

IFPR PUBLIC DISCLOSURES AS AT 31 DECEMBER 2025

QUILTER CHEVIOT LIMITED

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Section A. Introduction and purpose

A1 Regulatory framework

The UK financial services regulator, the Financial Conduct Authority (FCA), introduced the Investment Firms Prudential Regime (IFPR) on 1 January 2022. This is the regulatory framework that governs the amount and nature of capital resources that investment firms must hold. The requirements for investment firms are set out in the Prudential Sourcebook for MiFID Investment firms (MIFIDPRU). The IFPR aims to streamline and simplify the prudential requirements for MiFID investment firms that the FCA prudentially regulate in the UK (FCA investment firms). It refocuses prudential requirements and expectations away from the risks that firms face, to also consider and look to manage the potential harm firms can pose to consumers and markets.

The IFPR applies to MiFID investment firms authorised and regulated by the FCA and is directly applicable to Quilter Cheviot Limited ('QCL' or 'the Company').

The IFPR includes a new framework for annual regulatory disclosures. QCL is considered to be a non-small and non-interconnected investment firm (non-SNI) MIFIDPRU investment firm and is required to make public disclosures under the requirement of Chapter 8 of MIFIDPRU.

This document sets out the disclosures that QCL is required to make publicly available under the IFPR, covering the following key areas:

- Governance arrangements;
- Risk management objectives and policies;
- Own funds;
- Own funds regulatory requirements; and
- Remuneration policy and practices.

This disclosure has been prepared in line with the requirements of the IFPR legislation, to help QCL's customers and other stakeholders to understand the nature of the business, how the business is managed, and its capital position. This report should be read in conjunction with the 2025 QCL Annual Report and Financial Statements.

A2 About Quilter Cheviot Limited

The Company is registered in England and Wales and provides investment management and financial planning services to private clients, charities, and institutions in the United Kingdom through a network of offices in London and the regions. The Company is part of the Quilter plc Group ('Quilter' or the 'Group'). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Group with strategic and governance oversight. The Company forms part of the High Net Worth segment.

A3 Name and contact details of the supervisory authority

QCL is supervised by the Financial Conduct Authority.

Financial Conduct Authority

12 Endeavour Square

London

E20 1JN

A4 Name and contact details of the external auditor

PricewaterhouseCoopers LLP is the statutory auditor of QCL for the period ending 31 December 2025.

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

A5 Qualifying holdings in the undertaking

100% of the voting rights of QCL were held by the immediate parent company throughout the reporting period.

A6 Frequency of disclosure

QCL's IFPR disclosures are made on an annual basis following publication of the Company's annual report and financial statements. QCL may make additional disclosures where appropriate, for example, in the event of material changes to the Company's business model or risk profile.

A7 Publication

The IFPR disclosure report is published on the Quilter Cheviot website (www.quiltercheviot.com).

A8 Reporting currency

QCL reports in Great British Pounds (GBP).

A9 Reporting period

This report covers the financial position as at 31 December 2025.

A10 Verification

This disclosure is not audited but has been reviewed internally. The elements of this disclosure taken from the audited financial statements of QCL have been subject to external verification. These disclosures explain how the QCL Board has calculated certain capital requirements and information about risk management generally. This disclosure does not constitute a set of financial statements and should not be relied upon in making judgements about QCL or for any other purpose than that for which the disclosure is intended.

Section B. Governance arrangements

B1 Quilter Cheviot Limited Board and Committees

QCL adheres to the Quilter Group's governance framework and delegated authorities defined in the Group Governance Manual. Quilter plc manages the Group in an integrated manner, enabling it to fulfil its legal and regulatory responsibilities while delivering the best outcomes for its stakeholders. The Quilter plc Board is responsible for setting the overall Group business strategy and risk appetite, with the relevant aspects being reviewed by QCL.

The QCL Board is responsible for the overall oversight of the Quilter Cheviot business, which comprises Quilter Cheviot Holdings Limited and its subsidiaries. It is responsible for approving Quilter Cheviot's strategic aims and objectives, in line with the broader Quilter strategy. The Board also approves Quilter Cheviot's annual operating and capital expenditure budgets, as well as the Annual Report and Accounts and dividends. The Board is responsible for decisions required in order to ensure the maintenance of a sound system of audit, risk management, compliance and internal control, including approval of the Company's Risk Appetite Statement.

The Board has established a Governance, Audit and Risk Committee ('GARC') as a standing Committee responsible for reviewing and monitoring all material governance, audit and risk related matters. The GARC reports to the QCL Board and the Quilter plc Board Risk and Board Audit Committees on its proceedings. The membership of the GARC comprises at least two Non-executive Directors of QCL appointed by the Board. At least one member has recent and relevant financial experience and competence in accounting and/or auditing. The Committee as a whole has competence relevant to the sector in which the Company operates.

The Board of QCL is comprised of a majority of Non-executive Directors.

The Quilter plc Board has adopted a Risk Management Framework that applies to the entire Quilter Group and has been adopted by QCL. At the core of this is the Three Lines of Defence model to risk management and internal controls.

B2 Three lines of defence

The Quilter governance model is designed to promote transparency, accountability, and consistency through the clear identification of roles, the separation of business management and governance and control structures, and by tracking performance against accountabilities. The segregation of risk-taking oversight and assurance is codified in Quilter's Three Lines of Defence model which ensures clear accountability and ownership for risk and controls.

