

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

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

## Notice of Annual General Meeting

Notice is hereby given that the 2017 Annual General Meeting of Capita plc (the 'Company') will be held at the London Conrad St James Hotel, 22–28 Broadway, Westminster, London, SW1H 0BH on Tuesday 13 June 2017 at 11.00am to transact the business set out below. Resolutions 1 to 16 and 20 to 23 will be proposed as ordinary resolutions and resolutions 17 to 19 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 2016.
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 2016.
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 2016.
4. To declare a final dividend for the year ended 31 December 2016 of 20.6p per share.
5. To elect Sir Ian Powell as a Director.
6. To re-elect Andy Parker as a Director.
7. To re-elect Nick Greatorex as a Director.
8. To re-elect Vic Gysin as a Director.
9. To re-elect Gillian Sheldon as a Director.
10. To re-elect John Cresswell as a Director.
11. To re-elect Andrew Williams as a Director.
12. To elect Chris Sellers as a Director.
13. To elect Matthew Lester as a Director.
14. To re-appoint KPMG LLP as Auditor of the Company.
15. To authorise the Audit and Risk Committee to fix the Auditor's remuneration.
16. 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 £4,595,860;
  - (b) this authority shall expire at the close of business on 30 June 2018 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 the Directors may allot shares or grant Allotment Rights under any such offer or agreement as if the authority had not expired; 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 that remain unexercised at the commencement of this meeting are revoked, without prejudice to any allotment of the securities pursuant thereto.

17. That, subject to the passing of resolution 16 in the notice of this meeting, the Directors are empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities, as defined in section 560 of that Act, for cash pursuant to the authority conferred on them by resolution 16 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 exchange; and
  - (b) the allotment of equity securities (other than pursuant to paragraph (a) above) with an aggregate nominal value of £689,379, and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the Directors by resolution 16 in the notice of this meeting 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 and the Directors may allot equity securities under any such offer or agreement as if the power had not expired.
18. 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.
19. 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 66,714,100;
  - (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 at the close of business on 30 June 2018, or if earlier, on the conclusion of the Company's next Annual General Meeting; and
  - (e) before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry and the Company may purchase shares pursuant to any such contract as if the authority had not expired.

20. That the rules of the Capita plc Long Term Incentive Plan 2017 (the '2017 LTIP'), described in the circular of which the notice containing this resolution forms part and in the form produced in draft to the meeting and for the purposes of identification initialled by the Chairman of the meeting, are hereby approved and adopted and that the Directors are hereby authorised to do all such other acts and things as they may consider appropriate to implement the 2017 LTIP.
21. That the rules of the Capita plc 2017 Deferred Annual Bonus Plan (the '2017 DAB'), described in the circular of which the notice containing this resolution forms a part and in the form produced in draft to the meeting and for the purposes of identification initialled by the Chairman of the meeting, are hereby approved and adopted and that the Directors are hereby authorised to do all such other acts and things as they may consider appropriate to implement the 2017 DAB.
22. That the rules of the Capita plc Save As You Earn Option Scheme 2017 (the '2017 SAYE'), described in the circular of which the notice containing this resolution forms part and in the form produced in draft to the meeting and for the purposes of identification initialled by the Chairman of the meeting, are hereby approved and adopted and that the Directors are hereby authorised to do all such other acts and things as they may consider appropriate to implement the 2017 SAYE, including making any changes to the rules of the 2017 SAYE necessary or desirable in order to ensure that the Directors can make a valid declaration to HM Revenue & Customs that the 2017 SAYE satisfies the requirements of Schedule 3 to the Income Tax (Earning and Pensions) Act 2003.
23. That the rules and trust deed of the Capita plc Share Incentive Plan 2017 (the '2017 SIP'), described in the circular of which the notice containing this resolution forms part and in the form produced in draft to the meeting and for the purposes of identification initialled by the Chairman of the meeting, are hereby approved and adopted and that the Directors are hereby authorised to do all such other acts and things as they may consider appropriate to implement the 2017 SIP, including making any changes to the rules and/or trust deed of the SIP necessary or desirable in order to ensure that the Directors can make a valid declaration to HM Revenue & Customs that the 2017 SIP satisfies the requirement of Schedule 2 to the Income Tax (Earning and Pensions) Act 2003.

