performance related bonus plan with a maximum bonus opportunity of 175 per cent. of salary earned during the year, half of which will be paid in cash and half in shares deferred for three years. In addition, he is eligible to participate in the Capita plc Executive Share Plan and receive awards of restricted shares with a maximum annual limit of 100 per cent. of salary earned during the year. For the 2021 performance year, the amount of the award will be no more than 83 per cent. of salary. Subject to the Company's directors' remuneration policy, he may also be considered for an award under other incentive plans operated by the Company from time to time.

Non-Executive Directors

The following Directors are appointed as Non-Executive Directors of the Company under letters of appointment, the particulars of which as at the Latest Practicable Date are:

<u>Name</u>	<u>Date of Appointment</u>	<u>Notice Period</u>
Sir Ian Powell	1 September 2016	31 December 2022
David Lowden	1 January 2021	31 December 2023
Matthew Lester	1 March 2017	28 February 2023
Georgina Harvey	1 October 2019	30 September 2022
John Cresswell	17 November 2015	16 November 2021
Baroness Lucy Neville-Rolfe	6 December 2017	5 December 2023
Neelam Dhawan	1 March 2021	29 February 2024
Lyndsay Browne	1 July 2019	30 June 2022
Joseph Murphy	1 July 2019	30 June 2022

The appointment of each of the Non-Executive Directors is for an initial period of three years, after which time their appointments may be renewed. The Non-Executive Directors are subject to annual re-election by the Company at its annual general meeting.

Sir Ian Powell, who was appointed as Chairman with effect from 1 January 2017 and continues to be appointed as Chairman of the Nomination Committee, is entitled to an annual fee of £325,000.

The Senior Independent Director is entitled to an annual fee of £75,000. The remaining Non-Executive Directors, including the Employee Non-Executive Directors, are entitled to an annual fee of £64,500. The Chairpersons of the Audit and Risk Committee and Remuneration Committee are entitled to an additional fee of £10,500 per annum.

The Company will reimburse each Non-Executive Director for reasonable expenses properly incurred by them in performing their duties and has customary directors' and officers' insurance in place in respect of each Non-Executive Director. The Non-Executive Directors are each subject to confidentiality undertakings.

The appointment of the Non-Executive Directors may be terminated by them or by the Company at any time upon one month's written notice. Their appointment may also be terminated in accordance with the provisions of the articles of association of the Company. The Non-Executive Directors are not entitled to receive any compensation on termination of their appointments (save for notice, where due).

In addition, the appointments of the Employee Non-Executive Directors will terminate automatically and without payment in lieu of notice if they cease to be employed by a member of the Group for any reason. The Company may also require them to resign from their directorships if they are placed on garden leave in respect of their employment.

6 Key Individuals

The following individuals are deemed to be key individuals to AXELOS:

<u>Name</u>	<u>Position</u>
Mark Basham	Chief Executive Officer
Richard Gray	Chief Financial Officer
Margo Leach	Chief Product Officer
Matthew Hunt	Chief Operating Officer
Catherine Newman	Chief Customer Officer
Jonathan Archibald	Chief Technology Officer

Each of Mark Basham, Richard Gray, Margo Leach, Matthew Hunt, Catherine Newman and Jonathan Archibald will be joining the Purchaser's Group on Completion.

7 Major Shareholders

As at the Latest Practicable Date, the Company had been notified of the following holdings in the Company's issued ordinary share capital (exclusive of treasury shares) pursuant to DTR 5 (each, a "Notifiable Interest"):

Shareholder	Number of shares direct	Number of shares indirect	Number of shares (total)	Number of voting rights	Percentage of voting rights
RWC Asset Management LLP	—	300,200,371	300,200,371	300,200,371	17.99
Schroders plc	—	253,695,566	253,695,566	253,695,566	15.20
Marathon Asset Management LLP	—	86,576,890	86,576,890	86,576,890	5.19
River and Mercantile Asset Management LLP	85,996,707	—	85,996,707	85,996,707	5.15
Veritas Asset Management LLP ⁽¹⁾	—	83,131,892	83,131,892	83,131,892	4.98
Ninety One UK Limited	—	76,779,117	76,779,117	76,779,117	4.60
BlackRock, Inc.	—	74,230,358	74,230,358	74,230,358	4.45
Invesco Ltd	—	70,883,236	70,883,236	70,883,236	4.24
Veritas Funds PLC ⁽²⁾	—	55,009,900	55,009,900	55,009,900	3.30
Vanguard Group, Inc.	54,711,874	—	54,711,874	54,711,874	3.28
Jupiter Asset Management Limited	—	53,573,060	53,573,060	53,573,060	3.21

Notes:

(1) Includes the holding of Veritas Funds PLC.

(2) Holding of Veritas Funds PLC is included in the holding of Veritas Asset Management LLP.

Save as set out above, the Company is not aware of any other Notifiable Interests.

8 Related party transactions

Details of related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No 1606/2002) that the Company has entered into are set out below:

- for the financial year ended 31 December 2018, those transactions disclosed in note 33 on page 164 of the Company's 2018 Annual Report and Accounts;
- for the financial year ended 31 December 2019, those transactions disclosed in note 6.1 on page 170 of the Company's 2019 Annual Report and Accounts; and
- for the financial year ended 31 December 2020, those transactions disclosed in note 6.1 on page 189 of the Company's 2020 Annual Report and Accounts.

The details of related party transactions in paragraphs (a), (b) and (c) above are incorporated by reference into this document.

Other than as publicly announced, the Company has not entered into any transactions with related parties during the period from 31 December 2020 to the Latest Practicable Date.

9 Material contracts

9.1 The Continuing Group

- 9.1.1 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Continuing Group (i) within the two years immediately preceding the date of this document which are or may be, material or (ii) which contain any provision under which any member of the Continuing Group has any obligation or entitlement which is material, in each case, to the Continuing Group as at the date of this document:

(a) Disposal of Capita's education software solutions business

On 14 December 2020, Capita agreed to sell its education software solutions business to Tiger UK Bidco Limited, a newly formed private limited company incorporated in England and Wales, established by funds advised by Montagu Private Equity LLP.

The education software solutions business comprised:

- (i) Capita ESS Limited and Capita SIMS (India) Private Limited which were both wholly-owned indirect subsidiaries of Capita; and
- (ii) Capita Scotland (Pension) Limited Partnership's (the "**SLP**") operations which exploited certain intellectual property rights to the Schools Information Management System (SIMS) software (the "**SIMS IPR**") used by the education software solutions business (the "**SLP Operations**").

In order to effect this disposal: (i) Capita ESS Holdings Limited, the SLP, CBSL and Capita entered into a conditional share and intellectual property rights business purchase agreement with Tiger UK BidCo Limited (the "**UK ESS Sale Agreement**"); and (ii) Capita Cyprus Holdings Limited and CBSL entered into a conditional share purchase agreement with Tiger UK BidCo Limited (the "**India ESS Sale Agreement**", together with the UK ESS Sale Agreement, the "**ESS Sale Agreements**").

The SIMS IPR, which formed part of the SLP Operations sold to Tiger UK BidCo Limited by the SLP, was held in an asset-backed contribution structure for the benefit of the Scheme. The SIMS IPR was released from such asset-backed contribution structure ahead of completion of the sale of the education software solutions business and a special contribution of £50.15m was paid to the Scheme (on behalf of CBSL) on completion of such sale.

The transaction was subject to the approval (by ordinary resolution) of the Shareholders. The sale of Capita ESS Limited and the SLP Operations under the UK ESS Sale Agreement completed on 1 February 2021 and the sale of Capita SIMS (India) Private Limited under the India ESS Sale Agreement completed on 2 February 2021.

