Chair's introduction to corporate governance

In this section

Glyn Jones
Chair

Dear shareholder,

The Board governance framework we established when the business was listed in 2018 has served us well through a period of great change when the business has established itself as a standalone listed company, defined for itself a sharper more focused business perimeter, implemented its new investment platform and laid the foundations for future growth. In 2021 that robust Board governance has supported and challenged management while it tackled the continuing challenges created by the COVID-19 pandemic, completed the sale of the Quilter International business and continued to build our business strategy to become even more customer centric. We describe in more detail on pages 86 and 87 how the Board and its Committees worked together to oversee all aspects of the sale of Quilter International from the strategic analysis that a sale at an acceptable price would be in the best interests of our stakeholders to considering how the transaction should be presented in our financial statements.

The sale of the Quilter International business, which was announced to the market in April 2021, marked the completion of the redefining of the business perimeter and, with the launch of our new investment platform, the transformation of Quilter into a modern wealth management business. We are now a smaller, simpler and highly focused business.

This was therefore a natural point at which to review the strategy for the business and the new business model which more effectively brings to bear the strong capabilities in our various businesses. We expect our new operating structure to deliver growth, and outstanding service for our customers in a more efficient and effective organisational structure.

We were very fortunate that our Board strategy meeting in July 2021 took place in a period when UK Government guidance in relation to the COVID-19 pandemic restrictions were at their lightest and Paul Feeney and his management team were able to put forward a comprehensive and compelling vision of what the Quilter business could become. That refreshed strategy and several new initiatives, such as the plan to launch a hybrid advice offering and the combination of our Financial Planning business, Quilter Private Client Advisers, with our Discretionary Fund Management Business, Quilter Cheviot, are indications that Quilter is in very good health and ready to fully leverage all of its capabilities.

Culture and engagement

Our business has benefited over many years from having engaged people who are passionate about providing great service to our customers and advisers. The significant changes we have delivered in the midst of a global pandemic have been stretching and we have seen colleague engagement slightly decline as measured by our regular Peakon colleague surveys. While not surprising, we are determined to regain lost ground. The Quilter executive team are firmly focused on providing strong leadership through these challenging times and they have initiated the "We Rise" campaign to ensure our people are truly inspired by the strategy for our business. The early indications are that these initiatives are making a difference.

The sale of the Quilter International business, which was announced to the market in April 2021, marked the completion of the redefining of the business perimeter and with the launch of our new investment platform the transformation of Quilter into a modern wealth management business.

During the year we appointed Tazim Essani as our second Workforce Engagement Director responsible for bringing the voice of our people into our Boardroom. Tazim will particularly focus her time on supporting management's Diversity and Inclusion agenda. You can hear more from Paul Matthews (our other Workforce Engagement Director) and Tazim on pages 88 and 89.

Changes to your Board

Rosie Harris has decided not to seek re-election at our 2022 Annual General Meeting and is stepping down from our Board on 30 April 2022. On behalf of the Board, I would like to thank Rosie for her tremendous work as a Board member and as Chair of the Board Risk Committee.

As previously reported, I have now served for just under six years as your Chair and I intend to retire as Chair of your Board in 2022, once a successor is ready to take the reins. Our Board governance had already put in place a Chair succession process and that process is being followed under the leadership of our Senior Independent Director, Ruth Markland.

When I step down from the Board in 2022, I will leave a strong, cohesive Board that has successfully navigated the challenges our business has faced in its first few years as an independent, listed company with great commitment. I am very grateful for the strong support I have received from my colleagues in my time as Chair of Quilter.

Looking ahead

In 2022, the Board will be even more focused on ensuring that our business is delivering on the commitments we have made to all our stakeholders to deliver growth and efficiency. By delivering a broader range of suitable, competitive products for our customers and the advisers we support, our people can benefit from the opportunities that growth and success can bring. In addition to this, the communities in which we operate benefit from the success of a company that sets high standards and has a clear purpose.

