

# Governance Report

- 81 Chairman's introduction to corporate governance
- 82 Governance at a glance
- 83 Our leadership and governance structure
- 84 Board of Directors
- 88 Quilter leadership
- 90 The work of the Board in 2020
- 90 Section 172 (1) statement
- 99 Governance in action
- 102 Board Corporate Governance and Nominations Committee report
- 108 Board Audit Committee report
- 116 Board Risk Committee report
- 119 Board Technology and Operations Committee report
- 122 Board Remuneration Committee report
- 128 Directors' Remuneration Policy
- 133 Annual Report on Remuneration
- 148 Our approach to governance
- 152 Directors' Report

# Chairman's introduction to corporate governance



## Dear Shareholder,

Over the course of 2020, your Board has had to ensure that our business responded quickly and effectively to the impacts of the COVID-19 pandemic. The response enabled Quilter to continue to serve all of its stakeholders during a time of great stress and concern for our people, our customers and the communities in which we operate.

Your Board is engaged in building a resilient business for the long term. At the same time as we were supporting the Quilter management team in taking appropriate tactical decisions to protect our business, we also focused on the continued transformation of our business and ensuring that the strategic direction remained appropriate for a rapidly changing world. The Board has also focused on ensuring that a strong culture that puts our customers at the heart of everything we do is embedded across the organisation and the Board has continued to monitor progress in that regard.

Quilter has continued to comply with the recommendations of the 2018 UK Corporate Governance Code (the Code) throughout 2020 and the unprecedented crises has provided many examples of how Quilter has sought to operate in the best interests of all of its stakeholders, despite the very difficult circumstances. From protecting the health and mental wellbeing of employees and advisers to providing reassurance and trusted financial advice to our customers during a dramatic decline in markets and an extended period of market volatility, Quilter has continued to operate in line with our values. For our shareholders, the financial resilience of our business has enabled Quilter to continue to pay dividends and to make progress in our share buyback programme which we announced early in 2020. Further examples of how the Board has operated in 2020 and continued to engage with stakeholders are set out on pages 90 to 101.

Long-term success is built on a culture of continuous improvement. Therefore, given the customer complaints arising in the Lighthouse business before its acquisition by Quilter, the Board decided to review the due diligence process in relation to the acquisition and in particular the due diligence on the advice given in relation to British Steel Pension Scheme defined benefit transfers. A Committee comprising independent Non-executive Directors under the leadership of Rosie Harris, oversaw the review which was assisted by external legal advisers. The Committee presented a comprehensive overview of the findings of this review to the Board in September 2020. Management have developed a detailed action plan to ensure that the lessons learned are fully embedded into the organisation.

## Looking ahead

The Quilter Board has supported and encouraged management to stay focused during 2020 on delivering our critical major strategic programmes, in particular Optimisation and our Platform Transformation Programme. With the recent completion of our third and final phased adviser migration to our new Investment Platform, a major building block for the long-term success of our business is now in place. The Board commenced a strategic review of Quilter International in 2020 and expects to advise the outcome in the first half of 2021.

Our Corporate Governance Framework has continued to serve us well through a very challenging year, allowing us to ensure that the long-term prospects of the Group were protected and enabling your Board to look forward to 2021 with confidence in the resilience and strong potential of our business.

**Glyn Jones**  
Chairman

**Glyn Jones**  
Chairman

## Key activities

The Board has engaged in the following key governance activities during the year.

### Reviewing and setting the Group's strategy

Page 97

### Setting stretching but achievable financial and operating targets

Page 97

### Reviewing the response to COVID-19

Page 97

### Monitoring the delivery of the Operating Plan and key strategic programmes

Page 98

### Overseeing the Group's management of material risks

Page 98

### Ensuring the Group's people strategy and culture are aligned with the business strategy

Page 98

### Monitoring the investment performance of our funds and solutions

Page 98

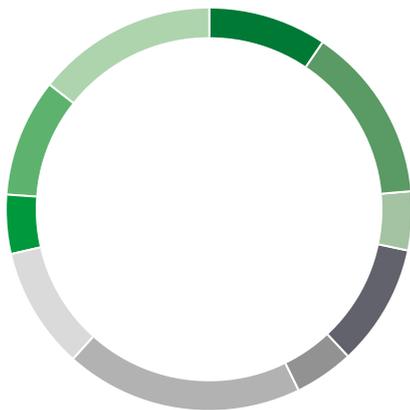
### Monitoring how well we serve our customers

Page 98

# Governance at a glance

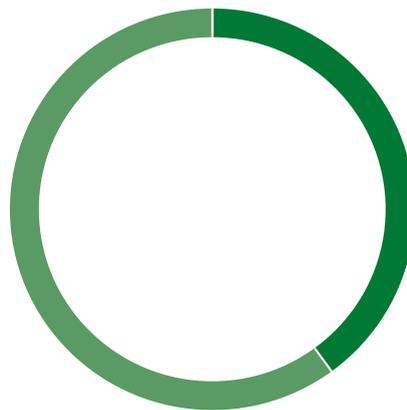
## Board highlights

Industry knowledge and experience



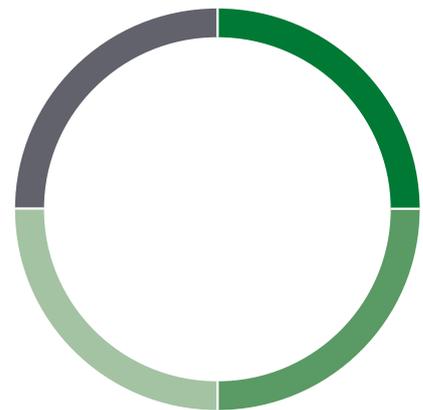
- Accounting and finance **2**
- Asset management **3**
- Distribution **1**
- Governance **2**
- Insurance **1**
- International financial services **4**
- IT and operations **2**
- Legal **1**
- Risk **2**
- Wealth management **3**

Gender



- Female **4 (40%)**
- Male **6 (60%)**

Length of tenure for Chairman and Non-executive Directors



- 0-2 years **2**
- 2-3 years **2**
- 3-4 years **2**
- 4-5 years **2**

As at 10 March 2021.

### Board membership

The composition of the Board and the Board Committees meets the requirements of the Code.

The Directors' attendance at each meeting of the Board is set out in the table opposite.

### The 2018 UK Corporate Governance Code

The Board considers that during 2020 the Company has complied with the principles and provisions of the Code.

The Code, issued by the Financial Reporting Council ("FRC"), and associated guidance are available on the FRC website at [www.frc.org.uk](http://www.frc.org.uk).

You can read more about how we apply and comply with the Code and other relevant rules and regulations on pages 148 to 151.

### Board meeting attendance during 2020

Chairman and Executive Directors	Scheduled Board meetings attended/eligible to attend	Additional meetings attended/eligible to attend
Glyn Jones	10/10	5/5
Paul Feeney	10/10	5/5
Mark Satchel	10/10	5/5
<b>Independent Non-executive Directors</b>		
Tim Breedon	5/5	1/1
Rosie Harris	9/10	12/12
Suresh Kana	5/5	0/0
Moira Kilcoyne	10/10	1/1
Jon Little	6/6	2/2
Ruth Markland	10/10	12/12
Paul Matthews	10/10	2/2
George Reid	10/10	12/12
Cathy Turner	5/5	0/0

Where exceptionally, due to other commitments, a Director has been unable to attend a meeting, they have separately submitted their comments and input on the matters under discussion to the Chair of the Board or the relevant Board Committee. Rosie Harris was unable to attend one Board meeting during the year due to a long-standing prior commitment.

In addition to the meetings reported above, sufficient time was provided, periodically, for the Chairman to meet privately with the Senior Independent Director and the Non-executive Directors.

The additional meetings reported above related to the oversight of the Lighthouse Committee and the Return of Capital Committee.

# Our leadership and governance structure

## The Board

### Chairman

The Chairman is accountable to shareholders for leading the Board and ensuring the Board receives timely, accurate information to take good decisions for the benefit of all stakeholders.

### Senior Independent Director

The Senior Independent Director supports the Chairman on all governance issues and provides a communication channel between the Chairman and Non-executive Directors.

### Independent Non-executive Directors

The Non-executive Directors support and constructively challenge the executive team within a spirit of partnership and mutual respect.

## Board Committees

Board Corporate Governance and Nominations Committee	Board Audit Committee	Board Risk Committee	Board Technology and Operations Committee	Board Remuneration Committee
<b>Chair:</b> Glyn Jones	<b>Chair:</b> George Reid	<b>Chair:</b> Rosie Harris	<b>Chair:</b> Moira Kilcoyne	<b>Chair:</b> Ruth Markland
Number of meetings <b>4</b>	Number of meetings <b>13</b>	Number of meetings <b>9</b>	Number of meetings <b>14</b>	Number of meetings <b>8</b>
<b>Responsibilities:</b> <ul style="list-style-type: none"> <li>Reviews composition of the Board and recommends the appointment of new Directors</li> <li>Considers succession plans for Chairman and other Board positions</li> <li>Considers succession plans for key executive leadership positions</li> <li>Monitors corporate governance issues</li> <li>Oversees the annual Board performance review</li> <li>Provides oversight of the Group's responsible business agenda</li> </ul>	<b>Responsibilities:</b> <ul style="list-style-type: none"> <li>Reviews accounting policies and the contents of financial reports</li> <li>Monitors disclosure controls and procedures</li> <li>Considers the adequacy and scope of the external and internal audit functions</li> <li>Oversees the relationship with our external auditors</li> <li>Monitors the effectiveness of internal financial controls</li> </ul>	<b>Responsibilities:</b> <ul style="list-style-type: none"> <li>Monitors and reviews the effectiveness of the internal control and risk management system</li> <li>Provides advice to the Board on the top risks faced by the Group</li> <li>Recommends the total level of risk Quilter is prepared to take (risk appetite)</li> <li>Monitors the risk profile</li> <li>Advises the Board on risk strategy</li> <li>Oversees the effectiveness of the Compliance function</li> </ul>	<b>Responsibilities:</b> <ul style="list-style-type: none"> <li>Oversees the implementation, execution and delivery of the Technology Strategy and Operations Strategy</li> <li>Provides oversight and challenge on Technology and Operations risk profile</li> <li>Oversees Information Security, Information Management and Operational Resilience strategy, systems and controls</li> <li>Oversees strategic technology and operational change programmes</li> </ul>	<b>Responsibilities:</b> <ul style="list-style-type: none"> <li>Sets the overarching principles and parameters of remuneration policy across Quilter</li> <li>Considers and approves remuneration arrangements for Executive Directors and Senior Executives</li> <li>Approves individual remuneration awards</li> <li>Agrees changes to Senior Executive incentive plans</li> </ul>

### Executive Directors

Paul Feeney

Mark Satchel

The Executive Directors are accountable to the Chairman for their contribution on the Board. The executive team reports to the Chief Executive for business areas and delivery of Board-approved Operating and Business Plans.

### Key management committees

Executive Committee	Executive Risk Forum	Operating Committee	Responsible Business Forum
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# Board of Directors

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## Chairman and Executive Directors



**Glyn Jones**  
Chairman

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**Appointed November 2016**

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### Board and Committee membership

- ▶ Board
- ▶ Board Remuneration Committee
- ▶ Board Corporate Governance and Nominations Committee (C)

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### Skills and experience:

Glyn Jones has over 20 years' experience of chairing Boards, including those of Aldermore Group, Aspen Insurance Holdings, Hermes Fund Managers, BT Pension Scheme Management and Towry. This extensive experience provides him with the skills and understanding needed to lead an effective and cohesive Board at Quilter. His significant experience in UK and international financial services, gained during his tenures as CEO of Gartmore Investment Management and Coutts Group, and whilst running Standard Chartered's international private banking business in Hong Kong, provides him with the necessary knowledge to lead discussions on key business matters including strategy, performance and risk. Glyn is a Fellow of the Institute of Chartered Accountants in England and Wales.



**Paul Feeney**  
Chief Executive Officer

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**Appointed August 2012**

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### Board and Committee membership

- ▶ Board

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### Skills and experience:

Paul Feeney is an experienced, entrepreneurial leader, having held various senior business roles in large international financial services businesses, including as Chief Executive Officer of NatWest Private Bank, and NatWest Investments USA, Group Managing Director and Head of Distribution for Gartmore Investment Management, and Global Head of Distribution at BNY Mellon Asset Management International. During his career, Paul has developed a deep understanding of the challenges, risks and opportunities faced by the industry, thereby enabling him to create and develop the vision and strategy of the Group. Paul's strong commercial acumen and dynamic leadership style allow him to effectively oversee the execution of our strategy. In recognition of his role in the industry, in January 2021 Paul was asked to Chair the FCA Practitioner Panel. Paul is passionate about promoting good mental health, and issues around mental health, both across the industry and at Quilter where he has sponsored the Thrive campaign to support colleagues including those impacted by the pandemic.



**Mark Satchel**  
Chief Financial Officer

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**Appointed March 2019**

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### Board and Committee membership

- ▶ Board

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### Skills and experience:

Mark Satchel brings deep finance, corporate action and business experience to the Board. He joined Old Mutual in the UK in January 2000 and held numerous leadership positions within the finance function and businesses there, during which time he played key roles in the acquisitions of Intrinsic (now Quilter Financial Planning) and Quilter Cheviot. This experience has been invaluable in ensuring that Quilter effectively executes its strategy, for example allowing him to lead the successful disposal of Quilter Life Assurance. Mark previously served as Chief Financial Officer of the business from 2010 to August 2017 and as Corporate Finance Director for the 17-month period to March 2019. Mark is a qualified Chartered Accountant in South Africa and worked for KPMG both in South Africa and Canada prior to moving to the UK. Mark is a Trustee of The Old Grey Europe Charitable Trust.

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### Senior Independent Director



**Ruth Markland**

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**Appointed June 2018**

#### Board and Committee membership

- ▶ Board
- ▶ Board Audit Committee
- ▶ Board Corporate Governance and Nominations Committee
- ▶ Board Remuneration Committee (C)

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#### Skills and experience:

Ruth Markland, a solicitor and previously Managing Partner of Freshfields Bruckhaus Deringer's Asia business, has a wealth of FTSE-100 Board experience. She spent over 10 years on the Boards of Standard Chartered plc and Sage Group plc, where she served as Senior Independent Director and Chair of the Remuneration Committees. Ruth was also an independent Non-executive Director of Deloitte LLP for five years until May 2020 and is a member of the Supervisory Board of Arcadis NV. She has a strong understanding of corporate governance and Boardroom dynamics, enabling her to act as a helpful sounding board for the Chair and other Board members. Ruth was appointed Chair of the Board Remuneration Committee in May 2020, having served as a member since joining the Board. Her extensive knowledge of remuneration governance and best practice, together with her deep understanding of the remuneration framework at Quilter, have enabled her to have an immediate impact in this new role.

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### Independent Non-executive Directors



**Tim Breedon CBE**

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**Appointed June 2020**

#### Board and Committee membership

- ▶ Board
- ▶ Board Corporate Governance and Nominations Committee
- ▶ Board Remuneration Committee
- ▶ Board Risk Committee

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#### Skills and experience:

Tim Breedon has a distinguished career in financial services, with past appointments including Group Chief Executive Officer of Legal & General, being a Member of the Takeover Panel, and holding Non-executive Director roles with the Association of British Insurers and the Financial Reporting Council. Tim is an experienced Non-executive Director and Committee member, having served on the Boards of Barclays plc and Barclays Bank plc since 2012, where he Chairs the Board Risk Committee and is a member of the Board Audit Committee, Board Nomination Committee and Board Remuneration Committee. He is also Chairman of Apax Global Alpha Limited. Tim's extensive business leadership and governance best-practice experience enables him to provide challenge, advice and support to Quilter management on business strategy, performance, decision making and governance matters.



**Tazim Essani**

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**Appointed March 2021**

#### Board and Committee membership

- ▶ Board
- ▶ Board Remuneration Committee

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#### Skills and experience:

Tazim Essani's wealth of experience in senior executive roles at regulated financial services businesses over the last 30 years equips her well to provide strategic guidance and constructive challenge to Quilter's leadership team. Her executive career has focused on strategy and business development to drive growth and transformation, with her previous roles including a senior business strategy role at Santander UK, Group Head of Corporate Development at Close Brothers Group plc and senior roles at GE Capital and Royal Bank of Scotland. Throughout her career, Tazim has developed a deep understanding of corporate finance, strategy and business development, enabling her to contribute strongly to the Board's deliberations. Her extensive transformational change experience will be invaluable in supporting delivery of Quilter's strategy. Tazim is a Non-executive Director of City of London Investment Group plc.

**Independent Non-executive Directors**



**Rosie Harris**

**Appointed April 2017**

**Board and Committee membership**

- ▶ Board
- ▶ Board Audit Committee
- ▶ Board Risk Committee **(C)**
- ▶ Board Technology and Operations Committee

**Skills and experience:**

Rosie Harris has extensive knowledge and experience of risk management within the insurance and wealth management industries, having served as Chief Risk Officer for UK Life at Aviva, Group Risk Director at Old Mutual plc and Chief Risk Officer (Insurance) and Managing Director, General Insurance at Lloyds Banking Group plc. She is also currently Chair of Tokio Marine Kiln's Insurance business, a Non-executive Director of its Syndicates businesses and Chairs its Risk Committee. This extensive experience has been invaluable as Quilter has developed and embedded its risk management framework. Rosie provides valuable insights into managing and mitigating the risks that are inherent in running a successful wealth management business. Rosie is a member of the Institute of Chartered Accountants in England and Wales and a Council Member of the University of Birmingham.



**Moira Kilcoyne**

**Appointed December 2016**

**Board and Committee membership**

- ▶ Board
- ▶ Board Risk Committee
- ▶ Board Technology and Operations Committee **(C)**

**Skills and experience:**

Moira Kilcoyne brings over 25 years' technology and cyber security leadership, having spent much of her career working in senior technology roles at Morgan Stanley and Merrill Lynch, latterly executing global change management and transformative IT implementation as Co-Chief Information Officer for Global Technology and Data at Morgan Stanley. Moira is also currently a Non-executive Director of Citrix Systems Inc and Arch Capital Group. This experience, gained at both executive and non-executive level, together with her understanding of business operations, operational resilience, management of data and supplier oversight, equips her to oversee and challenge the design and delivery of Quilter's technology and operations strategies as well as the delivery of Quilter's new investment platform. Moira is Trustee of the Board of Manhattan College.



**Paul Matthews**

**Appointed August 2018**

**Board and Committee membership**

- ▶ Board
- ▶ Board Remuneration Committee
- ▶ Board Risk Committee
- ▶ Designated Employee Non-executive Director

**Skills and experience:**

Paul Matthews is an experienced FTSE-100 Board Director who has over four decades' worth of knowledge of the savings and pensions industry. His career at Standard Life, spanning nearly 30 years, where his roles included Group Executive Director, Chief Executive Officer UK & Europe and Chairman of Standard Life Wealth, enables him to identify, and support management to understand, the opportunities and risks facing Quilter, particularly in its distribution businesses. This insight enables him to effectively assess and challenge the executive's strategy proposals, execution and risk management. As an executive mentor at Merryck & Co, Paul uses his extensive leadership skills and experience to coach senior leaders. Paul's track record in leading major businesses that rely on having strong leadership and positive cultures is also helpful in discharging his role in providing the vital linkage between the Board and Quilter's employees.



**George Reid**

**Appointed February 2017**

**Board and Committee membership**

- ▶ Board
- ▶ Board Audit Committee (C)
- ▶ Board Risk Committee
- ▶ Board Technology and Operations Committee

**Skills and experience:**

George Reid spent over 20 years in the accounting profession, specialising in providing audit services to the financial services industry. During lengthy tenures at PwC, and, latterly, at Ernst & Young LLP as Managing Partner and Head of Financial Services for Scotland and UK regions, George gained a deep understanding of accounting and audit matters, and the robust financial control environments required for a modern wealth management business. Such experience allows him to critically assess key accounting and financial considerations including those associated with Quilter's corporate transactions. George is a Fellow of the Institute of Chartered Accountants in England and Wales and Chairman of the Children's Hospice Association Scotland.

**Company Secretary**



**Patrick Gonsalves**

**Appointed January 2017**

**Skills and experience:**

Patrick Gonsalves is an experienced Company Secretary with broad experience across the financial services industry gained with Lloyds Bank, NatWest Bank and, up until December 2016, as Deputy Secretary of Barclays plc. Patrick was appointed Company Secretary of Quilter in January 2017 and is a Fellow of the Institute of Chartered Secretaries and Administrators. Patrick has extensive experience of providing advice and support to listed company boards in periods of significant change which is relevant to his role at Quilter.

# Quilter leadership

## Quilter Executive Committee

The Board has delegated the day-to-day management of Quilter to Paul Feeney, as Chief Executive Officer. Paul exercises these powers through the Quilter Executive Committee, the membership of which comprises the Chief Executive Officers of some of Quilter's businesses and key function heads.

The Executive Committee meets regularly to ensure the effective implementation of the business strategy, our customer strategy, the financial performance of the business against our Business Plan and the culture and risk management of our business.

Other senior leaders join meetings as required.

- **Quilter's Executive Committee is led by Paul Feeney, Chief Executive Officer. Mark Satchel, Chief Financial Officer is a member. Their biographies can be found on page 84**
- **Other Executive Leadership Team biographies are available online at [quilter.com](https://www.quilter.com)**



**Matt Burton**  
Chief Risk Officer

### Skills and experience:

Matt Burton was appointed as Chief Risk Officer in May 2019 and has been instrumental in defining, setting and managing Quilter's risk profile. Matt joined the business as Chief Internal Auditor in April 2016, in which role he built a highly effective Internal Audit team providing invaluable independent assurance and consultancy to the Board and Executive management. Prior to joining Quilter, he was a partner in PwC's Financial Services Practice with responsibility for leading Internal Audit services to the Insurance and Investment Management sector. Matt has over 25 years' experience across financial services having held senior roles in Credit Suisse, where he was Chief Auditor for EMEA, and Deutsche Bank. Matt is a member of the Institute of Chartered Accountants in England and Wales.



**Karin Cook**  
Chief Operating Officer

### Skills and experience:

Karin Cook was appointed to Quilter plc in January 2019 as Chief Operating Officer. She has over 30 years' experience in financial services, most recently at Lloyds Banking Group covering customer operations, payments, technology, security, property and procurement. She previously worked at HSBC, Morgan Stanley and Goldman Sachs in senior operations, technology and finance roles. These deep skills and experiences enable Karin to be instrumental in driving efficiency across all areas of the Group. Karin chairs the Quilter Operating Committee, providing oversight on material technology and operational change programmes. She is a passionate, committed and informed ally to the LGBT+ community and was recently identified in this year's OUTstanding LGBT+ Role Model Lists from Involve – The Inclusion People.



**Steven Levin**  
Chief Executive Officer,  
Quilter Investment Platform

**Skills and experience:**

Steven Levin was appointed as Chief Executive Officer of the Quilter Investment Platform in October 2015, and has been appointed Chief Executive Officer of Quilter Investors with effect from 1 April 2021. Steven has dedicated the majority of his career to Old Mutual and Quilter, during which time he has held senior business roles such as Global Head of Distribution and Managing Director of Skandia International (now Quilter International) and Global Product & Proposition Director for Old Mutual plc. Steven started his career as an equity analyst. Steven's extensive experience in developing and distributing financial products has been instrumental in enabling him to advance and grow the Quilter Investment Platform business, including in the implementation of Quilter's new investment platform. This proven leadership, and his experience and understanding of asset management and investments, has made him the ideal candidate to bring together Quilter investment and distribution to better support our customers in the next stage of Quilter's strategic journey. Steven is a qualified Actuary and a Chartered Financial Analyst.



**Andy McGlone**  
Chief Executive Officer,  
Quilter Cheviot

**Skills and experience:**

Andy McGlone was appointed as Chief Executive Officer of Quilter Cheviot in October 2018. He has over 25 years' experience in investment management, having worked in the evolved Quilter Cheviot business for his entire career, beginning at Quilter Goodison in 1994 as a Trainee Investment Manager. He served as Managing Director of Quilter Cheviot prior to becoming CEO. His deep knowledge of Quilter and the investment management business provides Andy with the ideal combination of skills and understanding to continue to ensure strong investment performance for its clients and to develop the Quilter Cheviot business in line with Quilter's strategy. Andy is a Chartered Fellow of the Chartered Institute for Securities and Investments.



**Stephen Gazard\***  
Chief Executive Officer,  
Quilter Financial Planning

**Skills and experience:**

Stephen Gazard became Chief Executive Officer of Quilter Financial Planning in June 2020, having joined in 2017 as its Group Managing Director. He brings a wealth of industry experience to this role, including as a financial planner and advice business owner. Prior to joining Quilter, Stephen had been Managing Director of Sesame Bankhall Group for four years, during which time he delivered its corporate restructure and cultural transformation. Stephen has held numerous senior leadership roles in the wealth management industry and is ideally placed to ensure Quilter Financial Planning continues to provide good outcomes for its customers and high-quality support for its advisers. Stephen is also Vice Chairman of Meningitis Now.

\* Stephen Gazard regularly attends Executive Committee meetings although he is not a member.