The consideration for the disposal of the education software solutions business comprised an initial amount of approximately £298.5m, paid on completion and deferred consideration of £45m, payable to Capita ESS Holdings Limited. Tiger UK BidCo Limited also assumed certain liabilities of the education software solutions business such as working capital and debt, valued at approximately £57m.

The payment of the deferred consideration of £45m is conditional, *inter alia*, on a subsequent transaction being effected by Tiger UK BidCo Limited receiving clearance from the CMA. The CMA announced the launch of its merger inquiry into the subsequent transaction on 14 May 2021 and the current deadline for the CMA's decision whether to refer the transaction for a phase 2 investigation is 12 July 2021. No member of the Continuing Group is a party to the subsequent transaction and there is no guarantee that such clearance will be obtained. Consequently, there can be no assurance that the deferred consideration of £45m will be received by the Continuing Group.

The ESS Sale Agreements contain customary warranties relating to, amongst other things, title, capacity, authority and solvency matters, together with additional business and tax warranties as are customary for a transaction of that nature provided by Capita, Capita ESS Holdings Limited, Capita Cyprus Holdings Limited, SLP and CBSL. Certain fundamental warranties relating to, amongst other things, title, capacity, authority and solvency matters were repeated at completion.

Tiger UK BidCo Limited has also given customary warranties in favour of (i) Capita ESS Holdings Limited under the UK ESS Sale Agreement and (ii) Capita Cyprus Holdings Limited under the India ESS Sale Agreement.

The ESS Sale Agreements include customary financial thresholds, time limitations and other limitations and exclusions in relation to claims made under it by Tiger UK BidCo Limited, in particular:

- (i) the maximum aggregate liability of the Company, Capita ESS Holdings Limited, the SLP and CBSL for all claims relating to a breach of the warranties (excluding certain fundamental warranties) and tax claims under the UK ESS Sale Agreement is capped at £1;

- (ii) the maximum aggregate liability of Capita Cyprus Holdings Limited for all claims relating to a breach of the business warranties (excluding tax warranties and certain fundamental warranties) under the India ESS Sale Agreement is capped at £1;
- (iii) the maximum aggregate liability of Capita Cyprus Holdings Limited for all claims relating to a breach of the tax warranties is capped at £150,000;
- (iv) the maximum aggregate liability of Capita Cyprus Holdings Limited for claims under a tax indemnity given in connection with requirement to withhold capital gains tax in India is capped at £1.5m;
- (v) the maximum aggregate liability of the Company, Capita ESS Holdings Limited, the SLP and CBSL (which has provided certain warranties for itself and on behalf of the SLP) for all claims (including tax claims and claims relating to a breach of the fundamental warranties) under the UK ESS Sale Agreement is capped at the aggregate consideration payable by Tiger UK BidCo Limited under the UK ESS Sale Agreement; and
- (vi) the maximum aggregate liability of Capita Cyprus Holdings Limited and CBSL for all claims (including tax claims and claims relating to a breach of the fundamental warranties, but excluding the claims relating to tax indemnities noted in (iv) above) under the India ESS Sale Agreement is capped at £1.5m.

Tiger UK BidCo Limited has the benefit of a warranty and indemnity insurance policy which provides insurance cover in respect of certain claims under the warranties given by Capita, Capita ESS Holdings Limited, Capita Cyprus Holdings Limited, the SLP and CBSL under the ESS Sale Agreements (including in respect of any tax claims under the UK ESS Sale Agreement).

No claims may be brought by Tiger UK BidCo Limited unless notice is received in accordance with the ESS Sales Agreements: (a) in respect of warranty claims (other than tax warranty claims), within 24 months of the date of completion; (b) in respect of tax claims, within seven years of the date of completion; or (c) in the case of any other claim, within 18 months of the date of completion, save to the extent that the relevant provision requires the party(ies) to continue to comply with its relevant obligations following completion, in which case, 18 months following the date on which such obligations cease.

In connection with the transaction, CBSL agreed, on behalf of the Group, to provide certain IT, HR, finance and property services to Capita ESS Limited and Capita SIMS (India) Private Limited for a transitional period.

(b) Disposal of Eclipse (Hardware) Limited

On 19 June 2020, Capita Justice & Secure Services Holdings Limited (“**Capita Justice**”), a wholly-owned subsidiary of the Company, entered into a share purchase agreement with Access UK Ltd (“**Access**”), to sell Capita Justice’s holding of the entire issued share capital of Eclipse (Hardware) Limited (“**EHL**”) to Access. EHL provides case, matter and practice management software to the legal market.

The transaction was not subject to any conditions and completed on 30 June 2020. The total agreed consideration reflected an enterprise value of £56.5m on a cash and debt free basis and the proceeds from the transaction will be used to strengthen the Company’s balance sheet.

The share purchase agreement contains customary warranties relating to, amongst other things, title, capacity, authority and solvency matters, together with additional business and tax warranties as are customary for such a transaction. Certain fundamental warranties relating to title, capacity and authority were also given by Capita Justice on completion. Access also gave customary warranties in favour of Capita Justice.

The share purchase agreement includes customary financial thresholds, time limitations and other limitations and exclusions in relation to claims made under it by Access, in particular:

- (i) the financial liability of Capita Justice in respect of any warranty claims (excluding fundamental warranty claims) and claims under the related tax covenant is capped at £664,421; and
- (ii) the maximum aggregate liability of Capita Justice for all claims (including fundamental warranty claims) under the agreement is capped at the aggregate consideration paid by Access.

Access has the benefit of a warranty and indemnity insurance policy, which provides insurance cover in respect of certain warranty claims (excluding fundamental warranty claims) and claims under the tax covenant that exceed £664,421.

No warranty claims (other than in respect of tax claims) may be brought by Access after the date that is 18 months after completion and, in respect of tax claims or claims under the tax covenant, the date that is seven years after completion.

The share purchase agreement also includes certain indemnities. Capita Justice has indemnified Access in respect of certain liabilities in connection with the employees that transferred from Capita Justice to Access under the agreement. Access has indemnified Capita Justice and the Group against certain liabilities in connection with any breach by Access of its obligation under the agreement not to challenge the ownership or validity of any right of Capita Justice and the Group in or to certain Capita trade names.

(c) RCF Agreement

On 8 August 2014, the Company as borrower and the Obligors as guarantors entered into a £600,000,000 revolving credit facility agreement with, amongst others, Lloyds Bank plc as agent and certain lenders named therein, which has been amended pursuant to amendment letters dated 5 November 2014 and 13 June 2017, amended and restated pursuant to a supplemental agreement dated 2 December 2019, amended by an amendment letter dated 14 October 2020 and further amended and restated pursuant to a supplemental agreement dated 21 June 2021. The key terms of the RCF Agreement are set out as below:

RCF Creditors

The RCF Creditors are Barclays Bank PLC, ING Bank N.V., London Branch, Lloyds Bank Plc, Deutsche Bank AG Filiale Luxemburg, Goldman Sachs International Bank, National Westminster Bank plc, Sumitomo Mitsui Banking Corporation, London Branch and Citicorp North America, Inc.

Facility

The facility made available under the RCF Agreement was originally a revolving loan facility in the amount of £414,000,000, which amount was subsequently increased to £452,000,000 on 3 February 2020. As at the Latest Practicable Date, the RCF Agreement is undrawn.

Purpose

The amounts borrowed under the RCF Agreement shall be used for the general corporate purposes of the Group.

Availability period, repayment and prepayment

The facility under the RCF Agreement is available for utilisation until 31 August 2022 (such date being the termination date of the facility).