Registered Office:

71 Victoria Street  
Westminster  
London  
SW1H 0XA

Registered in England No: 2081330

By Order of the Board

**Francesca Todd**

Group Company Secretary

Dated: 16 March 2017

## 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 him, as his proxy to exercise all or any of his 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 the close of business on Friday 9 June 2017 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 their 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. Hard copy forms for the appointment of a proxy are available on request from Capita Asset Services on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. Lines are open 8.30am to 5.30pm, 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 Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to be received by 11.00am on Friday 9 June 2017. 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 him/her and that member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
5. As at 6 March 2017 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 667,141,000 ordinary shares, carrying one vote each, excluding 3,066,348 shares held in Treasury and (ii) the total voting rights in the Company were 667,141,000.
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.com](http://www.capita.com). 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 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 11.00am on Friday 9 June 2017. 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 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.
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 record accurately the decision of all members based on their shareholding interests in the Company.
11. Members meeting the threshold requirements in sections 338 and 338A of the Companies Act 2006 have the right to require the Company (i) to give to members entitled to receive notice of the meeting notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or (as applicable) the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than Friday 28 April 2017, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

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

### (1) Resolution 1 – Financial statements and reports 2016

For each financial year, the Directors are required to present the Directors' reports, the audited financial statements and the Auditor's reports to shareholders at a general meeting. The financial statements and reports laid before the 2017 AGM are for the financial year ending 31 December 2016, and in accordance with the UK Corporate Governance Code, the Company proposes a resolution on its financial statements and reports.

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

In accordance with the Companies Act 2006, shareholders are invited to approve the Directors' Remuneration Report for the financial year ended 31 December 2016.

The Directors' Remuneration Report is set out on pages 89 to 105 of the Annual Report and Accounts 2016. For the purposes of this resolution, the Directors' Remuneration Report does not include the Directors' Remuneration Policy which is set out on pages 92 to 95. The vote on this resolution is advisory only and the Directors' entitlement to remuneration is not conditional on it being passed.

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

In accordance with the Companies Act 2006, the Company proposes an ordinary resolution to approve the Directors' Remuneration Policy contained within the Directors' Remuneration Report. The proposed policy is set out on pages 92 to 95 of the Annual Report and Accounts.

The Companies Act 2006 requires the Directors' Remuneration Policy to be put to shareholders for approval annually unless the policy as approved by shareholders remains unchanged, in which case the Company need only propose a similar resolution at least every three years. The Company's current Directors' Remuneration Policy was last approved by shareholders at the Annual General Meeting in 2014. The new remuneration policy sets out how the Company proposes to pay its Directors and includes details of the Company's approach to recruitment remuneration and loss of office payments.

The vote on this resolution is binding and, if passed, will mean that the Directors can only make remuneration payments in accordance with the approved new policy unless such payments have otherwise been approved by a separate shareholder resolution.

### (4) Resolution 4 – Declaration of 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 2016 of 20.6p per ordinary share. Subject to approval of this resolution by the shareholders, the final dividend will be paid on 3 July 2017 to ordinary shareholders who are on the register of members by close of business on 26 May 2017 in respect of each ordinary share.

### (5) Resolutions 5 to 13 – Election and re-election of Directors

Resolutions 5 to 13 relate to the retirement and election or re-election of the Directors. The Company's articles of association require a Director who was appointed as such by the Board during the year to retire at the annual general meeting next following his or her appointment. Sir Ian Powell, Chris Sellers and Matthew Lester were each appointed as Directors since the date of the Company's last Annual General Meeting. Consequently, each will retire from office at the Annual General Meeting and intends to stand for election by the shareholders for the first time.

The Company's articles of association also require any Director who has not been elected or re-elected by the Company's shareholders at either of the two previous annual general meetings to retire. Notwithstanding the provisions of the Company's articles of association, the Board has determined that each of the remaining Directors shall retire from office at the Annual General Meeting in line with best practice recommendations of the UK Corporate Governance Code for FTSE 350 companies. Each of the Directors intends to stand for re-election by the shareholders.

Brief biographical details of all of the Directors seeking election or re-election can be found at Appendix 1 to this Notice. 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. The re-election of Andy Parker is in line with the Board's approach to succession planning and supports an orderly handover to the new Chief Executive, once identified and appointed.

### **(6) Resolutions 14 and 15 – Appointment and remuneration of Auditor**

The Company is required to appoint an Auditor to serve for each financial year of the Company. The appointment must be made before the end of the general meeting before which accounts are laid. KPMG LLP have indicated that they are willing to continue as the Company's Auditor for another year. Resolution 14 is, therefore, to appoint KPMG LLP as Auditor for the financial year ending 31 December 2017. As a separate resolution, resolution 15 authorises the Audit and Risk Committee to determine the Auditor's remuneration.

### **(7) Resolution 16 – Renewal of Directors' authority to allot shares**

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

If passed, this resolution will give the Directors the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal value equal to £4,595,860. This represents approximately 33% of the total ordinary share capital in issue (excluding treasury shares) as at 6 March 2017 (being the latest practicable date prior to the publication of this document). The renewed authority will remain in force until the close of business on 30 June 2018 or, if earlier, the conclusion of the Company's next Annual General Meeting. As at 6 March 2017, the Company held 3,066,348 treasury shares, being approximately 0.46% of the total ordinary share capital in issue (exclusive of treasury shares).

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

### **(8) Resolution 17 – Disapplication of statutory pre-emption rights**

Resolution 17 is a special resolution which, if passed by shareholders, will enable the Directors to allot ordinary shares in the Company, or to sell any shares out of treasury, for cash, without first offering those shares to existing shareholders in proportion to their existing holdings.