# The work of the Board in 2020

## Board activity and decision making

Board activity



- Business performance oversight **35%**
- People and culture **10%**
- Strategy and delivery of strategy **20%**
- Stakeholder management **10%**
- Risk management and governance **25%**

## Key decisions made by the Board in 2020

### Reviewing

Reviewing the Group's strategy to ensure that it remains appropriate for a rapidly changing environment and deciding to initiate a strategic review of the Group's international business.

### Supporting

Supporting the Quilter management team as they provided visible and clear leadership for our people, took difficult decisions to ensure that Quilter and its people safely navigated the COVID-19 pandemic, including revising priorities, and supporting our staff and advisers by extending additional support, such as the Thrive initiative, to adviser firms.

### Endorsing

Endorsing management's decision to split our second phased adviser migration for our Platform Transformation Programme into two tranches to mitigate the risk of negatively impacting our customers and advisers.

### Protecting

Protecting the interests of shareholders by continuing the Group's share buyback programme and paying a modest interim dividend for 2020, given the resilience of our business.

### Setting

Setting stretching but achievable financial and operating targets for management that ensured delivery of our strategic objectives and financial performance in line with the expectations of our shareholders and customer-focused services and products.

## Section 172 (1) statement

The Companies Act 2006 (the Act) and the UK Corporate Governance Code 2018 require the annual report to provide information that enables our stakeholders to assess how the Directors of Quilter have performed their duties under section 172 of the Act. The Act provides that Quilter Directors must act in a way that they consider in good faith, would be most likely to promote the success of Quilter for the benefit of shareholders as a whole. In doing so, Quilter Directors must have regard, amongst other things, to the factors set out below:

- the likely consequences of any decision in the long term;
- the interests of Quilter's colleagues;
- the need to foster the Company's business relationships;
- the impact of Quilter's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly for all our members.

### Building Quilter to deliver long-term success for all our stakeholders

The Board is clear that engaging, consulting and making decisions balancing the needs, interests and expectations of our key stakeholders is critical to Quilter achieving its purpose of helping create prosperity for the generations of today and tomorrow. On occasions these competing stakeholder views can be contradictory and it is the Board's role to navigate these complexities to achieve long-term success. The Board has a comprehensive stakeholder engagement programme and seeks to act in the best interests of the Group, and to be fair and balanced in its approach. In addition to direct engagement with our stakeholders, papers submitted to our Boards and Board Committees across the Group identify for their consideration where stakeholders could be impacted by the proposals. At all times, the Boards remain focused on ensuring good customer outcomes. Some of the ways the Quilter Board engages with our stakeholders, including some examples of how our Board has considered stakeholders when it made key strategic decisions in 2020, can be found on the following pages. In addition, throughout this report, we state how consideration of stakeholders has been embedded as part of our business operations.

You can also read more about how Quilter operates in our Responsible Business Report on pages 46 to 59.

The Board identified six key stakeholder groups whose interests and needs it regularly considers. This year, the Board refined our stakeholder map to state a broader consideration of who our stakeholders are, and given how important advisers are to Quilter's long term success, this group is now described explicitly.

## Investors

### Who are they

The Board considers investors in its broadest sense including equity and debt investors, alongside analysts and rating agencies. Just over half of the Group's shareholders are registered in South Africa, with the remaining 47% of our shareholders on the UK share register.

### Investor priorities

- A resilient business model which generates long-term sustainable returns for shareholders
- A sustainable and growing dividend supported by cash flow and capital generation
- Robust corporate governance that ensures effective oversight and control of the business
- Financial strength and resilience that enables the business to withstand external shocks
- A business with a clear and successful strategy that is delivering growth and sustainable returns

### How the Board engages with our investors

#### Shareholders, analysts and rating agencies

The Board and management maintain a regular and constructive dialogue with investors, to communicate with existing and potential shareholders on the Company's strategy, governance and performance. This helps to promote investor confidence and ensure continued access to capital. The Chairman and Senior Independent Director met with our major shareholders in an annual governance roadshow covering business strategy, performance, remuneration and broader governance matters and at the same time received valuable feedback from them. In addition, the Chief Executive Officer and Chief Financial Officer provided updates on our results and financial performance, undertaking two live webcasts and conducting 245 meetings with shareholders, debt holders and prospective investors in 2020.

The Company participates in investor conferences to engage with existing and prospective investors. Alongside the Chief Executive Officer and Chief Financial Officer, senior management provide insight into business strategy which helps showcase the quality of the Quilter leadership team.

The Board received regular updates from the Head of Investor Relations on key shareholder and debt holder issues and concerns. This included an annual presentation involving our corporate advisers on market dynamics and corporate perception.

#### Private shareholders

Our private shareholders are supported day-to-day by our registrars based in the UK and in South Africa. We closely monitor the performance of our registrars to ensure the service our shareholders receive globally is appropriate.

In 2020, given we were unable to hold an open Annual General Meeting ("AGM") due to UK Government restrictions on public gatherings in place at that time, we set up a specific AGM Hub to enable our private shareholders to raise questions with the Chairman on the business of the meeting in advance of our AGM. We strongly encouraged shareholders to vote before the meeting.

The Group's full year and interim results are sent by email to our shareholders who have provided consent for e-communications, and in addition we provide comprehensive information on our website, [quilter.com](http://quilter.com).

During the year, the Board approved the Odd-lot Offer which provided small private shareholders with a cost-effective way to sell their shares in Quilter and reduced the number of private shareholders by 200,000.

### Outcomes

The Board considers investor feedback on an ongoing basis. An example of how shareholders' interests are considered is set out in the Governance in action case study on page 99. In this case study, we detail how the Board decided to launch the share buyback programme and the factors considered when the Board approved the payment of the interim dividend in 2020.

In March 2020 at the beginning of the COVID-19 pandemic when market volatility was prevalent and investor confidence fragile, the Board took the decision not to extend a new Sharesave Scheme to employees. While employees value this share plan with a 45% take-up in 2019, the Board decided it was appropriate to manage costs in line with Quilter's wider efforts to make temporary tactical efficiencies rather than offer this additional benefit to colleagues at that time.

Section 172 (1) statement (continued)

## Colleagues

### Who are they

At Quilter, we treat all full-time, part-time and contract staff as colleagues. The success of the delivery of our strategy is dependent on talented and committed people, focused on delivering for our stakeholders in accordance with our values of Pioneering, Dependable and Stronger Together. We have 4,176 colleagues, who each take pride in working towards being part of an inclusive and diverse Quilter. We aspire to achieve a culture where everyone feels included, empowered and inspired to do the right thing for customers.

### Colleague priorities

- Customer and value-led culture
- Investment in people development and technology
- Compelling colleague proposition
- Attractive reward structure
- An open and inclusive culture

### How the Board engages with our colleagues

Following Cathy Turner stepping down from the Board in May 2020, the Board asked Paul Matthews to act as our Non-executive Director with responsibility to ensure that the Board understand the views of employees. Sharing the insights he gains from attending the Quilter Employee Forum, he ensures that colleagues' views are taken into consideration as part of the Board's decision making. A full description of how this happens, including some of the metrics the Board look at on a regular basis, are set out on pages 100 and 101.

In addition to this mechanism, individual Directors meet regularly with individuals identified as future senior leaders.

The Executive Directors directly engage with colleagues across the business and during 2020 provided frequent video updates to colleagues on business priorities, successes and to thank colleagues during this period of remote working.

In 2020, the Board focused on measures to improve diversity and inclusion and you can read more about the initiatives in the Board Corporate Governance and Nominations Committee Report on page 104.

### Outcomes

Paul Matthews, our Non-executive Director responsible for representing the views of the workforce to the Board, shares his insights on 2020 on pages 100 and 101.

You can read more about our approach to promoting diversity and inclusion and colleague engagement in the Chief Executive Officer's statement on page 25 and on delivering for our colleagues in the Responsible Business Report on pages 52 and 53.

■ **Read more examples of how these stakeholders have been considered**  
Pages 52 and 53

In the Annual Report on Remuneration on page 138 you can read about the decision to create a small discretionary bonus pool to recognise the contribution of the wider workforce during the COVID-19 pandemic.

## Communities

### Who are they

The Board broadly defines Communities to mean the societies in which we operate and where our products are sold. Quilter's ability to deliver sustainable value for stakeholders depends on the engagement we have with key stakeholders representing the communities' needs, including policy makers, business partners, non-governmental organisations ("NGOs") and other interest groups.

### Communities

We target our efforts to make a difference in the communities we are located in or where our products and services are used.

### Suppliers

We recognise the key role our suppliers play in helping us manage our business and deliver quality services for our customers.

### Community priorities

- Protecting customers and investors
- Operating responsibly, including wider environmental impacts
- Being treated fairly and professionally during the sourcing process

### How the Board engages with our stakeholders

The Board has delegated direct oversight of the Responsible Business agenda to the Board Corporate Governance and Nominations Committee. The Chairman updates the Board on relevant matters including the views of key stakeholders, such as policy makers, NGOs and other interest groups to understand what is important to them.

Throughout the COVID-19 pandemic Quilter has proactively engaged with our suppliers as part of our focus on operational resilience. This regular dialogue enables us to gain assurance, and support the needs of the supply chain.

### Outcomes

Our work to provide comprehensive and rapid support for customers, colleagues, advisers and investors is set out on pages 17 to 19.

Quilter reduced its operational greenhouse gas emissions by 33% compared with 2019.

The Quilter Foundation directly supported 13,525 young people in local communities, providing vital financial education, employment and wellbeing support.

Quilter continued to integrate environmental, social and governance ("ESG") considerations across its investment management and stewardship activity, and achieved an 'A' rating in The United Nations backed Principles for Responsible Investment ("PRI") annual assessment. In respect to stewardship of the companies we invest in, our voting at company meetings increased by 104% compared with the previous year.

Our strategic objective is to reduce Quilter's contribution to climate change and support the transition to a low carbon economy.

Our framework helps us to reduce our direct carbon footprint, embed climate considerations in our investment management and stewardship activity and offer clients climate focused investment solutions.

■ **Read more examples of how these stakeholders have been considered**  
Pages 56 to 59

Section 172 (1) statement (continued)

## Regulators

### Who are they

We have an open and transparent relationship with our regulators and other government authorities. Our core UK regulators are the Financial Conduct Authority and the Prudential Regulation Authority. We also have multiple international regulators who oversee our international business activities, including the Isle of Man Financial Services Authority and the Central Bank of Ireland.

### Regulator priorities

Each regulator has its own statutory objectives to fulfil. These centre around ensuring firms are run in a safe and sound way to achieve fair outcomes for consumers and ensure the integrity of financial markets, promoting effective competition in the interests of consumers. The UK regulators publish annual business plans setting out their specific priorities within the context of these wider objectives.

### How the Board engages with our stakeholders

Transparent and open regulatory relationships are fundamentally important to Quilter and its Board, and this principle forms the basis of our approach to regulatory engagement, deployed across the Quilter Group. We liaise with each regulator regularly to ensure our business is aligned to the evolving regulatory framework and is operating to regulatory expectations. The Board Risk Committee receives quarterly reporting on key regulatory relationships and matters under discussion as part of its standing agenda, and the Quilter Chief Risk Officer, as a standing attendee of each Board meeting, provides further updates as needed. The FCA attends a Quilter Board meeting annually to share directly their thoughts on our business and key areas of focus.

In addition, we have a regular programme of meetings on a one-to-one basis between our UK regulators and our Chief Executive, Chief Finance Officer, the Chairman and other Board Committee Chairs, covering all aspects of the regulatory agenda. Examples of key matters discussed include customer outcomes, operational and financial resilience, future strategy and plans for the Group, and diversity.

### Outcomes

Our understanding of our regulators' priorities, which have customer outcomes and sustainable business at their centre, forms an integral part of the Board's decision making. Papers presented are required to consider stakeholder interests in their recommendations, including importantly customer and regulatory considerations, and is reflected practically in Quilter's Board Risk Appetite towards regulatory compliance. The Board has a low appetite for non-compliance with regulations and this position is reflected, for example, in the levels of investment in Quilter's change programme focused on regulatory change and delivering this in a timely way.

## Advisers

### Who are they

Financial advisers are core to our business, delivering personalised financial advice tailored to meet the specific needs of the customer. Our business model means we have three core adviser strategies comprising 1) our National business, through which our advisers provide high-quality financial advice under the Quilter brand 2) our advice Network business, which partners with third party advice firms providing them with a compelling investment proposition and robust regulatory control framework and 3) third-party independent financial planners ("IFAs") who utilise our investment platform or place clients' assets within Quilter investment management solutions.

As a firm believer in the value of advice, Quilter is committed to developing existing advisers and bringing new advisers into the industry. Since its inception in 2016, 643 financial advisers have graduated from our own-branded educational facility for advisers, the Quilter Financial Adviser School. In 2020, 211 financial advisers completed the qualification.

### Priorities for advisers

- A compelling investment proposition
- The provision of high-quality, productive environments in which to operate safely
- A robust and intuitive platform

### How the Board engages with our stakeholders

The Board receives regular updates from the Chief Executive Officer on key issues impacting advisers both within Quilter Financial Planning's Network and National businesses and third-party advisers who use our investment platform to serve their and our customers.

The Customer reports scrutinised by the Board and Board Risk Committee provide key insights on how effectively and safely Quilter is supporting advisers in serving customers and, in order to better understand advisers' views and culture, the Board has requested that data collated on our employees' opinions and culture is extended to include advisers. In addition, Paul Matthews, who also serves on the Quilter Financial Planning Limited Board, engages regularly with advisers to understand their needs and priorities, reporting back to the Board on his findings. This included attending the bi-annual Quilter Financial Planning Adviser Conference in February 2020. The Board has also supported management's decision to extend the support for employees' mental wellbeing to advisers. More information on the support provided is available on page 54.

The Board and the Board Technology and Operations Committee committed significant time in 2020 to ensuring the new Quilter Investment Platform is suited for the needs of advisers and their customers. Given 2020's challenging circumstances, the decision to split the second phased adviser migration into two stages was taken to limit the potential for disruption to advisers and customers. You can read more about our Platform Transformation Programme on pages 44 and 45.

The Board Technology and Operations Committee also provided oversight of the plans for, and progress in, delivering new technology solutions that are central to supporting Quilter Financial Planning's advisers, including the new payments system implemented in February 2021, which ensures advisers are properly and promptly paid for the advice they provide.

During the early part of 2020 the Board closely monitored the programme of work commenced in 2019 to further strengthen the robustness of the Quilter Investors investment process.

### Outcomes

- **Read more examples of how these stakeholders have been considered**  
Pages 54 and 55

One important outcome was the safe implementation of the new investment platform, which enables advisers to provide excellent advice and support for customers and an enhanced range of services.

Section 172 (1) statement (continued)

## Customers

### Who are they

Our customers use our products and services to meet their long-term financial needs and achieve their aspirations. Ensuring customers are at the heart of everything we do is critical to Quilter's long-term success. Maintaining strong relationships built on the delivery of outstanding service and outcomes, a positive reputation and trust are key to the longevity of Quilter's performance.

By the end of 2020 Quilter spent £174 million enhancing the core investment platform and further enhancements to our customer proposition are planned in 2021.

### Customer priorities

- Products that meet their needs, expectations and risk appetite
- Excellent customer service and access to products across all channels
- Personalised customer propositions

### How the Board engages with our customers

Earning and retaining the trust of customers is a high priority and the Board receives regular reports on the outcomes achieved for customers. The customer reports in 2020 confirmed that Quilter generally provided a resilient and consistent service to customers through the pandemic. The Board asked management to ensure direct feedback on end-customer satisfaction is obtained in addition to the feedback via advisers. The Board also challenged management to develop better mechanisms for measuring whether value for money is being delivered for all customers based on the work conducted by Quilter Investors in 2020.

All Board papers include, where appropriate, analysis of the impacts to customers of the proposals under consideration.

The Board looks to benchmark performance achieved for customers and uses insight from a range of internal and external research, including net promoter scores and other customer indices, to improve services. The Board receives regular updates and reports on the progress of Quilter's strategy, including the development of plans for the next strategic phase, ensuring the customer remains at the heart of our strategic investment.

The Board receives reports providing analysis and guidance in relation to the competitive environment and market share, which enables strategic insight and allows the Board to take decisions that are focused around the needs of customers.

The Board is committed to doing whatever is necessary to ensure all customers impacted by past conduct failures receive fair recompense.

To ensure that our leadership team continue to put customers at the heart of everything we do, a customer metric is included in the executive scorecard that drives the remuneration of our senior executive team.

### Outcomes

When the size and scale of the COVID-19 pandemic became apparent, the Board endorsed management's action to support customers impacted by the pandemic. This included heightened internal controls to prevent fraud and cyber crime.

During 2020, a number of claims were received in relation to historic pension transfer advice in respect of the British Steel Pension Scheme provided by Lighthouse prior to its acquisition. This subsequently led to the FCA initiating a skilled person's review and an enforcement investigation, as noted elsewhere in this report. As a result, the Board has ensured that, working closely with the skilled person and the FCA, Lighthouse reviews relevant cases and offers remediation if the historic pension transfer advice in respect of the British Steel Pension Scheme was not suitable.

The introduction of the new investment platform is a further example of how the Board has overseen enhancements in how we engage with customers. Read more about this on pages 44 and 45.

■ ■ **Read more examples of how these stakeholders have been considered**  
Pages 50 and 51

## Your Board discharged its responsibilities in 2020 by

Actions	Purpose
<b>Reviewing and setting the Group's strategy</b>	<p>The Board held a two-day in person strategy meeting in August 2020 which met all the government guidance for 'gatherings' in place at that time. The management team, guided by the Board, assembled detailed analysis of each business area and details of industry trends which provided key insights on which the strategy is based. The executive team then presented a proposed long-term strategy which the Board tested and challenged. In setting the strategy, the Board carefully considered the needs of customers, shareholders, employees, advisers, the communities in which we operate and the need to maintain constructive relationships with our regulators. A key consideration was whether the global pandemic was likely to make permanent changes to the markets in which we operate, the expectations of our customers and the changes the business would need to make to adjust to those changes. The Board endorsed the overall direction of the strategy which requires the business to become more customer-centric and to drive greater efficiency throughout our business to better serve our customers and advisers and continue to enhance returns for our shareholders.</p> <p>As part of the review of the Group strategy in the summer of 2020, the Board concluded that management should conduct a strategic review of the Quilter International business. Management were asked to provide the Board with a detailed analysis of a range of options for the business including retention of the business, alternative growth strategies or a sale to a third party, so that a fact-based decision that benefited all stakeholders in the long term could be reached.</p>
<b>Setting stretching but achievable financial and operating targets for management</b>	<p>In October and November 2020, the Board reviewed and approved a Business Plan for the forthcoming three-year period. The Business Plan sets financial and non-financial targets for the period and shows the capital and liquidity impacts of that plan which are aligned to the Group's risk appetite. Given the significant uncertainty in the external environment at the time of setting the Business Plan, management were asked to rebase some elements of the Business Plan to take account of market movements in November 2020.</p> <p>Alongside the production of the Business Plan, management developed an Operating Plan that set out the key initiatives and programmes of work required to deliver the Business Plan and the Group Strategy. The Board carefully considered the resources available to deliver the Operating Plan, the alignment of the financial and Operating Plans, the achievability of the plans and the risks to delivery. Particularly, in 2020, the Board had to consider the challenges in delivering significant change programmes while the business continues to work largely remotely.</p>
<b>Reviewing the response to COVID-19</b>	<p>When the business moved to largely remote working in March 2020, and the first national lockdown was announced, management carefully reviewed all planned change activities and deprioritised certain programmes, such as new product launches for Quilter Investors. It was clear that our revenues would be impacted by lower markets and that cost control would be important to secure the long-term position of the business. Despite the imperative to control costs, your Board supported management's decision to also protect our employees. Some redundancies that had been long planned to take place in the first half of 2020 were delayed, given how difficult it would be for those seeking employment at that time. Management also identified the key projects, such as the Platform Transformation Programme, which are critical to the future of the Group and prioritised those areas to ensure delivery would be safely achieved. The Board also considered how the experience of working remotely will permanently change the way that our people wish to work and agreed to keep this under review.</p>

## Your Board discharged its responsibilities in 2020 by (continued)

Actions	Purpose
<p><b>Monitoring the delivery of the Operating Plan and key strategic programmes</b></p>	<p>Throughout the year, the Board has received quarterly updates from the Chief Executive Officer on the delivery of the 2020 Operating Plan to ensure that the business continued to make progress on delivery of its strategy and the Business Plan.</p> <p>In addition, the Chief Operating Officer reported half yearly on the areas within her responsibility. She confirmed that Quilter's operations have remained resilient throughout 2020, despite the challenges presented by COVID-19 and material improvements have been delivered in our IT infrastructure and security.</p>
<p><b>Overseeing the Group's management of material risks</b></p>	<p>The business remained financially strong throughout 2020 with robust capital and solvency positions which should provide comfort to our shareholders, regulators and those we do business with.</p> <p>In addition to the usual quarterly reports from the Chief Risk Officer, the Board has spent time overseeing the handling of customer complaints arising from the Lighthouse acquisition and ensuring that any lessons arising from them have been fully learnt and embedded.</p>
<p><b>Ensuring the Group's people strategy and culture are aligned with the business strategy</b></p>	<p>The Board has continued to monitor closely the health, welfare and engagement of our people and the culture of our business. Regular employee opinion surveys (Peakon surveys) confirmed that the Group has an engaged and committed workforce and the Board encouraged management to extend its work in these areas to include those advisers who we do not employ, but are still critical to the success of our business.</p> <p>At the Board's request, management brought forward detailed plans on enhancing the diversity of our workforce which are discussed on pages 52 and 53. The culture of the organisation is considered to be well aligned to the Group's purpose and strategy with a strong customer-oriented mindset and it is clear that our colleagues have gone the extra mile in 2020 to continue to support our customers despite the obvious challenges. The high visibility of the leadership team through the isolation of home working has been strongly welcomed by our people. The Board has requested more granular information on the culture of individual businesses to ensure that any inconsistencies across the Group are identified and addressed.</p>
<p><b>Read more in the Responsible Business Report</b> Pages 52 and 53</p>	
<p><b>Monitoring the investment performance of our funds and solutions</b></p>	<p>The Board has continued to regularly scrutinise the investment performance being delivered by Quilter Investors and Quilter Cheviot for their respective customers. In a year of volatile markets with at times unprecedented market falls, the Board has continued to emphasise the importance of robust investment processes and strong monitoring of investment risk.</p>
<p><b>Monitoring how well we serve our customers</b></p>	<p>The Board has continued to guide the development of a comprehensive set of metrics to ensure that we are providing outstanding service to our customers. There is good evidence to confirm that Quilter has continued to provide strong customer service despite the challenges faced in 2020 when the first UK national lockdown coincided with the first phased migration to our new investment platform. Management reacted quickly when problems were identified in this difficult period.</p>

## Case study on capital management

### Return of capital

In 2019 when the Board approved the sale of Quilter Life Assurance to ReAssure, the Board engaged with its major shareholders to obtain their views on the use of the sale proceeds. Having also discussed the matter with the Group's brokers, the Board agreed to return the sale proceeds to shareholders by way of a share buyback programme. The Board approved a programme with a value of up to £375 million, subject to remaining within certain pre-set parameters over share price and trading volumes. To ensure appropriate oversight, and given the challenges of buying back shares in a fairly illiquid stock on the UK and South African Stock Exchanges, the Board was clear that the programme needed to be subject to staged regulatory and Board approval. The Board delegated to the Return of Capital Committee, chaired by Glyn Jones, alongside the Chair of the Board Risk Committee, Rosie Harris, and the Chair of the Board Audit Committee,

George Reid, with our Chief Executive Officer, Paul Feeney, and our Chief Financial Officer, Mark Satchel, authority to oversee the programme within the parameters set by the Board and consider on an ongoing basis whether the return of capital continued to be appropriate and in the best interests of our shareholders.

In March 2020, the Board was finalising our 2019 results at the same time as the first signs emerged that COVID-19 was likely to become a global pandemic. The Board Committee exercised close scrutiny over the programme to ensure that it remained in the best interests of our shareholders and, as part of our shareholder governance meetings held in February 2020, reconfirmed with our major shareholders remained supportive of the launch of a share buyback programme. Over the next few months, the pandemic impacted markets causing significant share price volatility globally. At a time when many

other companies were suspending their dividend payments, we stayed in close contact with our lead regulators and monitored Quilter's share price, overall capital, liquidity and free cash. During 2020, the Committee met on three occasions and received updates from management regarding the progress of the share buyback programme and ensured that the Company stayed within risk appetite in terms of our capital, liquidity and free cash positions. Given the dislocations and volatility in markets during 2020, it has at times been challenging to maintain the pace of the share buyback programme, in part driven by the current structure whereby the programme is designed to buy back an equivalent number of shares on the London and Johannesburg Stock Exchanges to maintain our current shareholder profile.

### Continuing to pay dividends in 2020

Since Listing, Quilter has paid two dividends a year, in May and September, in line with our published dividend policy. Before approving our 2019 full year results in March 2020, the Board gave careful consideration to the emerging situation with respect to the COVID-19 pandemic and agreed that it was appropriate to pay a final dividend of 3.5 pence per share, which was approved by shareholders at our Annual General Meeting in May 2020.

