

## Notice of Annual General Meeting

Notice is hereby given that the 2014 Annual General Meeting of Capita plc (the 'Company') will be held at Deutsche Bank, 1 Great Winchester Street, London EC2N 2DB, on Monday 12 May 2014 at 11am to transact the business set out below. Resolutions 1 to 15 will be proposed as ordinary resolutions and resolutions 16 to 18 will be proposed as special resolutions:

1. To receive the financial statements and the reports of the Directors and the Auditor for the year ended 31 December 2013.
2. To approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, in the form set out in the Company's Annual Report and Accounts for the year ended 31 December 2013.
3. To approve the Directors' Remuneration Policy in the form set out in the Company's Annual Report and Accounts for the year ended 31 December 2013.
4. To declare a final dividend for the year ended 31 December 2013 of 17.8p per share.
5. To re-elect Martin Bolland as a Director.
6. To re-elect Andy Parker as a Director.
7. To re-elect Gordon Hurst as a Director.
8. To re-elect Maggi Bell as a Director.
9. To re-elect Vic Gysin as a Director.
10. To elect Dawn Marriott-Sims as a Director.
11. To re-elect Gillian Sheldon as a Director.
12. To re-elect Paul Bowtell as a Director.
13. To appoint KPMG LLP as Auditor of the Company.
14. To authorise the Directors to fix the Auditor's remuneration.
15. That the Directors are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares ('Allotment Rights'), but so that:
  - (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £4,506,004;
  - (b) this authority shall expire on 30 June 2015 or, if earlier, on the conclusion of the Company's next Annual General Meeting;
  - (c) the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry; and
  - (d) all authorities vested in the Directors on the date of the notice of this meeting to allot shares or to grant Allotment Rights, or to allot relevant securities (as defined in the Companies Act 2006), that remain unexercised at the commencement of this meeting are revoked, without prejudice to any allotment of the securities pursuant thereto.
16. That the Directors are empowered pursuant to section 570 and 573 of the Companies Act 2006 to allot equity securities, as defined in section 560 of that Act, pursuant to the authority conferred on them by resolution 15 in the notice of this meeting or by way of a sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is limited to:
  - (a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Financial Conduct Authority's listing rules) or any other pre-emptive offer that is open for acceptance for a period determined by the Directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the Directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchanges; and

- (b) the allotment of equity securities (other than pursuant to paragraph (a) above) with an aggregate nominal value of £692,385, and shall expire when the authority conferred on the Directors by resolution 15 in the notice of this meeting expires save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry.
17. That any general meeting of the Company that is not an Annual General Meeting may be called by not less than 14 clear days' notice.
18. That the Company is generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (as defined in section 693 of that Act) of ordinary shares of the Company provided that:
- (a) the maximum aggregate number of such shares that may be acquired under this authority is 66,059,796;
  - (b) the minimum price (exclusive of expenses) which may be paid for such a share is its nominal value;
  - (c) the maximum price (exclusive of expenses) which may be paid for such a share is the maximum price permitted under the Financial Conduct Authority's listing rules or, in the case of a tender offer (as referred to in those rules), 5% above the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange's Daily Official List) for the five business days immediately preceding the date on which the terms of the tender offer are announced;
  - (d) this authority shall expire on 30 June 2015, or if earlier, on the conclusion of the Company's next Annual General Meeting; and
  - (e) before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry.

Registered Office:

71 Victoria Street  
Westminster  
London  
SW1H 0XA

Registered in England No: 2081330

By Order of the Board

**Gordon M Hurst**

Company Secretary

Dated: 31 March 2014

## Notes to the Notice of Annual General Meeting

- (1) A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by them, as their proxy to exercise all or any of their rights to attend and to speak and vote at the meeting.
- (2) The right of a member of the Company to vote at the meeting will be determined by reference to the register of members. A member must be registered on that register as the holder of ordinary shares by 6pm on Thursday 8 May 2014 in order to be entitled to attend and vote at the meeting as a member in respect of those shares.
- (3) A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. A member that is a corporation can only attend and vote at the meeting in person through one or more representatives appointed in accordance with section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so. Forms for the appointment of a proxy that can be used for this purpose have been provided to members with this notice of meeting. If you do not have a proxy appointment form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday excluding UK public holidays). To be valid, a 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 Capita Asset Services, Proxy Department at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by 11am on Thursday 8 May 2014. Alternatively, a member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at [www.capitashares.co.uk](http://www.capitashares.co.uk). To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the same time. Members who hold their shares in uncertificated form may also use 'the CREST voting service' to appoint a proxy electronically, as explained below. Appointing a proxy will not prevent a member from attending and voting in person at the meeting should they so wish.
- (4) Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (a 'nominated person') may have a right under an agreement between them and that member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
- (5) As at 13 March 2014 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 669,942,064 ordinary shares, carrying one vote each, excluding 9,344,100 shares held in Treasury and (ii) the total voting rights in the Company were 660,597,964.
- (6) Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at [www.capita.co.uk](http://www.capita.co.uk). A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
- (7) It is possible that, pursuant to members' requests made in accordance with section 527 of the Companies Act 2006, the Company will be required to publish on a website a statement in accordance with section 528 of that Act setting out any matter that the members concerned propose to raise at the meeting relating to the audit of the Company's latest audited accounts. The Company cannot require the members concerned to pay its expenses in complying with those sections. The Company must forward any such statement to its auditor by the time it makes the statement available on the website. The business which may be dealt with at the meeting includes any such statement.