The responsibilities of each line of defence are set out below:

First Line of Defence Risk Origination, Ownership and Management – all employees	Second Line of Defence Risk Oversight, Challenge and Advice - Risk and Compliance Functions	Third Line of Defence Assurance - Internal Audit
The primary responsibility for risk management lies with business management and all employees, who are responsible for managing risk as part of their day-to-day activities. They are responsible for identifying and evaluating the significant risks to the business, for designing and operating suitable controls and reporting risks and issues that arise in their areas.	The second line responsibilities are to provide risk frameworks and advice to the business. Risk's role also includes reviewing and challenging the business on how well the frameworks, standards and regulatory requirements have been implemented and providing additional insights on the main risks being run, the controls around these and the capital held.	The third line responsibilities, owned by Internal Audit (IA) are to provide independent, objective assurance. The scope of IA's activities encompass the examination and evaluation of the design adequacy and operating effectiveness of Quilter's system of internal controls and associated risk management processes
Accountable: 1. Chief Executive Officer / Chief Finance Officer / Chief Operating Officer 2. Executive Management 3. All employees	Accountable: 1. Chief Risk Officer 2. Risk Leadership Team 3. Risk Function	Accountable: 1. Chief Internal Auditor 2. Internal Audit Team

B3 Roles and duties of the Quilter plc and Quilter Cheviot Limited Boards

Quilter is governed and managed as an integrated group. This enables the Quilter plc Board to discharge its legal and regulatory responsibilities whilst delivering the best for its customers.

The role of the Quilter plc Board of Directors in respect of QCL is as follows:

- To set the overall business strategy for the Quilter Group which will be tested and challenged by the QCL Board;
- To set the overall Group risk appetite, which will be tested and challenged by the Quilter Cheviot Limited Board;
- To generally oversee QCL to ensure maintenance of sound risk controls and governance systems, integrity of financial information, regulatory compliance and sound planning, performance and overall management, either directly or via delegation to its Committees;
- To annually agree the capital plan, which will include the allocation of capital to QCL;
- To consider and, if thought fit, approve matters escalated to it, including those escalated from the QCL Board; and
- Through its Board Corporate Governance and Nominations Committee, approve the appointment of the Chair of the QCL Board.

Whilst strategy is set by the Quilter plc Board and reliance is placed on business boards to oversee delivery of the strategy, input from each business board is sought on the business-level strategy. Each business board should promote strategic developments that put customers at the heart of the business and promote long-term sustainable value creation.

The roles and duties of the QCL Board are as follows:

- To act independently in delivering the business-level strategy and objectives. Directors are expected to add real value to the business through their knowledge and experience of the business and have the ability to identify risks and provide robust challenge. The Quilter plc Board will place reliance on the assurance provided by the subsidiary board;
- To hold executives to account in respect of business performance, the identification and mitigation of key risks, regulatory responsibility and customer outcomes and to support the delivery of the business-level strategy within the context of the overall Quilter strategy; and
- To identify potential conflicts of interest with the parent and ensure that these are appropriately managed, particularly if this is likely to impact the safety and soundness of the subsidiary. With the exception of these areas the QCL Board is expected to demonstrate an independent approach whilst supporting the execution of the agreed Quilter strategy.

B4 Quilter Cheviot Limited Board of Directors

The table below sets out members of the QCL Board and their total number of directorships (including any Limited Liability Partnerships and trustee positions) as at 31 December 2025.

Name	Role	Number of directorships held within the Quilter Group	Number of Directorships held external to the Quilter Group*
Ian Buckley (resigned 31 December 2025)	Chairman	1	2
Moira Kilcoyne	Independent Non-Executive Director	5	3
Philip Tew	Independent Non-Executive Director	1	1
Paul Barnacle	Director	11	0
Andrew McGlone (resigned 19 September 2025)	Director	5	1
John Goddard (appointed 20 September 2025)	Director	4	1

** Note: directorships in organisations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organisations, are excluded and directorships held within the same group (for external directorships) are counted as a single directorship.*

B5 Recruitment and selection of members of the management body

In line with the 2024 UK Corporate Governance Code, the selection and recruitment of Directors is based on merit. Role profiles set out the skills, experience, competencies and knowledge required for the role (and regulatory and firm-specific responsibilities for regulated roles).

Prior to employment and regularly thereafter, background checks are conducted to ensure individuals are fit and proper.

In determining the composition of the management body, we aim to ensure that the individuals have the appropriate skills, experience and, as a whole, the right blend of skills and experience to carry out the responsibilities of the management body.

B6 Promoting diversity on the management body

All members of the management body are subject to Quilter's Equality and Diversity Principles, summarised as follows:

- The Company will create a working environment which is free from discrimination, victimisation and harassment and which respects the diverse backgrounds and beliefs of members of the Company;
- No employee or prospective employee or other individual will receive less favourable treatment or be disadvantaged by any circumstances, conditions or requirements that cannot be justified;
- Management will make every effort to ensure they will not unreasonably exclude any individual from access to any activities, facilities or services, or any employment opportunities, that they offer;
- The Company will treat all members of the Company and job applicants equally and fairly and not discriminate unlawfully against them. This will, for example, include arrangements for recruitment and selection, terms and conditions of employment, access to training opportunities, access to promotion and transfers, grievance and disciplinary processes, demotions, selection for redundancies, dress code, references, work allocation and any other employment related matters; and
- Every employee is entitled to expect equality of opportunity in all aspects of their employment including its terms and conditions.

The Quilter Group and therefore applicable to QCL, aims to achieve diversity across all dimensions, including, but not limited to age, gender, gender identity, sexual orientation, ethnicity, neurodiversity and socio-economic background.

The Human Resources function works with the Businesses to develop and assist in implementing action plans arising from employee surveys.

It is important that across the Quilter Group there is an open and transparent environment where employees are able to raise issues openly.