Each loan drawn under the RCF Agreement is repayable on the last day of its interest period. The RCF Agreement contains customary prepayment provisions, including

mandatory prepayment events in case of illegality or a change of control in respect of the Company. The RCF Agreement also contains additional mandatory prepayment provisions which require the Company to repay outstanding loans and cancel commitments in an amount equal to a certain percentage of net proceeds received by the Group by way of equity or debt issuance or from certain disposals.

Interest and interest periods

Loans under the RCF Agreement bear interest at a rate equal to the relevant rate of SONIA for that day plus any credit adjustment spread (in relation to loans in sterling), SOFR for that day plus any credit adjustment spread (in relation to loans in US dollars) or EURIBOR (in relation to loans in euro) plus the applicable margin. The initial margin is 0.90 per cent. per annum, and then the margin varies between 0.75 per cent. and 1.50 per cent. per annum depending on the net leverage ratio of the Group.

Guarantees and security

The RCF Agreement is unsecured but is guaranteed by each Obligor. The Company must also ensure that any of its subsidiaries that have provided a guarantee in connection with: (i) certain of the Group's existing debt securities; or (ii) other indebtedness entered into with persons who are not members with the Group and in a principal amount exceeding £75,000,000, must, in each case, also provide a guarantee in respect of the RCF Agreement.

Financial covenants

The RCF Agreement requires the Company to ensure compliance with the following financial covenants (in each case, tested semi-annually on 30 June and 31 December):

- (i) the ratio of consolidated total net borrowings to adjusted consolidated EBITDA does not exceed 3.5:1 on each relevant testing date; and
- (ii) the ratio of consolidated EBITA to consolidated net finance costs is not less than 4.0:1 on each relevant testing date.

Representations, undertakings and events of default

The RCF Agreement restricts the Company from making distributions to its Shareholders and effecting buy-backs of its own shares for the period which commenced on completion of the disposal of Capita's education software solutions business and ending on 31 December 2022.

The RCF Agreement also contains an express permission for the Company to undertake the Disposal, provided that the proceeds from the Disposal are applied in accordance with the mandatory prepayment provisions and that the Disposal completes on or before 31 March 2022.

The RCF Agreement otherwise contains customary representations, undertakings and events of default for financings of this nature.

(d) Forward Start RCF Agreement

On 21 June 2021, the Company as borrower and the Obligors as guarantors entered into a £300,000,000 forward start revolving credit facility agreement with, amongst others, Lloyds Bank plc as agent and certain lenders named therein. The key terms of the Forward Start RCF Agreement are set out as below:

Forward Start RCF Creditors

The Forward Start RCF Creditors are Barclays Bank PLC, ING Bank N.V., London Branch, Lloyds Bank Plc, Goldman Sachs International Bank, National Westminster Bank plc, and Citicorp North America, Inc.

Facility

The facility made available under the Forward Start RCF Agreement is a revolving loan facility in the amount of £300,000,000, which amount is automatically reduced to £225,000,000 on 1 September 2023. As at the Latest Practicable Date, the Forward Start RCF Agreement is undrawn and not capable of being drawn until 31 August 2022.

Purpose

The amounts borrowed under the Forward Start RCF Agreement shall be used to refinance the facility made available under the RCF Agreement and (after repayment and cancellation in full of the RCF Agreement) for the general corporate purposes of the Group.

Availability period, repayment and prepayment

The facility under the Forward Start RCF Agreement is available for utilisation from and including 31 August 2022 until 31 August 2023 (such date being the initial termination date of the facility). However, the Company may require that the termination date of the facility is extended for one further year until 31 August 2024, provided that the Company has raised at least £250,000,000 by way of equity and/or debt issuance on or before 31 December 2021 and applied a certain percentage of such proceeds to prepay outstanding loans and/or cancel an equivalent amount of commitments under the Forward Start RCF Agreement and no default under the Forward Start RCF Agreement is then continuing or would result from the proposed extension.

Each loan drawn under the Forward Start RCF Agreement is repayable on the last day of its interest period. The Forward Start RCF Agreement contains customary prepayment provisions, including mandatory prepayment events in case of illegality or a change of control in respect of the Company. The Forward Start RCF Agreement also contains additional mandatory prepayment and cancellation provisions which require the Company to repay outstanding loans and cancel commitments in an amount equal to a certain percentage of net proceeds received by the Group by way of equity or debt issuance or from certain disposals, provided the aggregate of all such proceeds exceed £152,000,000. The Forward Start RCF Agreement also provides that, prior to 31 August 2022, any cancellation or prepayment of the RCF Agreement that is in aggregate in excess of £152,000,000 shall cancel the commitments under the Forward Start RCF Agreement by an equivalent amount, provided the total commitments under the Forward Start RCF Agreement shall not be reduced below £225,000,000.

Interest and interest periods

Loans under the Forward Start RCF Agreement bear interest at a rate equal to the relevant rate of SONIA for that day plus any credit adjustment spread (in relation to loans in sterling), SOFR for that day plus any credit adjustment spread (in relation to loans in US dollars) or EURIBOR (in relation to loans in euro) plus the applicable margin. The initial margin is 3.50 per cent. per annum, and then the margin varies between 2.75 per cent. and 4.25 per cent. per annum depending on the net leverage ratio of the Group. The margin may also be increased or decreased by up to 0.050 per cent. depending of the performance of the Company's ESG score, calculated by reference to reports produced by EcoVadis and CDP annually.

Guarantees and security

The Forward Start RCF Agreement is unsecured but is guaranteed by each Obligor. The Company must also ensure that any of its subsidiaries that have provided a guarantee in connection with: (i) certain of the Group's existing debt securities; or (ii) other indebtedness entered into with persons who are not members with the Group and in a principal amount exceeding £75,000,000, must, in each case, also provide a guarantee in respect of the Forward Start RCF Agreement.

Financial Covenants

The Forward Start RCF Agreement requires the Company to ensure compliance with the following financial covenants (in each case, tested semi-annually on 30 June and 31 December):

- (i) the ratio of consolidated total net borrowings to adjusted consolidated EBITDA does not exceed 3.5:1 on each relevant testing date; and
- (ii) the ratio of consolidated EBITA to consolidated net finance costs is not less than 4.0:1 on each relevant testing date.

Representations, undertakings and events of default

The Forward Start RCF Agreement restricts the Company from making distributions to its Shareholders and effecting buy-backs of its own shares prior to the termination date. Moreover, the Forward Start RCF Agreement requires the Company to offer any amendments, waivers or supplements that are proposed in respect of the RCF Agreement to apply to the same extent in respect of the Forward Start RCF Agreement.

The Forward Start RCF Agreement also contains an express permission for the Company to undertake the Disposal, provided that the proceeds from the Disposal are applied in accordance with the mandatory prepayment provisions and that the Disposal completes on or before 31 March 2022.

The Forward Start RCF Agreement otherwise contains customary representations, undertakings and events of default for financings of this nature.

