

Capita Employee Benefits Limited

Explanation of compliance with the Remuneration Code



Capita Employee Benefits Limited (“CEBL”) is a firm subject not just to regulation by the Financial Conduct Authority (“FCA”), but also the obligations of the EU’s Capital Requirements Directive and associated Regulation (“CRD/CRR”).

Article 96 of the CRD, as transposed into Chapter 19.3A of the FCA “Senior management, systems and controls” (“SYSC”) sourcebook, requires a firm that maintains a website to explain on the website how it complies with the Remuneration Code:

<http://fshandbook.info/FS/html/FCA/SYSC/19A>

The purpose of this material is therefore to satisfy that obligation.

The Remuneration Code is designed to ensure that firms have risk-focused remuneration policies, which are consistent with and promote effective risk management and do not expose them to excessive risk.

It requires firms to maintain formal policies and procedures implementing the Code’s provisions which amplify the over-arching objective above.

CEBL has implemented a formal remuneration policy that addresses all the Code’s requirements and applies to all employees subject to the Code and their remuneration. The policy is subject to oversight and periodic (at least annual) review by the CEBL Remuneration Committee. A list of the staff subject to the provisions of the Code applying to certain, more senior, categories of employee, is also maintained and is also subject to periodic review.

As the Code applies to all CRD/CRR firms, it covers a wide-range of institutions, from smaller, simpler organisations (such as CEBL), to the largest banks. The Code therefore allows for the proportionate implementation of certain obligations. The CEBL Remuneration Committee, having regard to the nature, scale and complexity of its activities, and also taking account of its status as a wholly-owned Capita plc subsidiary, has concluded that it is appropriate and in the Company’s interests to make use of such flexibility. Where proportionate implementation has occurred, then this is reflected in the formal policy.