In the following months, Quilter, along with many other companies, paid close attention to our capital and free cash position and scrutinised what, if any, interim dividend it would be appropriate to pay in September 2020. Aware of the importance of our dividend to both private shareholders

and institutional investors, including pension funds, the Board met in July 2020, to review in detail management's recommendation on the proposed dividend rate. We also remained in close and routine contact with our lead regulators regarding our thinking in respect of the dividend. Major shareholders consulted indicated that a smaller dividend at the lower end of the 40-60% target pay-out ratio would be acceptable given the market circumstances. Given our strong cash and capital reserves, the Board agreed that it would be appropriate to pay a 2020 interim dividend, but adopted a cautious position given the market conditions, progress on the share buyback and the business outlook at that time.

The Board has again deliberated in depth on the pay-out ratio and final dividend for 2020, which was announced in March 2021, once again taking into consideration our financial position, the market conditions and business outlook. The Board has recommended to shareholders a full year final dividend of 3.6 pence per share. This will be put to shareholders for approval at our 2021 Annual General Meeting.

## Employee engagement



**Paul Matthews**  
Independent Non-executive Director

I was delighted to be asked to succeed Cathy Turner as the employee representative on the Quilter Board. Quilter is fortunate to have employees who have a strong affinity with the Group and support its exciting strategy. During a period of rapid and sometimes difficult change to bring the business to full maturity, coupled with a global pandemic which has meant our employees have largely been operating remotely, it is impressive that employee engagement has remained strong during a challenging year.

The Quilter Board receives a wide range of information on Quilter’s employees through the course of the year. This ranges from the regular updates on People and Culture presented by our HR Director, reports from the Chief Executive Officer on current people initiatives and feedback in response to such actions as well as analysis from our risk team on the people risks in our business. Our risk team have particularly highlighted the pressures on our employees resulting from the high volume of change in the organisation. None of these sources of information are as valuable as direct meetings with our people which I have tried to achieve in 2020 either virtually or in person.

### Looking forward

Having taken over as the Quilter Non-executive Director responsible for providing a linkage between the Quilter Board and our people in May 2020, and having so far met many people virtually, I am very much hoping to be able to meet more Quilter staff face-to-face in 2021. I hope that my interactions with the Quilter Employee Forum, the employee talent sessions the Board has recently relaunched and my regular visits to Quilter’s offices around the country will soon be possible in person rather than virtually. In this hope, I will be joined by many of my fellow Directors who in more normal times would routinely travel to our various offices to attend townhalls or roadshows and benefit from the one-to-one conversations that this enables.

### Key themes

#### Supporting our people in difficult times

Quilter conducts regular surveys on employee engagement and during 2020 there was a particular focus on how well Quilter was supporting our employees through the pandemic and keeping them informed on a fast-moving and largely unprecedented situation. Having placed a high priority on employee wellbeing, with additional support provided by Quilter to both employees and advisers, it was reassuring that employees were appreciative of these efforts. This was confirmed by the strong results for specific questions in employee opinion surveys about Quilter’s response to the pandemic and supporting our people. Employees also recognised the significant efforts made to ensure that they had the right tools to fulfil their roles after moving to remote working.

**“Quilter is doing a good job of keeping me updated with the information I need right now”**



**“Quilter is doing a good job of supporting me during COVID-19”**



Note: Quilter Peakon Survey September 2020.

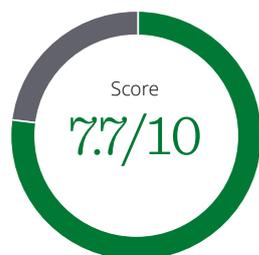
## Key themes

### Leadership

In difficult times, visible and vocal leadership becomes even more crucial and when I joined a meeting of the Quilter Employee Forum in September 2020, it was very clear that the efforts by the senior leadership team to be highly visible and accessible during remote working had been warmly welcomed by employees. Business and function leaders have successfully used video messaging to engage directly with employees. Employees shared with me their feedback that the cascading of key messages through line management was less effective and this will be an area of further focus going forward.

Good progress has been made in setting expectations for Quilter's leaders who are expected to demonstrate inclusive and responsible leadership practices and this is an area that the Board will monitor going forward.

**“Senior leaders role-model the behaviours underpinning our values”**



**“My manager provides me with the support I need to complete my work”**

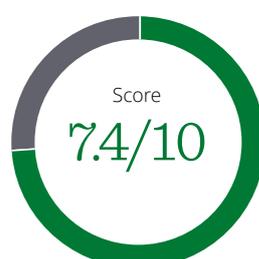


### Aligning our culture and values to our strategy

The proportion of our people who are inspired by the purpose and vision of Quilter is above the norm for the financial services industry and the majority feel that the strategy is taking Quilter in the right direction. Our employees highlight the need to build a better understanding of the work of other businesses and departments to enhance the cohesion of the Group. This is an area where we can improve even further with enhanced communications. There is strong alignment for our employees with the Quilter values of Dependable, Stronger Together and Pioneering and all three were above the average for the financial services industry. Some employees noted an element of risk aversion in the business and the Board has asked to see more granular analysis of the culture at a business level so that any material differences can be addressed.

One important measure of a strong and healthy culture is the extent to which employees feel able to voice concerns knowing that they will be listened to and appropriate action taken. The communications to staff in this area have been refreshed during the year and the employee survey makes it easy to highlight areas of potential concern and ensure that the organisation learns the appropriate lessons when things do not go according to plan. George Reid, who is our Whistleblowing champion, also references this in the Board Audit Committee report.

**“I am inspired by the purpose and vision of Quilter”**



**“The overall business strategy set by senior leadership is taking Quilter in the right direction”**



**“I feel able to report risks without fear of reprisal”**



Note: Quilter Peakon Survey September 2020.

# Board Corporate Governance and Nominations Committee report



## Dear Shareholder,

The Board Corporate Governance and Nominations Committee is responsible for overseeing the Quilter Corporate Governance Framework and for ensuring that the composition of the Board and the skills and experience present within our senior leadership team is appropriate to support the successful delivery of the Quilter strategy. Additionally, the Committee is responsible for overseeing the delivery of the Group's responsible business and responsible investing agenda. I set out opposite how the Committee has discharged its responsibilities in these areas.

In my Chairman's statement on page 15, I noted some of the changes to our Board. This work has been overseen by this Committee to ensure that we have a strong Board with diverse and relevant experience.

During the year the Committee undertook a thorough process to identify and assess candidates which resulted in the appointment of Tim Breedon to our Board. You can read more about the process and Tim's impressions on pages 106 and 107. The search in the second half of 2020 for an ethnically diverse Non-executive Director who could bring valuable additional skills and experience to our Board led to the appointment of Tazim Essani in March 2021. Tazim brings corporate finance, strategy and business transformation experience. During the year, the Committee continued to focus on the combined skillset and

capabilities of the Directors to ensure their effectiveness in driving our transformation strategy forward. We also continued to fulfil our core responsibility of reviewing the composition of the Board and Committees.

Based on its assessment for 2020, the Committee is satisfied that, throughout the year, all Non-executive Directors remained independent in accordance with the Code. In recommending Directors for re-election at our AGM, the Committee considered the performance of each Non-executive Director, as confirmed by the Board Effectiveness Review, and their ability to continue meeting the time commitment required, taking into consideration individual capabilities, skills and experiences and any relationships that have been disclosed. All Directors were considered to have the appropriate skills and experience for their roles.

In addition, the Committee has considered the overall strength of the executive talent pipeline, together with detailed executive succession planning aimed at supporting the development of executives who will support the delivery of Quilter's strategy. Further detail on executive succession planning can be found on page 103.

**Glyn Jones**  
Chairman

**Glyn Jones**  
Chairman

## Committee activity



- Board evaluation **11%**
- Board and Board Committee succession planning **19%**
- Executive succession planning and talent **24%**
- Corporate governance **23%**
- Responsible business framework **23%**

## Committee governance

The Board Corporate Governance and Nominations Committee currently comprises the Chair of the Board and two independent Non-executive Directors. Details of the skills and experience of the Committee members can be found in their biographies on pages 84 and 85.

**Evaluation** As part of the 2019/20 Board Effectiveness Review, the Board has assessed that the Committee membership is appropriate in providing challenge and oversight and that the Committee is operating effectively.

**Discharging our responsibilities** The Committee reviewed its activities over the previous 12 months against its terms of reference and confirmed that it had fully discharged its responsibilities in line with its remit. The terms of reference are available at [quilter.com](http://quilter.com).

**Attendance** The Chief Executive Officer and HR Director regularly attend Committee meetings, except when it would not be appropriate for them to do so.

**Collaboration** The Chairman briefs the Board on key discussions and provides a written report to the Board, where feasible, after each meeting. The papers and reports presented to the Committee are made available to all Quilter Non-executive Directors.

## Committee meetings attended/eligible to attend

<b>Glyn Jones (C)</b>	<b>4/4</b>
Tim Breedon	3/3
Suresh Kana	1/1
Ruth Markland	4/4
Cathy Turner	1/1

## Number of meetings

**4**

## Key areas of Committee focus

### Board evaluation

Having completed a comprehensive, externally facilitated Board Effectiveness Review in 2019 the Committee concluded that a lighter touch, internally facilitated review would be appropriate in 2020. Further details on the review can be found in the report on page 105 from Ruth Markland, our Senior Independent Director, who oversaw the review at the Committee's request.

### Board and Board Committee succession planning

The Quilter Board membership is regularly reviewed by the Committee using a Board Skills and Experience Matrix to ensure that the Board has available to it all of the required skills to oversee the delivery of Quilter's strategy and long-term success. In line with best practice, the Committee has also agreed the emergency succession arrangements for all of the key Board positions, including the Chairman of the Board, the Senior Independent Director and the Board Committee Chairs. Although strong candidates are available for each position on an emergency basis, it is still likely that some external recruitment would be required for permanent successors given that the Board is not large enough to carry a pool of succession candidates for all Board roles.

Following Dr Suresh Kana and Cathy Turner's decision not to seek re-election at the AGM in May 2020, a search was commissioned to add at least one Non-executive Director to the Board. Details on the approach adopted to recruit Tim Breedon to the Board are set out overleaf. When Jon Little decided to step down from the Board in light of his other commitments, a further search was initiated, and the decision was taken to prioritise an ethnically diverse candidate who would also bring valuable additional skills and experience to the Board. The Board was also keen to continue to meet the target set by the Parker Review following the departure of Suresh Kana. That search resulted in the Committee recommending the appointment of Tazim Essani to the Board in March 2021. Further information on the diversity of our Board can be found on the following page.

### Executive succession planning and talent

The Committee has also spent considerable time evaluating the succession plans for senior executive roles. This included an assessment of the strengths of the senior management team, any development areas and the plans in place to address those. The succession plans sought to identify both emergency succession arrangements as well as longer-term succession candidates from those already in the business. In conducting the review of these succession plans the Committee carefully considered the need to create a pipeline of succession candidates that are suitably diverse in order to achieve the Group's objectives in this area which are discussed in more detail overleaf.

The Board has for some time held breakfast meetings with talented individuals within the organisation. Once it became clear that restrictions on face-to-face meetings would be relatively long lasting, the decision was taken to move these talent successions to be virtual meetings. We are very pleased to have reinstated this important link to potential future leaders of our business.

### Corporate Governance

The Quilter Corporate Governance Framework places material emphasis on the role of our subsidiary Boards and during the year the Committee supported the changes to the Quilter Financial Planning and Quilter Investors Boards. Both Boards now have new Chairs and, given the importance to our customers of strong investment performance, the Quilter Investors Board has established an Investment Oversight Committee focused on reviewing investment processes, rules, controls and performance outcomes.

The Group's Subsidiary Governance Manual has been reviewed and an updated version was approved by the Committee early in 2021 that clarifies some of the reporting and escalation processes from subsidiary Boards.

### Responsible business and responsible investing

The pace of change and strong interest in responsible business and responsible investing has continued to accelerate. A comprehensive review of the enhanced reporting now expected by investors has been conducted and the Group's response to those new expectations can be seen in the Responsible Business report on pages 46 to 59. The Committee has also taken a keen interest in the development of a responsible investing strategy. Responsible investing is an area where Quilter sees significant potential to leverage Quilter's unique skills. This is discussed in more detail in the Chief Executive Officer's statement on page 26.

Key areas of Committee focus (continued)

**Board diversity and inclusion**

The Board and the Board Corporate Governance and Nominations Committee have given significant consideration to the diversity of the Board and our workforce. A range of initiatives have been launched or reinvigorated during the year to drive diversity and inclusion across our businesses. These include establishing an Inclusion and Diversity Steering Committee chaired by Paul Feeney, creating networks for BAME and LGBT+ colleagues and the adoption of diverse short-lists for all roles at Executive Committee level and the executives who report to them. A range of family-friendly policies have been implemented during the year. Significant progress has been made in collecting comprehensive data on the diversity of our workforce to provide the basis for further targeted action. It is also pleasing that Quilter met its target of 35% of leadership roles being held by women. As at 31 December 2020, 26% of our senior management team, comprising the Executive Committee, the Company Secretary and their direct reports, are female but it is clear that more needs to be done.

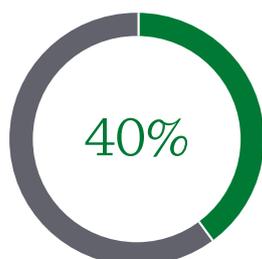
The Board acknowledges that it has an obligation to both role-model and drive a culture of diversity and inclusion across Quilter. Consideration is given to the combination of skills, professional experience and personal qualities that are present and required on the Board in line with its stated intent to create a more diverse membership. All appointments are made on merit, taking account of the skills, experience, knowledge and background needed to ensure a rounded and effective Board. There is more to be done to ensure the continued diversity of the Board and creating opportunities for all is critical, so that a robust pipeline of diverse candidates is available. We will continue to strongly pursue these goals.

No members of the Quilter Board identify as having a disability or as coming from the LGBT+ community. As shown below, the composition of the Quilter Board meets the recommendations of the Hampton-Alexander Review for one third of its members to be women. This requirement has been met at all times since the Group's Listing in June 2018 and three of the Board's five Committees are chaired by female Directors. The Committee has carefully considered the recommendations of the Parker Review and the Board's membership met its requirement to have at least one ethnically diverse Director on the Board up until May 2020, when Suresh Kana decided not to seek re-election at the 2020 AGM. The Board Corporate Governance and Nominations Committee launched a search in the second half of 2020 for a Non-executive Director who could bring valuable additional skills and experience to the Board from an ethnically diverse background. The Committee identified a short-list of candidates who met these criteria and recommended the appointment of Tazim Essani to the Board. The composition of the Quilter Board once again aligns with the Parker Review's recommendations. During the year the Committee recommended to the Board the adoption of a new Board Diversity Policy which is available on the Quilter website at [quilter.com](http://quilter.com).

Four of our seven Board leadership roles are held by women. The Board currently comprises nine white Directors and one ethnically diverse Director.

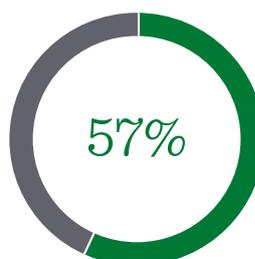
■ **Read more in the Responsible Business Report**  
Pages 52 and 53

Current female representation on Board



■ Female  
■ Male

Current female representation in Board leadership roles



■ Female  
■ Male

Current ethnic diversity of the Board



■ Ethnically diverse  
■ White

Board leadership roles are the Chairman, Senior Independent Director and Chairs of our five Board Committees. Data as at 10 March 2021.

## Board effectiveness review



**Ruth Markland**  
Senior Independent Director

*The 2019/20 Board effectiveness review concluded that our Board and Committees are fully effective.*

Having overseen the externally facilitated Board effectiveness review in 2019 the Board Corporate Governance and Nominations Committee also asked me to oversee the internal review conducted in 2020. The review was conducted by way of a questionnaire which was completed by all Board members in September 2020 (except for Tim Breedon who had recently joined the Board, in June 2020) and a small number of executives who work closely with the Board. The questionnaire used for the evaluation was similar to that used for the 2019 review so that trend data was available, and it covered the performance of the Board, each of its Committees and individual Board members.

I am pleased to report that the review concluded that the Board and the Board Committees continue to be fully effective in the discharge of their responsibilities. As usual, the review identified a small number of areas where improvements could be made. An action plan to address those areas of focus was agreed by the Board in November 2020 and the Board Corporate Governance and Nominations Committee is monitoring the delivery of that action plan.

The Board effectiveness review included individual feedback for each Non-executive Director and the Chairman. Using the results of the review, the Chairman held one to one feedback meetings with each Non-executive Director. After consulting with my fellow Non-executive Directors as Senior Independent Director, I then provided the feedback to the Chairman.

### 2019/20 effectiveness review and action plan

#### 2019/20 effectiveness review

- Decision taken to conduct a lighter touch internally facilitated Board effectiveness review in 2019/20;
- Internally facilitated review conducted in September 2020 by using a questionnaire designed to assess progress on issues identified in previous review;
- Outputs of the 2019/20 Board and Committee effectiveness review debated and agreed; and
- Action plan to address issues identified and agreed by the Board and each Board Committee.

#### The action plan approved by the Board in response to the Board effectiveness review included actions to:

- Review the management information and key performance indicators used to oversee the progress and performance of the business;
- Share additional reporting on succession planning with the Board;
- Introduce additional reporting from the subsidiary Boards; and
- Share more granular reporting on culture at a business level with the Board.

## Refreshing the Board



**Glyn Jones**  
Chairman

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### Q. How does the Board decide to appoint a new NED?

The Board Corporate Governance and Nominations Committee is responsible to the Board for ensuring that the Board composition is appropriate for the successful delivery of the Quilter strategy. As part of that responsibility, the Committee has agreed and reviews on a regular basis a Board Skills and Experience matrix which identifies the skills and experience that are required to deliver Quilter's strategy and promote the long-term success of Quilter. Directors' skills and experience are mapped to this matrix and this enables areas where further strength is required to be identified. The Board also considers Board composition as part of the Board Effectiveness Review which you can read more about on page 105 and is led by the Senior Independent Director, Ruth Markland.

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### Q. Why did the Board need a new non-executive Director?

As stated in our 2019 Annual Report, when Cathy Turner and Dr Suresh Kana indicated their intention not to seek re-election to the Quilter Board at the 2020 Annual General Meeting, the Board Corporate Governance and Nominations Committee agreed that an external search should be conducted to identify at least one new Non-executive Director.

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### Q. What skills and experience were you looking for?

The brief the Committee agreed was to conduct a search to find a candidate who could bring strong listed company CEO experience and ideally a track record as a strong independent Non-executive Director with public company experience to

further strengthen the Board. Tim's candidacy exceeded our criteria, as he also brings a strong risk, governance and investor lens to our Board. I am delighted we were able to appoint a director of Tim's calibre and experience.

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### Q. How did you approach the search?

An external executive search firm, Egon Zehnder, was engaged to assist in the recruitment. Egon Zehnder have no other connection to Quilter or any individual director. In line with our Board Diversity Policy, we only engage search firms who have signed up to the voluntary Code of Conduct on both gender and ethnicity. A long-list of candidates was identified by the search firm, from which a short-list of three candidates was interviewed in the first instance by me, our Chief Executive Officer and our HR Director. The candidates were independently ranked by us against the agreed selection criteria and there was unanimous agreement that Tim Breedon was the outstanding candidate based on his stronger track record in both the executive and non-executive phases of his career. Second round interviews were conducted with, amongst others, the Senior Independent Director, the Chairs of the Board Audit and Board Risk Committee, and independent references were taken up by the Chairman. The Board Corporate Governance and Nominations Committee considered feedback from the interviews and the references, alongside an analysis of Tim's other directorships to assess whether there were any conflicts of interest or any issues in terms of his ability to commit the appropriate time to Quilter. Having concluded that there were no impediments to the appointment, and that Tim's skills and experience mapped strongly to the vacancy, the Board Corporate Governance and Nominations Committee recommended Tim's appointment to the Board for their approval.

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### Q. How did you change your recruitment process to take account of remote working?

For the first time in my career, this entire search was conducted virtually. All the key decisions to commence the search and all the meetings between the short-listed candidates and the Directors were conducted by video conference.

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### Q. How did you keep the whole Board informed on progress of the recruitment?

As Chairman, I kept the Board Corporate Governance and Nominations Committee informed on progress and briefed the Board in full on the process and the proposed appointment for their approval. A detailed Board paper and action plan were shared with the Board.

# Tim Breedon shares his thoughts on joining the Quilter Board



**Tim Breedon**  
Independent Non-executive Director

## Q. How much did you know about Quilter before joining the Board?

As a result of my range of non-executive director roles across the UK financial services industry I was very aware of Quilter and its ambitions, and I had observed with interest the Company's successful listing and its continued progress thereafter. I admired the entrepreneurial nature of the leadership team and the careful stewardship by the Chairman. It is a young and exciting business with a clear strategy and a strong sense of purpose.

## Q. Why did you want to join Quilter and what skills and attributes do you bring to the Board and Quilter?

Having been a CEO of a FTSE-100 company operating in the UK long-term savings market, I intend to bring challenge, advice and support to Quilter management on business performance and decision making, as well as working with my fellow Board members in developing strategy and overseeing the delivery of long-term success for Quilter. I particularly enjoy working with management teams to help them to identify and exploit competitive advantage to deliver strong and sustainable business growth.

## Q. Joining during a pandemic, how did you get to grips with your new role?

It is testament to the Chairman, the Board and many Quilter colleagues that I have felt so warmly welcomed, particularly as due to pandemic restrictions, I have so far only been able to participate in person at the annual strategy day. Quilter have arranged access to secure technology that has enabled me to join meetings and hold calls via secure video conferencing. Whilst I miss personal interactions, this has been a good substitute for face-to-face meetings.

## Q. How long did it take to complete your induction?

I was very impressed with the speed, thoroughness and quality of the induction Quilter arranged for me. It was detailed and well-structured. Corporate Secretariat made arrangements for the induction and necessary background materials to be made available in a secure Board portal, and I met Quilter Executives by video conference or telephone. The induction was completed promptly, and I am still learning about Quilter. It takes time to get to know a business and I am conscious that there is always more to do.

## Q. What are your first impressions of Quilter and its culture?

Despite Quilter's long history as part of the Old Mutual Group, it only became a listed company in 2018. As a result it is a maturing business, changing rapidly, and is still working towards fully achieving its desired business shape. It has grown quickly through acquisition and there are opportunities to further integrate the various elements and to bring the Quilter Group together more. Rebranding is an important part of this and the exercise is well underway to symbolically demonstrate a cohesive group. Now that the new investment platform is operational, the Group has what it needs to move forward rapidly to grasp the strategic opportunities ahead.

## Q. What do you see as the main opportunities and challenges for Quilter?

The financial services industry has been under pressure for some time now, challenged by global political and economic change, market instability, increased regulatory scrutiny and now a global pandemic. The external headwinds are strong, but I am confident that Quilter is poised to deliver on its potential and I am excited about how I can support management on the next stage of their journey.

# Board Audit Committee report



**George Reid**  
Chair

## Dear Shareholder,

An important role for the Committee throughout the year, and particularly during the COVID-19 pandemic which required the vast majority of our employees to perform their roles remotely, has been providing robust governance over the Group's financial reporting. During the year, we took the decision early to defer the release of the Group's 2020 interim results by a few days in order to ensure we could deliver a robust set of financial statements, notwithstanding the remote working environment and the recent change of external auditors. Maintaining the transparency and integrity of our financial statements is of vital importance to our stakeholders, particularly in a period of significant market volatility.

The Committee has continually assessed the state of the financial control environment throughout the year and is content that remote working has not led to any significant weakening in the operation of our internal financial controls and the controls over our financial reporting. We have continued to oversee the modernisation and optimisation of the finance function and the preparations for the migration to a new General Ledger. The first phase of the migration has now completed safely and as the work progresses the Group will adopt increasingly automated controls providing real time assessments of control effectiveness. The Committee also spent time reviewing the impact of the Platform Transformation Programme on financial controls and reporting. Further information on how the Committee has overseen the Group's financial reporting and controls can be found on pages 109 to 112.

Another area where the pandemic required us to adapt our usual approach was the work of the Internal Audit function. The Committee took swift action following the onset of the pandemic to agree a revised set of priorities and a more flexible planning approach for the Internal Audit function, further details of which are set out on page 113.

I reported to you last year that, following a detailed and comprehensive audit tender process, the Board would be recommending the appointment of PwC as the new auditors for the Group. PwC were formally appointed by our shareholders as the Group's statutory auditors at the Annual General Meeting in May 2020. During the year, the Committee has closely monitored the auditor transition process and the preparations for and delivery of PwC's first audit to ensure their effectiveness. Further details on the external auditor transition process are set out on page 115.

There is further information on how the Committee has discharged its role over the coming pages covering the following areas:

### Key areas of Committee focus:

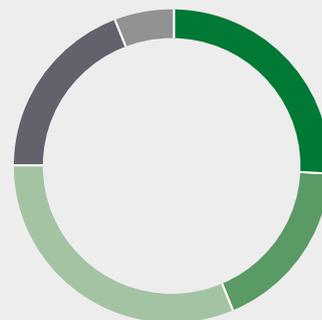
- Internal Audit;
- external audit, including the auditor transition; and
- committee governance

Looking ahead, the Committee will be focused on ensuring that the completion of the Platform Transformation Programme and the launch of the new General Ledger are fully leveraged to continue enhancing the Group's internal financial control environment. The Committee has set a clear set of objectives for what will be needed to achieve these enhancements, informed by the Controls Maturity Assessment conducted by PwC, and I will report on the progress made in the 2021 Annual Report.