Glyn P. Jones

Glyn Jones
Chair

Compliance with the UK Corporate Governance Code 2018

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 page 79 and our website at plc.quilter.com. The Code is publicly available at 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 146 to 149) 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 our primary listing market, London. Quilter is, however, mindful of the provisions of the King IV Governance principles and the expectations of our South African shareholders.

Principles of the UK Corporate Governance Code 2018	More information
Board leadership and company purpose	
Long-term value and sustainability	1-55
Culture	76-77
Shareholder engagement	38
Other stakeholder engagement	35-38
Oversight of Board level conflicts of interest	94
Division of responsibilities	
Role of the Chair	79
Division of responsibilities on the Board	79
Assessment of Non-executive Directors role	79 and 92
Assessment of independence on the Board	79
Composition, succession and evaluation	
Board effectiveness	94 and 95
Board and Executive succession planning	92
Audit, risk and internal control	
Integrity of financial statements	98
Fair, balanced and understandable	99
Internal controls and risk management	104
Assessment of external independent auditor	100-101
Principal and emerging risks (Risk Review)	66-69
Viability statement and going concern	74
Remuneration	
Policy, practices and alignment with purpose, values and long-term strategy	117-119
Independent judgement and discretion	112

Governance at a glance

Strong and effective leadership

8
Board members under five-year tenure

36%
Female Board members

9%
Asian-Indian Board members

Length of tenure for Chair and Non-executive Directors

0-1 years	**2**
1-3 years	**1**
3-4 years	**2**
4-5 years	**3**
5-6 years	**1**

Female representation on Board

Female	**4 (36%)**
Male	**7 (64%)**

Ethnicity

White	**10 (91%)**
Asian-Indian	**1 (9%)**
Other	**0 (0%)**

Female representation in senior Board roles*

Female	**1 (25%)**
Male	**3 (75%)**

*Defined by the FTSE Women Leaders Review as being the Chair, Senior Independent Director, Chief Executive Officer and Chief Financial Officer roles.

Female representation in senior Non-executive Board roles

Female	**4 (57%)**
Male	**3 (43%)**

Quilter defines senior Non-executive Board roles as the Chair, Senior Independent Director, or Chair of a Board Committee.

Sexual orientation

Heterosexual	**11 (100%)**
LGBT+	**0 (0%)**
Other/Prefer not to say	**0 (0%)**

Industry knowledge and experience

- Accounting and finance
- Asset management
- Distribution
- Governance
- Insurance
- International financial services
- IT and operations
- Legal
- Risk
- Wealth management

Figures represent number of Board members with relevant experience.

Board meeting attendance during 2021

Chairman and Executive Directors	Scheduled Board meetings	Ad hoc Board meetings[1]
Glyn Jones	**8**/8	**3**/3
Paul Feeney	**8**/8	**3**/3
Mark Satchel	**8**/8	**3**/3

Independent Non-executive Directors	Scheduled Board meetings	Ad hoc Board meetings[1]
Tim Breedon[2]	**7**/8	**3**/3
Tazim Essani[3]	**6**/6	**3**/3
Rosie Harris	**8**/8	**3**/3
Moira Kilcoyne	**8**/8	**3**/3
Ruth Markland	**8**/8	**3**/3
Paul Matthews	**8**/8	**3**/3
George Reid	**8**/8	**3**/3
Chris Samuel[4]	**4**/4	**1**/1

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

[1]The ad hoc meetings shown above related to the oversight of the sale of Quilter International.
[2]Tim Breedon was unable to attend one meeting due to a long-standing commitment. He provided his comments to the Chair in advance of the meeting.
[3]Tazim Essani joined the Board in March 2021.
[4]Chris Samuel joined the Board in July 2021.

Operating within a robust governance framework

The Board

Chair
Glyn Jones
The Chair 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
Ruth Markland
The Senior Independent Director supports the Chair on all governance issues and provides a communication channel between the Chair 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. All the Non-executive Directors are considered to be independent.

