

## Remuneration Committee Terms Of Reference

Adopted by the Board of The Capita Group Plc on 24 November 2008

### 1. Sub-committee of the Board

The Remuneration Committee ("the Committee") has been established by the Board under the Company's Articles of Association.

### 2. Membership

The Committee will be appointed by the Board.

The Committee will consist of at least three members, all of which are non-executive directors.

The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman, and an appointed deputy, the remaining members present shall elect one of the members present to chair the meeting.

The Committee Chairman and members shall be listed each year in the Annual Report.

### 3. Secretary

The Deputy Company Secretary or nominee shall act as the Secretary of the Committee.

The Deputy Company Secretary shall act as Secretary to the Committee. In conjunction with the Chairman he will prepare an Agenda for each meeting which shall be circulated at least one week in advance of the meeting to all members of the Committee and attendees, together with any supporting papers. All Directors should be given notice of the meeting and provided with a copy of the Agenda.

### 4. Meetings and Attendance

The Committee will meet at least twice each year and at such other times as it sees fit. The quorum for meetings will be three members.

### 5. Authority

The members of the Committee are authorised by the Board to carry out any activities relevant to its terms of reference.

## 6. Duties/Responsibilities

The Committee will at all times comply with the Listing Rules issued by the Financial Services Authority acting in its capacity as the competent authority for the purposes of part VI of the Financial Services and Markets Act 2000 ('the Listing Rules') and the recommendations of the Combined Code on Corporate Governance annexed to the Listing

The specific responsibilities of the Committee are:

1. To determine and agree with the Board the framework for broad policy for the remuneration of the Chief Executive and such other members of the executive management it is designated to consider;
2. setting remuneration for all Executive Directors, the Chairman and, to maintain and assure their independence, the Company Secretary;
3. review the service contracts of Executive Directors, including notice periods, compensation, pension, early termination;
4. to determine targets for any performance-related pay schemes operated by the Group;
5. establish and oversee the operation of appropriate short term and long term performance-related remuneration;
6. to determine the policy for and scope of pension arrangements for each executive director;
7. to ensure that contractual terms of termination, and any payments made, are fair to the individual and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
8. within the terms of the agreed policy, to determine the total individual remuneration package of each Executive Director including, where appropriate, bonuses, incentive payments and share options;
9. in determining such packages and arrangements, to give due regard to the contents of the 'Code' as well as the UK Listing Authority's Listing Rules and associated guidance;
10. to be aware of and advise on any major changes in employee benefit structures throughout the Group;
11. to agree the policy for authorising claims for expenses from the Chief Executive and Chairman;
12. to ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Director's Remuneration Report Regulations 2002, the Listing, Disclosure and Transparency Rules and the Code, are fulfilled;
13. to make a statement in the annual report about its activities; explain if external advice has been sought; the membership of the Committee, the number of Committee meetings and attendance over the course of the year;
14. to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms for any remuneration consultants who advise the Committee;

15. to establish and oversee the Group's share plans and make recommendations to the Trustees as appropriate;
16. to ensure that performance-related pay forms a significant proportion of total compensation and to set appropriate targets;
17. to attend the Company's AGM;
18. to consider any other matters as referred to the Committee by the Board;
19. to make available the Committee's Terms of Reference explaining clearly its role and the authority delegated to it by the Group Board.

The remuneration of the Chairman remains a matter reserved for the Board.

## **7. Reporting Requirements**

The Secretary of the Committee will circulate the minutes of meetings of the Committee to all members of the Board, except where a conflict exists.