- (8) CREST members who wish to appoint one or more proxies through the CREST system may do so 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. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a 'CREST proxy appointment instruction') must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ('Euroclear'), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Capita Asset Services (ID RA10), as the Company's 'issuer's agent', by 11am on Thursday 8 May 2014. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his 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.
- (9) 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.
- (10) In accordance with the Company's established practice, all resolutions will be taken on a poll so as to accurately record the decision of all members based on their shareholding interests in the Company.
- (11) A copy of this notice and other information required by section 311A of the Companies Act 2006 can be found on the Company's website ([www.capita.co.uk](http://www.capita.co.uk)).
- (12) The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (excluding UK public holidays), will also be available for inspection at the place of the AGM for a period of 15 minutes prior to and until the conclusion of the AGM:
- copies of the service contracts of the Executive Directors and the letters of appointment of the Non-Executive Directors; and
  - the Articles of Association of the Company.

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

### (1) Resolution 1 – Financial statements and reports 2013

For each financial year the Directors are required to present the Directors' report, the audited accounts and the Auditor's reports to shareholders at a general meeting. The financial statements and reports laid before the 2014 AGM are for the financial year ending 31 December 2013, and in accordance with the 2012 UK Corporate Governance Code, the Company proposes a resolution on its financial statements and reports.

### (2) Resolutions 2 and 3 – Directors' Remuneration Report

The Company is required by law to prepare a Directors' Remuneration Report for each relevant financial year and to seek shareholder approval for that report at the general meeting before which its annual accounts are laid. There are new requirements this year in relation to the content of the Directors' Remuneration Report, following changes made to the Companies Act 2006 ('Companies Act'). In accordance with section 439A of the Companies Act a new requirement has been introduced for a separate resolution on the Remuneration Policy within the Directors' Remuneration Report to be put to a vote by shareholders. The Remuneration Policy sets out the Company's forward-looking policy on Directors' remuneration and is subject to a binding shareholder vote by ordinary resolution at least every three years.

The result of resolution 2 is advisory only and the Directors' entitlement to remuneration is not conditional on this resolution being passed.

The result of resolution 3 is binding and the Company will only be able to make remuneration and loss of office payments to Directors which are permitted within the limits of the policy, unless the payment has been approved by a separate shareholder resolution.

The Directors' Remuneration Report is set out in full on pages 78 to 92 of the Annual Report and Accounts 2013. The Remuneration Policy is set out within the Directors' Remuneration Report on pages 81 to 83. The Directors' Remuneration Report is also available on the Company's website at [www.capita.co.uk](http://www.capita.co.uk).

### (3) Resolution 4 – Declaration of a final dividend

The payment of a final dividend requires the approval of shareholders at a general meeting. The Directors recommend a final dividend in respect of 2013 of 17.8p per ordinary share. Subject to approval of this resolution by the shareholders, the final dividend will be paid on 28 May 2014 to ordinary shareholders who are on the register of members by close of business on 22 April 2014 in respect of each ordinary share.

### (4) Resolutions 5 to 12 – Election/re-election of Directors

In accordance with the Company's Articles of Association, Directors are obliged to retire by rotation at Annual General Meetings and may not serve beyond three years without being re-elected by shareholders. Similar to last year and in accordance with the UK Corporate Governance Code, which requires all directors of companies who form part of the FTSE 350 to be subject to annual re-election, the Company intends to propose all of its Directors shall retire from office and stand for re-election at this and future Annual General Meetings. Resolutions 5 to 9 and 11 to 12 relate to the re-election of Directors who have served for the entire period since the last AGM and resolution 10 relates to the election of Dawn Marriott-Sims, who was appointed as a Director of the Company on 1 January 2014.

Brief biographical details of all of the Directors seeking election or re-election can be found on pages 59 to 60 of the Annual Report and Accounts 2013. All were subject to appraisal by the other Board members prior to being put forward for election or re-election (as applicable) by shareholders. The Board has concluded that all of the Directors continue to be effective, showing commitment to their roles, and making the necessary time available for Board and Committee meetings and other duties as required.

### (5) Resolutions 13 and 14 – Appointment and remuneration of Auditor

The Company is required to appoint an Auditor to serve for each financial year of the Company. The appointment must be made before the end of the general meeting before which accounts are laid. The Company's previous Auditor, KPMG Audit Plc, has resigned as the Company's Auditor and will not stand for re-appointment at the Annual General Meeting. This is to facilitate the orderly wind down of the business of KPMG Audit Plc. Instead, KPMG LLP will seek appointment as the Company's Auditor. Resolution 13 is, therefore, to appoint KPMG LLP as Auditor for the financial year ending 31 December 2014.