Board Committees

Board Corporate Governance and Nominations Committee	Board Audit Committee	Board Risk Committee	Board Technology and Operations Committee	Board Remuneration Committee
Chair: Glyn Jones	Chair: George Reid	Chair: Rosie Harris	Chair: Moira Kilcoyne	Chair: Ruth Markland

Executive Directors
Paul Feeney and Mark Satchel
The Quilter Board has delegated the day to day running of the Group to the Chief Executive Officer. The Executive Directors make and implement operational decisions to run the Quilter business on a day-to-day basis. To support the Chief Executive Officer in discharging his responsibilities, he has created the Quilter Group Executive Committee. The Quilter Group Executive Committee has in turn delegated certain of its responsibilities to the management committees below and receives regular reports from each of these committees on their activities. The executive team reports to the Chief Executive Officer for their respective areas of responsibility and delivery of the Operating and Business Plans.

Key management committees
Responsible for overseeing specific areas of responsibility such as the Group's operations, technology functions and responsible investing.

Executive Risk Forum
Overseeing, challenging and monitoring the effectiveness of the Risk and Control framework of the Group.

Operating Committee
Supporting the Chief Operating Officer in the discharge of her duties and co-ordinating the Group's operations and technology arrangements.

Inclusion and Diversity Committee
Driving the Group's diversity and inclusion agenda across the Group.

Responsible Wealth Manager Steering Group
Providing direction and monitoring of the responsible wealth manager strategy.

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 plc.quilter.com.

2021 Board activity and how the Board spent its time

26%
Business performance oversight
(2020: 35%)

35%
Strategy and delivery of strategy
(2020: 20%)

15%
Stakeholder management
(2020: 10%)

24%
Risk management and governance
(2020: 25%)

Board of Directors

The Quilter plc Directors met in person during 2021 when permitted under the UK Government COVID-19 restrictions.

The Chair and all the Non-executive Directors have served on the Board for six years or less. 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 82 to 84. As announced on 28 January 2022, Rosie Harris has decided not to stand for re-election at the Company's 2022 Annual General Meeting and she will stand down from the Board on 30 April 2022. Glyn Jones has announced his intention to retire in 2022.

1. **Glyn Jones**
   Chair

2. **Paul Feeney**
   Chief Executive Officer

7. **Rosie Harris**
   Independent
   Non-executive Director

8. **Moira Kilcoyne**
   Independent
   Non-executive Director

3. Mark Satchel
Chief Financial Officer

4. Ruth Markland
Senior Independent Director

5. Tim Breedon CBE
Independent
Non-executive Director

6. Tazim Essani
Independent
Non-executive Director

9. Paul Matthews
Independent
Non-executive Director

10. George Reid
Independent
Non-executive Director

11. Chris Samuel
Independent
Non-executive Director

Glyn Jones
Chair

Appointed November 2016

Committee membership
- Board Corporate Governance and Nominations Committee **(C)**
- Board Remuneration Committee

Skills and experience:
Glyn 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. Glyn intends to retire in 2022 once his successor is in place.

Paul Feeney
Chief Executive Officer

Appointed August 2012

Skills and experience:
Paul 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 and he held this position until 1 March 2022. 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 COVID-19 pandemic.

Mark Satchel
Chief Financial Officer

Appointed March 2019

Skills and experience:
Mark 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 disposals of Quilter Life Assurance and Quilter International. 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 qualified as a Chartered Accountant in South Africa, and worked for KPMG in both South Africa and Canada prior to moving to the UK. Mark is a Trustee of The Old Grey Europe Charitable Trust.

Ruth Markland
Senior Independent Director

Appointed June 2018

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

Skills and experience:
Ruth, a solicitor and previously Managing Partner of Freshfields Bruckhaus Deringer's Asia business, has a wealth of FTSE-100 Board experience. She spent over ten 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 was a member of the Supervisory Board of Arcadis NV until April 2021. 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. She brings extensive knowledge of remuneration governance and best practice, together with her deep understanding of the remuneration framework at Quilter.