Goals are set out in our inclusion and diversity action plan which aim to:

- Evolve our culture and bridge the gap between minority and majority groups by focusing on the differing needs of all our people;
- Grow our reputation as a responsible employer that attracts, develops, retains, and fully engages all the diverse talent across our organisation; and
- Increase the representation of underrepresented groups at all levels and meet the targets set for our senior leadership team.

These goals will be delivered by our focus on five strategic areas:

- Investing in the next generation;
- Data and disclosure;
- Inclusive leadership;
- Culture; and
- Practice and process.

B7 Governance, Audit and Risk Committee

The Governance, Audit and Risk Committee is a standing committee of the QCL Board. Its purpose is to assist the QCL Board in the effective discharge of its oversight responsibilities for governance, audit and risk management.

The delegated responsibilities of the Governance, Audit and Risk Committee include:

- Assessing the integrity of the financial statements;
- Reviewing arrangements for regulatory financial reporting;
- Reviewing and assessing the effectiveness of the risk management systems, policies, internal controls;
- Reviewing the major risk exposures of the Quilter Cheviot Group and the steps management has taken to monitor and control such exposures;
- Reviewing the risk exposure of the Quilter Cheviot Group in relation to the risk appetite of the QCL Board, the risk capacity of Quilter Cheviot Group and ensuring risk appetite is aligned to risk appetite of the Quilter Group as set by the Quilter plc Board;
- Reviewing the effectiveness, independence and objectivity of the internal audit function;
- Oversees the relationship and effectiveness of the external audit process;
- Overseeing developments and prospective changes in the regulatory environment that relate to Compliance and Financial Crime functions;
- Oversee effective operation of the regulatory control environment, including policies and procedures and the annual compliance monitoring plan;
- Annually reviewing and making changes to the terms of reference of the Committee for recommendation to the QCL Board;
- Reporting to the QCL Board on any matters within its terms of reference where it considers that action or improvement is needed and making recommendations as to the steps to be taken; and
- Considering any other matters as requested by the QCL Board.

Section C. Risk management objectives and policies

C1 Risk management framework

Quilter's Risk Management Framework is designed to provide a qualitative and quantitative approach to the understanding and management of risks. The framework supports the evaluation and management of business opportunities, uncertainties, and threats in a structured and disciplined manner.

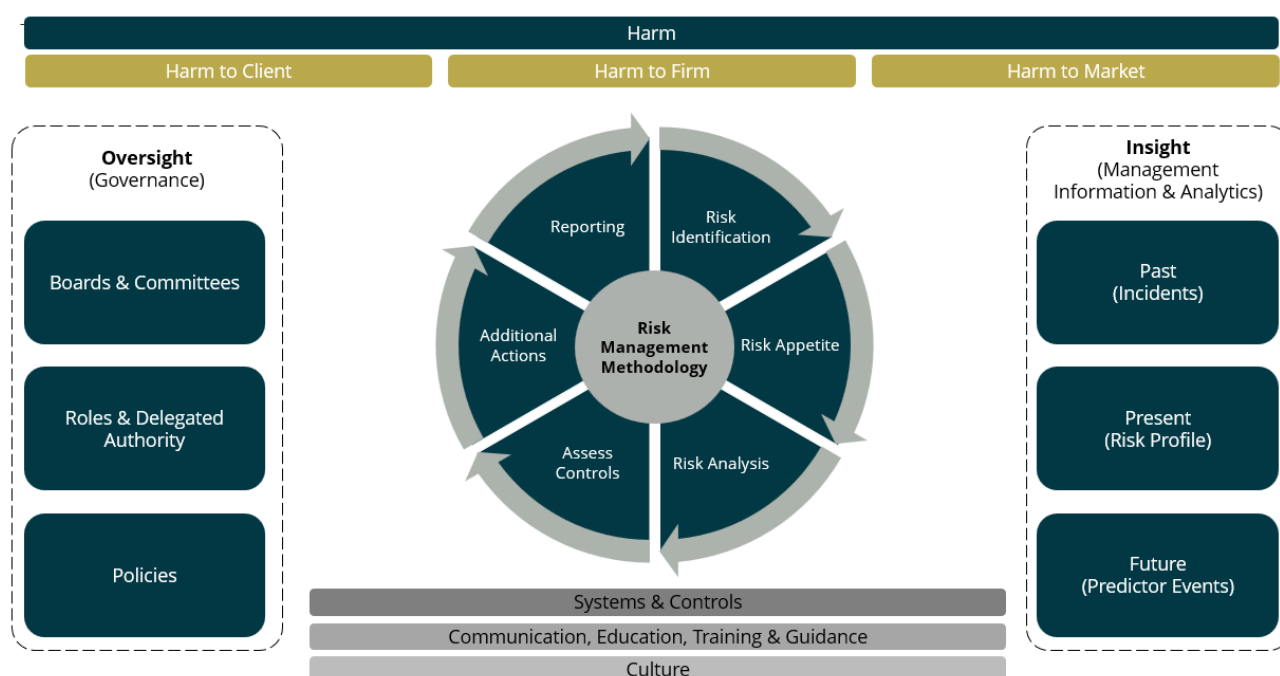
The Enterprise Risk Management Policy sets out the minimum standards in relation to implementing and maintaining an adequate and effective Risk Management Framework. The Risk Management Framework, alongside other policies, contributes to the system of internal control as set out on the Group Governance Manual ('GGM'). Quilter's Risk Management Framework forms the basis of the approach to assessing the risk as part of the Internal Capital Adequacy and Risk Assessment ('ICARA').

The Risk Management Framework encompasses a number of elements, including:

- The corporate governance arrangements which set out the way that the organisation is structured and managed;
- The end-to-end process involved in the identification, measurement, assessment, management, monitoring and reporting of risk; and
- The culture and behaviour that is exhibited and the associated reward mechanisms.