KPMG Audit Plc is required by section 519(3) of the Companies Act 2006 to deposit with the Company a statement of the circumstances connected with its resignation. The Company is then required to send a copy of this statement to every person who is entitled to be sent a copy of the accounts. A copy of this statement is appended to this Notice.

In accordance with section 312 of the Companies Act 2006, special notice of the content and subject matter of resolution 13 has been provided to the Company by the Board.

As a separate resolution, resolution 14 authorises the Directors to determine the remuneration of the Auditor.

#### **(6) Resolution 15 – Renewal of Directors' authority to allot shares**

The Directors are currently authorised to allot relevant securities (which include ordinary shares and preference shares) of the Company, but their authorisation ends on the date of the Annual General Meeting. This resolution seeks to renew the Directors' authority to allot shares.

This resolution would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal value equal to £4,506,004 (representing 217,997,328 ordinary shares). This represents 33% of the total ordinary share capital in issue (excluding treasury shares) as at 13 March 2014 (being the latest practicable date prior to the publication of this document). The renewed authority will remain in force until 30 June 2015 or, if earlier, the conclusion of the Company's next Annual General Meeting. As at 13 March 2014, the Company held 9,344,100 treasury shares, being approximately 1.41% of the total ordinary share capital in issue (exclusive of treasury shares).

The Directors have no present intention of exercising this authority, other than to satisfy allotments under employee share plans. However, by granting this authority, the Directors will have the flexibility to take advantage of any appropriate opportunities that may arise.

#### **(7) Resolution 16 – Disapplication of statutory pre-emption rights**

Resolution 16, which will be proposed as a special resolution, seeks to renew the authority conferred on the Directors at last year's Annual General Meeting to issue equity securities of the Company (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. Other than in connection with a rights or other similar issue or scrip dividend (where difficulties arise in offering shares to certain overseas shareholders and in relation to fractional entitlements) the authority contained in this resolution will be limited to a maximum aggregate nominal value of £692,385 (representing 33,497,103 ordinary shares). This represents approximately 5% of the Company's issued ordinary share capital as at 13 March 2014 (being the latest practicable date prior to the publication of this document). The renewed authority will remain in force until 30 June 2015 or, if earlier, on the conclusion of the Company's next Annual General Meeting.

The Board confirms its intention to adhere to the provisions in the Pre-Emption Group Statement of Principles regarding cumulative usage of authorities of no more than 7.5% of the issued ordinary share capital within a rolling three-year period. The Directors have no present intention of exercising this authority.

#### **(8) Resolution 17 – Notice of general meetings**

The Companies Act 2006 requires the notice period for general meetings of the Company to be at least 21 days. The Company is currently able to call general meetings (other than an AGM) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so, shareholders must approve the calling of meetings on 14 clear days' notice. Resolution 17, which will be proposed as a special resolution, seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company must also make a means of electronic voting available to all shareholders before it can call a general meeting on 14 clear days' notice.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

### **(9) Resolution 18 – Authority to make market purchases of ordinary shares**

Resolution 18, which will be proposed as a special resolution, is to renew the authority granted to the Directors at last year's Annual General Meeting, which expires on the date of the forthcoming Annual General Meeting, and to give the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006.

The authority limits the number of ordinary shares that could be purchased to a maximum of 66,059,796 which represents approximately 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at 13 March 2014 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices, at which shares may be brought. The renewed authority will remain in force until 30 June 2015 or, if earlier, until the conclusion of the Company's next Annual General Meeting.

The total number of options to subscribe for ordinary shares for all executive and employee share schemes of the Company which were outstanding as at 13 March 2014 (the latest practicable date prior to publication of this document) was 12,542,951 which represents 1.90% of the issued share capital of the Company (excluding treasury shares), and would represent 2.11% of the issued share capital of the Company (excluding treasury shares) if the full authority to repurchase ordinary shares, as proposed by resolution 18, was exercised. As at 13 March 2014, the Company held 9,344,100 treasury shares, being approximately 1.41% of the total ordinary share capital in issue (excluding treasury shares).

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

### **Recommendation**

The Board considers that the passing of all resolutions is likely to promote the success of the Company and would be in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings.

## Appendix to the Notice of Annual General Meeting



**KPMG Audit Plc**  
**Infrastructure, Government & Healthcare**  
15 Canada Square  
Canary Wharf  
London E14 5GL  
United Kingdom

Tel +44 (0) 20 7311 1000  
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**Private & confidential**

Capita plc  
71 Victoria Street  
Westminster  
London SW1H 0XA

Our ref sm/jf

Contact Sean McCallion  
020 7311 1000  
Ext 4117

21/03/2014

Dear Sirs

**Statement to Capita plc (no. 2081330) on ceasing to hold office as auditors pursuant to section 519 of the Companies Act 2006**

The circumstances connected with our ceasing to hold office are that our company, KPMG Audit Plc, has instigated an orderly wind down of business. KPMG LLP, an intermediate parent, will immediately be accepting appointment as statutory auditor.

We request that any correspondence in relation to this statement be sent to our registered office 15 Canada Square, London, E14 5GL marked for the attention of the Audit Regulation Department.

Yours faithfully,

KPMG Audit Plc