I would also like to take this opportunity to thank Suresh Kana, who served on the Committee until May 2020, for his insightful contributions during his appointment.

**George Reid**  
Chair

## Committee activity



- Review of financial statements **26%**
- Internal controls **18%**
- Internal and external audit **31%**
- Regulatory compliance and reporting **19%**
- Governance **6%**

## Committee meetings attended/eligible to attend

<b>George Reid (C)</b>	<b>13/13</b>
Rosie Harris	<b>13/13</b>
Suresh Kana	<b>5/5</b>
Ruth Markland	<b>13/13</b>

## Number of meetings

# 13

## Key areas of Committee focus

Key area	Purpose
<b>Financial reporting</b>	<p>The Group's accounts are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain Alternative Performance Measures ("APMs") are used to add insight for Quilter's shareholders on the performance of the business, aligned with how the business is managed. The Committee has continued its close scrutiny of APMs to ensure that where they are used they are clearly highlighted and explained and are reconciled to statutory performance measures.</p> <p>The Committee has reviewed the Accounting Policies and confirmed that they are appropriate to be used for the 2020 financial statements. Specific attention has been paid to the disclosures made in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, particularly the assumptions regarding provisions and unrecognised deferred tax assets. During the year, the Committee has also reviewed the preparations for IFRS 17 Insurance Contracts and its impact on the Group despite the delays in the implementation of this new standard and the reduced impact following the sale of the Quilter Life Assurance business.</p> <p>The Committee has reviewed the basis of accounting, the appropriateness of adopting the going concern basis of preparation for the Group's financial statements, and the Group's viability statement. In doing so, the Committee considered:</p> <ul style="list-style-type: none"> <li>- the Group's three-year Business Plan which includes consideration of the economic, regulatory, competitive and risk environment; and</li> <li>- the latest Group own risk and solvency statement, and internal capital adequacy assessment process, which cover current and future risk profile and solvency positions based on a series of core assumptions, stress tests and scenario analysis.</li> </ul> <p>The form of the viability statement and period covered by the statement were specifically considered by the Committee. The Committee was satisfied with the content of the viability statement and supported the time period of the statement which aligns with the three-year internal financial planning cycle. The viability statement can be found on pages 78 and 79.</p> <p>The Committee reviewed and challenged the Interim Results for 2020 and the Annual Report for 2020, which included consideration of changes to comparative amounts of the consolidation of funds and the associated disclosures. The Committee's reviews for the interim and full year were supported by analysis and discussion provided by the Finance and Actuarial teams, reports from the second line of defence on the solvency position and the reports of the external auditors. Having considered these inputs and the Committee's own independent judgements, the Committee recommended to the Board the approval of each of these sets of financial statements.</p>

Key areas of Committee focus (continued)

Key area	Purpose								
<b>Accounting judgements and estimates</b>	<p>The Committee has continued to receive good support from the Quilter finance team which has enabled it to consider in advance of the end of each reporting period the approach that it would wish to take on the key areas of judgement and estimates that impact the financial results.</p> <p>Critical judgements and estimates, including principal estimates, deliberated by the Committee during review of the 2020 Annual Report included the treatment of:</p>								
	<table border="1"> <thead> <tr> <th>Area of focus</th> <th>Issue/role of the Committee</th> </tr> </thead> <tbody> <tr> <td>Lighthouse pension transfer advice provision and insurance recovery asset</td> <td>The Committee reviewed the basis for recognition of the provision, in accordance with the requirements of IAS 37, and the estimates involved in the calculation. The information available as part of the skilled persons review, and how this was applied in the calculation of the provision by management, was considered and challenged where appropriate. The Committee also reviewed the judgements applied by management in determination of the insurance recovery asset. The disclosures in the Group's financial statements were reviewed to ensure compliance with IFRS.</td> </tr> <tr> <td>Deferred tax assets</td> <td>The approach taken for the recognition of deferred tax assets, and the estimations and assumptions used, were reviewed by the Committee, along with consideration of the associated disclosures in the Group's financial statements for compliance with IAS 12.</td> </tr> <tr> <td>Impairment of goodwill</td> <td>The Committee considered the appropriateness of the key assumptions underpinning the Group's goodwill impairment testing, and the sensitivities modelled, which required more focus this year in light of the COVID-19 and the impact on the Group. The Committee reviewed the associated disclosures in both the half-year and year-end financial statements to ensure these met the requirements under IFRS, and provided the relevant information to the readers of the financial statements.</td> </tr> </tbody> </table>	Area of focus	Issue/role of the Committee	Lighthouse pension transfer advice provision and insurance recovery asset	The Committee reviewed the basis for recognition of the provision, in accordance with the requirements of IAS 37, and the estimates involved in the calculation. The information available as part of the skilled persons review, and how this was applied in the calculation of the provision by management, was considered and challenged where appropriate. The Committee also reviewed the judgements applied by management in determination of the insurance recovery asset. The disclosures in the Group's financial statements were reviewed to ensure compliance with IFRS.	Deferred tax assets	The approach taken for the recognition of deferred tax assets, and the estimations and assumptions used, were reviewed by the Committee, along with consideration of the associated disclosures in the Group's financial statements for compliance with IAS 12.	Impairment of goodwill	The Committee considered the appropriateness of the key assumptions underpinning the Group's goodwill impairment testing, and the sensitivities modelled, which required more focus this year in light of the COVID-19 and the impact on the Group. The Committee reviewed the associated disclosures in both the half-year and year-end financial statements to ensure these met the requirements under IFRS, and provided the relevant information to the readers of the financial statements.
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In addition, the key performance indicators to be included in the Strategic Report were approved by the Committee and the Committee is content that they have been appropriately disclosed. Many of the above key areas of judgement and estimates are also commented on by PwC in their Auditor's Report on pages 158 to 166. The Committee has carefully reviewed the contents of PwC's opinion and considers that PwC's views on these areas are closely aligned with those of the Committee.

Key areas of Committee focus (continued)

Report	Purpose
<b>Fair, balanced and understandable</b>	<p>There has been a comprehensive review process to support the Board in reaching its conclusion that the 2020 Annual Report is fair, balanced and understandable and whether it provides the necessary information for shareholders to assess the Group's position, performance, business model and strategy.</p> <p>The process which enabled the Committee to reach this conclusion included:</p> <ul style="list-style-type: none"> <li>- the production of the 2020 Annual Report, managed closely by the Chief Financial Officer, with overall governance and co-ordination provided by a cross-functional team of senior management;</li> <li>- cross-functional support to drafting the 2020 Annual Report which included input from Finance, Risk, Investor Relations, Corporate Secretariat, HR and wider business leaders;</li> <li>- a robust review process of inputs into the 2020 Annual Report by all contributors, to ensure disclosures were balanced, accurate and verified, with further comprehensive reviews by senior management;</li> <li>- a review by the Company Secretary of all Board and Board Committee minutes to ensure all material matters considered at Board-level meetings have been disclosed in the 2020 Annual Report;</li> <li>- a specific management paper detailing the 2020 year-end assessment of fair, balanced and understandable;</li> <li>- a formal review by the Board Audit Committee of the draft 2020 Annual Report in advance of final sign-off; and</li> <li>- a final review by the Quilter Board of Directors.</li> </ul> <p>Having carefully reviewed and considered all relevant information, the Committee is satisfied that, taken as a whole, the 2020 Annual Report is fair, balanced and understandable and has confirmed that to the Quilter Board. This process was also undertaken in respect of the Group's 2020 Interim Results to ensure that, taken as a whole, based on the information supplied to it and challenged by the Committee, they were fair, balanced and understandable, and the Committee advised the Board to that effect.</p>

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Key areas of Committee focus (continued)

Report	Purpose
<p><b>Controls over financial reporting</b></p>	<p>As reported in prior years, there is an ongoing programme of work to strengthen and enhance the internal financial controls and governance framework that underpins the Group's financial reporting. This work is being closely monitored by the Committee and management have continued to report on the state of the financial control environment throughout the year, which has shown that good progress is being made towards delivering the enhancements required. The Committee has also spent time overseeing the work to ensure adequate controls on the financial reporting processes for the new investment platform and reviewing the state of the financial control environment within the Quilter Financial Planning business, given the recent restructure of its finance team and the number of acquisitions undertaken in recent years.</p> <p>The Committee has received frequent updates from the Head of Financial Control on how the Finance function has operated and maintained the effectiveness of financial controls and financial reporting processes given the national lockdowns, which required the majority of finance staff to work remotely. To ensure sufficient focus on this key area of work, we agreed to defer our 2020 interim results announcement by a few days. We have also analysed the increased risk of fraud driven by the pandemic and the mitigating actions taken in response.</p> <p>As part of the process to review and challenge the 2020 financial statements, the Committee considered the processes and controls in place to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements. The Chair of the Committee has reported on this to the Board.</p>
<p><b>Alternative performance measures</b></p>	<p>The Committee understands that APMs are an area of particular focus in terms of the understanding of the Group's financial statements by shareholders and other stakeholders and the enhancements made to these disclosures in 2019 have continued to be refined in the 2020 Annual Report. Careful consideration has been given to these disclosures and the Committee is satisfied that they provide clear definitions and explanations of the APMs, as well as a reconciliation of the APMs to the nearest IFRS measure which has been cross-referenced to Quilter's KPIs. See pages 270 to 273.</p>
<p><b>CASS compliance</b></p>	<p>Monitoring compliance with the CASS rules, and the programmes of work under way in each of the regulated businesses to maintain appropriate CASS controls, is crucial to protecting the interests of Quilter's customers. The Committee performs this role by reviewing reports on CASS produced by the internal and external auditors, the second line of defence and by management. This has included overseeing the impact of our Platform Transformation Programme on our CASS processes and controls and the performance of third-party suppliers who manage the CASS arrangements in certain parts of the business. We have also heard from management about the challenges faced by the businesses in maintaining the CASS control environment while operating remotely due to the pandemic and the actions taken to mitigate any increased risk.</p>
<p><b>Regulatory reporting</b></p>	<p>During the year, the Committee reviewed, challenged and recommended to the Board for approval the Solvency II reporting for the Quilter businesses for the 2019 year end and, in doing so, were supported by detailed reports on the disclosures from management, the second line Actuarial function and the external auditors. The Committee also scrutinised and approved the methodology and assumptions to be applied to the 2020 year-end Solvency II reporting and reviewed the 2020 year-end consolidated Capital Requirements Directive IV disclosures for the Group ahead of their publication on Quilter's website.</p>
<p><b>Whistleblowing</b></p>	<p>Quilter is committed to ensuring a transparent and open culture that encourages employees to speak up. To support this, it is important that the Group's whistleblowing arrangements are not only effective in practice but are seen by staff and all other stakeholders as being fair, safe, rigorous and effective in addressing concerns. During the year, the Committee has reviewed the effectiveness of the whistleblowing processes in place across the Group and reviewed the details of specific whistleblowing complaints and the outcome of management's investigations. The Committee has continued to encourage management to embed a "speak up" culture in the organisation and to find new ways to test that issues are being raised by our people. The Chair of the Board Audit Committee is the Whistleblowing Champion for Quilter.</p>

## Key areas of Committee focus (continued)

Report	Purpose
<p><b>Internal Audit</b></p>	<p>Quilter's shareholders and customers can take comfort that the Group's Internal Audit function is mature, appropriately focused and functioning efficiently and effectively. The Chief Internal Auditor attends all meetings of the Committee and has reported in detail on the work conducted by Internal Audit including key statistical analysis on the results of its work, the pace at which management are addressing any issues raised and the extent to which management have self-identified the issues being raised by Internal Audit. This is an important indicator of the maturity of the Group's control framework and this measure is tracked closely. The Committee has regular meetings with the Chief Internal Auditor without management present, in accordance with best practice.</p> <p>In March 2020, an urgent review was undertaken to identify measures that the Internal Audit function could reasonably take to ensure the welfare of its staff and to support the wider business in navigating the COVID-19 pandemic, whilst maintaining its effectiveness and delivering on its mandate. The Committee approved a revised Internal Audit plan, which involved postponing several non-critical reviews and introducing new audits specifically driven by the pandemic, including the remote working control environment. We reviewed the Internal Audit plan on a regular basis, to ensure it remained flexible and appropriate throughout the year given the fast-moving situation.</p> <p>In November 2020, the Committee approved a risk-based Internal Audit plan for 2021 focused on the most critical areas for the Quilter business and supporting the delivery of good customer outcomes. The Internal Audit plan was formulated to complement the second line of defence's plan for 2021 and was reviewed in conjunction with the Board Risk Committee. The Chief Internal Auditor has confirmed that he has the necessary resources to deliver the 2021 Internal Audit plan, including having contingency resources in place to ensure that they can respond to unexpected demands.</p> <p>It had been Quilter's intention to commission an external quality assessment of the Internal Audit function in 2020, however, in light of the pandemic, the Committee took the decision to defer the external quality assessment to 2021. Instead, the Committee commissioned an internal review of the effectiveness of the Internal Audit function, which sought views from key stakeholders across our businesses and central functions. The outputs of this review demonstrated that the Internal Audit function is operating effectively, is highly regarded by senior management and makes a strong contribution to the control environment across the Group. The function scored highly for independence, objectivity and integrity. The Internal Audit function was encouraged to continue to enhance its use of technology to maximise efficiency in delivery of its work.</p>
<p><b>External audit</b></p>	<p>It is crucial that Quilter benefits from a robust, high-quality external audit conducted by an independent and professional audit firm. To this end, the Committee has received regular and detailed reports from the external auditors throughout the period, covering all aspects of their work. The Committee has also assessed management's response to the external auditors' internal control findings. In advance of each Board Audit Committee meeting, the Chair of the Committee meets separately with PwC's lead audit partner, Mark Pugh, to ensure the discussions at Committee meetings are appropriately focused, challenging the conclusions reached by management as well as the audit work performed thereon.</p> <p>Following the external audit tender conducted in 2019, PwC were formally appointed as the Group's statutory auditors for the 2020 financial year by shareholders at the 2020 AGM. Mark Pugh has been the lead audit partner for Quilter plc since PwC's appointment. Details of the auditor transition process are provided on page 115.</p> <p>The Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year ended 31 December 2020.</p>

Key areas of Committee focus (continued)

Report	Purpose	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
<b>Auditors' remuneration</b>			
	Fees payable for audit services		
	Group and Parent Company	1.8	1.0
	Subsidiaries	2.8	2.7
	Additional fees payable to KPMG LLP related to the prior year audit of the Group	0.7	–
	Total fees for audit services	5.3	3.7
	Fees for audit-related assurance services	1.6	1.1
	<b>Total Group auditors' remuneration – continuing operations</b>	<b>6.9</b>	<b>4.8</b>
	<b>Total Group auditors' remuneration – discontinued operations</b>	<b>–</b>	<b>0.2</b>
	<b>Total Group auditors' remuneration</b>	<b>6.9</b>	<b>5.0</b>

PwC partners and staff have attended all meetings of the Committee since their appointment, withdrawing only when their attendance would be inappropriate. PwC have contributed strongly to discussions on Quilter's financial statements, the financial reporting processes and key accounting and reporting judgements. In November 2020 a survey was conducted by the Company Secretary of management's initial assessment of PwC's performance across a range of criteria including independence, effectiveness, objectivity, industry knowledge, efficiency and service quality. The results of that survey concluded that PwC had performed strongly and delivered an effective service overall for the Group since appointment, including managing the transition to taking on the audit in spite of the challenges of remote working. Accordingly, PwC are recommended for re-appointment by shareholders at Quilter's AGM to be held in May 2021.

## Committee governance

The Board Audit Committee currently comprises three independent Non-executive Directors. The Chair of the Committee has recent and relevant financial experience and the Committee as a whole has competence relevant to the business sectors that Quilter operates within. Details of the skills and experience of the Committee members can be found in their biographies on pages 85 to 87.

<b>Evaluation</b>	As part of the 2019/20 Board Effectiveness Review, the Board has assessed that the Committee membership is appropriate in providing challenge and oversight and that the Committee is operating effectively.
<b>Discharging our responsibilities</b>	The Committee reviewed its activities over the previous 12 months against its terms of reference and confirmed that it had fully discharged its responsibilities in line with its remit. The terms of reference are available at <a href="http://quilter.com">quilter.com</a> .
<b>Attendance</b>	Other Non-executive Directors have attended certain meetings of the Committee throughout the year, in the interests of assisting with their own responsibilities and understanding the work of the Board Audit Committee.
<b>Collaboration</b>	The Chair briefs the Board on key discussions and provides a written report to the Board after each meeting. The papers and reports presented to the Committee are made available to all Quilter Non-executive Directors. The Committee has continued to work collaboratively and effectively with other Board Committees, particularly the Board Risk Committee and the Board Technology and Operations Committee, on matters such as the oversight of the Platform Transformation Programme and the approval of the Internal Audit plan. The Committee also relies on, and is supported by, the detailed work conducted by the Audit Committees and Governance, Audit and Risk Committees of Quilter's significant subsidiaries.

## Auditor transition

PwC provided regular updates to the Committee on the status of the external auditor transition process throughout 2020. Despite some challenges presented by the COVID-19 pandemic which required most of the transition process to be completed remotely, all required work was completed on time with close collaboration from the outgoing auditors, KPMG.

### Key elements of the transition process:

<b>Independence</b>	It was confirmed to the Committee that all non-audit assignments conducted by PwC in 2019 had been completed and PwC confirmed their independence with effect from 1 January 2020.
<b>Shadowing</b>	PwC started to attend the meetings of the Quilter Board Audit Committee alongside KPMG in December 2019 and once their independence was confirmed they commenced the review of KPMG's audit files and working papers so they could effectively shadow KPMG through the 2019 year-end audit process.
<b>Walk-throughs</b>	Full virtual walk-throughs of key business processes were conducted and meetings held with management to enable PwC to gain a full understanding of the Quilter business and its control environment in preparation for their first interim results review and statutory audit.
<b>Audit planning</b>	PwC presented their audit plan for the 2020 year-end statutory audit to the Committee, including the timetable, significant risks and the impact of the pandemic.
<b>Controls Maturity Assessment</b>	As was agreed as part of the Audit Tender process, PwC used the information gained through the audit transition process to provide the Committee with a benchmarking Controls Assessment across the Group. While overall this confirmed that the Group's control environment is within PwC's experience range for similar financial services firms, helpful guidance was provided on areas where improvements could be made.

# Board Risk Committee report



**Rosie Harris**  
Chair

## Dear Shareholder,

During 2020 the Committee maintained focus on the impact of macro-economic developments and geopolitical issues on the delivery of the Business Plan. This included the UK withdrawal from the EU and the US Presidential elections. However, the year was also dominated by the sudden and extreme impact of the global COVID-19 pandemic. All of these factors created headwinds for net client cash flow, profitability and margins.

As you can read in more detail on the following pages, the pandemic rapidly changed the nature and scale of some of Quilter's key risks, particularly our operational risks as colleagues moved to work remotely, the risks for our people of this new way of working, and capital and liquidity risks resulting from more volatile market conditions.

The Group's conservative risk appetite has been maintained and despite the stresses of market volatility and lack of consumer confidence there have been no breaches of targets. We continued close scrutiny of capital and liquidity appetites and no issues have arisen.

The growing maturity of the Risk Framework has helped minimise the risks of moving rapidly to a remote working environment. The emphasis given by management to staff and client safety, both physical and digital, was clear to the Committee. We were assured by the work of both the Risk function and Internal Audit that the risk and control framework remained robust through the year.

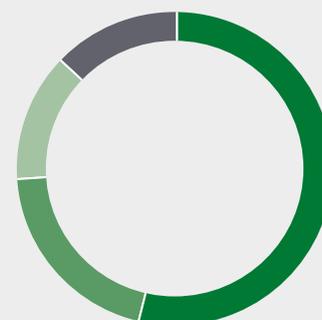
Unsurprisingly, as the scale and longevity of the pandemic became clear, we agreed changes to the plans of the Risk and Compliance teams to enable them to concentrate more effort on the most important risks. We postponed our plans to review the effectiveness and performance of the risk function to enable our colleagues to focus on the changing risk profile. I am pleased to confirm that despite only meeting once in person in 2020, and holding the rest of our meetings by telephone and video conference, the Committee has concluded as part of the 2019/20 Board effectiveness review that we discharged our responsibilities in full.

Despite a challenging external environment, Quilter has continued to successfully deliver the internal changes necessary to bring our business to full maturity, although there is still more to do. Since Listing, our business has continued to evolve and we were able to capitalise on the growing maturity of the embedded Risk Framework to focus our time on key business risk issues, such as oversight of our advice business. At the request of the Board, this Committee has taken on additional scrutiny of how our advisers do business and, when appropriate, we will invite the Chairs of the Governance, Audit and Risk Committees of our Business Oversight Boards to join our meetings to ensure the Board Risk Committee is well informed and cognisant of their view of their risk profile. Our scrutiny will provide comfort to our stakeholders that we manage this business for our customers in a safe and controlled manner.

We were pleased to welcome Tim Breedon to the Committee in June 2020. Tim brings great experience and highly relevant skills to our membership.

**Rosie Harris**  
Chair

## Committee activity



- Top risk oversight **54%**
- Risk appetite and profile, including capital and liquidity **20%**
- Change programmes **13%**
- Regulatory change **13%**

## Committee meetings attended/eligible to attend

<b>Rosie Harris (C)</b>	<b>9/9</b>
Tim Breedon	5/6
Moira Kilcoyne	9/9
Paul Matthews	9/9
George Reid	9/9

## Number of meetings

9

## Key areas of Committee focus

Report	Purpose
<p><b>Being operationally resilient and supporting our stakeholders during a global pandemic</b></p>	<p>Since March 2020 when the far-reaching implications of the pandemic became clear, this Committee has focused on supporting management as they rapidly mobilised colleagues to work remotely whilst ensuring Quilter was open for business. This demanded a careful balance to manage colleague and adviser wellbeing, whilst ensuring that the necessary internal controls were operating effectively given the change in working practices and also to ensure the new risks arising from remote working were mitigated. I am pleased to report that there is no evidence of any degradation of controls during this period. Indeed, we have strongly encouraged management to capitalise on the efficiencies that remote working necessitated and embed improved business practices in a controlled manner. We challenged management through the year to consider any adverse impact on the risk profile.</p> <p>As the external market conditions became more volatile, the Committee continued to monitor closely the Group's capital and liquidity and I am pleased that we remained strongly capitalised, with liquidity remaining within risk appetite.</p> <p>A further important role of the Committee is to ensure that the control framework is strong and that the Group's stress and scenario planning is comprehensive and robust. During the year, the Committee debated extensively the scenarios used for our stress testing and approved these on behalf of the Board. The parameters for the own risk and solvency assessment ("ORSA") and internal capital adequacy assessment process ("ICAAP") reports were scrutinised and adjusted in response to the tightening of market conditions during the year so that they were performed on a more prudent basis.</p> <p>In addition to the heightened risks for our people, we were mindful that our business is reliant on the services provided by other suppliers who were also likely to be impacted by the pandemic. To that end, we received regular updates on the performance of our third-party suppliers, in collaboration with the Board Technology and Operations Committee who monitor our most important technology suppliers, to ensure that our business was operationally resilient and secure.</p>
<p><b>Managing Quilter's top risks</b></p>	<p>Our Chief Executive Officer and Chief Risk Officer update us at least quarterly on their views of the top risks facing Quilter, how management are mitigating these risks and how this compares to agreed risk appetite. This enables us to commission further in-depth updates on topics of material interest. For our top risks we asked business leaders for their analysis of the key risk issues and invited comments from our second line risk team, colleagues in internal audit and our external auditors. Where our risk profile was heightened, for example on operational resilience for our systems and controls or our people as a result of the pandemic, we received more frequent updates to keep pace with the fast-moving environment.</p> <p>The Board asked us to act on its behalf to apply additional scrutiny on Advice Risk in Quilter Financial Planning. We have asked to receive half yearly updates on the work to enhance the control environment in that business. We will also continue to oversee management's efforts to embed the lessons learnt from recent acquisitions.</p> <p>The welfare and wellbeing of our people this year especially has been an area of increased focus and we were pleased to hear how the highly visible leadership provided by management during the pandemic was welcomed by colleagues, as evidenced in colleague engagement scores. We have kept a close watch on these scores and the reasons why people leave Quilter and have asked HR to keep this under scrutiny.</p> <p>In addition to the Chief Risk Officer's report, we were further informed on conduct and risk culture by reports from the compliance team including their annual plan. We continue to receive regular updates on our engagement with UK and International regulators.</p> <p>A key part of our role is ensuring as part of the annual planning process that our risk and compliance teams remain suitably resourced and independent from first line management and we remain confident that this is the case. In line with best practice, we have endorsed a new risk team charter which will be rolled out in 2021.</p>

Key areas of Committee focus (continued)

Report	Purpose
<b>Monitoring and assessing emerging risks</b>	<p>An important part of the Committee's work is monitoring new and emerging risks and ensuring management are clear on the potential timing, scale and impact of these risks and how they can be mitigated. During the year the Committee received regular reports on emerging risk issues, and any changes to actual and potential legal and regulatory risk.</p> <p>At the request of the Committee, management have analysed Quilter's preparedness for a negative UK interest rate scenario and we continue to keep a watching brief on this matter. The reporting on emerging risks has been enhanced and the Committee has specifically identified managing the impact of climate change risk and ESG to our risk radar and asked management to update us on these topics in 2021. In addition, we are monitoring the impact for Quilter of the changes in the prudential regime for investment firms.</p>

## Committee governance

The Board Risk Committee currently comprises five independent Non-executive Directors. Details of the skills and experience of the Committee members can be found in their biographies on pages 85 to 87.