Quilter links risk management to performance, as well as to the Group's remuneration and reward schemes. An open and transparent working environment which encourages employees to embrace risk management and speak up where needed, is critical to the achievement of the Group's objectives.

The core elements of the Risk Management Framework are illustrated below:



C2 Key risk management framework components

Risk identification

Risk identification is carried out throughout the business, through the maintenance and regular review of risk and control self-assessments (RCSA). Risk identification is also conducted to support changes to the business, changes to the operating model, the introduction of new products or services, or following significant internal or external events.

Risk appetite

Risk appetite statements define the amount of risk that the Board is willing to accept across risk categories. This risk appetite approach is applied consistently across Quilter, with Level 1 statements being supported by a series of more granular risk appetite statements and measures at Level 2. Quilter's position relative to risk appetite is measured on a regular basis through the monitoring of key indicators and management information reported to the Board. The risk appetite statements and key risk indicators were reviewed and refreshed during 2025. The Board expects management to maintain controls to ensure that risk exposures remain within appetite, or where indicators show Quilter is outside of risk appetite, to put in place actions to reduce exposure to acceptable levels. Quilter's risk appetite statements for Level 1 risk categories are shown below.

Business strategy and performance	We aim to ensure the business pursues sustainable and responsible growth and profitability in line with strategic priorities to enhance shareholder value.
Business operation	We aim to maintain an appropriately controlled and resilient operating environment, both internally and through our critical outsourced service providers, which is proportionate to the nature, scale and complexity of our business to ensure good customer outcomes.
Technology and security	We aim to manage the availability, integrity, functionality and security of our critical business processes, supporting systems and data, both internally and where managed by third parties. We acknowledge that moderately disruptive business or technology/ security events will occur but aim to minimise their impact within pre-agreed thresholds designed to protect our customers.
Customer and product proposition	We aim to avoid foreseeable harm to customers, reputational issues and financial loss through ensuring that products and services are appropriately designed and maintained. We ensure that our advice proposition and the way that products and services are distributed is aligned to their target market, suitable to customer needs and deliver good customer outcomes.
Regulatory tax and legal	We aim to maintain appropriate relationships with our regulators, comply with all relevant rules and legislation, and adopt a proportionate approach to the interpretation of rules and guidance that reflects the intent of the rules and protects against foreseeable harm to customers, the firm and the wider market.
People	We aim to attract and retain sufficient competent and diverse resource which is aligned to the business strategy. We aim to foster a positive high-performance and open culture where staff feel supported and able to speak up.

Risk analysis

All material risks are assessed to consider their likelihood of occurrence and potential impact on Quilter's business. This includes the assessment and quantification of potential harms to customers, the firm or the market. This analysis informs Quilter's capital and liquidity requirements through the Internal Capital Adequacy and Risk Assessment ('ICARA') and Own Risk and Solvency Assessment ('ORSA'). Quilter performs a range of plausible but severe stress tests and scenarios, including market and idiosyncratic stresses and operational risk scenarios.

Assess controls

The design adequacy and operating effectiveness of controls is assessed through RCSAs. These are subject to review and challenge by the Second line Risk function.

Additional actions

Where there are differences between residual level of risk and risk appetite and it is not possible to further mitigate the risk, appropriate action is taken to either accept, transfer or avoid the risk, or the risk appetite will be reassessed if appropriate. Remedial action tracking is facilitated and monitored through the risk management system and is subject to regular monitoring.

Reporting

Quilter's management risk committees consider risk matters relevant to their business area and escalate as required to the Quilter Group Executive Risk Management Committee (ERMC), with onward escalation, as appropriate, to the Board Risk Committee and to the Board. The ERMC is the most senior executive committee responsible for reviewing and monitoring the risk profile of the Group.

Policies supporting the system of internal control

The Quilter plc Board bears ultimate responsibility for risk management, including setting risk appetite and approving policies across Quilter. The Board's responsibility is to ensure the proper functioning of Quilter's risk management activities and to set the 'tone at the top' with respect to risk management.

The GGM together with the Group Risk Policy suite forms an integral part of Quilter's Governance and Risk Management Framework, ensuring an appropriate system of internal control, including financial, operational and compliance areas.

The purpose of the Group Risk Policy suite is to ensure appropriate controls are in place in relation to the key risks Quilter faces through:

- Establishing the principles by which Quilter oversees and manages key risks and processes within Quilter; and
- Providing clear ownership, responsibilities and minimum requirements for the management of risks, including the Group's appetite for the risk.

C3 Internal Capital Adequacy and Risk Assessment

Under the IFPR regime, which was implemented on 1 January 2022, UK investment firms authorised under the UK Markets in Financial Instruments Directive ('MiFID') are required to produce an ICARA.

The ICARA process covers the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure that its operations can be wound down in an orderly manner.

The purpose of the ICARA process is to demonstrate that QCL:

- Has in place appropriate systems and controls to identify, monitor and reduce material potential harms.
- Identifies all material harms that could result from:
 - the ongoing operation of the Business (the going concern assessment); and
 - the winding-down of the Business (the wind-down assessment).
- Where material potential harms remain after implementation of systems and controls, it assesses whether to retain additional own funds to mitigate the harms and/or to retain additional liquid assets to mitigate the harms.
- Assesses and monitors the adequacy of own funds and liquid assets, including on a forward-looking basis.
- Uses stress testing to identify whether the Business has sufficient own funds and liquid assets.
- Identifies recovery actions that could be taken to avoid a breach of own funds and liquid asset threshold requirements or to restore compliance with threshold requirements.
- Identifies steps and resources that would be required to ensure an orderly wind-down of the Business.