(e) US PP Documents

The Company periodically issues private placement notes through its subsidiary, Capita Holdings Limited, denominated in pounds sterling or US dollars (the “**US PP Notes**”), to institutional investors (the “**US PP Creditors**”). Capita Holdings Limited has issued US PP Notes pursuant to:

- (i) the note purchase and guarantee agreement dated 19 July 2011 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$236,000,000 4.5 per cent. series B notes due 19 July 2021 and £35,000,000 4.76 per cent. series C notes due 19 July 2021;
- (ii) the note purchase and guarantee agreement dated 26 July 2011 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$50,000,000 4.75 per cent. notes due 26 July 2021;
- (iii) the note purchase and guarantee agreement dated 18 November 2014 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$40,000,000 3.33 per cent. series A notes due 22 January 2022, \$65,000,000 3.43 per cent. series B notes due 22 April 2022, £25,000,000 3.26 per cent. series C notes due 22 January 2022, \$53,000,000 3.45 per cent. series D notes due 22 January 2023, \$98,500,000 3.65 per cent. series E notes due 22 January 2025, £10,000,000 3.54 per cent. series F notes due 22 January 2025, £30,000,000 3.67 per cent. series G notes due 22 April 2025, \$37,000,000 3.80 per cent. series H notes due 22 January 2027 and £32,000,000 3.58 per cent. series I notes due 22 January 2027; and
- (iv) the note purchase and guarantee agreement dated 27 October 2016 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$25,000,000 3.03 per cent. series A notes due 27 October 2021, £48,500,000 2.18 per cent. series B notes due 27 October 2021, \$24,000,000 3.37 per cent. series C notes due 27 October 2023, £37,000,000 2.52 per cent. series D notes due 27 October 2023, \$26,000,000

3.59 per cent. series E notes due 27 October 2026 and £25,000,000 2.77 per cent. series F notes due 27 October 2026,

(together, the “**US PP Documents**”).

The terms and conditions of each of the US PP Notes are broadly similar and contain mostly standard private placement market terms. The key terms of the US PP Notes are set out as below:

Prepayment and make-whole

The US PP Notes may be prepaid at any time in whole or in part (subject to a minimum amount of US\$5m or £5m) at par plus all accrued and unpaid interest plus a market make-whole premium, if any.

In general terms, the make-whole premium will be equal to the difference (but not less than zero) between: (a) the present value of the remaining principal payments on the principal amount to be prepaid, discounted at a rate equal to the yield on the most actively-traded on the run US treasury note (or, in the case of pounds sterling denominated notes, the actively-traded on the run UK gilt securities which most closely matches the maturity of the US PP Notes) plus 50 basis points; and (b) the principal amount of the US PP Notes to be prepaid.

The US PP Notes are not subject to required prepayments prior to the final maturity date except in connection with a change of control or due to acceleration on event of default.

Interest and interest periods

Interest under the US PP Notes is payable by Capita Holdings Limited semi-annually in arrears.

Guarantees

The US PP Notes are guaranteed by Capita and any additional subsidiary guarantors.

Financial Covenants

Each of the US PP Documents requires the Company to comply with two principal financial covenants (in each case, tested semi-annually on 30 June and 31 December):

- (i) the Company’s consolidated net indebtedness to adjusted consolidated EBITDA ratio must not exceed 3:1, provided that the Company may raise this ratio to 3.5:1 for up to two consecutive testing dates in certain circumstances; and
- (ii) the Company must maintain a ratio of consolidated EBITA to consolidated net interest expense of not less than 4.0:1.

Representations, other covenants and events of default

The US PP Documents contain customary representations, covenants and events of default for financings of this nature.

Amendments to the US PP Notes

On 20 April 2018, Capita agreed the following with the US PP Creditors:

- (i) the introduction of a minimum basket size of £50m in relation to subsidiary indebtedness and permitted liens, and £100m in respect of bonds and guarantees in line with the corresponding baskets under the Group’s other financing arrangements;
- (ii) certain restructuring costs to be excluded from the calculation of the covenant test, and certain assets to be excluded from the restrictions on disposals; and
- (iii) the flexibility to increase the consolidated net indebtedness to adjusted consolidated EBITDA ratio from 3:1 to 3.5:1 if Capita would otherwise breach

the covenant as a result of first-year losses from significant new contract wins as a result of the adoption of IFRS 15.

(f) Euro Notes

The Company has issued certain private placement notes denominated in Euros to institutional investors (the “**Euro Noteholders**”). On 10 November 2015, the Company issued:

- (i) €230,000,000 2.125 per cent. fixed rate bearer notes represented by a global note due on 10 November 2022; and
- (ii) €60,000,000 2.875 per cent. fixed rate bearer notes represented by a global note due on 10 November 2027,

(together, the “**Euro Notes**”).

The terms and conditions of each of the Euro Notes are broadly identical and contain standard market terms. The key terms of the Euro Notes are set out as below:

Interest and interest periods

Interest under the Euro Notes is payable annually in arrears on 10 November of each year or, if that day is not a business day, the immediately following business day.

Guarantees

The Euro Notes are unsecured but are guaranteed by certain subsidiaries of the Company. The Company must also ensure that any of its subsidiaries that have provided a guarantee in connection with other indebtedness entered into with persons who are not members of the Group and in a principal amount of £75,000,000 or greater, must also provide a guarantee in respect of the Euro Notes.

Financial covenants

The Euro Notes require the Company to ensure compliance with the following financial covenants (in each case, tested semi-annually on 30 June and 31 December):

- (i) the ratio of consolidated total net borrowings to adjusted consolidated EBITDA does not exceed 3.5:1 on each relevant testing date; and
- (ii) the ratio of consolidated EBITA to consolidated net finance costs is not less than 4.0:1 on each relevant testing date.

Undertakings, events of default and early redemption

The Euro Notes contain certain customary undertakings such as limitations on disposals, mergers and repayment of financial indebtedness.

The Euro Noteholders are entitled to demand immediate redemption for good cause (*wichtiger Grund*) that is in particular constituted in the case of non-payment, breach of other obligations, cross-default (above the threshold of £50m or its equivalent in any other currency), insolvency, insolvency proceedings, the commencement of creditors’ processes, repudiation, cessation of business, unpermitted disposal of guarantors or in case of a change of control of the Company.

The Company may give notice to prepay the Euro Notes, together with any accrued interest due up to (but excluding) the date of such early redemption, on the occurrence of any change in or amendment to the laws or regulations prevailing in the United Kingdom (which becomes effective on or after the 10 November 2015), or as a result of any application or official interpretation of such laws or regulations not generally known before that date, the result of which is that withholding taxes are or will be leviable on payments of principal or interest, and such withholding tax is to be borne by the Company.

(g) Euro Schuldschein Loan

On 11 November 2015, the Company as borrower and Deutsche Bank Aktiengesellschaft as initial lender entered into a €20,000,000 Schuldschein loan agreement (*Schuldscheindarlehen*) due on 10 November 2022 (the “**Schuldschein Loan**”). The Schuldschein Loan was last amended in 2018 and Landesbank Hessen-Thüringen Girozentrale is currently the sole creditor. The key terms of the Schuldschein Loan are set out as below:

Principal amount

The initial principal amount of the Schuldschein Loan is €20,000,000. As at the Latest Practicable Date, the Schuldschein Loan has been fully drawn.

Purpose

The amounts borrowed under the Schuldschein Loan shall be used for general corporate purposes.

Repayment and prepayment

The Schuldschein Loan was fully disbursed and is repayable on 10 November 2022 or, if that day is not a business day, the immediately following business day.

Each creditor is entitled to require repayment of its portion of the Schuldschein Loan in case of a change of control in respect of the Company, subject to certain conditions regarding the rating of the Schuldschein Loan or any other senior financial indebtedness of the Company during a period of 120 days following the change of control.

The Company may give notice to prepay the relevant creditor’s portion of the Schuldschein Loan in whole, on the occurrence of any change in or amendment to the laws or regulations prevailing in the United Kingdom (which becomes effective on or after the 11 November 2015), or as a result of any application or official interpretation of such laws or regulations not generally known before that date, the result of which is that withholding taxes are or will be leviable on payments of principal or interest and such withholding taxes are to be borne by the Company.

Interest and interest periods

The rate of interest under the Schuldschein Loan is 2.125 per cent. per annum payable annually in arrears on 10 November of each year or, if that day is not a business day, the immediately following business day.

Guarantees

The Schuldschein Loan is unsecured but is guaranteed by certain subsidiaries of the Company. The Company must also ensure that any of its subsidiaries that have provided a guarantee in connection with other indebtedness entered into with persons who are not members of the Group and in a principal amount of £75,000,000 or greater, must also provide a guarantee in respect of the Schuldschein Loan.