Otherwise than in connection with a rights issue or similar pre-emptive issue, the power contained in this resolution will be limited to a maximum aggregate nominal amount of £689,379. This amount represents approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 6 March 2017 (being the latest practicable date prior to publication of this document).

The Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three year period. Those Principles provide that a company should not issue shares for cash representing more than 7.5% of the company's issued share capital in any rolling three year period, other than to existing shareholders, without prior consultation with shareholders.

### **(9) Resolution 18 – Notice of general meetings**

The Companies Act 2006 requires the notice period for general meetings of the Company to be at least 21 days. The Company, however, currently has the power to call general meetings (other than an Annual General Meeting) on at least 14 clear days' notice and would like to preserve this ability. In order to be able to do so, shareholders must approve the calling of meetings on at least 14 clear days' notice. Resolution 18, which will be proposed as a special resolution, seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The Company notes the notice period provision in the UK Corporate Governance Code which recommends at least 14 working days' notice be given for all general meetings (other than an Annual General Meeting). Insofar as it is appropriate to do so, the Company intends to comply with this provision in the same way that it currently complies with the 20 working days' notice provision applicable to Annual General Meetings.

### (10) Resolution 19 – Authority to make market purchases of ordinary shares

Resolution 19, 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 66,714,100 which represents approximately 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at 6 March 2017 (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 bought. The renewed authority will, if passed, remain in force until the close of business on 30 June 2018 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 6 March 2017 was 6,161,012 which represents 0.92% of the issued share capital of the Company (excluding treasury shares), and would represent 1.03% of the issued share capital of the Company (excluding treasury shares) if the full authority to repurchase ordinary shares, as proposed by resolution 19, were exercised. As at 6 March 2017, the Company held 3,066,348 treasury shares, being approximately 0.46% of the total ordinary share capital in issue (excluding treasury shares).

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

### (11) Resolutions 20 to 23 – Renewal of Share Plans

Resolutions 20 to 23 are to authorise the adoption of the following new employee share plans:

- › the Capita plc Long Term Incentive Plan 2017 (the '2017 LTIP');
- › the Capita plc 2017 Deferred Annual Bonus Plan (the '2017 DAB');
- › the Capita plc Save As You Earn Option Scheme 2017 (the '2017 SAYE'); and
- › the Capita plc Share Incentive Plan 2017 (the '2017 SIP') (together the 'New Share Plans').

The New Share Plans replace the Company's existing share plans that will expire in the next few years ('Old Share Plans'). Shareholder approval is sought for the approval of the New Share Plans at the Annual General Meeting to ensure that the Company has the appropriate share incentives and that they operate consistently with the revised remuneration policy. No new awards will be made under the Old Share Plans after the date of the Annual General Meeting, provided shareholder approval is obtained for the New Share Plans.

The New Share Plans reflect the proposed new Directors' Remuneration Policy as set out in the Directors' Remuneration Report and for which shareholder approval is sought (see resolution 3 above). The principal terms of the New Share Plans are set out in Appendix 2 to this document on pages 12 to 18.

There are no material differences between the Old Share Plans and the New Share Plans, save for the following which relate to the 2017 LTIP:

- › simplification of the individual limit to 300% of salary to reflect the Directors' Remuneration Policy;
- › flexibility to provide dividend equivalents; and
- › revised leaver and change of control provisions to be consistent with the Directors' Remuneration Policy.

The rules of the New Share Plans will be available for inspection during normal business hours on Monday to Friday (excluding UK public holidays) at the Company's registered office and at the offices of Osborne Clarke LLP at One London Wall, London, EC2Y 5EB from the date of this document until the close of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes before the Annual General Meeting and during the Annual General Meeting.

**Recommendation**

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

## APPENDIX 1

### Directors' Biographies

#### Sir Ian Powell

**Non-Executive Chairman (from January 2017)**

**Date appointed to Board:** September 2016

**Independent at appointment:** Yes

**Key skills and experience:**

Chartered Accountant; Previously Chairman and Senior Partner of PwC responsible for expertise management and board chairmanship of PwC UK; Member of the PwC five-person network leadership team; Leader of PwC's EMEA network.

**Other current appointments:**

Chairman – Police Now; Trustee – The Old Vic; Trustee – Wellbeing of Women; Member of the Development Committee – The National Gallery.

**Committee memberships:**

Nomination (Chair).

#### Andy Parker

**Chief Executive**

**Joined Capita: 2001**

**Date appointed to Board:** January 2011

**Board responsibilities:**

Managing and developing Capita's business to achieve the Company's strategic objectives.

**Additional Group responsibilities:**

Group charitable approach; Group IT; Strategic Communications; Mergers and acquisitions strategy.

**Previous experience in Capita:**

Deputy Chief Executive (June 2013–March 2014); Joint Chief Operating Officer (2011–2013) overseeing non-financial services operations; Divisional Director for Capita's ICT, Health and Business Services Division; Senior Divisional Finance Director.