C4 Adequacy of risk management arrangements

QCL has an ongoing process for identifying, evaluating, and managing the principal risks that it faces. The QCL Board reviews these risk assessments over the course of the year. The QCL Board acknowledges its responsibility for establishing and maintaining Quilter's system of internal control, and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risks to which the Company is exposed. The Board confirms the adequacy of the risk management systems with regard to the Company's risk profile and strategy.

C5 Risk addressed by own funds requirement

The Own funds requirement is designed to provide for the risk of harms to clients and the firm which could arise due to certain operational risks. This includes the following:

- Risk of harm to clients from incorrect investment management or poor execution, for example, risk of non-adherence to investment mandate.
- Risk of harm to clients due to errors in the safeguarding and administration of assets, for example, risk of outages in the firm's systems that cause disruption to the continuity of the firm's services.
- Risk of harm to clients due to errors in the management of client money, for example, risk of failure to comply with the provisions of client money and asset requirements.
- Risk of harm to clients or the firm due to trading or dealing errors.

Quilter has a suite of policies and standards in place which provide the business requirements for the identification, measurement, management, monitoring and reporting of risks. These include the Operational Risk Policy, Customer Policy, Business Continuity and Crisis Management Policy, Information Technology Policy and Information Security Policy.

C6 Concentration risk

Concentration risk primarily arises in respect of credit risk exposures with financial institutions with which the Company holds investments of shareholder funds. Counterparty concentration risk is the risk of a significant single exposure to one financial institution.

Counterparty concentration risk is managed through the use of limits on the level of cash deposits which are held with counterparties in order to avoid excessive concentration.

With the exception of its bank deposits, the Company has no further significant concentration of credit risk.

The contribution of individual customers or counterparty firms to the Company's total revenue is not significant and therefore earnings concentration is not considered to be a material risk to the Company.

C7 Liquidity risk

Liquidity risk is the risk that there are insufficient assets or that assets cannot be realised in order to settle financial obligations as they fall due or that market conditions preclude the ability of the firm to trade in illiquid assets in order to maintain its asset/liability matching ('ALM') profile.

The Company manages liquidity on a daily basis through:

- Maintaining adequate high-quality liquid assets and banking facilities, the level of which is informed through appropriate liquidity stress testing;
- Continuously monitoring forecast and actual cash flows; and
- Monitoring a number of key risk indicators to help in the identification of a liquidity stress.

The Company maintains and manages its local liquidity requirements according to its business needs within the overall Group Liquidity Risk Framework that includes the Group Liquidity Risk Policy and the Group Liquidity Risk Appetite Statement and thresholds. The framework is applied consistently across all businesses in the Group to identify, manage, measure, monitor and report on all liquidity risks that have a material impact on liquidity levels. This framework considers both short-term liquidity and cash management considerations and longer-term funding risk considerations.

Liquidity is monitored centrally by Group Treasury, with management actions taken at a business level to ensure each Company has liquidity to cover its Liquid Assets Threshold Requirement, with an appropriate buffer set in line with the Group Risk Appetite Statement.

The Group maintains contingency funding arrangements to provide liquidity support to businesses in the event of severe liquidity stresses that are greater than their risk appetite. Contingency Funding Plans are in place in order to set out the approach and management actions that would be taken should liquidity levels fall below the Liquid Assets Threshold Requirement.

Section D. Own funds

D1 Composition of regulatory own funds

The firm's own funds are exclusively CET1 capital. At 31 December 2025, and during the year, the firm complied with all externally imposed capital requirements set out in IFPR. Tier 1 capital consisted of fully issued ordinary shares, satisfying all the criteria for a Tier 1 instrument as outlined in IFPR, and audited reserves. The tier 1 capital quoted in this report includes 2025 profit which has undergone an external audit and is therefore 'verified'. The tier 1 capital reported in the MIF001 and submitted to the FCA in January 2026, excluded 2025 profit since at that point it had not been 'verified'.

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS		
2	TIER 1 CAPITAL	132,627	
3	COMMON EQUITY TIER 1 CAPITAL	132,627	
4	Fully paid up capital instruments	159,391	Note 15
5	Share premium	-	
6	Retained earnings	57,985	"Retained Earnings"
7	Accumulated other comprehensive income	-	
8	Other reserves	23,555	Note 15 and 16
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(108,304)	Notes 8, 10, and 18
19	CET1: Other capital elements, deductions and adjustments	-	
20	ADDITIONAL TIER 1 CAPITAL	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25	TIER 2 CAPITAL	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

D2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows a reconciliation of own funds to balance sheet in the audited financial statements, broken down by asset and liabilities classes respectively.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements (GBP thousands)				
		a	b	c
		Balance sheet as in published/ audited financial statements	Under regulatory scope of consolidation	Cross- reference to template OF1
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible assets	11,497	0	Items 11 – Deduction of Intangible assets
2	Fixed assets	989	989	
3	Investment in subsidiaries	87,894	-	Item 11 – Deduction of Investments in Subsidiaries
4	Accrued income	43,510	43,510	
5	Prepayments	1,711	1,711	
6	Deferred tax assets	8,412	-	Item 11 – Deduction of deferred Tax Assets
7	Contract costs	1,224	-	Deduction of Contract Costs
8	Loans and advances	31,000	31,000	
9	Other receivables	13,900	13,900	
10	Trade receivables	30,605	30,605	
11	Cash and cash equivalents	92,913	92,913	
12	Total Assets	323,655	214,628	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Accruals	25,905	25,905	
2	Lease liabilities	540	540	
3	Deferred tax liabilities	723	-	Item 11 – Deduction of deferred tax liability
4	Current tax liabilities	15,961	15,961	
5	Provisions	1,596	1,596	
6	Other payables	12,434	22,693	
7	Trade payables	25,565	25,565	
8	Total Liabilities	82,724	82,001	
Shareholders' Equity				
1	Share capital	159,391	159,391	Item 4 - Fully paid up capital instruments

2	Retained earnings	57,985	(50,319)	Item 6 - Retained earnings
3	Other reserves	23,555	23,555	Item 8 – Other reserves
4	Total Shareholders' equity / own funds	240,931	132,627	Item 11 - (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1

D3 Main features of own instruments issued by the firm

The table below provides information of the CET, AT1 and Tier 2 instruments issued by the firm. 23,000,000 ordinary shares of £1 each were issued by the Company during 2025.