Financial covenants

The Schuldschein Loan requires the Company to ensure compliance with the following financial covenants (in each case, tested semi-annually on 30 June and 31 December):

- (i) the ratio of consolidated total net borrowings to adjusted consolidated EBITDA does not exceed 3.5:1 on each relevant testing date; and
- (ii) the ratio of consolidated EBITA to consolidated net finance costs is not less than 4.0:1 on each relevant testing date.

Representations, undertakings and events of default

The Company and guarantors give certain customary representations as regards the validity, binding effect and enforceability of their obligations, accuracy of certain conditions precedent and the most recent audited financial statements.

The Schuldschein Loan contains certain customary undertakings such as limitations on disposals, mergers and repayment of financial indebtedness.

In addition to statutory termination rights under German law, the creditors are entitled to terminate and demand immediate repayment for good cause (*wichtiger Grund*), which shall be any of the following: non-payment, breach of other obligations, cross-default (above the threshold of £50m or its equivalent in any other currency), insolvency, insolvency proceedings, the commencement of creditors' processes, repudiation, material adverse change, cessation of business or unpermitted disposal of guarantors.

(h) Transaction Agreements

Your attention is drawn to Part III (*Summary of the Transaction Agreements*) of this document, which contains a summary of the key Transaction Agreements relating to the Disposal, being the Sale Agreement, the Tax Indemnity and the Transitional Services Agreement.

- 9.1.2 Save as disclosed in paragraph 9.1.1, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by members of the Continuing Group (i) within the two years immediately preceding the date of this document which are, or may be, material or (ii) which contain any provision under which any member of the Continuing Group has any obligation or entitlement which is material to the Continuing Group as at the date of this document.

9.2 AXELOS

- 9.2.1 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of AXELOS (i) within the two years immediately preceding the date of this document which are, or may be, material or (ii) which contain any provision under which any member of AXELOS has any obligation or entitlement which is material to AXELOS as at the date of this document:

(a) AXELOS Shareholders' Agreement

On 26 April 2013, AXELOS, Capita, CBSL and the Cabinet Office entered into a shareholders' agreement, which was amended pursuant to a deed of variation dated 1 July 2013 and a deed of variation dated 25 March 2014 (the "**AXELOS SHA**").

The AXELOS SHA sets out the rights and responsibilities of CBSL and Cabinet Office as shareholders and regulates the activities of AXELOS. Capita guarantees CBSL's obligations under the AXELOS SHA.

The AXELOS SHA includes tag-along and drag-along rights as well as a right of first refusal in respect of disposal of shares in AXELOS by either shareholder. These rights have not been exercised as part of the Disposal. While the AXELOS SHA contains non-complete obligations on Capita, these obligations will be terminated and replaced by the restrictive covenant described in paragraph 1.4 of Part III (*Summary of the Transaction Agreements*) of this document.

The AXELOS SHA will terminate with effect from Completion.

(b) Business Transfer Agreement

On 26 April 2013, AXELOS entered into a business transfer agreement with the Cabinet Office for the purchase of the intellectual property rights, contracts, goodwill and records relating to the portfolio of project and IT management training tools from the Cabinet Office which was amended pursuant to a deed of variation dated 1 July 2013 (the "**Business Transfer Agreement**").

The consideration to the Cabinet Office comprised: (a) shares in AXELOS which were issued and allotted to the Cabinet Office on completion of the business transfer; and (b) deferred consideration of £9.4m per annum for the period from 1 January 2017 to 31 December 2023 payable by AXELOS in equal monthly instalments. The outstanding deferred consideration will be paid by the Purchaser to the Cabinet Office on Completion.

The Business Transfer Agreement contains warranties relating to authority, intellectual property and employees. The Business Transfer Agreement includes customary financial thresholds, time limitations and other limitations on the Cabinet Office's liability. The time limitation for bringing claims against the Cabinet Office has expired.

The Business Transfer Agreement also contains certain reciprocal indemnities given by the Cabinet Office in respect of actions before completion of the business transfer, and by AXELOS in respect of actions on or after completion of the business transfer.

The Business Transfer Agreement will terminate with effect from Completion.

(c) Transaction Agreements

Your attention is drawn to Part III (*Summary of the Transaction Agreements*) of this document, which contains a summary of the key Transaction Agreements relating to the Disposal, being the Sale Agreement, the Tax Indemnity and the Transitional Services Agreement.

- 9.2.2 Save as disclosed in paragraph 9.2.1, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by members of AXELOS (i) within the two years immediately preceding the date of this document which are, or may be, material or (ii) which contain any provision under which any member of AXELOS has any obligation or entitlement which is material to AXELOS as at the date of this document.

10 Litigation

10.1 The Continuing Group

There are no governmental, legal or arbitration proceedings (nor, so far as the Company is aware, are any such proceedings pending or threatened) which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Continuing Group's financial position or profitability.

10.2 AXELOS

There are no governmental, legal or arbitration proceedings (nor, so far as the Company is aware, are any such proceedings pending or threatened) which may have, or have had during the 12 months preceding the date of this document, a significant effect on AXELOS' financial position or profitability.

11 Working capital

The Company is of the opinion that, taking into account the net proceeds of the Disposal and the facilities available to the Continuing Group, the Continuing Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

12 Significant changes

12.1 The Continuing Group

There has been no significant change in the financial position of the Continuing Group since 31 December 2020, the date to which the last published audited financial statements were prepared.

12.2 AXELOS

There has been no significant change in the financial position of AXELOS since 31 December 2020, the date to which the last published audited financial statements were prepared.

13 Consents

- (a) Goldman Sachs, who has acted as Sponsor to Capita in connection with the Disposal, has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.
- (b) KPMG has given and has not withdrawn its written consent to the inclusion in Part V (*Unaudited Pro Forma Statement of Net Assets*) of this document of its report in the form and context in which it appears.

14 Documents available for inspection

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 65 Gresham Street, London EC2V 7NQ, United Kingdom up to and including the date of the General Meeting:

- (a) the up-to-date articles of association of the Company;
- (b) the consent letters referred to in paragraph 13 of this Part VI;
- (c) the report of KPMG set out in Part V (*Unaudited Pro Forma Statement of Net Assets*) of this document;
- (d) the Sale Agreement;
- (e) the consolidated audited accounts of the Group for each of the three financial years ended 31 December 2018, 31 December 2019 and 31 December 2020; and
- (f) this document.

Copies of the above documents other than the Sale Agreement may be inspected on the Company's website at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions>.

PART VII
DOCUMENTATION INCORPORATED BY REFERENCE

<u>Information incorporated by reference</u>	<u>Document reference</u>	<u>Page number(s) in this document</u>
Company's 2018 Annual Report and Accounts . .	Details of related party transactions that the Company has entered into for the financial year ended 31 December 2018 (page 164)	34
Company's 2019 Annual Report and Accounts . .	Details of related party transactions that the Company has entered into for the financial year ended 31 December 2019 (page 170)	34
Company's 2020 Annual Report and Accounts . .	Details of related party transactions that the Company has entered into for the financial year ended 31 December 2020 (page 189)	34

Copies of the above documents may be inspected on the Company's website at <https://www.capita.com/investors/results-reports-and-presentations>.