**Other external appointments:** None.

#### Nick Greatorex

**Group Finance Director**

**Joined Capita: 2006**

**Date appointed to Board:** March 2015

**Board responsibilities:**

Overall control and responsibility for all financial aspects of the business's strategy.

**Additional Group responsibilities:**

Property; Environment; Health and safety; Legal and commercial relationships; Trustee of the Capita Pension and Life Assurance Scheme; Supplier relationships.

**Previous experience in Capita:**

Executive Director for Life & Pensions, Insurance & Benefits Services; Commercial Director on major bids and contract implementations.

**Other external appointments:** None.

#### Chris Sellers

**Group Business Development Director**

**Joined Capita: 2010**

**Date appointed to Board:** January 2017

**Board responsibilities:**

Head of Group sales and driving forward business development across the Group.

**Additional Group responsibilities:**

Community, third sector and SME engagement.

**Previous experience in Capita:**

Director of Joint Venture with Staffordshire County Council; Technology-enabled transformation specialist for public and private sectors; Intellectual Property asset commercialisation specialist.

**Other external appointments:** None.

**Vic Gysin**

**Group Operations and Performance Director**  
**Joined Capita: 2002**

**Date appointed to Board:** January 2011

**Board responsibilities:** Working with Divisional Executive Officers and their management teams to ensure service excellence and client satisfaction across the Group.

**Additional Group responsibilities:** Group Transformation and Procurement Services; Group HR and Talent; Maintaining strategic customer relationships.

**Previous experience in Capita:** Joint Chief Operating Officer; Executive Director for Insurance and Investor Services and Integrated Services divisions; Successful implementation and delivery of a number of key contracts.

**Other external appointments:** None.

**Gillian Sheldon**

**Senior Independent Director**

**Date appointed to Board:** September 2012  
 (appointed Senior Independent Director on 1 January 2013)

**Independent:** Yes.

**Key skills and experience:**

Substantial experience of advising boards across a wide range of complex situations and transactions; Worked for seven years at NM Rothschild & Sons.

**Other current appointments:**  
 Senior banker at Credit Suisse;  
 Trustee of BBC Children in Need.

**Committee memberships:**

Audit and Risk;  
 Nomination;  
 Remuneration.

**Andrew Williams**

**Non-Executive Director**

**Date appointed to Board:** January 2015

**Independent:** Yes.

**Key skills and experience:**

Chartered Engineer;  
 Chief Executive of a FTSE 250 company, and a number of senior management positions within the organisation prior to appointment.

**Other current appointments:**

Chief Executive of Halma plc since 2005.

**Committee memberships:**

Audit and Risk;  
 Nomination;  
 Remuneration.

**John Cresswell**

**Non-Executive Director**

**Date appointed to Board:** November 2015

**Independent:** Yes.

**Key skills and experience:**

Chartered Accountant;  
 Substantial board level and commercial experience;  
 Extensive knowledge and experience of the TMT Sector.

**Other current appointments:** None.

**Committee memberships:**

Audit and Risk;  
 Nomination;  
 Remuneration (Chair).

**Matthew Lester**

**Non-Executive Director**

**Date appointed to the Board:** March 2017

**Independent:** Yes.

**Key skills and experience:**

Chartered Accountant; Chief Financial Officer of a FTSE 100 company; Previously Group Finance Director at ICAP plc, Group Financial Controller and Group Treasurer at Diageo plc.

**Other current appointments:** Chief Financial Officer of Royal Mail plc; Non-Executive Director of Man Group PLC.

**Committee memberships:**

Audit and Risk (Chair from 1 June 2017);  
 Nomination;  
 Remuneration.

## APPENDIX 2

### Summary of Principal Features of the New Share Plans

#### SUMMARY OF THE PRINCIPAL FEATURES OF THE CAPITA PLC LONG TERM INCENTIVE PLAN 2017 (2017 LTIP)

##### Eligibility

The 2017 LTIP will be operated and administered by the remuneration committee of the Board of Directors of the Company ('Remuneration Committee'). The Remuneration Committee will determine who may participate in the 2017 LTIP and this will extend to any employee (including an Executive Director) of the Company or any of the Company's subsidiaries.

##### Forms of Awards

Awards under the 2017 LTIP may be in the form of:

- › a conditional right to acquire ordinary shares in the Company ('Shares'); or
- › a nil-cost option to acquire Shares; or
- › a right to receive a cash amount which relates to the value of a certain number of notional Shares

(together the 'Awards').

Awards in the form of a nil-cost option will normally lapse on the date immediately before the tenth anniversary of the date of grant if they remain unexercised at that date.

##### Performance conditions

Awards for Executive Directors of the Company will be subject to the satisfaction of a performance condition measured over a performance period of at least three years, which will determine the proportion (if any) of the Award which will be capable of vesting. The Remuneration Committee may also set and test performance conditions which may attach to Awards not granted to Executive Directors of the Company.