Own funds: main features of own instruments issued by the firm	
Public or private placement	Private
Instrument type	Ordinary share
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	159,391
Nominal amount of instrument	159,391
Issue price	£1
Accounting classification	Called up share capital
Original date of issuance	05/11/2010*
Perpetual or dated	Perpetual

* There have been a number of changes in capital since the original date of issuance, with the most recent change a share capital issuance effective 17 April 2025.

Section E. Own funds requirement

E1 Overview

The minimum level of own funds that QCL must hold is referred to as the own funds requirement (OFR). The OFR was determined as the highest of:

- Permanent minimum capital requirement ('PMR')
- Fixed overheads requirement ('FOR')
- K-factor requirement ('KFR')

GBP thousands	As at 31 December 2025
Permanent minimum capital requirement	150
Fixed overheads requirement	33,122
K-factor requirement	19,833
Own funds requirement	33,122

E2 Permanent minimum capital requirement

The permanent capital requirement is based on the activities undertaken by the entity. For entities such as QCL which hold client money or client assets in the course of MiFID business and do not have permission to deal on own account, it is £150,000.

E3 K-factor and Fixed overhead requirements

The table below shows the K-factor requirement, broken down into three groupings, and the amount of fixed overheads requirement.

Item		Amount in GBP thousands
K-factor requirement	(a) Sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement	19,770
	(b) Sum of the K-COH requirement and the K-DTF requirement	63
	(c) Sum of the K-NPR requirement, the K-CMG requirement, the K-TCD requirement and the K-CON requirement	-
Fixed Overheads Requirement		33,122

- **K-AUM** estimates the risk of harm to clients from incorrect management or poor execution, calculated as 0.02% of Assets Under Management. K-AUM is based on rolling monthly average of last 15 months' AUM measured on last business day of each month end (excluding the last three months).
- **K-ASA** gauges the risk of harm to customers due to errors in the safeguarding and administration of assets, calculated as 0.04% of Assets Safeguarded and Administered. K-ASA is based on the rolling daily average of last 9 months ASA measured at the end of each business day (excluding the last three months).
- **K-CMH** evaluates the risk of harm to customers due to errors in the management of client money, calculated as 0.4% of Client Money Held. K-CMH is based on a rolling daily average of total daily CMH for last 9 months (excluding the last 3 months), split between segregated and non-segregated. QCL only has segregated client money.
- **K-DTF** captures the operational risk relating to the value of trading activity, calculated as 0.1% for cash trades/0.01% for derivatives. The Daily Trading Flow is based on a rolling daily average of total value of DTF for each business day for last 9 months (excluding the last three months); split between cash trades and derivatives.

The **Fixed Overheads Requirement ('FOR')** of a MiFIDPRU investment firm is an amount equal to one quarter of the firm's relevant expenditure during the preceding year. Where there is a material change to projected relevant expenditure during the year, a firm must immediately recalculate its FOR, based on its projected relevant expenditure. In the case of an increase, the firm should substitute the calculation. In the case of a decrease, the firm should only do so after asking permission from the FCA.

E4 Approach to assessing the adequacy of own funds

In order to meet the overall financial adequacy rule ('OFAR'), the company maintains own funds in excess of the own funds threshold requirement ('OFTR'). The OFTR is determined by considering the level of own

funds required to address risks from ongoing activities, and the own funds necessary to complete an orderly wind-down.

The own funds to address risks from ongoing activities is determined as the amount of own funds required to mitigate the risk of harm to customers, the firm, and the market.

The own funds necessary for orderly wind-down is determined through the review of the company's wind-down plan. The wind-down plan sets out the operational plan for orderly wind-down of the company in the event of the company's business plan becoming unviable due to a severe stress event.

Section F. Remuneration policy and practices

F1 Introduction

The following disclosure explains how QCL complies with the remuneration requirements under the IFPR as set out in the MIFIDPRU Remuneration Code.

QCL is categorised as a not significant non-SNI MIFIDPRU investment firm and consequently applies the requirements of IFPR in a way that is proportionate to its size, nature and complexity.

Under the MIFIDPRU Remuneration Code, certain rules apply to the remuneration policy and practices of staff whose professional activities have a material impact on the risk profile of the Firm or the assets it manages. These staff are referred to as Material Risk Takers ('MRTs').

F2 Remuneration policy

Quilter's approach to remuneration is governed by the Quilter plc Remuneration Policy which applies to all staff. The Policy has been designed to discourage risk taking outside of Quilter's risk appetite, to support the Company's business strategy, objectives and values and to align the interests of employees, shareholders and customers.