PART VIII

DEFINITIONS AND GLOSSARY

The following definitions apply throughout this document, unless stated otherwise:

Access	Access UK Ltd, a company incorporated in England and Wales with registered number 02343760 and whose registered office is at The Old School, School Lane, Stratford St. Mary, Colchester, Essex, CO7 6LZ, United Kingdom
Antitrust Condition	the approval of the Merger Control Authority or waiver by the Merger Control Authority of its jurisdiction or the relevant statutory waiting period or prohibitions on Completion have expired or otherwise ceased to apply
AXELOS	AXELOS Limited, a company incorporated in England and Wales with registered number 08489114 and whose registered office is at 65 Gresham Street, London EC2V 7NQ, United Kingdom
Barclays	Barclays Bank PLC, acting through its investment bank
Board	the board comprising the Directors
Business Transfer Agreement	the business transfer agreement dated 26 April 2013 between AXELOS and the Cabinet Office for the purchase of the intellectual property rights, contracts, goodwill and records relating to the portfolio of project and IT management training tools by AXELOS from the Cabinet Office which was amended pursuant to a deed of variation dated 1 July 2013
Cabinet Office or UK Cabinet Office	the Cabinet Office (on behalf of Her Majesty's Government of the United Kingdom of Great Britain and Northern Ireland)
Capita Justice	Capita Justice & Secure Services Holdings Limited, a company incorporated in England and Wales with registered number 04746912 and whose registered office is at 65 Gresham Street, London EC2V 7NQ, United Kingdom
Capita Scotland (Pension) Limited Partnership or SLP	Capita Scotland (Pension) Limited Partnership, a Scottish limited partnership with registered number SL011676, having its principal place of business at Pavilion Building, Ellismuir Way, Tannochside Park, Uddingston, Glasgow, G71 5PW, United Kingdom
Capita Share Ownership Plan	each of the Capita plc Share Incentive Plan 2017 and the Capita Share Incentive Plan 2008
CBSL	Capita Business Services Ltd, a company incorporated in England and Wales with registered number 02299747 and whose registered office is at 65 Gresham Street, London EC2V 7NQ, United Kingdom
Chairman	Sir Ian Powell, Chairman of the Company
Chief Executive Officer	Jonathan Lewis, Chief Executive Officer of the Company
CMA	UK Competition and Markets Authority
Company or Capita	Capita plc, a company incorporated in England and Wales with registered number 02081330 and whose registered office is at 65 Gresham Street, London EC2V 7NQ, United Kingdom
Completion	completion of the Disposal in accordance with the Transaction Agreements
Continuing Group	the Group, following Completion, excluding AXELOS

COVID-19	the coronavirus disease 2019, an illness caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 / 3755)) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
CREST Proxy Appointment Instruction	the CREST message for a proxy appointment or proxy instruction made using the CREST voting service
DAB	the Capita plc Deferred Bonus Plan 2017
Debtholder Condition	Capita and/or the relevant members of the Continuing Group having received the necessary consents from the Required Creditors and/or implemented the necessary amendments to any Required Debt Instruments as required pursuant to the terms of the applicable Required Debt Instrument in order to expressly permit the Disposal
Directors	the directors of the Company, whose names are set out on page 29 of this document
Disposal	the proposed disposal of the Group's 51 per cent. interest in AXELOS pursuant to the Transaction Agreements
DTRs	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to Part 6 of FSMA
Eclipse Legal Systems	Eclipse (Hardware) Limited or EHL, trading as Eclipse Legal Systems
EHL	Eclipse (Hardware) Limited, a company incorporated in England and Wales with registered number 02210162 and whose registered office is at The Old School, School Lane, Stratford St. Mary, Colchester, CO7 6LZ, United Kingdom
Employee Non-Executive Directors . . .	the employee non-executive directors of the Company, whose names are set out on page 29 of this document
Euroclear	Euroclear UK & Ireland Limited
Euro Notes	(i) the €60,000,000 2.875 per cent. fixed rate bearer notes issued by Capita and due on 10 November 2027; and (ii) the €230,000,000 2.125 per cent. fixed rate bearer notes issued by Capita and due on 10 November 2022
Euro Noteholders	the holders of the outstanding notes issued pursuant to the Euro Notes
Euro PP Creditors	the creditors in respect of the Euro PP Documents from time to time
Euro PP Documents	the Euro Notes and the Schuldschein Loan
Executive Directors	the executive directors of the Company, whose names are set out on page 29 of this document
ESS	the Group's education software solutions business sold pursuant to the ESS Sale Agreements
ESS Sale Agreements	the UK ESS Sale Agreement and the India ESS Sale Agreement
FCA	the Financial Conduct Authority of the United Kingdom and, where applicable, any successor body or bodies carrying out the functions currently carried on by the Financial Conduct Authority

Forward Start RCF Agreement	the £300,000,000 revolving credit facility agreement dated 21 June 2021 between, amongst others, the Obligors, as supplemented, amended and/or varied from time to time
Forward Start RCF Creditors	the creditors in respect of the Forward Start RCF Agreement from time to time
FSMA	the Financial Services and Markets Act 2000
General Meeting	the general meeting of the Company to be held at Linklaters LLP, One Silk Street, London, EC2Y 8HQ on 15 July 2021 at 10.30 a.m. (or any adjournment thereof, notice of which is set out at the end of this document)
Government	Her Majesty's Government of the United Kingdom of Great Britain and Northern Ireland
Group	the Company and its subsidiary undertakings
Goldman Sachs	Goldman Sachs International
India ESS Sale Agreement	the share purchase agreement entered into between Capita Cyprus Holdings Limited, CBSL and Tiger UK BidCo Limited
KPMG	KPMG LLP
Latest Practicable Date	21 June, being the latest practicable date before publication of this document
Listing Rules	the rules and regulations made by the FCA in its capacity as the UK Listing Authority under the FSMA, and contained in the UK Listing Authority's publication of the same name
London Stock Exchange	London Stock Exchange plc, together with any successor body thereto
LTIP	the Capita plc Long-Term Incentive Plan 2017
Merger Control Authority	the Cyprus Commission for the Protection of Competition
nominated persons	persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006
Non-Executive Directors	the non-executive directors of the Company, whose names are set out on page 29 of this document
Notice of General Meeting	the notice of the General Meeting set out at the end of this document
Notifiable Interest	the holdings in the Company's issued ordinary share capital (exclusive of treasury shares) notified to the Company pursuant to DTR 5 as at the Latest Practicable Date as set out on page 34 of this document
Obligors	the Company, Capita Holdings Limited, Capita Business Services Ltd, Capita Customer Management Limited and Capita Resourcing Limited
PC UK	PeopleCert Holdings UK Ltd
PCW	PeopleCert Wisdom Limited
PRA	the Prudential Regulation Authority of the United Kingdom and, where applicable, any successor body or bodies carrying out the functions currently carried out by the Prudential Regulation Authority