<b>Evaluation</b>	As part of the 2019/20 Board Effectiveness Review, the Board has assessed that the Committee membership is appropriate in providing challenge and oversight and that the Committee is operating effectively.
<b>Discharging our responsibilities</b>	The Committee reviewed its activities over the previous 12 months against its terms of reference and confirmed that it had fully discharged its responsibilities in line with its remit. The terms of reference are available at <a href="http://quilter.com">quilter.com</a> .
<b>Attendance</b>	The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer and Chief Internal Auditor regularly attend Committee meetings. The Group Chairman and, on occasion, other Non-executive Directors attended Committee meetings for matters as desired.
<b>Collaboration</b>	The Chair briefs the Board on key discussions and provides a written report to the Board after each meeting. The papers and reports presented to the Committee are made available to all Quilter Non-executive Directors. The Chair continues to collaborate with other Committee Chairs to ensure that issues are given appropriate scrutiny. The collaboration is supported by the cross-committee membership with the Board Audit Committee, Board Technology and Operations Committee and the Board Remuneration Committee.

# Board Technology and Operations Committee report



## Dear Shareholder,

When I wrote to you last year, I stated that our number one priority for 2020 was to deliver the new investment platform safely for our advisers and customers. At that time, no one predicted that 2020 would be dominated by the impacts of a global pandemic which has touched so many people in so many ways. Despite the additional challenges this brought to our migration programme, which are described in more detail overleaf, I am pleased to report that our new platform is in place and operating successfully. Since year end, and despite another national lockdown, remaining clients have been migrated successfully to the new investment platform. This is a significant step forward in enabling the delivery of our business strategy and delivered in a way that minimised disruption for our advisers and customers. We will, of course, reflect on what lessons from this programme we can apply to other projects and oversee management as they close down the legacy platform.

As the impacts of the pandemic became clear during Spring and Summer 2020 the Committee adapted its areas of focus to support management during these unprecedented times. Our immediate priority shifted to ensuring that colleagues could work safely and securely, whilst continuing to support our customers. We ensured that appropriate controls were in place to give us comfort that this was indeed the case. I am, however, pleased to report that once the immediate impacts of COVID-19 were understood and Quilter's people mobilised to work largely remotely, our Committee's oversight continued as planned albeit with renewed focus on operational resilience and data security.

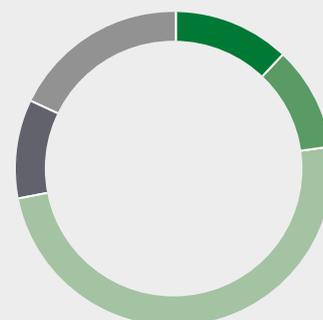
Moving forwards, the Committee is focused on supporting management in delivering on the opportunities for Quilter that arise from the transformation of our technology base. During 2021, we expect that many of the planned improvement and change programmes will be delivered. This will transform Quilter's technology estate to be more simple, modern, agile, resilient and a true enabler for our business and for our colleagues, customers and advisers.

I would like to end by extending on behalf of the Committee and the Board my thanks for the unstinting effort and dedication of the many colleagues, in Quilter and at our external technology partners, in achieving so much during such a challenging year.

**Moira Kilcoyne**  
Chair

**Moira Kilcoyne**  
Chair

## Committee activity



- IT security **12%**
- Operational resilience **11%**
- Platform Transformation Programme **49%**
- Other change programmes **10%**
- Technology and operations strategy **18%**

## Committee meetings attended/eligible to attend

<b>Moira Kilcoyne (C)</b>	<b>14/14</b>
Rosie Harris*	12/14
George Reid	14/14

\* The Committee meetings that Rosie Harris was unable to attend during the year were additional meetings arranged at short notice.

## Number of meetings

**14**

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## Key areas of Committee focus

Report	Purpose
<b>Platform Transformation Programme</b>	<p>The Committee has spent much of its time providing oversight to the transformation programme to introduce our new platform for customers and advisers. Any technology change is challenging, and to deliver this during the extraordinary period of remote working is quite exceptional. Alongside business updates we heard from risk and internal audit who worked to challenge management and ensure that the best result for our advisers and customers was achieved. As in prior years, we worked collaboratively with our technology partner, FNZ, and were supported by Deloitte in managing this complex and challenging programme.</p> <p>Given the importance of this programme to Quilter, we were joined on occasions by other Board members, and the meetings were held jointly with our Quilter Investment Platform Board Non-executive Directors. We closely monitored progress and challenged management to ensure that the programme of change could be delivered safely. We were delighted when the second phase of advisers and customers migrated over the period of 26 to 29 November 2020, resulting in approximately 360,000 customers and around 80% of the total assets being administered on the new platform technology. The remainder of our clients and customers, including more than 5,000 advisers holding around £14 billion of assets, were moved successfully over the period 26 to 28 February 2021.</p> <p>You can read more about the programme and the impacts for our business on pages 44 and 45 of the Strategic Report.</p>

<b>Cyber and IT security</b>	<p>Underpinning our technology and operational strategy is the need to keep our systems secure and our data safe. Reflecting the extraordinary nature of 2020, many companies have seen an increase in the levels of attempted fraud, including phishing attempts for staff and cloned firms for customers. During the year, we received regular updates on our information security improvement programme and our infrastructure transformation programme. We welcomed management's vigilance and continued focus on protecting our customers and our clients. The enhancements made to our control measures have included the issuing of new technology and tools to all staff to enable them to work securely whilst being remote, alongside enhanced guidance and training to colleagues to support remote working. We have also reviewed progress of the plans to further simplify our website domain strategy and will keep this under close scrutiny in 2021. Given the interdependency between operations and technology during the year, we asked management to ensure close co-ordination of these activities.</p> <p>Given the ongoing external threat, IT and cyber security will remain one of Quilter's top risks and require ongoing focus and attention.</p>
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<b>Operational resilience</b>	<p>Another important area of focus was ensuring Quilter was operationally resilient. Following the UK Government's "Stay at Home" advice, 98% of colleagues were working remotely from late March 2020. Colleagues were provided with technology to enable them to work effectively and where appropriate, offices were made COVID-19 secure to enable work that needed to be performed in the office to continue to be delivered in that way. We ensured that management maintained focus on IT and data security, reminding colleagues of their new responsibilities during this unprecedented period.</p> <p>Managing our external technology partners effectively is a key part of our resilience strategy and during the year relationships were further strengthened and improved with technology incidents and outages reduced as a result. The Committee routinely received updates on our third-party suppliers, many of whom were also challenged by COVID-19 necessitating remote working in other countries, including South Africa and India, where the COVID-19 impact was experienced somewhat differently than the UK.</p>
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## Key areas of Committee focus (continued)

Report	Purpose
<b>Oversight of change programmes</b>	<p>During the year, we provided oversight and scrutiny as management worked through other material transformation programmes, with execution timing carefully considered to prioritise the platform transformation. These programmes included enhancements to our payment systems in Quilter Financial Planning, a new General Ledger and other procurement systems and the client relationship management system in Quilter Cheviot. We keenly anticipate the formal lessons learnt process that businesses undertake as routine after such implementations so that future change programmes can benefit from these insights.</p> <p>The Committee further scrutinised the plans for the return of colleagues to our new Head Office and how technology will enhance future working practices.</p>
<b>IT risks and controls oversight</b>	<p>The Committee routinely received independent reviews from the Risk and Internal Audit functions. These reviews complement the first line risk management by business areas. We welcomed improvements in processes and have been encouraged by the growing maturity in first line risk identification as they become more proactive in identifying and managing risks across the Group.</p>

## Committee governance

The Board Technology and Operations Committee currently comprises three independent Non-executive Directors. Details of the skills and experience of the Committee members can be found in their biographies on pages 86 and 87.

<b>Evaluation</b>	As part of the 2019/20 Board Effectiveness Review, the Board has assessed that the Committee membership is appropriate in providing challenge and oversight and that the Committee is operating effectively.
<b>Discharging our responsibilities</b>	The Committee reviewed its activities over the previous 12 months against its terms of reference and confirmed that it had fully discharged its responsibilities in line with its remit. The terms of reference are available at <a href="http://quilter.com">quilter.com</a> .
<b>Attendance</b>	The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer and Chief Information Officer regularly attend Committee meetings. On occasion, the Group Chairman and other Non-executive Directors attended Committee meetings for matters of particular interest, such as the Platform Transformation Programme.
<b>Collaboration</b>	The Chair briefs the Board on key discussions and provides a written report to the Board, where feasible, after each meeting. The papers and reports presented to the Committee are made available to all Quilter Non-executive Directors. During the year, eight additional ad hoc meetings focusing on the Platform Transformation Programme were held jointly with the Quilter Investment Platform Board Non-executive Directors to scrutinise matters of common interest. Some of these additional meetings of the Committee and the Quilter Investment Platform Board were held at short notice to examine key decisions and the impact of COVID-19 on the migration plans.

# Board Remuneration Committee report



## Dear Shareholder,

As Chair of the Board Remuneration Committee (“Committee”) for my first year, I am pleased to present on behalf of the Board the Remuneration Report in respect of the year ended 31 December 2020. This statement and the accompanying Report aims to ensure high levels of disclosure regarding pay policy and transparency of remuneration decision making.

Our current Remuneration Policy (“Policy”) was approved by shareholders at the 2019 Annual General Meeting (“AGM”) with 97% of votes in favour. For information only, we have included a summary of our current Policy on pages 128 to 132. Our Report for 2019 received 96% of votes in favour at the last AGM. The Committee’s decisions, which take into consideration the key drivers of our Policy (alignment to culture, clarity, simplicity, risk, predictability and proportionality) are summarised in this statement and set out in the Report.

We have explained the performance outcomes in respect of the 2020 financial year. Of particular note is that, on the recommendation of the Executive Directors, the Committee has exercised its discretion to reduce short-term incentive (“STI”) outcomes to zero. We also set out how we intend to continue operating our Policy in 2021, and have added one measure to the STI performance metrics, as set out below.

As detailed in last year’s Report, Executive Directors’ pension allowances are already aligned with the wider Quilter workforce, and a post-cessation share ownership policy also applies, in accordance with the Investment Association’s latest guidelines.

## Business context in 2020

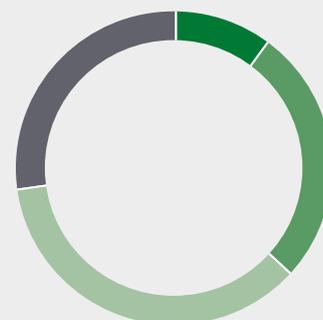
The operating environment in 2020 presented unprecedented challenges for the business, with macro geopolitical issues and the COVID-19 pandemic impacting investor confidence and creating market volatility throughout the year.

The COVID-19 pandemic required the business to adapt quickly to ensure continuous support for customers and employees at a time of significant social and economic disruption. The business demonstrated strong operational resilience to maintain high levels of service for advisers and customers at the height of the crisis, whilst simultaneously transitioning 98% of our workforce to remote working.

Our 2020 results demonstrate that we have a financially resilient business. We did not use support measures made available to companies by the UK Government, we did not furlough any employees and we paid an interim 2020 dividend to our shareholders. Nevertheless, the volatile markets over 2020 coupled with a challenging environment for new business flows impacted revenue, mitigated in part by proactive management actions and strong expense discipline. Notwithstanding a strong set of results given the unprecedented market conditions, the impact to business performance caused by the external environment is such that 2020 profit is below the threshold level we set ourselves at the start of the year. This is reflected in the remuneration outcomes set out in the Report.

**Ruth Markland**  
Chair

## Committee activity



- Group remuneration policy **10%**
- Specific remuneration arrangements **27%**
- Remuneration schemes, including all-employee schemes **36%**
- Governance **27%**

## Committee meetings attended/eligible to attend

<b>Ruth Markland (C)</b>	<b>8/8</b>
Glyn Jones	8/8
Tim Breedon	3/3
Jon Little	5/7
Paul Matthews	4/4
Cathy Turner	4/4

## Number of meetings

8

### Key performance highlights

- IFRS profit before tax (excluding amortisation, policyholder tax adjustments and other one-off items) was £87 million for 2020, compared to £141 million in 2019. In 2019, profit from discontinued operations of £67 million was included, which related to the Quilter Life Assurance business that was sold on 31 December 2019. For remuneration purposes, the profit was £63 million for 2020, compared to £128 million in 2019.
- NCCF of £1.6 billion was a material increase from £0.3 billion in the previous year.
- AuMA increased by 7% during the year to close at £117.8 billion, which includes £5.8 billion of positive market movement as a consequence of the equity market rally late in the year.
- Expenses were closely managed with the Optimisation programme delivering significant benefits.
- Good progress was made with strategic priorities; Optimisation activity and operational improvements have been implemented and we safely and securely completed the largest transfer of advisers and assets in our phased migration plan to our new UK Platform, which is now in its final stage of delivery.
- We have increased customer focus across the business, particularly in response to the COVID-19 pandemic and have continued to make progress across our Customer Strategic Risk Appetite Principles covering governance, products and proposition, customer experience, suitability and servicing.

Overall, 2020 has been a year of resilient business performance in a very challenging environment.

### Short-term incentive outcome

- Whilst business performance has been robust in difficult circumstances, our 2020 IFRS profit result for STI purposes of £63 million was below the threshold STI level of £80 million. As a result, 60% of the Executive Directors' STI award was zero.
- Whilst our risk appetite has been effectively embedded in decision making and the management of the business, in particular the prudent execution of the migration to our new UK Platform, there is further work required to bolster the overall control environment.
- Customer performance was strong across our key metrics, including strong investment performance and service across our business areas, with Quilter awarded 5 Stars in the Financial Adviser Service Awards across investments, protection and pensions, platform and discretionary fund management.
- The Company also made good strategic progress in 2020, notably on the UK Platform Transformation Programme with the successful phased migration of the majority of advisers and assets onto the new platform.
- The management team demonstrated strong leadership throughout 2020 to protect the interests of all stakeholders during the COVID-19 pandemic.
- Overall this would have generated an STI award of 24% of maximum for the Chief Executive Officer and 28% of maximum for the Chief Financial Officer, prior to consideration of risk-based adjustments described below.
- As part of its review of 2020 performance, the Committee considered the impact of any material risk events that arose during the year and decided that a downward adjustment of 10% of maximum should be applied to the STI outcomes for both Executive Directors. This adjustment was to reflect the risks brought into Quilter relating to historic pension transfer advice provided by Lighthouse to British Steel Pension Scheme members prior to Quilter's acquisition of Lighthouse plc, which resulted in a net provision of £24 million to cover redress costs and fees.
- The non-financial elements of the STI scorecard, which account for up to 40% of the award, would have generated outcomes after the risk-adjustment referred to above of 14% of maximum for the Chief Executive Officer and 18% of maximum for the Chief Financial Officer. However, having carefully considered the overall STI outcomes for the wider workforce, the Executive Directors recommended to the Committee that they do not take receipt of any STI award for 2020 and redirect the amounts that would have been payable toward a small discretionary pool for other employees to recognise their achievements in very challenging circumstances. The Committee approved their recommendation.

### Long-term incentive outcome

- The first long-term incentive ("LTI") award was granted to Executive Directors following the Company's Listing in June 2018 (the "2018 LTI"). The performance conditions measure compound annual profit growth from 2017 to 2020, and TSR relative to the FTSE 250 (excluding investment trusts). The award will vest in March 2021 with an outcome of 48.7% of maximum for the Chief Executive and Chief Financial Officer, as detailed in the Report.

### Adjustments and exercise of discretion

- The Committee applied a risk-based downward STI adjustment for the historic Lighthouse pension transfer advice issues.
- In consideration of the impact of COVID-19 and the need to appropriately target the available STI spend, the Committee also exercised its discretion, at the recommendation of the Executive Directors, to reduce their STI award to zero, and redirect the STI funding for 2020 towards other employees.
- The financial performance targets in the 2018 LTI were adjusted following the sale of Quilter Life Assurance. This comprised two changes: Quilter Life Assurance profits (adjusted for certain stranded costs) excluded from the base year to ensure a like-for-like comparison with the measurement year, and the target growth range was amended, including a substantial increase in the growth requirement for maximum vesting.
- No other discretion was exercised to override performance or variable pay outcomes.

### Considerations for the year ahead

We continue to monitor executive remuneration developments within the industry and the regulatory landscape, and to ensure that remuneration supports the alignment of executive and shareholder interests and is consistent with the prudent risk management of the business.

The Committee considered the overall remuneration arrangements for the Executive Directors for 2021 in accordance with the Policy. Key points are as follows:

- there will be no increase to the Executive Directors' salaries at the 1 April 2021 review date, and base salaries were also not increased at the April 2020 review;
- the structure, non-financial performance metrics and maximum award level of the STI awards in respect of 2021 will remain unchanged. However, the financial performance metrics will include NCCF as a percentage of opening AuMA, with a weighting of 20% of the overall scorecard, with the weighting applied to IFRS profit before tax (excluding amortisation, policyholder tax adjustments and other one-off items) reducing from 60% to 40%, such that the total financial performance weighting of the scorecard remains at 60%. NCCF is an important lead indicator of business performance and the Committee decided that it was the appropriate time to incorporate it into the annual scorecard. STI for on-target performance is set at 50% of maximum, which remains unchanged;
- the structure, performance metrics and maximum award opportunity of the LTI grants in 2021, including the maximum level of awards, will also be unchanged; and
- there will be no increase in fees for the Board Chairman for 2021 and there will also be no increase to Non-executive Directors' fees for 2021.

### Consideration of shareholders' views

The Committee actively engages with shareholders and investor bodies and welcomes the opportunity to engage with shareholders and discuss their views on remuneration issues in advance of the 2021 AGM.

The current Policy was approved by shareholders at the Company's first AGM in 2019 and will be due for renewal at the AGM in 2022. The Committee will undertake a review of the Policy during 2021 to take account of latest market developments, regulatory requirements and corporate governance best practice and to ensure the Policy continues to encourage and reward the growth of shareholder value, and promotes the long-term sustainable success of the Company.

The Committee will consult with shareholders on any changes proposed to the Policy ahead of the 2022 AGM.

### Inclusion, diversity and the gender pay gap

A key priority for the Company is the continued commitment to an inclusive culture and the equality and diversity of our workforce. The Inclusion and Diversity agenda is led by Paul Feeney. Further details can be found in the Responsible Business report on page 53. During 2020 we made progress across several areas, including:

- appointing a Group Head of Inclusion & Wellbeing, a new role dedicated to our Inclusion, Diversity and Wellbeing priorities and supported by a new Inclusion and Diversity Steering Committee, comprised of Quilter Executive Committee members;
- updating our talent programme to ensure we can identify, track and support individuals of under-represented ethnicities and gender in progressing their careers in Quilter;
- refreshing our Values and leadership behaviour frameworks to further reinforce our Inclusion and Diversity goals within our culture; and
- continuing to evolve our recruitment processes to ensure that we market roles, shortlist and select candidates on a fully diverse and inclusive basis.

For 2020 we have reported a median gender pay gap of 30% and a median bonus gap of 39%. Whilst our pay gaps have reduced since Gender Pay Gap Reporting was introduced four years ago, we still have much further to go. Further details regarding our gender pay gap figures can be found on page 53 of the Responsible Business report.

### Employee voice

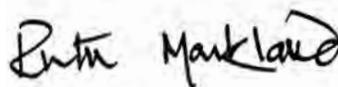
Paul Matthews, Independent Non-executive Director, member of the Board Remuneration and Board Risk Committees and a Non-executive Director of Quilter Financial Planning Board, took over responsibility for reflecting the employee voice in the Boardroom following Cathy Turner's departure in May 2020. Paul engaged directly with our Employee Forum during 2020 to gain valuable insight on the matters pertaining to corporate strategy, change management and culture. Further details on the progress made during the year can be found in the Governance in action report on pages 100 to 101.

The Committee is conscious of its heightened role during times of significant uncertainty and in navigating the unprecedented challenges caused by the COVID-19 pandemic to ensure that remuneration outcomes for the Executive Directors and wider workforce are appropriately aligned with performance and shareholders' experience. We will continue

to make careful decisions which balance the interests of all stakeholders. I appreciate the ongoing support and feedback from our shareholders.

From 9 March 2021, we look forward to bringing a fresh perspective to the Committee with the appointment of a new independent Non-executive Director, Tazim Essani.

I would also like to take this opportunity to thank my predecessor, Cathy Turner, for her excellent chairmanship prior to my appointment.



**Ruth Markland**  
Chair

## Committee governance

The Board Remuneration Committee currently comprises five independent Non-executive Directors. Details of the skills and experience of the Committee members can be found in their biographies on pages 84 to 86.

### Evaluation

As part of the 2019/20 Board Effectiveness Review, the Board has assessed that the Committee membership is appropriate in providing challenge and oversight and that the Committee is operating effectively.

### Discharging our responsibilities

The Committee reviewed its activities over the previous 12 months against its terms of reference and confirmed that it had fully discharged its responsibilities in line with its remit. The terms of reference are available at [quilter.com](http://quilter.com).

### Attendance

The Chief Executive Officer, HR Director, Reward Director and Jeremy Orbell, the Committee's independent remuneration adviser, regularly attend Committee meetings, except when it would not be appropriate for them to do so.

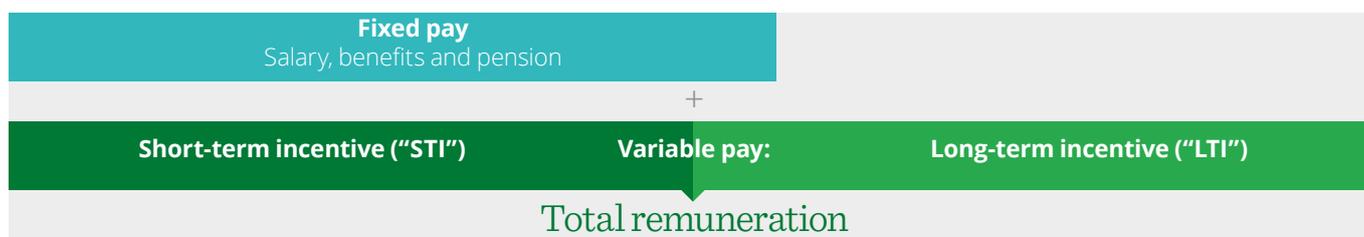
### Collaboration

The Chairman briefs the Board on key discussions and provides a written report to the Board, where feasible, after each meeting. The papers and reports presented to the Committee are made available to all Quilter Non-executive Directors. The members of the Board Risk Committee are invited to join Committee meetings when risk-adjusted remuneration matters are being discussed.

# Remuneration at a glance

The following pages detail the remuneration paid to our Executive Directors and our Policy. These two pages summarise the key elements.

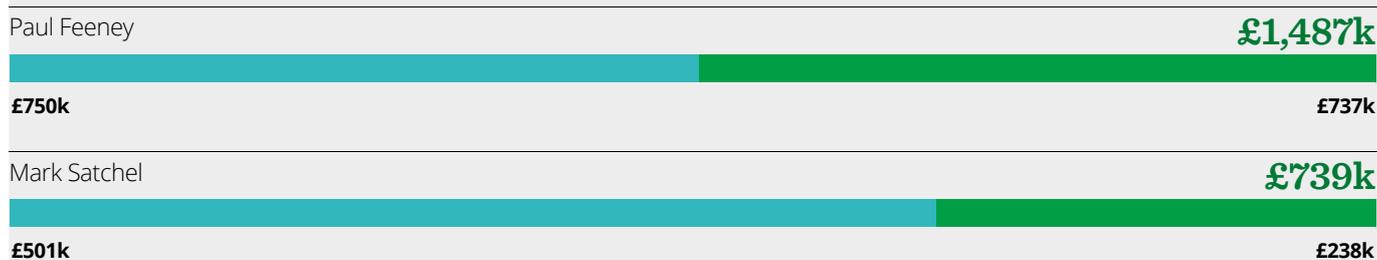
## Components of remuneration (chart illustrates the weighting of target outcomes)



## How much our Executive Directors earned in 2020

### Single total figure of remuneration – Executive Directors

The following chart sets out the aggregate emoluments earned by the Directors in the year ended 31 December 2020.



## Link between remuneration and business strategy

Short-term incentive	Performance indicators	Metrics in executive remuneration	2020 achievement	2020 weighted outcome
Profit	IFRS profit before tax <sup>1</sup> >	60% of 2020 STI awards >	0% of max	0% of max
Non-financial	Risk management >	10% of 2020 STI awards >	50-70% of max	5-7% of max
	Customer outcomes >	10% of 2020 STI awards >	65% of max	7% of max
	Strategic personal performance >	20% of 2020 STI awards >	60-70% of max	12-14% of max
<b>Total before adjustment</b>				<b>24-28% of max</b>
Risk adjustment				(10%) of max
COVID-19 adjustment				(14-18%) of max
<b>Total after adjustment</b>				<b>0% of max</b>
Long-term incentive	Performance indicators	Metrics in executive remuneration	2020 achievement	
EPS growth	EPS compound annual growth rate ("CAGR") >	70% of 2020 LTI award EPS CAGR 2019-2022 >	Results in 2023	
Shareholder value	Total shareholder return (relative) >	30% of 2020 LTI award TSR (relative) 2020-2022 >	Results in 2023	

1 IFRS profit before tax (excluding amortisation, policyholder tax adjustments and one-off items).

2 Includes, but not limited to, key measures of performance such as NCCF.

## Shareholding

	Ownership as % 2020 base salary <sup>1</sup>	Minimum shareholding required (after 5 years) <sup>2</sup>
Paul Feeney	291%	300%
Mark Satchel	320%	300%

1 Includes personal holdings and the estimated net of tax value of unvested share awards which are not subject to performance conditions as at 31 December 2020.