The Policy has been developed based on a number of key principles. These are:

- remuneration must reinforce wider people management practices, and only reward results which support Quilter's culture and values;
- remuneration must align with delivering good customer outcomes and avoiding foreseeable harm to our customers;
- remuneration must align to the business drivers, corporate vision and strategic priorities of the Group and its component businesses, as disclosed to shareholders from time to time;
- remuneration plans and policies must align the interests of executives with those of shareholders by rewarding delivery of the chosen strategy and sustained performance against agreed financial goals that create long-term shareholder value;
- there must be a robust quantitative and qualitative approach to reflecting risk metrics and risk management, including consideration of ESG factors, in the outcome of remuneration plans;
- total remuneration must be justifiable and affordable in relation to the performance attained;
- the determination and communication of all remuneration plans must be simple, clear and transparent for employees and shareholders; and

- the design and implementation of remuneration policies and practices must be gender neutral and consistent with and encourage the principles of equality, inclusion and diversity.

F3 Remuneration governance

The Remuneration Policy is overseen across Quilter by the Quilter plc Remuneration Committee. The Committee is appointed by the Quilter plc Board and consists of Non-executive Directors of Quilter, which enables it to exercise independent competent judgement in remuneration matters in the context of managing risk, value and capital in line with shareholders' expectations as well as ensuring Quilter's compliance with the relevant regulatory remuneration requirements.

The role of the Committee is to set the over-arching principles and parameters of remuneration policy, to exercise oversight of the implementation of the Remuneration Policy and to consider and approve remuneration arrangements for the Chair, the Executive Directors of the Company and other senior executives including MRTs.

To help it meet its obligations, the Committee is supported by independent external advisers, as well as the Quilter Board Risk Committee regarding the consideration of risk in remuneration decisions as appropriate. The Committee met eight times in 2025.

F4 MRT identification

The Firm has identified its MRTs in line with the requirements of the MIFIDPRU Remuneration Code. The types of staff the Firm has identified as MRTs include members of the management body and senior management as well as staff responsible for business units carrying out regulated activities, control functions, anti-money laundering, material risks within the Firm, information technology, information security and outsourcing of critical functions as well as staff with the authority to approve or veto new products. In addition, the Firm has identified staff managing material assets under management and developed its own additional criteria to capture staff members who provide assurance on conduct risk or who are in sufficiently senior positions that they can create material conduct risk.

F5 Components of remuneration

Remuneration is made up of fixed pay which includes base pay, pension, employee benefits and non-discretionary allowances (such as shift or overtime allowance) and variable pay which includes short- and long-term performance related variable pay and, by exception, non-standard variable pay (guarantees, buy-out awards, retention awards and severance pay). All staff are eligible to receive variable pay; Non-executive Directors are not eligible to receive variable pay. Fixed compensation is set at a market competitive level enabling a fully flexible variable remuneration policy including the ability to pay no variable pay where appropriate.

Short-term incentives

Short-term incentive awards are structured to incentivise the achievement of annual financial and non-financial performance objectives. For the main Quilter scheme, senior executive outcomes are derived from a balanced scorecard of key financial metrics including Group and business unit profit and net flow targets derived from the business plan and non-financial metrics covering risk, customer, strategic and personal performance (including responsible business, inclusion and diversity and culture measures). The

scorecard metrics are set, along with weightings and targets, by the Remuneration Committee at the beginning of each performance year.

For other staff in the main scheme, bonus pool funding is determined based on the same balanced scorecard of Group financial and non-financial metrics. Allocations to individuals are made on the basis of performance against personal objectives including customer outcomes, risk management and conduct behaviours and reflect business unit performance where appropriate. Control function staff are assessed against role specific performance objectives which are substantially independent of the financial performance of the business.

For Investment Managers and other front office staff, the incentive pool is derived from Quilter Cheviot pre-bonus profit and distributed based on individual performance against a balanced scorecard of financial and non-financial metrics covering profitability, incremental revenue from new business, quality of business, team performance and corporate contribution. Outcomes are subject to a compliance adjuster which can reduce awards by up to 100%.

Awards are subject to the Company's deferral policy, with up to 40% of the whole award deferred for awards above the deferral threshold. Deferral is applied at a rate of 40% for all MRTs regardless of award level. The deferred portion is awarded in Quilter plc shares, fund units or MPS and vests over three years on an annual pro-rata basis.

Guaranteed variable remuneration is paid only in exceptional circumstances, is limited to the first year of service and made only in the context of a new hire. Severance payments do not reward failure and reflect the individual's performance over time.

Long-term incentives

Long-term incentive awards are intended to align senior management and shareholder interests and support the creation of long-term, sustainable shareholder value. Some members of senior management (excluding the Chief Risk Officer) may receive an award in the form of nil-cost options in Quilter plc shares, subject to three-year performance conditions, which, currently, are: EPS growth, relative TSR, and ESG measures. The vesting period is three years from the date of grant with a two-year post-vesting minimum retention period, during which the vested shares are subject to clawback. The extent to which the award vests depends on the achievement of the performance conditions and may be between 0-100% of the award.

Other senior management may receive an award of Quilter Restricted Stock Units ('RSU's). The award of RSUs is subject to an assessment prior to grant and during the vesting period to validate that there have been no conduct issues or breaches of Quilter risk management policies. The vesting period is three years from the date of grant and the vested shares are subject to clawback for a further period of two years from the vesting date.

F6 Risk adjustment

In determining risk-based adjustments to remuneration, the Remuneration Committee considers all material current and future risks, as well as the effectiveness of risk management in the business and the risk culture with a focus on customer outcomes, informed by an annual risk review undertaken by the Group CRO and shared with the Board Risk Committee and the Remuneration Committee.

The factors considered in determining whether ex-post risk adjustment is warranted, and the quantum and nature of the adjustment, include the driver and impact of the risk event, management action before and after the risk event and where responsibility for the risk event lies.