Purchaser	PeopleCert International Limited, a company incorporated in Cyprus with registered number 160322 and whose registered office is at 40 Themistokli Dervi Street, 1066 Nicosia, Cyprus
Purchaser's Group	the Purchaser's Guarantor and its subsidiary undertakings
Purchaser's Guarantor	PeopleCert Holdings UK Ltd, a company incorporated in England with registered number 09323271 and whose registered office is at Suite 10, 121/122 Sloane Street, London, SW1X 9BW, United Kingdom
RCF Agreement	the £600,000,000 revolving credit facility agreement dated 8 August 2014 between, amongst others, the Obligors, as supplemented, amended and/or varied from time to time, including pursuant to amendment letters dated 5 November 2014 and 13 June 2017, a supplemental agreement dated 2 December 2019, an amendment letter dated 14 October 2020 and a supplemental agreement dated 21 June 2021
RCF Creditors	the creditors in respect of the RCF Agreement from time to time
Registrars	Link Group of 10 th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom
Regulatory Information Service	any of the services authorised by the FCA from time to time for the purpose of disseminating regulatory announcements
Required Creditors	means the Euro PP Creditors, in each case being such majority or proportion thereof as is required to consent to and/or waive any restriction in connection with the Disposal, in each case pursuant to the Required Debt Instruments
Required Debt Instrument	in respect of each Euro PP Creditor, the applicable Euro PP Document in respect of which such Euro PP Creditor is a creditor
Resolution	the ordinary resolution to approve the Disposal as set out in the notice of General Meeting at the end of this document
RSA	the restricted share award policy which forms part of the Capita plc Executive Plan 2021
Sale Agreement	the share purchase agreement between <i>inter alia</i> CBSL, the Cabinet Office, the Purchaser and the Purchaser's Guarantor in respect of the entire issued share capital of AXELOS Limited
Scheme	the Capita Pension and Life Assurance Scheme
Schuldschein Loan	the €20,000,000 Schuldschein loan agreement (<i>Schuldscheindarlehen</i>) dated 11 November 2015, between, amongst others, the Company, Deutsche Bank Aktiengesellschaft and certain of the Company's subsidiaries as guarantors, as supplemented, amended and/or varied from time to time
Sellers	CBSL and the Cabinet Office
Shareholder Condition	approval (by ordinary resolution) of the Disposal by the Shareholders at the General Meeting
Shareholders	the holders of the Shares
Shares	the ordinary shares of 2 ^{1/15} pence each in the capital of the Company
SIMS IPR	certain intellectual property rights to the SIMS software used in the education software solutions business
SLP Operations	the SLP's business of exploiting the SIMS IPR used by the education software solutions business and sold to Tiger UK Bidco Limited

Tax Indemnity	the tax covenant between CBSL, the Cabinet Office and the Purchaser
Trading Update	the trading update published by the Company on 21 June 2021
Transaction	the proposed sale of the Group's 51 per cent. interest in AXELOS and the Cabinet Office's 49 per cent. interest in AXELOS to the Purchaser pursuant to the Transaction Agreements
Transaction Agreements	the Sale Agreement, the Tax Indemnity and the Transitional Services Agreement described in Part III (<i>Summary of the Transaction Agreements</i>) of this document
Transitional Services Agreement	the transitional services agreement between CBSL and the AXELOS
UK ESS Sale Agreement	the share and intellectual property rights business purchase agreement entered into between Capita ESS Holdings Limited, the SLP, CBSL, Capita and Tiger UK BidCo Limited
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of Part 6 of FSMA
US PP Creditors	the holders of the outstanding notes issued pursuant to the US PP Documents
US PP Documents	(i) the note purchase and guarantee agreement dated 19 July 2011 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$236,000,000 series B notes due 19 July 2021 and £35,000,000 series C notes due 19 July 2021; (ii) the note purchase and guarantee agreement dated 26 July 2011 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$50,000,000 notes due 26 July 2021; (iii) the note purchase and guarantee agreement dated 18 November 2014 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$40,000,000 series A notes due 22 January 2022, \$65,000,000 series B notes due 22 April 2022, £25,000,000 series C notes due 22 January 2022, \$53,000,000 series D notes due 22 January 2023, \$98,500,000 series E notes due 22 January 2025, £10,000,000 series F notes due 22 January 2025, £30,000,000 series G notes due 22 April 2025, \$37,000,000 series H notes due 22 January 2027 and £32,000,000 series I notes due 22 January 2027; and (iv) the note purchase and guarantee agreement dated 27 October 2016 (as amended from time to time) entered into between, amongst others, Capita Holdings Limited as issuer, with respect to the outstanding \$25,000,000 series A notes due 27 October 2021, £48,500,000 series B notes, \$24,000,000 series C notes due 27 October 2023, £37,000,000 series D notes due 27 October 2023, \$26,000,000 series E notes due 27 October 2026 and £25,000,000 series F notes due 27 October 2026
US PP Notes	the private placement notes issued by the Company through its subsidiary, Capita Holdings Limited, to institutional investors pursuant to the US PP Documents

W&I Insurance Policy the warranty and indemnity insurance policy between the insurer named thereunder and the Purchaser dated on or around the date of the Sale Agreement to cover losses arising in relation to breaches of certain of the Sellers' warranties under the Sale Agreement and in respect of the Tax Indemnity

All times referred to are London times unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless otherwise stated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

CAPITA PLC
NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Capita plc (the “**Company**”) will be held at Linklaters LLP, One Silk Street, London EC2Y 8HQ on 15 July 2021 at 10.30 a.m. to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution.

Ordinary resolution

THAT the Disposal, on the terms set out in the Sale Agreement (both as defined in the circular to shareholders dated 28 June 2021 (the “**Circular**”)), together with any associated and ancillary documents thereto, be and is hereby approved and the Directors (or a committee of the Directors) be and are hereby authorised to waive, amend, vary or extend any of the terms of the Sale Agreement (provided that any such waivers, amendments, variations or extensions are not of a material nature) and to do all such things as they may consider to be necessary, expedient or desirable to implement and give effect to, or otherwise in connection with, the Disposal and any matters incidental to the Disposal.

By order of the Board,

Francesca Todd

Secretary

28 June 2021

Registered office:

65 Gresham Street, London EC2V 7NQ, United Kingdom

Registered in England and Wales No. 02081330

Notes

The General Meeting

1. Prevailing Government guidance on holding indoor events and social distancing means that it is possible for Shareholders to attend the General Meeting in person, subject to certain health and safety constraints. To allow for participation by Shareholders who choose not to attend the General Meeting in person, we are proposing to hold the General Meeting as a combined physical and electronic meeting.
2. The well-being of our Shareholders is vitally important to Capita and, while it is possible for Shareholders to attend the General Meeting in person in accordance with the latest Government guidance, Shareholders are strongly encouraged not to attend the General Meeting in person unless considered absolutely necessary and Shareholders are instead encouraged to either attend and vote by electronic means or vote by proxy on the Resolution.
3. Shareholders are able to attend the General Meeting electronically by accessing the General Meeting website: <https://web.lumiagm.com>. Full details of how to participate electronically in the General Meeting are set out in Notes 29 to 41 below.
4. In the interests of health and safety, we encourage Shareholders to pre-register their intention to attend in person as soon as practicable at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions>. To ensure that the physical place of meeting is safe for all Shareholders we or the personnel of the meeting venue may: require social distancing and the wearing of face coverings where appropriate; ask attendees to confirm that they (or members of their household, support bubble or childcare bubble) have not recently developed COVID-19 symptoms or been exposed to someone who has tested positive for COVID-19 or is displaying COVID-19 symptoms; restrict attendance to Shareholders and carers accompanying a Shareholder; not provide any refreshments at the General Meeting; have mandatory temperature checks as a condition of admission to the venue; and/or require attendees to produce a recent, valid COVID-19 negative test result. Capita or the personnel of the meeting venue may also impose restrictions on entry to the General Meeting in order to limit the number of attendees if this is necessary to maintain any required level of social distancing between attendees at the General Meeting as well as compliance with the meeting venue’s security requirements.
5. Capita will continue to closely monitor the latest Government guidance in respect of COVID-19 and how this may affect the arrangements for the General Meeting. Given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes

in circumstances. If it becomes necessary or appropriate to revise the current arrangements for the General Meeting, further information will be made available on our website at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions> and/or via a Regulatory Information Service. Shareholders should monitor the Company's website and regulatory news announcements for any updates relating to the General Meeting.