2 Executive Directors have five years from the Company's Listing date, or date of appointment, to meet the shareholding requirement.

## Summary of the key elements of our Policy

The table below provides a high-level summary of the key remuneration elements under our Policy, which was approved at our 2019 AGM. The key elements of the Policy are set out in pages 128 to 132.

	2020	2021	2022	2023	2024	
<b>Base salary</b>	Performance period					Normally reviewed annually with effect from 1 April. <b>Paul Feeney</b> – £675,000 <b>Mark Satchel</b> – £450,000
<b>Short-term incentive</b>	Performance period	Vesting period	1/3	1/3	1/3	Total incentive award in respect of Company and individual performance.  <b>Key performance measures and weighting:</b> – IFRS profit before tax (excluding amortisation, policyholder tax adjustments and one-off items) (60%) – Customer/Risk measures (20%) – Personal objectives (20%)  <b>Paul Feeney</b> Maximum opportunity 200% of salary  <b>Mark Satchel</b> Maximum opportunity 200% of salary  ■ Cash element of incentive outcome (50% of the whole award) is paid in Q1 following the end of the performance year.  ■ Deferred element of incentive outcome (50% of the whole award) is granted in shares and vests in three equal tranches in Q1 2022, Q1 2023 and Q1 2024 subject to the plan rules.
<b>Long-term incentive</b>	Performance period	Additional holding period				Awards subject to three-year performance period ending 31 December 2021.  <b>Key performance measures and weighting:</b> – EPS CAGR (70%) – Total shareholder return ("TSR") ranking relative to FTSE-250 excluding investment trusts (30%)  <b>Paul Feeney</b> Maximum opportunity 200% of salary  <b>Mark Satchel</b> Maximum opportunity 200% of salary  Award vests in Q1 following end of the performance period and subject to further two-year holding period.

# Directors' Remuneration Policy (summary)

## Remuneration Policy for Executive Directors

The following table summarises the key components of Executive Director remuneration arrangements, which form part of the Policy. The Policy originally came into effect when the business Listed in 2018 and was supported by

shareholders in a vote at the 2019 AGM, details of which are provided on page 147 of this Report. The full Policy document is contained in the 2018 Annual Report, which is available on the Company website.

Remuneration element	Base salary
<b>Purpose and link to strategy</b>	Essential to attract and retain Executive Directors with the calibre, personal skills and attributes to develop, lead and deliver the Group's strategy.
<b>Operation</b>	<p>Base salaries are paid in 12 equal monthly instalments during the year and normally are reviewed annually with increases effective 1 April. In reviewing base salaries the Committee takes into account a number of factors, including:</p> <ul style="list-style-type: none"> <li>- Group and individual performance;</li> <li>- the skills, experience and level of responsibilities of the Executive Director and his/her market value;</li> <li>- the scope, nature and size of the role;</li> <li>- levels of increase across the wider employee population; and</li> <li>- affordability, economic factors, external market data, business and personal performance.</li> </ul> <p>The Committee considers the direct and indirect impacts of any base salary increases on total remuneration.</p>
<b>Maximum opportunity</b>	<p>There are no prescribed maximum salary levels, but any salary increases will normally be in line with percentage increases across the wider employee population.</p> <p>In specific circumstances, the Committee may award increases above this level, for example:</p> <ul style="list-style-type: none"> <li>- where the base salary for a new recruit or promoted Executive Director has been set to allow the individual to progress into the role over time;</li> <li>- to reflect a material increase in the size or scope of an individual's role or responsibilities;</li> <li>- where a change is deemed necessary to reflect changes in the regulatory environment; and</li> <li>- where the size, value or complexity of the Group warrants a higher salary positioning.</li> </ul>
<b>Performance metrics</b>	Individual and Company performance will be taken into account in determining any salary increases.

## Proposed changes to application for 2021

No change in approach.

Remuneration element	Benefits
<b>Purpose and link to strategy</b>	Benefits are provided to Executive Directors to attract and retain the best talent for the business and to ensure that the total package is competitive in the market.
<b>Operation</b>	<p>The Committee's policy is to provide Executive Directors with a market competitive level of benefits taking into consideration benefits offered to other senior employees in the UK.</p> <p>Benefits currently provided to Executive Directors include:</p> <ul style="list-style-type: none"> <li>- private medical insurance;</li> <li>- life assurance; and</li> <li>- income protection.</li> </ul> <p>The approach for benefit provisions for Executive Directors is to be consistent and operated in line with the rest of the UK organisation. As such, from April 2020 personal accident insurance ceased to be provided as a core benefit. Specific benefit provisions are subject to regular review in line with market practice and may be subject to change from time to time.</p> <p>In line with other Quilter employees, Executive Directors can access discounted Company products and are eligible to participate in the Company's voluntary benefits which they fund themselves, sometimes through salary sacrifice. Executive Directors are eligible for other benefits that are introduced for the wider workforce on broadly similar terms.</p> <p>They are eligible to participate in the UK all-employee share plans on the same terms as other employees, including the Company's Share Incentive Plan and Sharesave Plan.</p> <p>Where the Committee considers it appropriate, other benefits may be provided on recruitment or relocation for a defined period.</p> <p>Any reasonable business-related expenses (including tax thereon if determined to be a taxable benefit) can be reimbursed.</p>
<b>Maximum opportunity</b>	In line with other UK employees, there is no maximum monetary level for benefits as this is dependent on the individual's circumstances, market practice and the cost to the Company.
<b>Performance metrics</b>	There are no performance conditions.
<b>Proposed changes to application for 2021</b> No change in approach.	
Remuneration element	Pension
<b>Purpose and link to strategy</b>	To provide a market-competitive contribution towards retirement benefits that helps to attract and retain the best talent for the business.
<b>Operation</b>	Executive Directors are eligible to receive employer contributions to the Company's pension plan (which is a defined contribution plan) or a cash allowance in lieu of pension benefits, or a combination. Contributions and/or a cash alternative are paid monthly.
<b>Maximum opportunity</b>	10% of base salary per annum. This is the same as the pension provision for the wider workforce.
<b>Performance metrics</b>	There are no performance conditions.
<b>Proposed changes to application for 2021</b> No change in approach.	

Remuneration element	Short-Term Incentives ("STI")
<b>Purpose and link to strategy</b>	<p>The STI plan is designed to align remuneration with performance against financial and strategic business plan targets and personal pre-determined goals, within the Group's risk appetite and taking into consideration the Company's culture and values, on an annual basis.</p> <p>A portion of any award is deferred and delivered in shares to aid retention, encourage long-term shareholding, discourage excessive risk-taking and align the executive and shareholder interests.</p>
<b>Operation</b>	<p>Performance targets and weightings are reviewed and set annually by the Committee taking into account business plans and the Company's risk appetite.</p> <p>STI awards are funded from the overall Group bonus pool, which is approved each year by the Committee.</p> <p>STI pay-out for on-target performance is set at 50% of maximum.</p> <p>Overall pool funding is also subject to risk adjustment after the Committee's consideration of a comprehensive report from the Chief Risk Officer and recommendations from the Board Risk Committee in relation to the nature and incidence of risk events and an overall assessment of risk management relative to the Board's risk appetite.</p> <p>50% of any STI awarded to an Executive Director is normally deferred in the form of Conditional Awards under the Share Reward Plan ("SRP"), which vest annually in equal annual instalments over a three-year period subject to the rules of the SRP.</p> <p>Dividend equivalents may accrue on deferred awards during the deferral period and are paid in the form of shares or, exceptionally, cash to the Executive Directors upon vesting.</p> <p>Malus and clawback provisions apply to both cash and deferred portions of the STI awards as described in further detail in 'Risk adjustments, malus and clawback' on pages 137 to 138.</p>
<b>Maximum opportunity</b>	<p>The maximum STI opportunity for Executive Directors is set at 200% of base salary for stretch performance.</p>
<b>Performance metrics</b>	<p>The STI plan uses a balanced scorecard of Group and individual performance measures, which are aligned with the key strategic priorities of the Group and designed to deliver sustainable shareholder value.</p> <p>Performance is measured based on a mix of financial, strategic and personal targets. The splits between the performance measures and relative weighting of the targets are reviewed by the Committee at the start of each year and set out in the Annual Report on Remuneration. The majority of any annual bonus is subject to challenging financial measures, with at least 50% of the scorecard reflecting financial performance.</p> <p>When determining the outcome of the performance measures, the Committee will seek the advice of the Chief Risk Officer and the Board Risk Committee to ensure all relevant risk factors are identified and the bonus pool and/or individual awards adjusted accordingly.</p> <p>Specific measures, targets and weightings will be set by the Committee annually and disclosed on a retrospective basis.</p>

#### Proposed changes to application for 2021

In 2021, the financial aspect of the STI award will include Net Client Cash Flow ("NCCF") as a percentage of opening AuMA, as a new measure on the scorecard. This metric will have a scorecard weighting of 20%, with the IFRS profit (excluding amortisation, policyholder tax adjustments and one-off items) weighting reduced from 60% to 40%, which results in the total financial aspect of the scorecard remaining unchanged at a 60% weighting. There are no other proposed changes in approach.

Remuneration element	Long-Term Incentives ("LTI")
<b>Purpose and link to strategy</b>	To incentivise and reward Executive Directors for achieving superior long-term business performance that creates shareholder value and maximises sustainable shareholder returns.
<b>Operation</b>	<p>LTI awards are made under the Quilter plc Performance Share Plan ("PSP"). Awards are normally granted annually as nil cost options, which are subject to performance conditions. Awards normally vest after three years, subject to the achievement of performance conditions and continued employment.</p> <p>Financial performance targets are set annually by the Committee prior to the beginning of the relevant performance period to provide alignment with the Company's strategic priority of delivering sustainable returns to shareholders over the long term. The targets may be subject to review and possible amendment for future plan cycles.</p> <p>Vested awards:</p> <ul style="list-style-type: none"> <li>– are subject to a post-vesting holding period of two years during which the net-of-tax number of shares may not normally be exercised or sold; and</li> <li>– must be exercised within ten years of the grant date.</li> </ul> <p>Dividend equivalents accrue during the vesting period and are released on the vesting date, or date of exercise of the vested option. These will normally be delivered in the form of shares on an assumed reinvested basis.</p> <p>LTI awards are subject to malus and clawback provisions as described in further detail in 'Risk adjustments, malus and clawback' on page 139.</p>
<b>Maximum opportunity</b>	<p>The maximum annual value of a PSP award for any Executive Director is an award over Company shares with a face value of 200% of base salary at the date of grant.</p> <p>If the Committee deems that there are exceptional circumstances, such as the recruitment of a key individual or a significant strategic initiative, the maximum PSP award may be increased up to 400% of the Executive's base salary.</p>
<b>Performance metrics</b>	<p>Performance measures are selected by the Committee for the relevant plan cycle prior to the beginning of the relevant performance period. Measures are designed to align with the Group's strategic priority of delivering sustainable returns to shareholders over the long term.</p> <p>Performance measures currently include an adjusted EPS CAGR (pre-dividend excluding amortisation and goodwill) and TSR Ranking relative to the FTSE-250 excluding investment trusts.</p> <p>The Committee may introduce or re-weight performance measures so that they are directly aligned with the Company's strategic objectives for the performance period.</p> <p>For each performance metric, a threshold and stretch level of performance is set. At threshold, 25% of the relevant element vests rising on a straight-line basis to 100% for attainment of levels of performance between threshold and maximum targets.</p> <p>When determining the outcome of the performance measures, the Committee will seek the advice of the Chief Risk Officer and the Board Risk Committee to ensure all relevant risk factors are identified and the award outcomes adjusted accordingly. The Committee also has discretion to reduce award outcomes to nil if required, via a risk management assessment based on a report of risk exposures; or to reflect financial underperformance not adequately reflected in the financial measures.</p>

#### Proposed changes to application for 2021

No change in approach.

Remuneration element	Shareholding requirement, including post-cessation
<b>Purpose and link to strategy</b>	To align Executive Directors' interests with those of shareholders.
<b>Operation</b>	<p>The Group operates a mandatory shareholding policy under which Executive Directors are required to build up and maintain a shareholding in the Company with a value at least equal to 300% of base salary. Executive Directors are expected to meet the requirement within five years of Admission or, for newly appointed Executive Directors, within five years of appointment if later.</p> <p>At least 50% of any shares vesting under Quilter share plans (on a net-of-tax basis) are expected to be retained until the shareholding requirements are met.</p> <p>In accordance with changes to the Code, the Committee has developed a post-cessation shareholding policy taking into account emerging market practice and shareholder guidelines. Executive Directors are required to hold shares for at least two years following cessation of their appointment at the lower of the minimum shareholding requirement of 300% of base salary or the value of shares held at the point of departure (if the Executive Director is still in the five-year accumulation period).</p> <p>Any shares purchased by an Executive Director from the open market (i.e. separate to shares originally awarded under a Company share plan) will be excluded from the post-cessation holding requirement. However, only 25% of the value of such purchased shares will count towards the minimum shareholding requirement during employment. This will apply to shares purchased after the date the post-cessation policy came into effect, in January 2020.</p> <p>For any good leaver, unvested share awards that may be permitted to be retained shall vest on their original vesting date(s) and remain subject to post-vesting holding periods post-termination.</p> <p>The Committee has discretion to make adjustments to the shareholding and post-cessation shareholding requirement in exceptional circumstances.</p>

**Proposed changes to application for 2021**

No change in approach.

# Annual Report on Remuneration

## Audited

Content within an 'Audited' tab indicates that all the information is audited.

## Application of the Policy in 2021

Content within a shaded box indicates that the information is planned for implementation in 2021.

The Report sets out how the Policy of the Company has been applied in 2020 and how the Committee intends to apply the Policy going forward. An advisory shareholder resolution to approve this Report will be proposed at the AGM.

The table below sets out the single figure of remuneration for the full financial year 2020 together with 2019 comparator figures.

Audited									
Executive Director	Base salary £'000	Benefits £'000	Pension <sup>2</sup> £'000	STI £'000	LTI <sup>3</sup> £'000	Other <sup>4</sup> £'000	Total £'000	Total Fixed £'000	Total Variable £'000
<b>2020</b>									
Paul Feeney	675.0	7.5	67.5	-	737.3	-	1,487.3	750.0	737.3
Mark Satchel	450.0	5.9	45.0	-	237.6	-	738.5	500.9	237.6
<b>2019</b>									
Paul Feeney	675.0	5.4	67.5	1,065.0	81.6	1.8	1,896.3	747.9	1,148.4
Mark Satchel – appointed to the Board 13 March 2019 <sup>1</sup>	360.5	3.4	36.0	600.8	61.5	1.4	1,063.7	399.9	663.7
Tim Tookey – stepped down from the Board 13 March 2019 <sup>1</sup>	121.0	1.7	36.3	200.0	-	-	359.0	159.0	200.0
<p>1 Mark Satchel and Tim Tookey's 2019 remuneration is pro-rated for the period served as an Executive Director in 2019.</p> <p>2 Pension includes contributions made under the Group defined contribution pension scheme plus, where applicable, amounts received as a pension allowance.</p> <p>3 LTI is a vesting value determined as a result of the achievement of performance measures or targets relating to the performance period ending on 31 December of the relevant financial years. These relate to the Performance Share Plan (see page 140). The value is calculated using the average share price over the final three month period of the year ending 31 December 2020, which is £1.3943. The actual vesting date is 26 March 2021 and the actual value will be reflected in next year's Report. The amount of this figure attributable to share price depreciation is valued at (£23,098) for Paul Feeney and (£7,443) for Mark Satchel as at 31 December 2020.</p> <p>4 Other includes dividends received in 2019 on shares awarded under the legacy Joint Share Ownership Plan, further details can be found in the 2019 Report.</p>									

## Components of the single figure

There were no increases to Executive Director base salaries at the 1 April 2020 review date, and no increases are planned for the 1 April 2021 review date.

Audited			
Executive Director	Annual base salary as at 1 April 2020 £'000	Total base salary paid in 2020 for qualifying services £'000	Total base salary effective 1 April 2021 £'000
Paul Feeney	675.0	675.0	675.0
Mark Satchel	450.0	450.0	450.0

### Benefits

Benefits include life assurance, private medical cover, income protection and personal accident insurance. Personal accident insurance ceased to be a core benefit from April 2020, therefore the 2020 amounts below are minimal and rounded to nil.

Audited				
Name	Life assurance £'000	Medical £'000	Income protection £'000	Personal accident insurance £'000
<b>2020</b>				
Paul Feeney	3.1	1.4	3.0	–
Mark Satchel	2.2	1.1	2.6	–
<b>2019</b>				
Paul Feeney	2.3	1.3	1.6	0.2
Mark Satchel – appointed to the Board 13 March 2019	1.4	1.1	0.8	0.1
Tim Tookey – stepped down from the Board 13 March 2019	0.9	0.2	0.6	–

#### Benefits for 2021

No changes to the approach.

### Pension

Pension includes contributions made under the Group defined contribution pension scheme and/or amounts received as cash in lieu of pension contributions due to the impact of HMRC limits. The pension provisions of Executive Director appointments are aligned to the pension arrangements of the wider workforce, set at 10% of base salary.

Audited				
Name	Cash in lieu of pension contribution £'000	Contribution to pension scheme £'000	Total contribution £'000	
<b>2020</b>				
Paul Feeney	67.5	–	67.5	
Mark Satchel	39.2	5.8	45.0	
<b>2019</b>				
Paul Feeney	67.5	–	67.5	
Mark Satchel – appointed to the Board 13 March 2019	28.0	8.0	36.0	
Tim Tookey – stepped down from the Board 13 March 2019	36.3	–	36.3	

#### Benefits for 2021

No changes to the approach.

## 2020 Short-Term Incentive (“STI”) Awards

For the purpose of determining the 2020 STI outcome, the Committee assessed the performance of the business and the individuals by reference to a balanced scorecard of Financial (60%), Customer/Risk (20%) and Strategic Personal performance objectives (20%) in line with the Policy.

The summary below reflects the Committee’s assessment of performance for the year ended 31 December 2020, before consideration of any adjustment for material risk events.

### Group financial achievement

Audited							
Group financial performance measures	Weighting as % of total STI opportunity	Threshold (25% of max)	Target (50% of max)	Maximum (100%)	Outcome	STI as % of max	
IFRS profit before tax (excluding amortisation, policyholder tax adjustments and one-off items)	60%	£80m	£100m	£120m	£63m	0%	

### IFRS profit reconciliation

In determining the outcome of the Group financial metric shown above, the Committee considered the impact of key programme and acquisition costs on IFRS profit and approved a discretionary downward adjustment to IFRS profit for STI purposes to ensure it reflected a fair and reasonable outcome for the overall performance achieved. The adjustments are detailed in the schedule below, which provides a reconciliation between reported profit, the STI target and STI outcome.

Audited			
2020 profit reconciliation	Reported profit	STI target	STI outcome
<b>Adjusted profit before tax (before financing costs)</b>	<b>£168m</b>	<b>£202m</b>	<b>£168m</b>
Debt financing costs	(£10m)	(£10m)	(£10m)
<b>Adjusted profit before tax (after financing costs)</b>	<b>£158m</b>	<b>£192m</b>	<b>£158m</b>
UK Platform Transformation Programme (“PTP”) <sup>1</sup>	(£38m)	(£49m)	(£49m)
Optimisation <sup>1</sup>	(£33m)	(£36m)	(£36m)
Quilter Life Assurance restructure	(£1m)	(£3m)	(£1m)
Quilter Investors’ build out costs <sup>2</sup>	£1m	–	–
One-off Managed Separation costs <sup>1</sup>	–	(£4m)	(£4m)
Customer remediation <sup>3</sup>	–	–	(£5m)
<b>IFRS profit before tax (excluding amortisation, policyholder tax adjustments and one-off items)</b>	<b>£87m</b>	<b>£100m</b>	<b>£63m</b>
<p>1 The PTP and one-off Managed Separation costs relate to the rebrand of certain entities alongside the PTP programme. Although actual costs for these items were below the plan expectation for the year, some of this underspend relates to the extended timeline of PTP delivery communicated to the market during 2020. Optimisation costs were also lower than the plan expectation for the year due to the timing of delivery. All costs are still expected to be incurred at a later date. As such, the Committee approved an adjustment to these amounts to remove the benefit of below-plan spend in the outcome.</p> <p>2 A provision release of £1 million has been recognised in relation to the build of Quilter Investors following the sale of the Single Strategy business. As these costs were a function of transaction and necessary for Quilter Investors to operate as a standalone business, the benefit of this credit has been excluded for remuneration purposes.</p> <p>3 The customer remediation adjustment relates to the impact of the post-acquisition market movements on the pension transfer advice complaints relating to Lighthouse.</p>			

**Group risk and customer performance achievement**

Key Group non-financial objectives represented a maximum of 20% of the total STI opportunity. The risk measure assesses the effectiveness of risk management at an overall corporate level for each of the Executive Directors. For the Customer element of the scorecard, performance was assessed against key risk and performance indicators covering customer strategy and governance, product and proposition, customer experience, advice, suitability and customer on-boarding and post-advice servicing as measured by the Company's Customer Strategic Risk Appetite Principles ("SRAP"), as well as a qualitative assessment of broader customer focus. Performance commentary is given in the table below.

<b>Audited</b>				
<b>Customer and Risk Performance measures</b>	<b>Executive Director</b>	<b>Weighting as % of total STI opportunity</b>	<b>Key achievements in the year</b>	<b>Outcome as % of max</b>
Risk Management Framework Effectiveness	Paul Feeney	10%	<ul style="list-style-type: none"> <li>- Strong tone from the top in setting an effective risk culture, with evidence of front-end consideration of risk in setting business strategy, embedding risk into decision making and the overall management of the business.</li> <li>- Safely delivered the major migration of advisers to our new UK Platform during a national lockdown, without bringing significant risks to the business, advisers or customers.</li> <li>- Early action in response to COVID-19, managing a rapidly changing risk environment and positioning Quilter well to manage through the crisis.</li> <li>- The control environment in the Quilter Financial Planning business required improvement and a programme has been established to address this.</li> </ul>	50%
Risk Management Framework Effectiveness	Mark Satchel	10%	<ul style="list-style-type: none"> <li>- Pro-active engagement and consideration of risk in key decisions, ensuring effective second line engagement.</li> <li>- Improvements to business planning process with clearer upfront articulation of strategic priorities, improved flow of strategy to business initiatives and operational activity with a greater focus on risks.</li> <li>- Early action taken in the wake of COVID-19; enhanced cash management, financial and capital position reviews and scenario modelling.</li> </ul>	70%
Customer Outcomes	Paul Feeney and Mark Satchel	10%	<ul style="list-style-type: none"> <li>- Enhanced customer care and support throughout the pandemic across all business areas, whilst receiving unprecedented high call volumes over the tax year end.</li> <li>- Maintained customer service and mitigated risk of customer detriment during the PTP implementation of a prudent phased migration approach.</li> <li>- Strong investment performance following the Q1 2020 sharp fall, particularly in Cirilium Active in the Quilter Investors business area.</li> <li>- Commitment to customer and advisers recognised by receiving a 5 Star award for service in the Financial Adviser's Service Awards across investments, protection and pensions, platform and discretionary fund management.</li> </ul>	65%

### Strategic personal performance – achievement

Personal objectives represented a maximum of 20% of total STI opportunity. A performance commentary is given in the table below.

Audited				
Executive Director	Weighting as % of total STI opportunity	Overview	Key achievements in the year	Outcome as % of max
Paul Feeney	20%	Objectives for 2020 were focused on the strategic development of the business to maximise future growth potential, whilst achieving strong core business performance and creating value for shareholders.	<ul style="list-style-type: none"> <li>– Strong leadership throughout the COVID-19 pandemic, ensuring uninterrupted support for customers, advisers and employees. Increased support for employees' and advisers' wellbeing as Quilter's 'Thrive' programme sponsor.</li> <li>– PTP prudently managed and poised for completion in early 2021, following the safe and secure execution of two migrations in 2020, despite the disruption and restrictions caused by COVID-19.</li> <li>– The business demonstrated strong resilience throughout the year, including financial and operational strength, with a rapid response to the unprecedented operating environment supported by accelerated digitalisation across the business.</li> <li>– Good progress made on important strategic initiatives, in particular PTP, as well as delivery of the workplace strategy on London property, progress on a new payments system for Quilter Financial Planning advisers and the Information Security Improvement Plan.</li> </ul>	60%
Mark Satchel	20%	Objectives were to support our Optimisation goals, deliver strong cost management across the business, whilst achieving strong core business performance and creating value for shareholders.	<ul style="list-style-type: none"> <li>– Robust cash and liquidity monitoring, proactively managing risks and market volatility.</li> <li>– Instilled strong cost discipline, delivering expenses ahead of expectations.</li> <li>– Oversaw management actions to realise cost savings in response to the COVID-19 crisis, protecting shareholder interests.</li> <li>– Optimisation programme progressing well with £46 million in run-rate benefit delivered to date.</li> <li>– Led the implementation of a new integrated General Ledger system which is a key development to the Optimisation programme.</li> </ul>	70%

### Risk adjustment

As part of the review, the Committee considered whether the overall STI outcomes were appropriate in the context of overall business performance and individual strategic/personal objectives, and whether any exceptional risk events occurred which, in the Committee's opinion, may have materially affected the STI outcome. The Committee also considered an annual risk report and the recommendations of the Chief Risk Officer and Board Risk Committee in respect of the incidence and materiality of any risk issues arising during the year and an overall assessment of risk management relative to the Board's risk appetite and risk culture across the business.