Performance conditions may be amended or substituted if one or more events occur which cause the Remuneration Committee to consider that an amended or substituted performance condition would be more appropriate. Any amended or substituted performance condition that relates to Awards granted to Executive Directors of the Company would not be materially less difficult to satisfy than the original condition was intended to be.

The performance conditions applicable to Awards granted in any one year will be fully disclosed in the Company's annual report and financial statements for that year.

In relation to the testing of the performance condition and the ultimate number of Shares that vest, the Remuneration Committee will have the right, in its absolute discretion, to reduce (down to zero, if appropriate) the number of Shares that would vest, taking account of the performance of the Company and the contribution of the participant over the performance period.

##### Individual limits

Awards will not be granted to a participant under the 2017 LTIP over Shares (or notional Shares in the case of cash awards) with a market value (as determined by the Remuneration Committee) in excess of 300% of salary in respect of any financial year. In practice the size of Awards may be further limited by the Directors' Remuneration Policy.

##### Grant of Awards

Awards may only be granted within the period of 42 days following the approval of the 2017 LTIP by the Company's shareholders, the announcement of the Company's results for any period, from the date on which an individual becomes an eligible employee under the rules of the 2017 LTIP or any day on which the Remuneration Committee determines that exceptional circumstances exist. If, during such period, the Company is restricted from granting Awards, Awards may be made immediately following such restrictions ceasing to apply.

##### Dividends

The Remuneration Committee may determine that on the vesting of an Award in the form of a conditional Share award, or on the exercise of an Award in the form of a nil-cost option, a participant shall receive an amount in cash and/or Shares equivalent to the value of some or all of the dividends (and special dividends at the discretion of the Remuneration Committee) that would have been paid on the vested Shares between the date of grant and the date of vesting.

### Reduction for malus and clawback

The Remuneration Committee may, in its absolute discretion, determine at any time within five years of the grant of an Award to:

- › reduce the number of Shares to which an Award relates;
- › cancel an Award;
- › impose further conditions on an Award; or
- › require the participant to transfer to the Company a number of Shares or a cash amount,

in circumstances where:

- › the financial statements or results for the Group are materially restated (other than restatement due to a change in accounting policy or to rectify a minor error);
- › if in the reasonable opinion of the Board of Directors of the Company and following consultation with the relevant Group member:
  - › a participant has deliberately misled the management of the Company and/or the market and/or the Company's shareholders regarding the financial performance of any part of the Group;
  - › the participant's actions have caused the Group company and/or the Participant's business unit reputational damage;
  - › a participant's actions amount to serious misconduct or conduct which causes significant financial loss for the Group and/or the participant's business unit; or
  - › there have been overpayments, including any vestings under the 2017 LTIP, to the participant at a level higher than would have otherwise been the case due to material abnormal write-offs affecting any Group company of an exceptional basis.

### Vesting of Awards

The extent to which the performance conditions have been achieved and the level at which an Award consequently vests will normally be determined as soon as practicable after the end of any performance period (or on such later date as the Remuneration Committee determines).

At any time before or after the point at which an Award (which is not a cash Award) has vested, but the underlying Shares have yet to be issued or transferred to the participant, the Remuneration Committee may decide to pay a participant a cash amount equal to the value of the Shares he/she would otherwise have received.

Any Shares or cash that are to be issued, transferred or paid (as appropriate) to a participant in respect of a vested Award (including a cash Award) will be issued, transferred or paid (as appropriate) within 30 days of the date of vesting.

### Cessation of employment

Where the participant ceases to be employed by any member of the Group prior to the vesting of an Award by reason of death, ill health, injury, disability, a sale of the entity that employs the Participant out of the Group, redundancy or for any other reason at the Remuneration Committee's discretion (a 'Good Leaver'), a participant's unvested Award will usually continue and the Award will vest on the normal vesting date, unless the Committee determines that the Award shall Vest on such other date as the Committee may specify at the date of cessation.

The extent to which an unvested Award will vest for a Good Leaver will be determined by: (i) the extent to which any performance condition is satisfied at the end of any performance period or, as appropriate, at the date on which the participant ceases to be employed by a Group company; and (ii) unless the Remuneration Committee decide otherwise, pro-rating to reflect the period from the start of the performance period until the date of cessation of employment.

In the case of Good Leavers, Awards in the form of nil-cost options will normally be exercisable from the date of vesting until the first anniversary of the date of determination of the performance condition.

Awards will lapse immediately where the participant is lawfully dismissed without notice and in all other circumstances to the extent that the Awards do not vest.

### Corporate events

On a change of control of the Company, the number of Shares in respect of which Awards vest shall be determined by the Committee, to the extent to which any performance condition has been satisfied at the date of change of control and, unless the Remuneration Committee determines otherwise, pro-rating to reflect the period from the start of the performance period to the date of the relevant event (or such other relevant period). Where an Award is in the form of an option, this will then be exercisable for a period of one month and will then lapse.

