

## For the Capita Website

### **DIRECTORS' REMUNERATION POLICY REVIEW – 2021 RSA LEVELS – 12 April 2021**

Following the publication of the 2020 Annual Report and as Capita approaches the 2021 AGM, the Remuneration Committee has now given consideration to the proposed 2021 award levels. The following statement sets out the Committee's proposed approach.

#### **Proposed 2021 RSA Levels**

Based on the normal LTIP award levels of 300% of salary for the CEO and 200% of salary for the CFO (once appointed), the application of the proposed 50% discount results in normal RSAs of 150% of salary for the CEO and 100% of salary maximum RSA for the CFO.

However, reflecting that Capita's current share price remains low, the Committee has agreed to reduce the 2021 award levels to no more than 125% of salary for the CEO and no more than 83% of salary for the CFO role. That said, the Committee will revisit this to increase/decrease award levels appropriately if Capita's share price was to move significantly between the date of this statement and the grant date.

In proposing these award levels, in addition to the prevailing share price, the Committee has also considered:

- the significant reduction applied to the 2020 LTIP awards (reduced by c.70%). As this was an exceptional, one-year reduction, the Committee is of the view that it would not be appropriate to use these awards as a direct comparison for 2021 RSA levels;
- the need to appropriately retain Jon Lewis and recruit a new CFO following Patrick Butcher's resignation at the end of 2020, particularly given that Capita remains part-way through its Transformation Plan;
- the shareholder protections the Committee has put in place in respect of operating an objective TSR growth target and the 3+3 year vesting and holding period; and
- the Committee's track record in applying negative discretion to incentive awards prior to payment/vesting to ensure that they align to the shareholder experience.

Georgina Harvey

**Chair of the Remuneration Committee, Capita**