The Committee decided that a discretionary risk-based downward adjustment should be applied to both Executive Directors' STI outcomes. This is in respect of the risks brought into the business relating to historic pension transfer advice provided by Lighthouse to British Steel Pension Scheme members prior to Quilter's acquisition of Lighthouse, which have resulted in a net provision of £24 million to cover redress costs and fees. The Committee concluded this constituted a material risk event for the business and, given the Executive Directors have overall accountability for all business activity, decided that a downward adjustment equal to 10% of maximum STI should be applied to the outcomes above.

### COVID-19 adjustment

The Executive Directors considered the impact of the COVID-19 pandemic on business performance and the interests of all stakeholders, and recommended to the Committee to receive zero STI award for 2020, and to instead direct any available funding towards a small discretionary bonus pool to recognise the contribution of the wider workforce. The Committee considered the post risk-adjusted STI outcomes in the context of the COVID-19 pandemic, and that the wider employee base had done an excellent job in very challenging and unprecedented circumstances to continue to support our customers and maintain progress with key strategic activity throughout this difficult period. On this basis, the Committee agreed with the Executive Directors and, consequently, exercised discretion to reduce the Executive Directors STI award to zero for 2020.

Executive Director	Financial performance	Non-financial performance	Risk adjustment	COVID-19 adjustment	Total STI
	% of salary	% of salary	Reduction in % of salary	Reduction in % of salary	% of salary
Paul Feeney	0%	47%	(20%)	(27%)	0%
Mark Satchel	0%	55%	(20%)	(35%)	0%

### Short-Term Incentive ("STI") for 2021

In line with our Policy, both Executive Directors are eligible to receive up to 200% of base salary. Performance will be based on a combination of Group financial performance targets as well as strategic (including customer and risk measures) and personal measures.

In 2021, the financial aspect of the STI award will also include NCCF as a percentage of opening AuMA, with a scorecard weighting of 20%. The IFRS profit before tax (excluding amortisation, policyholder tax adjustments and one-off items) weighting will be reduced from 60% to 40%, resulting in the total financial aspect of the scorecard remaining unchanged at 60%.

There are no other changes to the scorecard metrics or weightings.

Actual targets for 2021 have not been disclosed due to commercial sensitivity. These targets will be disclosed in the 2021 Report.

### Vesting of Long-Term Incentive (“LTI”) Awards

On 31 December 2020, the awards granted on 25 June 2018, the day the Company listed, under the PSP (which is an LTI plan) reached the end of their performance period. These awards will vest on 26 March 2021, with the vested shares subject to a further two-year post-vesting holding period. The performance conditions which applied to the 2018 LTI and the performance achieved are set out below.

Audited					
Performance condition	Weighting	Threshold <sup>1</sup> (25% vesting)	Maximum <sup>1</sup> (100% vesting)	Performance Achieved <sup>2</sup>	Weighted Percentage of Award Vesting
EPS CAGR (2017-20) <sup>3</sup>	70%	5% <sup>4</sup>	15% <sup>4</sup>	6.8%	26.9%
Relative TSR <sup>5</sup>	30%	Median	Upper quartile	64 out of 184 companies	21.8%
<b>Award Outcome</b>					<b>48.7%</b>
<p>1 Straight-line interpolation between points.            2 The Committee adjusted the EPS CAGR performance condition to reflect the sale of Quilter Life Assurance.            3 Adjusted Profit-based, pre-dividend excluding amortisation and goodwill.            4 The Committee adjusted the EPS CAGR threshold and maximum targets from 6-10% to 5-15% to reflect the sale of Quilter Life Assurance. This had the effect of increasing the level of challenge in the targets, and reducing the pay-out for the EPS metric for 2017-20 from 27.9% to 26.9%.            5 Ranking relative to the constituents of the FTSE-250 excluding Investment Trusts.</p>					

To ensure that performance could be fairly and consistently assessed against the performance conditions and the outcome appropriately reflective of performance achieved, the Committee, supported by independent expert advice, considered the impact of the sale of Quilter Life Assurance, which completed on 31 December 2019. The Committee decided to exclude Quilter Life Assurance profits adjusted for certain stranded costs from the base year of the Adjusted Profit-based EPS CAGR calculation to ensure the earnings growth was measured on a like-for-like basis between the end year and the base year. The Committee also revised the CAGR performance range from the original targets of 6% at threshold and 10% at maximum, to 5% at threshold and 15% at maximum. This wider CAGR range aligns to the 2020 LTI award, the targets for which were set following the sale of Quilter Life Assurance and reflect the expectation for an increased rate of earnings growth for the business excluding Quilter Life Assurance. The Committee also considered the performance outcome against the original CAGR range of 6-10% and decided the approach to apply the 5-15% range, which provided the lesser of the two potential vesting outcomes was appropriate. A breakdown of the adjustment is provided below:

Audited			
Performance condition	2017 £m	2020 £m	Outcome
<b>Adjusted Profit (before tax)<sup>1</sup></b>	<b>209</b>	<b>168</b>	
less Quilter Life Assurance Profit	(66)	–	
plus stranded costs	(13)	–	
less finance costs <sup>2</sup>	–	(10)	
<b>Revised Adjusted Profit for LTI purposes</b>	<b>130</b>	<b>158</b>	
<b>Adjusted Profit CAGR (2017-20)<sup>1</sup></b>			<b>6.8%</b>
<p>1 Pre-dividend excluding amortisation and goodwill.            2 In 2017, finance costs related to loans from Old Mutual plc and are not comparable to finance costs since Listing in 2018. Therefore, finance costs are excluded from the base year, 2017, in the above calculation.</p>			

The Committee also considered whether the performance had been achieved within the Company's agreed risk appetite and the impact of any risk events during the performance period and concluded that no further discretionary adjustment to the outcome was required.

As a result of the 2018 LTI awards vesting at 48.7%, the Executive Director outcomes are as follows:

Audited					
Executive Director	Number of shares granted	Share-settled dividend equivalents	% of Awards vesting	Number of shares vesting	Value of shares vesting (£000) <sup>1</sup>
Paul Feeney	931,034	155,848	48.7%	528,768	737.3
Mark Satchel	300,000	50,216	48.7%	170,380	237.6

<sup>1</sup> Deemed value based on the average share price of the final three month period ended 31 December 2020 of £1.3943, the actual value will be based on the share price when the awards vest on 26 March 2021.

### Long-Term Incentive (“LTI”) Awards granted in 2020

Executive Directors are eligible to participate in the PSP, which is an LTI plan. The awards granted in 2020 are subject to the following performance conditions:

Audited			
Performance condition	Weighting	Threshold <sup>1</sup> (25% vesting)	Maximum <sup>1</sup> (100% vesting)
Adjusted EPS CAGR (2019-22) <sup>2</sup>	70%	5%	15%
Relative TSR <sup>3</sup>	30%	Median	Upper quartile

<sup>1</sup> Straight-line interpolation between points.  
<sup>2</sup> Pre-dividend excluding amortisation and goodwill.  
<sup>3</sup> Ranking relative to the constituents of the FTSE-250 excluding Investment Trusts.

At the end of the three-year performance period, the Committee will critically assess whether the formulaic vesting outcome produced by the criteria is justified. To do this, the Committee will look at several factors, including whether the result is reflective of underlying performance and has been achieved within the Company’s agreed risk appetite. If such considerations mean that the formulaic outcome of the vesting schedule is not felt to be justified, then the Committee can exercise downward discretion.

The following LTI awards were granted in respect of the 2020 performance year:

Audited								
Executive Director	Form of award	Date of award	Basis of award (% of salary)	Share price at the date of grant	Nil cost options awarded	Face value of award <sup>1</sup>	% vesting at threshold	Performance
Paul Feeney	Nil cost options	27 March 2020	200%	£1.2325	1,095,335	£1,350,000	25%	2020–2022
Mark Satchel	Nil cost options	27 March 2020	200%	£1.2325	730,223	£900,000	25%	2020–2022

<sup>1</sup> The face value of the award figure is calculated by multiplying the number of shares awarded by the closing share price on the day before the award was granted, of £1.2325.

The Committee will consider the impact of the sale of Quilter Life Assurance and other material corporate events on all outstanding LTI awards at the respective vesting dates, as disclosed in the 2019 Remuneration Report. As with the 2018 LTI outcome, the details of any adjustments applied by the Committee will be disclosed in the relevant Remuneration Report.

### Long-term Incentive Awards to be granted in 2021

The Committee intends to grant awards to the Executive Directors in March 2021 over nil cost options under the PSP with a face value of 200% of base salary. There is no change proposed to the metrics, their respective weightings or the threshold and maximum outcome performance targets. It should be noted that in setting the target EPS CAGR range the Committee has taken into account the anticipated impact of the Company's current share buyback programme.

Performance condition	Weighting	Threshold' (25% vesting)	Maximum' (100% vesting)
Adjusted EPS CAGR (2020-23) <sup>2</sup>	70%	8%	20%
Relative TSR <sup>3</sup>	30%	Median Upper quartile	

1 Straight-line interpolation between points.

2 Pre-dividend excluding amortisation and goodwill.

3 Ranking relative to the FTSE-250 excluding Investment Trusts.

### Non-executive Director total remuneration

The total remuneration for the Non-executive Directors is set out in the table below. Non-executive Directors are not entitled to any benefits, pension or pension equivalents, or awards under any of the equity plans. All Non-executive Directors have a service contract with a three months' notice period and an initial three-year term from appointment, subject to annual re-election at the AGM, as detailed in the Policy. For 2020, the regular fees were paid at the following rate:

Annual fees (Quilter Board)	2020 fee
Chairman	£375,000
Basic annual fee	£65,000
<b>Additional fees:</b>	
Senior Independent Director	£20,000
Chairs of Board Audit, Risk, Remuneration and Technology and Operations Committee	£25,000
Members of the above Committees	£10,500
Members of the Board Corporate Governance and Nominations Committee	£5,500
<b>Fees (Subsidiary Boards):</b>	
Chairman of Subsidiary Boards	£80,000
Board Member of Quilter Financial Planning ("QFP"), Quilter Investors ("QI"), Quilter Cheviot ("QC")	£45,000
Board Member of Quilter International ("International")	£35,000
Members of the Subsidiary Board Committees	£5,000

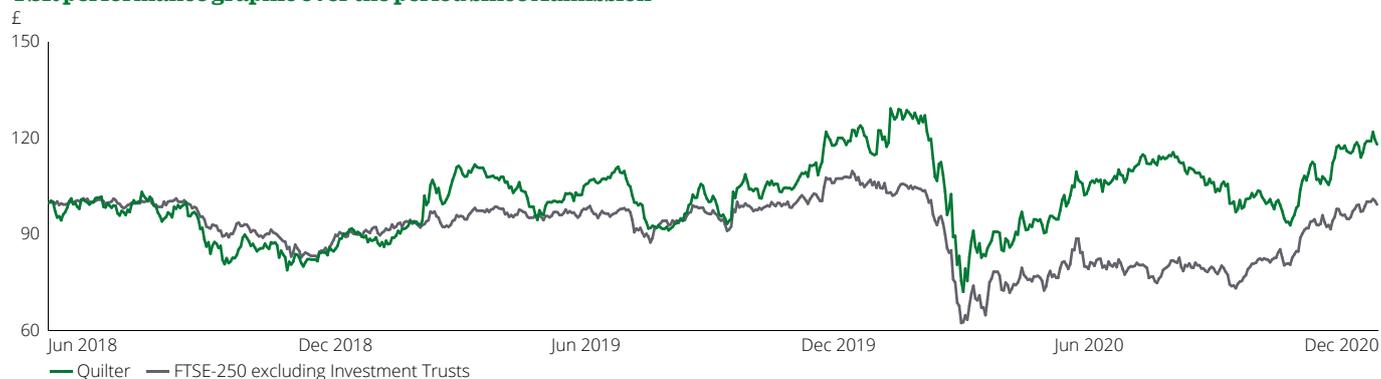
Audited			Fees for 2020	Subsidiary Board fees	Total for 2020	Fees for 2019	Subsidiary Board fees	Total for 2019
Non-executive Director	Board & Committee membership	Subsidiary Board & Committee membership	£'000	£'000	£'000	£'000	£'000	£'000
Glyn Jones	► Chairman ► (C)		375.0	–	375.0	375.0	–	375.0
Rosie Harris	► (C) ►	QC Board and GARC member	111.0	50.0	161.0	111.0	50.0	161.0
Moira Kilcoyne	► (C) ►		100.5	–	100.5	100.5	–	100.5
George Reid <sup>1</sup>	► (C) ►	QIP Chair	111.0	81.7	192.7	111.8	85.0	196.8
Ruth Markland <sup>2</sup>	► (C) ►	International Board member	120.7	35.0	155.7	111.5	35.0	146.5
Paul Matthews <sup>3</sup>	► ►	QFP Board and GARC member	82.1	50.4	132.5	75.5	45.4	120.9
Tim Breedon <sup>4</sup>	► ►	QI Chair	53.3	23.8	77.1	–	–	–
Cathy Turner <sup>5</sup>	► (C) ►	QI Board member	35.4	16.7	52.1	95.5	45.0	140.5
Suresh Kana <sup>5</sup>	► ►		30.0	–	30.0	81.0	–	81.0
Jon Little <sup>5</sup>	► ►	QI Chair	56.6	60.0	116.6	75.5	82.4	157.9

#### Board Committee Key:

- = Board
- = Board Audit Committee
- = Board Remuneration Committee
- = Board Risk Committee
- = Senior Independent Non-executive Director
- = Board Technology and Operations Committee
- = Board Corporate Governance and Nominations
- (C) = Chair

- 1 George Reid's responsibilities reduced in 2020 following the sale of QLA on 31 December 2019 of which Board George Reid was Chair. Additionally George Reid stood down from the Quilter Wealth Solutions GARC on 30 April 2020.
- 2 Ruth Markland was appointed Chair of the Board Remuneration Committee 14 May 2020.
- 3 Paul Matthews was appointed to the Quilter Board Remuneration Committee on 14 May 2020. Paul is a member of the Quilter Financial Planning Limited Board and, with effect from 1 January 2021, serves on its Audit Committee and Risk and Governance Committee, which has replaced its Governance Audit and Risk Committee. Paul is in receipt of a temporary uplift in his Quilter Financial Planning Limited fees with effect from 1 January 2021, which reflects the additional time commitment currently required in the business area.
- 4 Tim Breedon was appointed as an Independent Non-executive Director on 1 June 2020, QI Board member on 1 September 2020 and Chair on 1 October 2020.
- 5 Cathy Turner and Suresh Kana stood down from the Quilter Board and all Quilter-related appointments on 14 May 2020, Jon Little stood down from the Quilter Board and all Quilter-related appointments on 30 September 2020.

### TSR performance graphic over the period since Admission



The graph above shows the Company's TSR performance versus the FTSE-250 excluding Investment Trusts over the period ended 31 December 2020. The FTSE-250 has been chosen as the Company is a member of that index.

### Group Chief Executive Officer pay

The table below contains the Chief Executive Officer's annual remuneration since the Company listed in 2018:

Financial year	Name	Total remuneration £'000	Annual bonus as % of maximum	LTIP vesting as % of maximum
2020	Paul Feeny	1,487.3	0%	48.7%
2019	Paul Feeny	1,896.3	79%	n/a
2018	Paul Feeny	2,778.9	93%	n/a

### Percentage change in Directors remuneration compared to the average employee

The table below sets out the percentage change in salary or fee and STI between the Executive Directors and average employee from 2019 to 2020. The annual change in salary is based on the salary of permanent UK employees as at 31 December 2019 and 31 December 2020, and the annual change in STI excludes employees that are not eligible for bonus. The annual increase in the average employee salary is impacted by the inclusion of a high number of operational employees in the Quilter Life Assurance business area in 2019, who are no longer employed by Quilter in 2020. This has led to an increase in average salary per employee in 2020. As Executive Directors' benefits have been aligned to other UK employees, the analysis of movement in average benefits was not considered practical or meaningful and therefore not included in the below comparison. Further detail of Executive Directors' benefits can be found on page 134 of this Remuneration Report.

Remuneration outcome	Executive Directors			Independent Non-executive Directors						
	Average employee	Chief Executive Officer	Chief Financial Officer	Glyn Jones	Ruth Markland	Rosie Harris	George Reid	Moira Kilcoyne	Paul Matthews	Tim Breedon
Salary/fees	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%
STI	(49%)	(100%)	(100%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

### Chief Executive Officer pay ratio

The table below sets out the ratio between the Chief Executive Officer's total remuneration and the median, 25th and 75th percentile of the total remuneration of full-time equivalent UK employees.

#### Total remuneration

Year	Method	Pay ratio			All employees £		
		25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2020	Option A	50:1	33:1	19:1	29,663	45,349	78,368
2019	Option B	62:1	39:1	27:1	30,478	48,486	69,114

#### Salary

Year	Method	Pay ratio			All employees £		
		25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2020	Option A	28:1	19:1	11:1	24,000	36,350	61,000
2019	Option B	28:1	18:1	14:1	24,333	37,001	48,667

Total remuneration includes salary, benefits, pension, short-term incentives and any value vested from long-term incentives during the year. As some 2020 STI amounts across the wider workforce are subject to change until after the publication of this report, the total remuneration may not be exact. However, any STI changes are expected to be minimal and it is unlikely the pay ratios will change significantly once the STI amounts are determined. Our Chief Executive Officer has a higher proportion of variable pay in total remuneration, which is the main factor driving the difference in the ratios between salary and total remuneration.

From the three options disclosed in the regulations regarding the methodology to identify the employees at median, 25th and 75th percentiles for comparison between those and the Chief Executive Officer, we recognise that the most precise method, and therefore often referred to as the preferred method, is Option A, which calculates the single figure for each UK employee. Whilst in 2019 we adopted Option B, which uses the Gender Pay Gap Reporting methodology to identify the employees at each quartile, we have adopted Option A for 2020 and intend to continue reporting under this method in future years.

Whilst adopting Option A has had a slight impact on the 2020 ratios when compared to 2019, the year-on-year variances at each quartile, in particular the 75th percentile, reflect the reduction and change in profile of our workforce following the sale of Quilter Life Assurance at the end of 2019, and the recommendation of the Chief Executive Officer to receive zero STI for 2020.

### Gender pay gap

The Company reported a median gender pay gap of 30% and a median bonus gap of 39% for 2020. The results reflect the under-representation of women in senior roles, which we recognise is a systemic issue facing the wealth management industry and will require ongoing, multi-year efforts to resolve. Further details regarding our gender pay gap figures can be found on page 53 of the Responsible Business report.

### Relative importance of spend on pay

The following table sets out the profit, dividends and overall spend on pay in the years ended 31 December 2020 and 31 December 2019:

	2020	2019	% Change
Adjusted profit before tax (£m)	168	235	(29%)
Dividends <sup>1</sup> (£m)	78	95	(18%)
Employee remuneration costs <sup>2</sup> (£m)	291	316	(8%)

1 In 2019, the Company paid an interim dividend of 1.7 pence and a final dividend of 3.5 pence, with total dividends of £96 million estimated in the 2019 Report. However, based on the final share count for 2019, the total dividends paid came to £95 million. For the 2020 financial year, the Company paid an interim dividend of 1.0 pence and recommend a final dividend of 3.6 pence.

2 Employee remuneration costs represent the underlying employee costs within the adjusted profit view for Quilter, excluding the impact of one-off items. 2019 includes £22 million of costs relating to Quilter Life Assurance; excluding these, 2019 costs were £294 million, and the annual reduction is £3 million, a 1% change.

### Executive Directors' shareholding and interests in Quilter Share Schemes

The table below shows the Executive Directors' interests in Company share plans which will vest in future years subject to performance and/or continued service at 31 December 2020 together with any additional interests in shares held beneficially by the Executive Directors outside of Group share schemes. The share price at 31 December 2020 was £1.5360.

During the period 31 December 2020 to 10 March 2021, there were no exercises or dealings in the Company's share awards by the Directors.

Audited	Scheme interests at 31 December 2020				
	Legally owned (shares)	Subject to SIP (shares)	Subject to SAYE (options)	Deferred STI and other awards not subject to performance conditions (shares)	Subject to performance conditions under the LTIP (shares)
<b>Performance condition</b>					
Paul Feeney	650,340	1,533	24,000	1,182,877	3,246,375
Mark Satchel	655,392	1,533	14,400	527,073	1,789,881

### Executive Directors' shareholding requirements

In line with the Remuneration Policy, each Executive Director is required to acquire and maintain a shareholding equivalent to 300% of base salary (including shares beneficially held by the individual or his/her spouse, the net of tax value of unvested share interests within Company share plans which are not subject to performance conditions and 25% of the value of beneficially held shares purchased by the individual or his/her spouse since the post-cessation shareholding policy came into effect).

As of 31 December 2020, Paul Feeney had not yet satisfied the minimum shareholding requirement but has up to five years from the date of Admission or appointment (25 June 2023 for Paul Feeney and 13 March 2024 for Mark Satchel) to achieve the minimum.

Audited	Value <sup>1</sup> £'000	Multiple of base salary
<b>Name</b>		
Paul Feeney	1,964.3	291%
Mark Satchel	1,438.1	320%

<sup>1</sup> Includes the estimated net value of unvested share awards which are not subject to performance conditions. The calculation is based on the average share price of the final three month period ended 31 December 2020 of £1.3943, the actual value will be based on the share price when the awards vest on 26 March 2021.

### Directors' personal holding and beneficial share interests

As at 31 December 2019 and 31 December 2020, the Executive and Non-executive Directors held the following legal and beneficial interests in Ordinary Shares:

Audited		
Name	31 December 2020	31 December 2019
Paul Feeney	650,340	580,544
Mark Satchel	655,392	377,576
Glyn Jones	800,000	800,000
Rosie Harris	17,241	17,241
Moira Kilcoyne	34,482	34,482
George Reid	20,689	20,689
Ruth Markland	20,689	20,689
Paul Matthews	30,000	30,000
Tim Breedon	–	n/a
Cathy Turner <sup>1</sup>	68,985	68,965
Suresh Kana <sup>1</sup>	–	–
Jon Little <sup>1</sup>	20,689	20,689

<sup>1</sup> Shareholding is as at the date of standing down as Independent Non-executive Directors, on 14 May 2020 for Cathy Turner and Suresh Kana, and 30 September 2020 for Jon Little.

During the period 31 December 2020 to 10 March 2021, there were no other changes to the interests in shares held by the Directors as set out in the table above.

### Legacy arrangements

In 2017, prior to the managed separation of Quilter from Old Mutual plc, a retention award was granted to Mark Satchel to recognise the criticality of his role during and beyond the demerger and Listing of Quilter in 2018. The award was not subject to any performance conditions and vested on 31 August 2020 on the third anniversary of the grant date. As the award was granted prior to the Listing of the Company, and it was not a long-term incentive, it does not form part of his remuneration for qualifying services as a Director of the Company and is not included within his aggregate emoluments for 2020. In accordance with our principles of open and transparent disclosure, details of the award are set out below:

Audited						
Executive Director	Date of vesting	Share price at date of vesting <sup>1</sup>	Number of shares vesting <sup>2</sup>	Value of shares vesting (£000)	Cash-settled dividend equivalents (£000)	Total value of shares (£000)
Mark Satchel	31 August 2020	£1.4305	347,437	497.0	88.2	585.2

<sup>1</sup> Share price as at 28 August 2020 due to the date of vesting being a public holiday.  
<sup>2</sup> The award was originally granted over notional Old Mutual plc shares and converted to Quilter plc shares at Listing.

### Payments within the year to past Directors

During 2020, Tim Tookey, the former Chief Financial Officer who stood down from the Board on 13 March 2019, received the vesting of the one-off LTI award linked to the business preparation and execution of Listing in June 2018. The vesting outcome was 100% of maximum on a pro-rata basis for the time Tim Tookey served as an Executive Director. The amount received upon vesting on 1 May 2020 was £1,695,429 from 1,415,216 shares with a share price of £1.1980.

### Payment for loss of office

During 2020, there were no payments made to any Directors for loss of office.

### External directorships

The table below sets out external directorships held by the Executive Directors.

Executive Directors	External directorships held	Fees received and retained
Paul Feeney	None	–
Mark Satchel	None	–

### External advisers

On 1 August 2020, Alvarez & Marsal (“A&M”) acquired Aon’s Executive Compensation team, resulting in A&M becoming the Committee’s new independent remuneration adviser. The individual providing independent advice to the Committee has remained unchanged. During 2020, both firms provided advice covering annual remuneration report and policy disclosures, market practice and incentive design. Apart from the above, A&M or Aon have no other connection with the Company.