Alternatively, the Remuneration Committee may permit or, in the case of an internal reorganisation or if the Remuneration Committee determined any other event, require Awards to be exchanged for equivalent awards which relate to Shares in a different company.

If other corporate events occur such as a demerger, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the value of Shares to a material extent, the Remuneration Committee may determine that Awards will vest conditional on the event occurring. The number of Shares in respect of which Awards vest shall be determined by the Committee, having regard to the extent to which any performance condition has been satisfied and, unless the Remuneration Committee determines otherwise, pro-rating to reflect the period from the start of the performance period to the date of the relevant event (or such other relevant period). If the event does not occur, Awards will continue.

## SUMMARY OF THE PRINCIPAL FEATURES OF THE CAPITA PLC DEFERRED ANNUAL BONUS PLAN 2017 (2017 DAB)

### Eligibility

The 2017 DAB will be operated and administered by the Remuneration Committee. The Remuneration Committee will determine who may participate in the 2017 DAB and this will extend to any employee (including an Executive Director) of the Company or any of the Company's subsidiaries.

### Forms of Awards

Awards under the 2017 DAB may be in the form of:

- › a conditional right to acquire Shares; or
- › a nil-cost option to acquire Shares; or
- › restricted Shares

(together 'Deferred Shares').

Awards in the form of a nil-cost option will normally lapse on the date immediately before the tenth anniversary of the date of grant if they remain unexercised at that date.

### Value of Awards

Eligible employees will have an entitlement to a performance based annual bonus, dependent on satisfaction of personal objectives, which will be set by the Remuneration Committee. Eligible employees invited to participate in the 2017 DAB will be required to agree to defer a percentage of any annual bonus earned and will be awarded a number of Deferred Shares equivalent to the amount of bonus so deferred. For Executive Directors of the Company, the percentage deferred shall not be less than 50% of any annual bonus award.

The number of Deferred Shares awarded shall be not more than the number of the Company's issued Shares having a market value (as determined by the Remuneration Committee) equivalent to the value of the percentage of the bonus deferred.

### Award of Deferred Shares

Deferred Shares may only be awarded within the period of 42 days following the approval of the 2017 DAB by the Company's shareholders, the announcement of the Company's results for any period, from the date on which an individual becomes an eligible employee under the rules of the 2017 DAB or any day on which the Remuneration Committee determines that exceptional circumstances exist. If, during such period, the Company is restricted from awarding Deferred Shares, awards may be made immediately following such restrictions ceasing to apply.

### Dividends

The Remuneration Committee may determine that on the vesting of the award in the form of a conditional Share award or on the exercise of an award in the case of an option, a participant shall receive an amount in cash and/or Shares equivalent in value of some or all of the dividends (and special dividends at the discretion of the Remuneration Committee) that would have been paid on the vested Deferred Shares between the date of award and the date of vesting. Participants holding Deferred Shares in the form of restricted Shares will be entitled to dividends in the same way as other shareholders.

### Reduction for malus and clawback

The provisions dealing reduction for malus and clawback are materially the same as outlined above for the 2017 LTIP, save that the period for malus or clawback is limited to three years from the date of determination of the relevant annual bonus which is deferred.

### Vesting of Deferred Shares

The vesting date of awards of Deferred Shares shall normally be the third anniversary of the date of the award. A later date may be specified by the Remuneration Committee at the date of grant.

At any time before or after the point at which an award of Deferred Shares (not being restricted Shares) has vested, but the underlying Shares have yet to be issued or transferred to the participant, the Remuneration Committee may decide to pay a participant a cash amount equal to the value of the Shares he/she would otherwise have received.

Any Shares or cash that are to be issued, transferred or paid (as appropriate) to a participant in respect of a vested award will be issued, transferred or paid (as appropriate) within 30 days of the date of vesting.

### Cessation of employment

Where a participant ceases to be employed by any member of the Group prior to the vesting of an award, a participant's Deferred Shares will vest earlier on the date of cessation other than in circumstances of dismissal for gross misconduct.

Awards in the form of nil-cost options will normally be exercisable from the date of vesting until the first anniversary of the date of cessation.

Awards will normally lapse immediately where the Participant is lawfully dismissed without notice and in all other circumstances to the extent that the Awards do not vest.

### Corporate events

On a change of control, all Deferred Shares forming an award shall vest immediately. Where an award is in the form of an option, this will then be exercisable for a period of one month and will then lapse.

Alternatively, the Remuneration Committee may permit or, in the case of an internal reorganisation or if the Remuneration Committee determined any other event, require awards to be exchanged for equivalent awards which relate to shares in a different company.

If other corporate events occur such as a demerger, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the value of Shares to a material extent, the Remuneration Committee may determine that awards will vest conditional on the event occurring. If the event does not occur, awards will continue.