Proxy appointment

6. If you cannot attend the General Meeting electronically but would like to vote on the resolution, you may do so by appointing a proxy in the manner set out below.
7. A member who is entitled to attend electronically and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him/her, as his/her proxy to exercise all or any of his or her rights to attend electronically and vote at the General Meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
8. As explained in Note 2 above, shareholders are encouraged to attend the meeting and vote by electronic means. Accordingly, those submitting a form of proxy are strongly encouraged to appoint the chairman of the meeting as their proxy, rather than a named person.
9. The appointment of a proxy will not prevent members from attending the meeting either electronically or in person and voting themselves should they wish to do so. As noted in Note 4 above, we encourage members to pre-register their intention to attend in person.
10. A member wishing to attend electronically and vote at the meeting should join the meeting through the electronic platform prior to the time fixed for its commencement.
11. Any member wishing to vote at the meeting without attending electronically must appoint a proxy to do so. A member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at www.capitashares.co.uk. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the Company's Registrars, Link Group, as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. on 13 July 2021.
12. CREST members may use the CREST electronic proxy appointment service. To be a valid proxy appointment, the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with Notes 20 to 22 below so as to be received no later than 10.30 a.m. on 13 July 2021.
13. If you are an institutional investor, you may also be able to appoint a proxy electronically via the proxymity platform. To be a valid proxy appointment, the proxy appointment must be lodged via the proxymity platform in accordance with Note 23 below no later than 10.30 a.m. on 13 July 2021. Before you can appoint a proxy via this process, you must agree to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
14. Alternatively, hard copy forms for the appointment of a proxy are available on request from Link Group: email enquiries@linkgroup.co.uk or call +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9:00 a.m. to 5:30 p.m., Monday to Friday excluding UK public holidays. To be valid, a hard copy proxy appointment form must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Group, Proxy Department at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received as soon as possible and, in any case, so as to be received no later than 10.30 a.m. on 13 July 2021 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be) excluding any part of a day that is not a business day.
15. We encourage Shareholders to attend and vote by electronic means.

Nominated persons

16. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with

Section 146 of the Companies Act 2006 (“**nominated persons**”). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Information about shares and voting

17. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company on 21 June 2021 (excluding treasury shares), which is the latest practicable date before publication of this notice, is 1,684,273,523, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 21 June 2021 are 1,684,273,523.

Right to attend and vote

18. Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company’s register of members at 6.00 p.m. on 13 July 2021 or, if the meeting is adjourned, at 6.00 p.m. on the day that is 2 business days before the adjourned meeting. In each case, changes to the register of members after such time will be disregarded. The resolution will be voted on by a poll so as to record the decision of all members based on their shareholding interests in the Company.

Vote by poll

19. In accordance with the Company’s established practice and articles of association in relation to combined physical and electronic meetings, the Resolution will be voted on by a poll so as to record accurately the decision of all members based on their shareholding interests in the Company. The results of the poll will be published on the Company’s website and notified to the Financial Conduct Authority once the votes have been counted and verified.

CREST members

20. CREST members who wish to appoint one or more proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the ‘CREST voting service’ section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
21. In order for a proxy appointment or proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a “**CREST Proxy Appointment Instruction**”) must be properly authenticated in accordance with the specifications of CREST’s operator, Euroclear UK & Ireland Limited (“**Euroclear**”), and must contain all the relevant information required by the CREST Manual (available at <https://www.euroclear.com/about/en/business/Keylegaldocuments.html>). To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Link Group (ID RA10), as the Company’s “issuer’s agent”, by the latest time(s) for receipt of proxy appointments specified in Note 12 above. After this time, any change of instructions to a proxy appointed through the CREST system should be communicated through other means. For this purpose, the time of the message’s receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer’s agent is first able to retrieve the message by enquiry through the CREST system in the manner prescribed.
22. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in the CREST system for any particular message. Normal system timings and limitations apply in relation to the input of CREST Proxy Appointment Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members (and, where applicable, their CREST sponsors or voting service providers) should take into account the provisions of the CREST Manual concerning timings as well as its

section on 'Practical limitations of the system'. In certain circumstances, the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid. Please note the Company takes all reasonable precautions to ensure that no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that the members subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.

Proximity voting

23. If you are an institutional investor, you may also be able to appoint a proxy electronically via the proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding proximity, please go to www.proximity.io. Your proxy must be lodged by no later than 10.30 a.m. on 13 July 2021 in order to be considered valid. Before you can appoint a proxy via this process, you must agree to proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Corporate representatives

24. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Questions

25. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question or (c) it is undesirable in the interests of the Company or good order of the meeting that the question be answered.
26. If you are a member and would like to ask a question about the Disposal, please submit your question via the Q&A webpage at www.capita.com/investors/shareholder-information/gm-shareholder-questions by 10.30 a.m. on 13 July 2021.
27. At the meeting, members may also ask questions during the course of the meeting via the Lumi platform (available at <https://web.lumiagm.com>). Where written questions are submitted, the Chairman will read questions aloud before providing an answer. Please see Note 36 for further details on how to ask a question through the Lumi platform.

Website information

28. A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at <http://www.capita.com/investors/shareholder-information/gm-shareholder-questions>.

Attending the meeting electronically

29. Shareholders can participate in the meeting electronically, should they wish to do so. This can be done by accessing the meeting website: <https://web.lumiagm.com>.
30. This can be accessed online using most well-known internet browsers such as Internet Explorer (not compatible with versions 10 and below), Chrome, Firefox and Safari on a PC, laptop or internet enabled device such as a tablet or smartphone.
31. On accessing the meeting website, you will be asked to enter the Meeting ID 136-103-950. You will then be prompted to enter your unique 11 digit Investor Code (IVC), including any leading zeros, and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder.
32. Your IVC can be found on your share certificate, or Signal Shares users (www.capitashares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Link, our Registrar, by calling +44 (0) 371 664 0300. Lines are open from 9:00 a.m. to

5:30 p.m. Monday to Friday, calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

33. Access to the meeting will be available from 09.30 a.m. on 15 July 2021; however, please note that your ability to vote will not be enabled until the Chairman formally declares the poll open.
34. The meeting will be broadcast in audio format. Once logged in, and at the commencement of the meeting, you will be able to listen to the proceedings of the meeting on your device.
35. An active internet connection is required at all times in order to allow you to cast your vote when the poll opens, submit questions and listen to the audiocast. It is the user's responsibility to ensure you remain connected for the duration of the meeting.

Asking questions by electronic means

36. Shareholders attending electronically may ask questions verbally, when invited to do so by the chair of the meeting, or by typing and submitting their question in writing. Select the messaging icon from within the navigation bar and type your question at the bottom of the screen. To submit your question, click on the arrow icon to the right of the text box.

Voting by electronic means

37. Once the Chair has formally opened the meeting, the voting procedure will be explained. Once voting has opened, the polling icon will appear on the navigation bar. From here, the Resolution and voting choices will be displayed.
38. Select the option that corresponds with how you wish to vote. Once you have selected your choice, the option will change colour and a confirmation message will appear to indicate your vote has been cast and received. There is no submit button. If you make a mistake or wish to change your vote, simply select the correct choice. If you wish to "cancel" your vote, select the "cancel" button. You will be able to do this at any time whilst the poll remains open and before the Chair announces its closure.

Appointing proxies and corporate representatives to attend the meeting electronically

39. If you wish to appoint a proxy other than the Chair of the meeting and for them to attend the virtual meeting on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 371 664 0300 in order to obtain their IVC and PIN. Lines are open from 9:00 a.m. to 5:30 p.m. Monday to Friday, calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.
40. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the meeting. If your shares are held within a nominee account and you wish to attend the electronic meeting, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group, our registrar, as soon as possible and at least 72 hours (excluding non-business days) before the meeting, to obtain and provide you with your unique IVC and PIN to enable you to attend the electronic meeting.

Use of electronic address

41. Members may not use any electronic address provided in either this notice of meeting or any related documents (including any form of proxy) to communicate with the Company for any purposes other than those expressly stated.