The Committee is satisfied that the advice received from A&M is objective and independent, and the firm is a member of the Remuneration Consultants Group, whose voluntary code of conduct is designed to ensure objective and independent advice is given to Committees. The total fees paid in respect of remuneration advice during 2020 are as follows:

Name	Key areas of advice received	Total fees 2020
Alvarez & Marsal	Annual remuneration report and policy disclosure, market practice, incentive design	£30,215
Aon	Annual remuneration report and policy disclosure, market practice, incentive design	£33,698

### Statement of shareholder voting

During the Company’s AGM in May 2020, a resolution to approve the Directors’ Remuneration Report was moved and the votes from shareholders cast For was 96%, and 4% Against. Total votes Withheld were 2,631,525, which is 0.14% of issued share capital.

A resolution to approve the Directors’ Remuneration Policy was moved during the Company’s first AGM in May 2019; the votes from shareholders cast For was 97%, and 3% Against. Total votes Withheld were 7,803,013, which is 0.41% of issued share capital. The next resolution to approve the Directors’ Remuneration Policy will be in 2022 following the upcoming Policy review.

The Company did not receive a significant percentage of votes against either resolution at the 2020 or the 2019 AGM.

# Our approach to governance

## **UK Corporate Governance Code 2018 (the “Code”)**

Quilter is subject to the Code and complied with all of its provisions during the year. Details of our Corporate Governance Framework are available on our website at [quilter.com/corporategovernance](http://quilter.com/corporategovernance). The Code is publicly available at [www.frc.org.uk](http://www.frc.org.uk).

## **Disclosure Guidance and Transparency Rules (“DTRs”)**

By virtue of the information included in this Governance section of the Annual Report including our Directors’ Report (pages 80 to 155) we comply with the corporate governance requirements of the FCA’s DTRs.

## **Johannesburg Stock Exchange (the “JSE”)**

Quilter has a secondary listing on the Johannesburg Stock Exchange and is permitted by the JSE Listings Requirements to follow the corporate governance practices of its primary listing market. Quilter is, however, mindful of the provisions of the King IV Governance principles and the expectations of our South African shareholders.

## **1. Board leadership and Company purpose**

The Chairman’s introduction on corporate governance on page 81 and the Board Governance section on pages 90 to 101 set out how the Board has met its leadership and oversight responsibilities under the Code during the year, including its role in promoting the success of the Company, monitoring culture across the business and understanding the views of our shareholders and other stakeholders. Details of our approach to workforce engagement and the key themes arising from the employee feedback received during the year are set out on pages 100 and 101.

Responsibility for monitoring the Group’s whistleblowing arrangements, which provide a means for our workforce to raise concerns in confidence or anonymously, has been delegated to the Board Audit Committee. Details of how this responsibility has been discharged during the year can be found in the Board Audit Committee Chair’s report on page 112. Further information on the Group’s whistleblowing arrangements can be found in the Responsible Business report on page 59.

In accordance with the Companies Act 2006 and the Company’s Articles of Association, the Board may authorise Conflicts of Interest. Directors are required to declare any potential or actual Conflicts of Interest that could interfere with their ability to act in the best interests of Quilter. The Company Secretary maintains a Conflicts of Interest register which is reviewed by the Board and the Board Corporate Governance and Nominations Committee. Noting the recommendations of the Code, the Board Corporate Governance and Nominations Committee is required to pre-approve, on behalf of the Board, any new external appointments that a Director wishes to adopt. During the year, the Board Corporate Governance and Nominations Committee carefully reviewed requests to approve new external appointments for a number of our Non-executive Directors, and concluded that these additional responsibilities would not impact their time commitment or cause any potential conflicts of interest for Quilter. In addition, the Committee further reviewed the impact for Quilter of Paul Feeney assuming the role of Chair of the FCA Practitioner Panel and concluded that this was an appropriate appointment for Paul to assume.

## 2. Division of responsibilities

The Board is made up of a majority of independent Non-executive Directors and comprises the Chairman, who was independent on appointment, two Executive Directors and seven independent Non-executive Directors, including the Senior Independent Director. The independence of each Non-executive Director is assessed on an annual basis against the criteria set out in the Code.

It is a principle of UK company law that Executive and Non-executive Directors all have the same duties and are subject to the same constraints. However, in line with the requirements of the Code, there is a clear division of responsibilities at the head of Quilter between the running of the Board and the executive responsibility for managing Quilter's business. Our Chairman is responsible for the leadership of the Board and managing the business of the Board through setting its agenda and taking full account of the issues and concerns of Board members. Our Chief Executive Officer is responsible for the day-to-day management of our business and the leadership of the Quilter Executive Committee. Further information on the Quilter Executive Committee can be found on pages 88 and 89.

The accountabilities, competencies and expectations required of each role on the Board, including those required by the Code, have been documented in our Board Charter. This includes the responsibilities of the Directors as a whole, including their responsibilities under section 172(1) of the Companies Act 2006, and the role profiles of the Chairman, Senior Independent Director, Committee Chairs, Non-executive Directors and Executive Directors. Performance against these expectations was assessed in the 2019/20 Board Effectiveness Review, detailed in the report from our Senior Independent Director on page 105, and it was confirmed that all Directors were discharging their roles effectively. The time commitment expected of the Non-executive Directors is set out in the Board Charter and their letters of appointment. The Board Corporate Governance and Nominations Committee reviews the Board Charter annually to ensure it remains relevant and up to date. The Board Charter is published on our website at [quilter.com/corporategovernance](http://quilter.com/corporategovernance) to ensure complete transparency of the standards we set for ourselves.

As set out in the Board Charter, the Chairman is responsible for ensuring that the Board receives accurate, timely and high-quality supporting information. This covers the Company's performance to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company. Working in collaboration with the Chairman, the Company Secretary is responsible for ensuring good corporate governance and consults with Directors to ensure that good information flows exist and that the Board receives the information it requires to be effective.

The Board is the decision-making body for all matters of such importance as to be of significance to Quilter as a whole because of their strategic, financial or reputational implications or consequences. A summary of the matters that are reserved for the Board's decision, which includes Board appointments, Quilter's strategy, financial statements, capital expenditure and any major acquisitions, mergers or disposals, and the appointment and removal of the Company Secretary, can be found at [quilter.com/corporategovernance](http://quilter.com/corporategovernance).

### 3. Composition, succession and evaluation

The Board Corporate Governance and Nominations Committee is responsible for overseeing the composition of the Board and its Committees and ensuring that it is an appropriate size and that there is an appropriate balance of diversity in skills, experience, independence and knowledge. It is also responsible for reviewing and making recommendations to the Board on succession planning for the Board and key leadership positions within Quilter. Details of the composition of the Board Corporate Governance and Nominations Committee, how it has discharged its duties during the year and the 2019/20 Board Effectiveness Review, including the resulting action plan, can be found on pages 102 to 107.

The Chairman and all the Non-executive Directors have served on the Board for less than five years. All the Directors are subject to annual re-election by shareholders and the specific reasons why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success are set out in their biographies on pages 84 to 87.

### 4. Audit, risk and internal control

#### **Risk management and internal control**

The Directors are responsible for ensuring that management maintains an effective system of risk management and internal control and for assessing its effectiveness. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Quilter is committed to operating within a strong system of internal control that enables business to be transacted and risk taken without exposing itself to unacceptable potential losses or reputational damage. The Quilter Group Governance Manual sets out the Group's approach to internal governance and establishes the mechanisms and processes by which management implements the strategy set by the Board to direct the organisation, through setting the tone and expectations from the top, delegating its authority and assessing compliance.

Quilter's principles of internal control (covering financial, operational and compliance areas) are to maintain:

- clearly defined delegated authorities;
- clearly defined lines of responsibility;
- robust recording and reporting of transactions to support the financial statements;
- financial reporting controls procedures and systems which are regularly reviewed;
- protection of assets; and
- financial crime prevention and detection.

The Enterprise Risk Management Framework is overseen by the Board Risk Committee and aims to align strategy, capital, processes, people, technology and knowledge in order to evaluate and manage business opportunities and threats in a structured, disciplined manner. The Group's principal risks and uncertainties are set out on pages 73 to 76.

The Board Audit Committee and the Board Risk Committee have a joint responsibility for the oversight of the effectiveness of the internal control framework across Quilter. In addition, the Board Technology and Operations Committee has oversight of operational matters more broadly, with the Board Risk Committee having responsibility for oversight of Operational Risk. The Board Audit Committee regularly reviews the system of internal control on behalf of the Board and receives regular reports from management, Internal Audit and the Finance function covering, in particular, financial controls. The chairs of the Board Audit Committee, the Board Risk Committee and the Board Technology and Operations Committee regularly brief the Board on the key matters discussed by these Committees. Throughout the year ended 31 December 2020 and to date, the Group has operated a system of internal control that provides reasonable assurance of effective operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the principal risks facing the Group in accordance with the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the Financial Reporting Council.

### Internal control over financial reporting

Management are also responsible for establishing and maintaining adequate internal control over financial reporting. This is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards ("IFRS") adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and as issued by the International Accounting Standards Board ("IASB"). Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail:

- accurately and fairly reflect transactions and dispositions of assets;
- provide reasonable assurances that transactions are recorded as necessary to permit the preparation of financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorisations of management and the respective Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

Assurance that these controls are adequate and operating effectively is obtained through monthly control self assessments and regular independent assurance activity undertaken by first line management and Internal Audit, respectively. Conclusions are reported to the Board Audit Committee which examines these and provides further challenge. Finally, the Board scrutinises and approves results announcements and the Annual Report and ensures that appropriate disclosures have been made. This governance process ensures that both management and the Board are given sufficient opportunity to debate and challenge the Group's financial statements and other significant disclosures before they are made public.

Management have assessed the internal controls over financial reporting as of 31 December 2020 and concluded that, based on their assessment, they were effective. The Board Audit Committee has reviewed this assessment as part of its review of the internal controls over financial reporting. The Chair of the Board Audit Committee reports on the review of controls over financial reporting and how the Board Audit Committee has monitored the independence and effectiveness of the internal and external auditors on pages 108 to 115.

The composition of the Board Audit Committee, the Board Risk Committee and the Board Technology and Operations Committee is set out on pages 108, 116 and 119, respectively.

## 5. Remuneration

The Board has delegated responsibility to the Board Remuneration Committee for the consideration and approval of the remuneration arrangements for the Chairman, Executive Directors and other senior executives. Fees paid to the Non-executive Directors are considered regularly by the Board as a whole, with Non-executive Directors not participating. The Board Remuneration Committee is also responsible for setting and recommending to the Board for approval, the overarching objectives, principles and parameters of remuneration policy across the Group, ensuring that Quilter is adopting a coherent approach to remuneration in respect of all employees. Information on the composition of the Board Remuneration Committee and its activities in 2020 can be found in the Board Remuneration Committee Report on pages 122 to 147.

# Directors' report

The Directors present their report for the financial year ended 31 December 2020

## Cautionary statement

This Annual Report has been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.

## Corporate governance statement

The information that fulfils the requirements of the corporate governance statement for the purposes of the FCA's Disclosure Guidance and Transparency Rules ("DTRs") can be found in the Governance Section of the Annual Report on pages 80 to 151 (all of which forms part of this Directors' Report) and in this Directors' Report.

## Information included in the Strategic Report

The Company's Strategic Report is on pages 1 to 79 and includes the following information that would otherwise be required to be disclosed in this Directors' Report:

Subject matter	Page reference
Likely future developments in the business	26
Engagement with employees	52 and 53
Engagement with suppliers, customers and others	50 to 59
Greenhouse gas emissions, energy consumption and energy efficiency action	56 and 57
Financial risks	73

## Information to be disclosed under Listing Rule 9.8.4R

Subject matter	Page reference
Details of long-term incentive schemes	122 to 147
Director waivers of emoluments	138
Shareholder waivers of dividends	152
Shareholder waivers of future dividends	152

## Financial instruments and risk management

Information relating to financial instruments and financial risk management objectives and policies can be found on pages 182 to 185, 215 and 216, and 241 to 248.

## Branches

During 2020, the Group has operated branches in Hong Kong, Ireland, Jersey, Singapore, the United Arab Emirates and the United Kingdom.

## Profit and dividends

Statutory profit after tax for 2020 was £88 million (2019: £146 million).

The Directors have recommended a final dividend for the financial year ended 31 December 2020 of 3.6 pence per Ordinary Share which will be paid out of distributable reserves, subject to approval by shareholders at the 2021 Annual General Meeting. Further information regarding the dividend, including key dates, can be found at [quilter.com/dividends](http://quilter.com/dividends). On 11 August 2020 the Board declared an interim dividend of 1.0 pence per Ordinary Share. The interim dividend was paid on 21 September 2020 to shareholders on the UK and South African share registers on 4 September 2020.

Shares are held in the Quilter employee benefit trust ("EBT") and the Equiniti Share Plans Trust ("ESPT") in connection with the operation of the Company's share plans. Dividend waivers are in place for those shares that have not been allocated to employees.

## Directors

The names of the current Directors of the Company, along with their biographical details, are set out on pages 84 to 87 and are incorporated into this report by reference. Changes to Directors during the year are set out below:

Name	Role	Effective date of appointment/resignation
Suresh Kana	Non-executive Director	Resigned 14 May 2020
Cathy Turner	Non-executive Director	Resigned 14 May 2020
Tim Breedon	Non-executive Director	Appointed 1 June 2020
Jon Little	Non-executive Director	Resigned 30 September 2020
Tazim Essani	Non-executive Director	Appointed 9 March 2021

Details of the Directors' interests in the share capital of the Company are set out in the Annual Report on Remuneration on page 146.

The powers given to the Directors are contained in the Company's Articles of Association and are subject to relevant legislation and, in certain circumstances, including in relation to the issuing or buying back by the Company of its shares, subject to authority being given to the Directors by shareholders in general meeting. The Articles of Association also govern the appointment and replacement of Directors. The Board has the power to appoint additional Directors or to fill a casual vacancy amongst Directors. Any such Director only holds office until the next Annual General Meeting ("AGM") and may offer themselves for re-election. The 2018 UK Corporate Governance Code recommends that all directors should be subject to annual re-election and all Directors will stand for re-election at the 2021 AGM.

### Articles of Association

The Articles of Association may be amended in accordance with the provisions of the Companies Act 2006 by way of a special resolution of the Company's shareholders. Information below sets out the provisions in the Articles of Association in force as at the date of this report.

### Share capital and control

The Company has Ordinary Shares in issue, representing 100% of the total issued share capital as at 31 December 2020 and as at 2 March 2021 (the latest practicable date for inclusion in this report). Details regarding changes in the Company's share capital can be found in note 25 of the financial statements on page 226. The rights attaching to the shares are set out in the Articles of Association and are summarised below.

### Voting rights of members

On a show of hands, every member or authorised corporate representative present has one vote and every proxy present has one vote except if the proxy has been duly appointed by more than one member and has been instructed by (or exercises his discretion given by) one or more of those members to vote for the resolution and has been instructed by (or exercises his discretion given by) one or more other of those members to vote against it, in which case a proxy has one vote for and one vote against the resolution. On a poll, every member present in person or by proxy has one vote for every share of which he is a holder. In the case of joint holders, the vote of the person whose name stands first in the register of members and who tenders a vote is accepted to the exclusion of any votes tendered by any other joint holders.

Unless the Board decides otherwise, a member shall not be entitled to vote, either in person or by proxy, at any general meeting of the Company in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid.

### Transfers

Save as described below, the Ordinary Shares are freely transferable.

A member may transfer all or any of his shares in any manner which is permitted by any applicable statutory provision and is from time to time approved by the Board. The Company shall maintain a record of uncertificated shares in accordance with the relevant statutory provisions.

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual form, or in such other form as the Board may approve. The instrument of transfer shall be signed by or on behalf of the transferor and, except in the case of a fully paid share, by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any instrument of transfer of any certificated share which is not fully paid up (but not so as to prevent dealings in listed shares from taking place on an open and proper basis) or on which the Company has a lien. The Board may also

refuse to register any instrument of transfer of a certificated share unless it is left at the registered office, or such other place as the Board may decide, for registration, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove title of the intending transferor or his right to transfer shares; and it is in respect of only one class of shares. If the Board refuses to register a transfer of a certificated share it shall, as soon as practicable and in any event within two months after the date on which the instrument was lodged, give to the transferee notice of the refusal together with its reasons for refusal. The Board must provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request. Unless otherwise agreed by the Board in any particular case, the maximum number of persons who may be entered on the register as joint holders of a share is four.

### Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

### Exercisability of rights under an employee share scheme

An EBT operates in connection with certain of the Group's employee share plans ("Plans"). The Trustees of the EBT may exercise all rights attaching to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. The Trustee of the EBT has informed the Company that their normal policy is to abstain from voting in respect of the Quilter shares held in trust. The Trustee of the Quilter Share Incentive Plan ("SIP") will vote as directed by SIP participants in respect of the allocated shares but the Trustee will not otherwise vote in respect of the unallocated shares held in the SIP Trust.

### Purchase of own shares

At the AGM held on 14 May 2020, shareholders passed resolutions to authorise the Company to purchase a maximum of 189,981,045 Ordinary Shares of 7 pence each, representing 10% of the Company's issued Ordinary Share capital at that time. The share buyback programme (the "Buyback"), first announced on 11 March 2020 and currently using the authority granted by shareholders at last year's AGM, continues. The purpose of the Buyback is to distribute the net surplus proceeds arising from the sale of Quilter Life Assurance to shareholders. As at 31 December 2020, the Company had acquired 118,282,047 of its Ordinary Shares of 7 pence each, representing 6.63% of the Company's issued share capital on the London Stock Exchange ("LSE") and the Johannesburg Stock Exchange ("JSE"), at an average price of 129.32 pence per share. The aggregate amount of consideration paid for the Shares acquired under the Buyback was £152,963,992. Shares bought back on the JSE were purchased pursuant to contingent purchase contracts with each of (a) J.P. Morgan Equities South Africa Proprietary

Limited and (b) Goldman Sachs International, which were approved by shareholders at the 2020 AGM. The contracts enable the Company to buy back its shares on the JSE in similar fashion and subject to the same overall limits as on-market purchases on the LSE. The shares acquired under the Buyback were cancelled upon acquisition. Continuation of the Buyback is dependent on phased regulatory approvals and continuing authority from our shareholders. The Directors are therefore, in accordance with institutional guidelines, seeking renewal of the share purchase authorities at the 2021 AGM. Further information on the Buyback can be found on pages 41, 65 and 99.

The Odd-lot Offer, which was approved by shareholders at the 2019 AGM, was launched on 11 March 2020 and closed on 15 May 2020. On 29 May 2020, the Odd-lot Offer was implemented and the Company purchased a total of 16,263,364 of its own Ordinary Shares of 7 pence each, representing 0.87% of the Company's issued share capital as at that date. The Odd-lot Offer was conducted across the Company's UK and South African share registers. The Company purchased 169,264 Shares on the UK register at a price of 120.24 pence per Share and 16,094,100 Shares on the South African register at 2,812.63 South African cents per share. The aggregate amount of the consideration paid was £203,523 and 452,667,484.83 South African Rand, respectively. The shares purchased as part of the Odd-lot Offer were initially held as treasury shares and were then transferred to the EBT on 1 June 2020. For more information on the Odd-lot Offer please refer to pages 15 and 267.

### Employment of disabled persons

Providing an environment where employees are safe and there is equality of opportunity is a key element in enabling our people to succeed and deliver the business strategy. Using our diversity and our relationships to learn from one another enables us to create one business that provides better opportunities for our people and better outcomes for our customers. We are committed to creating an inclusive culture which embraces diversity. We therefore promote equal opportunities and ensure that no applicant or colleague is subject to less favourable treatment on the grounds of gender, marital status, nationality, ethnicity, age, sexual orientation, responsibilities for dependents, or physical or mental disability. We are committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by Quilter. We select candidates for interview, career development and promotion based on their skills, qualifications, experience and potential.

### Significant agreements (change of control)

All the Company's Share Plans contain provisions relating to a change of control. In the event of a change of control, outstanding awards and options may be lapsed and replaced with equivalent awards over shares in the new company, subject to the Board Remuneration Committee's discretion. Alternatively, outstanding awards and options may vest and become exercisable on a change of control subject, where appropriate, to the assessment of performance at that time and time pro-rating of awards. The Board Remuneration Committee has discretion to waive time pro-rating to an extent.

Short-term incentive ("STI") awards may continue to be paid in respect of the full financial year pre and post change of control, or a pro-rated STI award may be paid in respect of the portion of the year that has elapsed at the point of change of control. Exceptionally, the Board Remuneration Committee may exercise its discretion to waive pro-rating.

On a change of control, including following a takeover bid, the Company is required to enter into negotiations in good faith with the lenders under the Group's Revolving Credit Facility in respect of any changes to its terms. If after such negotiations no agreement has been reached, the Revolving Credit Facility would be cancelled and existing drawdowns would become repayable.

The Group is also party to a number of supplier agreements that may be terminated upon a change of control of the Company, including following a takeover bid. In many cases, whether this may apply depends on the identity or characteristics of the new controller. This may result in the provision of certain services and software licences being terminated early.

### Directors' indemnities

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2020 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers and office. In addition, the Company maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

### Major shareholders

As at 31 December 2020, the Company had been notified, in accordance with Rule 5 of the FCA's DTRs, of the following holdings of voting rights in its Ordinary Share capital:

Name of shareholder	Number of voting rights attaching to Quilter shares	% interest in voting rights attaching to Quilter shares <sup>1</sup>	Nature of holding notified
Allan Gray Unit Trust Management (RF) Proprietary Limited	68,880,114	3.62	Direct
Coronation Asset Management (Pty) Ltd	304,072,006	17.03	Direct
Equiniti Trust (Jersey) Limited <sup>2</sup>	85,403,250	4.58	Direct
Norges Bank	92,581,561	4.98	Direct
Prudential Portfolio Managers (South Africa) (PTY) Ltd	91,942,798	4.83	Indirect
Public Investment Corporation of the Republic of South Africa	179,476,894	10.04	Direct

<sup>1</sup>The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with Rule 5 of the FCA's DTRs.

<sup>2</sup>These shares are held by Equiniti Trust (Jersey) Limited in its capacity as Trustee of the Quilter Employee Benefit Trust.

As at 2 March 2021, the latest practicable date for inclusion in this report, the following voting rights had been notified, in accordance with Rule 5 of the FCA's DTRs:

Name of shareholder	Number of voting rights attaching to Quilter shares	% interest in voting rights attaching to Quilter shares <sup>1</sup>	Nature of holding notified
Allan Gray Unit Trust Management (RF) Proprietary Limited	68,880,114	3.62	Direct
Coronation Asset Management (Pty) Ltd	304,072,006	17.03	Direct
Equiniti Trust (Jersey) Limited <sup>2</sup>	85,403,250	4.58	Direct
Norges Bank	70,952,752	3.99	Direct
Prudential Portfolio Managers (South Africa) (PTY) Ltd	91,942,798	4.83	Indirect
Public Investment Corporation of the Republic of South Africa	179,476,894	10.04	Direct

<sup>1</sup>The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with Rule 5 of the FCA's DTRs.

<sup>2</sup>These shares are held by Equiniti Trust (Jersey) Limited in its capacity as Trustee of the Quilter Employee Benefit Trust.

Information provided to the Company by major shareholders pursuant to the FCA's DTRs is published via a Regulatory Information Service and is available at [quilter.com/investor-relations](http://quilter.com/investor-relations).

### Donations

Quilter does not make monetary donations or gifts in kind to political parties, elected officials or election candidates. Accordingly, no such donations were made in 2020. However, the Directors are seeking to renew the Company's and its subsidiaries' authority to make donations not exceeding £50,000 in aggregate at the 2021 AGM. This is for the purposes of ensuring that neither the Company nor its subsidiaries inadvertently breach Part 14 of the Companies Act 2006 by virtue of the relevant definitions being widely drafted. Further information is available in the 2021 Notice of AGM.

### Directors' responsibility statements

The Directors are responsible for preparing the Annual Report and the Parent Company and consolidated financial statements in accordance with applicable law and regulations.

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's position, performance, business model and strategy.

Each of the Directors in office as at the date of this report, whose names are listed on pages 84 to 87, confirms that, to the best of his or her knowledge:

- the consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face.

For further information on the comprehensive process followed by the Board in order to reach these conclusions please refer to the Board Audit Committee report on pages 108 to 115.

### Disclosure of information to Auditors

Each person who is a Director of the Company as at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- the Director has taken all the steps that he or she ought to have taken as a Director in order to make him/herself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

### Auditors

The Directors are recommending the reappointment of PricewaterhouseCoopers LLP as the Company's statutory auditors at the 2021 AGM.

### AGM

The 2021 AGM of Quilter plc will be held at Senator House, 85 Queen Victoria Street, London EC4V 4AB on Thursday 13 May 2021 at 11:00am (UK time). Details of the business to be transacted at the 2021 AGM are included in the Quilter plc 2021 Notice of AGM which can be found on our AGM Hub at [quilter.com/agm](http://quilter.com/agm). Under current UK Government guidance, it is possible that shareholders may be unable to attend the AGM in person. However, we will continue to review the arrangements for holding the meeting in the light of the UK Government Advice, and will provide up to date information for shareholders, including the impact of any legal restrictions the UK Government may impose, on our AGM Hub.

By order of the Board



**Patrick Gonsalves**  
Company Secretary  
10 March 2021