Consideration of ex-ante risk adjustment is centred on the Company's Top-down Risk Map, which reflects the material risks to which the Company is exposed. Considerations may include, and are not limited to, whether reasonable steps have been taken to address identified areas of elevated risk that could result in future losses outside risk appetite, whether there are any items on the regulatory agenda which are not being adequately addressed that could result in harm to the Company or its clients, and whether there is any potential litigation which could impact the Company on a forward-looking basis. Any such matters that are reported as outside appetite for a material part of the performance year would trigger consideration of ex-ante risk adjustment, whilst the Board Risk and Remuneration Committees may also consider the broader risk profile and risk culture of the business and whether an ex-ante adjustment may be warranted notwithstanding these risk appetite indicators.

In applying risk adjustment to pool outcomes, the Remuneration Committee assesses the extent to which current risks at both business unit and Group level have been reflected in the financial and non-financial performance measures and if it deems that such risks, or the potential impact of future risks that are not yet crystallised, are not sufficiently reflected in the performance measures, it has discretion to apply further risk-based adjustments.

Risk-based adjustments to individual outcomes may be applied by the Remuneration Committee through the operation of in-year adjustments, malus or clawback.

The Committee may apply malus and/or clawback to share-related awards if, in its reasonable opinion, any of the following circumstances apply:

- The results or accounts or consolidated accounts of any company, business or undertaking in which the participant worked or works or for which they were or are directly or indirectly responsible are found to have been materially incorrect or misleading;
- Any company, business or undertaking in which the participant worked or works or for which they were or are was or is directly or indirectly responsible is found to have made a loss out of business written, due in whole or in part, to a failure to observe risk management policies in effect at that time;
- The participant has committed an act of gross misconduct or it is discovered that the participant's employment could have been summarily terminated;
- The participant has acted in a way which has damaged, or is likely to damage, the reputation of the Company or any Group member, or has brought, or is likely to bring, the Company or any Group member into disrepute in any way;
- An event or events is likely to occur or has occurred that the Committee decides constitutes the corporate failure of the Company and/or any other Group company;
- Any other circumstances similar in nature to those described above which the Committee considers justifies the application of malus;

- Any other circumstance set out in a separate document that is expressed to apply to any particular participant; and
- In the reasonable opinion of the Committee, the individual should not have received or be entitled to receive an award.

Additional provisions apply to individuals identified as MRTs:

- The participant participated in or was responsible for conduct that resulted in significant losses for the Company and/or for any company, business or undertaking in which they worked;
- The failure of the participant to meet appropriate standards of fitness and propriety, in accordance with any regulatory rules or principles, internal policies or reasonable expectations as determined by the Committee in its absolute discretion; and
- The Company or any company, business or undertaking in which the participant worked or works or which they were or are directly responsible has suffered a material downturn in its financial performance which the Committee considers to justify the application of malus or clawback.

Clawback provisions also apply to the cash element of short-term incentive awards made to MRTs for a period of three years from grant and to all awards of non-standard variable pay.

F7 Quantitative disclosures

22 MRTs were identified for 2025 of which 3 MRTs were Non-executive Directors. The aggregate quantitative information on remuneration shown below relates to the performance year ending 31 December 2025.

Fixed remuneration includes base pay, employee benefits, pension and non-discretionary allowances received between 1 January 2025 and 31 December 2025. Variable remuneration includes 2025 annual incentive awards made in March 2026, and the full value of other variable pay awards made during 2025. The highest severance payment made to an MRT was £145,000.

FY2025 (£'000s)	Senior Management	Other MRTs	Other Staff	All Staff
Fixed remuneration	2,705	2,375	59,966	65,046
Variable remuneration	4,020	2,707	29,330	36,057
Total remuneration	6,725	5,082	89,295	101,103

To prevent the individual identification of any MRTs, severance pay and guaranteed variable pay data has not been disclosed.

Appendix 1: Glossary of abbreviations and definitions

Term	Definition
The Company or QCL	Quilter Cheviot Limited
AuM	Assets under Management
CET1	Common equity tier 1 capital
FCA	Financial Conduct Authority
FOR	Fixed Overhead Requirement
GGM	Group Governance Manual
ICARA	Internal Capital Adequacy and Risk Assessment
IFPR	Investment Firms Prudential Regime
K-ASA	K factor requirement based on assets safeguarded and administered
K-AUM	K factor requirement based on assets under management
K-CMG	K factor requirement based on clearing margin given
K-CMH	K factor requirement based on client money held
K-COH	K factor requirement based on client orders handled
K-CON	K factor requirement based on concentration risk
K-DTF	K factor requirement based on daily trading flow
K-NPR	K factor requirement based on net position risk
K-TCDD	K factor requirement based on trading counterparty default
KFR	Total K factor requirement
MiFID	Markets in Financial Instruments Directive
MIFIDPRU	FCA Prudential sourcebook for MiFID investment firms
MRT	Material Risk Taker: Staff whose professional activities have a material impact on the risk profile of QCL
Non-SNI	Non-small and non-interconnected investment firm
OFAR	Overall financial adequacy rule
OFR	Own funds requirement
OFTR	Own funds threshold requirement
PMR	Permanent minimum capital requirement
Quilter	Quilter plc Group
RCSA	Risk and Control Self-Assessment

Appendix 2: Disclaimer

This report may contain certain forward-looking statements with respect to QCL plans and its current goals and expectations relating to its future financial condition, performance, and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond QCL's control including amongst other things, international and global economic and business conditions, geopolitical events, climate change, , the implications and economic impact of market related risks such as fluctuations in interest rates and exchange rates, the impact of the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, QCL's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward-looking statements.

QCL undertakes no obligation to update the forward-looking statements contained in this report or any other forward-looking statements it may make.

Nothing in this report should be construed as a profit forecast.

Nothing in this report shall constitute an offer to sell or the solicitation of an offer to buy any securities.