## SUMMARY OF THE PRINCIPAL FEATURES OF THE CAPITA PLC SAYE OPTION SCHEME 2017 (2017 SAYE)

### General

The 2017 SAYE is a savings related share option scheme designed to take advantage of the tax beneficial status of savings related share option schemes which comply with schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 ('Schedule 3').

The 2017 SAYE will be administered by the Board of Directors of the Company (the 'Board') or a duly authorised committee of the Board.

### Eligibility

All UK employees and full-time Directors of the Company and participating companies within the Group are eligible to participate in the 2017 SAYE.

It is intended that invitations to apply for options over Shares in the Company ('Options') under the 2017 SAYE will be made to all eligible employees and full-time Directors who are employed by the Company and participating companies within the Group on the date invitations under the SAYE are issued. The Board will determine the basis upon which any invitations to apply for Options are made.

### Savings Contract

To participate in the 2017 SAYE, an eligible employee must enter in a save-as-you-earn contract ('Savings Contract') with the savings body designated by the Board, agreeing to make monthly contributions of between £5 and £500 of a specified savings period of three or five years. The Board has discretion to determine which of the Savings Contracts will be available in respect of any invitation to apply for Options. A bonus determined by HM Revenue & Customs ('HMRC') is payable after the expiration of the savings period.

Applications to participate in the 2017 SAYE may be scaled down by the Board, if applications exceed the number of Shares available for the grant of Options. Such scaling down may include:

- › the exclusion of bonuses;
- › reducing monthly contributions above a certain level pro rata;
- › reducing monthly contributions for each eligible employee pro rata; or
- › treating elections for five-year Saving Contracts as elections for three-year Savings Contracts.

### Option Price

The Option price for each ordinary share in respect of which an Option is granted shall not be less than the greater of:

- › 80 per cent of the average middle-market quotation as derived from the London Stock Exchange Daily Official List for the dealing day prior to the date of grant; and
- › the nominal value of the Shares.

### Issue of Invitations

Invitations to apply for Options may only be made within the period of 42 days following the approval of the 2017 SAYE by the Company's shareholders, the announcement of the Company's results for any period, from any day on which changes to the legislation or regulations affecting save as you earn schemes under Schedule 3 are announced, effected or made or any day on which the Board determines that exceptional circumstances exist. If, during such period, the Company is restricted from issuing invitations, invitations may be made immediately following such restrictions ceasing to apply.

### Grant of Options

The number of Shares over which Options may be granted must, as nearly as possible, be equal to, but not in excess of that number of Shares which may be purchased out of the repayment proceeds (including, any interest or bonus payable) of the relevant Savings Contract at the Option price.

Options under the 2017 SAYE may only be granted within the period of 30 days following the date on which the Option price is determined.

### Exercise of Options

Options will only normally be exercisable for a period of six months commencing on the third or fifth anniversary (as the case may be) of the starting date of the related Savings Contract and, if not exercised by the end of that period, the Option will lapse.

Earlier exercise may however be permitted in specified circumstances including:

- › termination of employment as a result of death, injury, disability, redundancy, retirement or the sale of the subsidiary or business for which the participant works; and
- › in the event of a takeover or liquidation of the Company.

### Corporate events

In the event of a takeover, reconstruction or winding up of the Company, Options may be exercised within six months of the change of control.

Alternatively, Options may be exchanged for new equivalent Options over shares in the acquiring company where appropriate.

## SUMMARY OF THE PRINCIPAL FEATURES OF THE CAPITA PLC SHARE INCENTIVE PLAN 2017 (2017 SIP)

### General

The 2017 SIP is a share incentive plan designed to take advantage of the tax beneficial status of share incentive plans which comply with schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 ('Schedule 2').

The 2017 SIP shall be administered by the Board or a duly authorised committee of the Board.

### Eligibility

All employees of the Company and participating subsidiaries who have been employed for a minimum period (not exceeding the period specified from time to time by HMRC) are entitled to participate in the 2017 SIP.

### Forms of Awards

The Board can operate the 2017 SIP in a number of ways. It can:

- › make an award of 'free shares'; and/or
- › give employees the opportunity to invest in 'partnership shares'; and
- › make an award of 'matching shares' to those employees who have invested in 'partnership shares' (free shares, partnership shares and matching shares – together 'Plan Shares'); and/or
- › require or allow employees to re-invest any dividends paid on their Plan Shares in further Ordinary Shares ('Dividend Shares').

### Free Shares

The Company may give free shares up to the maximum annual value set from time to time by HMRC. The current maximum annual value is £3,600 per employee. If the Company wishes, the award of free shares can be based on the achievement of individual, team, divisional or corporate performance measures which must be fair and objective and notified to all employees. Otherwise free shares must be awarded to employees on the same terms, although awards can vary by reference to remuneration, length of service or hours worked.

### Partnership Shares

The Company may provide employees with the opportunity to acquire partnership shares from their gross monthly salary, up to a maximum value set from time to time by HMRC, currently £1,800 per year. The Company may set a minimum monthly deduction which may not be greater than £10. Shares will be acquired on behalf of employees within 30 days after each deduction at the market value of the Shares on the date they are acquired.

Alternatively deductions can be accumulated during any accumulation period of up to 12 months. In this case, Shares will be acquired on behalf of employees within 30 days after the end of the accumulation period, at the lower of the market value of the Shares at the beginning of the accumulation period or the date when they are acquired.

### Matching Shares

The Company may give free shares up to a maximum number of free matching shares for each partnership share acquired by the employee set from time to time by HMRC. The current maximum is two matching shares for each partnership share.

### Dividend Shares

The Company can either give employees the opportunity or require employees to re-invest any dividends paid on any of their Plan Shares in further Shares.

### Trust

The 2017 SIP operates through a trust, which will acquire Shares by purchase, by subscription or by the acquisition of Shares held in treasury and will hold the Shares on behalf of the employees.

### Award of Free Shares

Awards of free shares may only be made within the period of 42 days following the approval of the 2017 SIP by the Company's shareholders, the announcement of the Company's results for any period, from any day on which changes to the legislation or regulations affecting save as you earn schemes under Schedule 2 are announced, effected or made or any day on which the Board determines that exceptional circumstances exist. If, during such period, the Company is restricted from awarding free shares, awards may be made immediately following such restrictions ceasing to apply.

### Holding period

Free and/or matching shares must be held in trust for a period specified by the Company, which must not be less than three years nor more than five years from the date on which the Shares are allocated to employees. Dividend Shares must be held in trust for three years.

### Cessation of employment and forfeiture of Shares

The Company can provide that free shares and/or matching shares are forfeited if employees cease employment with a member of the Group (other than because of certain circumstances such as redundancy, injury, disability, retirement, transfer of the employing business or change in control of the employing company) within the period of up to three years from the date on which Shares were allocated.

Employees can withdraw their partnership shares from the 2017 SIP at any time. However, the Company can stipulate that matching shares will be subject to forfeiture if the corresponding partnership shares are withdrawn within a specified period, not exceeding three years, of their purchase on behalf of the employee.

### Funding the SIP

If existing Shares under the 2017 SIP are acquired as partnership shares, participating Group companies may be required to fund the acquisition cost to the extent that salary deductions are insufficient to do so. This may be the case if an accumulation period is operated.

## SUMMARY OF THE PRINCIPAL FEATURES COMMON TO ALL OF THE 2017 LTIP, 2017 DAB, 2017 SAYE AND 2017 SIP (NEW SHARE PLANS)

Each of the following features are common to each of the New Share Plans.

### Terms of Awards

Awards may be granted over newly issued Shares, treasury Shares or Shares purchased in the market. Awards are not transferable (other than on death). No payment will be required from participants for the grant of any awards.

### Limits on the issue of Shares

The New Share Plans are subject to the following overall limits:

- › the number of Shares which may be issued or issuable pursuant to rights granted in any 10 year period under the New Share Plans and under any other employees' share plan adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time; and
- › in any 12 month period not more than 1% of the issued share capital of the Company from time to time may be issued or issuable pursuant to rights granted under the New Share Plans and any other employees' share plan adopted by the Company.

Treasury Shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

The above limits may be varied by the Remuneration Committee or Board, as appropriate, to take into account any variation in the Company's share capital from time to time.

### Rights attaching to Shares

All Shares issued or transferred under the New Share Plans will rank pari passu with all other Shares of the Company for the time being in issue (save as regards any rights attaching to such Shares by reference to a record date prior to the date of issue or transfer to the participant).

### Adjustments

In the event of any rights of capitalisation issue, sub-division, consolidation, reduction or other variation of the ordinary share capital, the Remuneration Committee or the Board, as appropriate, may make such adjustments as it considers appropriate to the number of Shares subject to awards and/or, in the case of options, the price payable on the exercise of options.

### Amendments and termination

The Remuneration Committee or the Board, as appropriate, may amend the New Share Plans at any time, provided that prior approval of the Company's shareholders in a general meeting will be required for amendments to the advantage of employees relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares comprised in an award and the impact of any variation of capital.

However, any minor amendment to benefit administration, or any amendment to take account of legislative changes, or to obtain or maintain favourable tax, exchange control or regulatory treatment in any jurisdiction, may be made by the Remuneration Committee or the Board, as appropriate, without shareholder approval.

No further awards may be made under the New Share Plans on or after the tenth anniversary of the approval by shareholders of the New Share Plans but the rights of existing participants will not be affected by any termination.

### Overseas plans

The Remuneration Committee or the Board, as appropriate, may establish such sub-plans or schedules to the New Share Plans, modified to take account of local tax, exchange controls or securities laws if required to do so or if it is beneficial to do so in any overseas jurisdiction, provided that any Shares made available under such plans are treated as counting against the limits on individual and overall participation in the New Share Plans.

### Pension benefits

Benefits under the New Share Plans are non-pensionable.