Tim Breedon CBE
Independent Non-executive Director

Appointed June 2020

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

Skills and experience:
Tim is an experienced Non-executive Director and Committee member. He has had 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. In February 2022, Tim retired from the board of Barclays Bank plc, and stood down as chair of the Barclays plc and Barclays Bank plc Board Risk Committee, and as a member of the Barclays Board Audit Committee, Board Nomination Committee and Board Remuneration Committee. Tim continues to serve on the Board of Barclays plc and chairs Barclays Bank Ireland PLC and 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
Independent Non-executive Director

Appointed March 2021

Committee membership
- Board Audit Committee
- Board Remuneration Committee
- Workforce Engagement Director

Skills and experience:
Tazim'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, transformational change and business development, enabling her to contribute strongly to the Board's deliberations. Tazim also brings in depth experience of interpretation and analysis of financial statements enabling her to contribute to the work of the Board Audit Committee, which she was appointed to in September 2021. Alongside Paul Matthews, Tazim is a designated Workforce Engagement Director with a particular interest in promoting diversity and inclusion. Tazim is a Non-executive Director of City of London Investment Group plc.

Rosie Harris
Independent Non-executive Director

Appointed April 2017

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

Skills and experience:
Rosie 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 business 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 will be stepping down from the Quilter Board on 30 April 2022 as in January 2022 she was appointed to the Board of several companies within the Phoenix Group. Rosie is a member of the Institute of Chartered Accountants in England and Wales. She is also a Council Member of the University of Birmingham.

Moira Kilcoyne
Independent Non-executive Director

Appointed December 2016

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

Skills and experience:
Moira 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 ongoing oversight of Quilter's investment platform. Moira is Trustee of the Board of Manhattan College.

Paul Matthews
Independent Non-executive Director

Appointed August 2018

Committee membership
- Board Risk Committee
- Board Remuneration Committee
- Workforce Engagement Director

Skills and experience:
Paul 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 Chair 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 as a designated Workforce Engagement Director, which he performs alongside Tazim Essani.

George Reid
Independent Non-executive Director

Appointed February 2017

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

Skills and experience:
George has extensive financial experience having spent over 20 years in the accounting profession. This knowledge, gained during lengthy tenures at PwC, and, latterly, Ernst & Young LLP as managing partner and Head of Financial Services for Scotland and UK regions, provides George with a deep understanding of accounting and audit matters, and the control environment required for a wealth management business. Such experience allows him to critically assess key accounting and financial considerations including those associated with our recent disposal of Quilter International. George is a Fellow of the Institute of Chartered Accountants in England and Wales. In September 2021 George was appointed as the Senior Independent Director and Audit Committee Chair of FIL Life Insurance Limited.

Chris Samuel
Independent Non-executive Director

Appointed July 2021

Committee membership
- Board Risk Committee
- Board Technology and Operations Committee

Skills and experience:
Chris is an experienced Chair and Non-executive Director and his deep experience in the financial services industry enables him to challenge, advise and support Quilter's management team on a wide range of business, investment, distribution, finance and operational matters. Chris was Chief Executive of Ignis Asset Management, a business with circa. £65bn of assets under management, from 2009 to mid-2014. Over this period, he led the successful transformation, and then sale, of the business. Chris has held Board-level positions at a number of asset management businesses including Gartmore, Hill Samuel Asset Management, Cambridge Place Investment Management and spent 10 years with a US Investment Bank, Prudential-Bache. He began his career with KPMG where he qualified as a Chartered Accountant. Chris chairs BlackRock Throgmorton Trust plc and JP Morgan Japanese Investment Trust plc and is a Non-executive Director of UIL Limited. Chris will stand down as a Non-executive Director of Alliance Trust PLC at their Annual General Meeting in April 2022.

Patrick Gonsalves
Company Secretary

Appointed January 2017

Skills and experience:
Patrick 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 Chartered Governance Institute. 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.

Principal decisions of the Board in 2021

Building a simpler, more focused business

We reported to shareholders in our 2020 Annual Report that we were conducting a strategic review of Quilter International. As part of that review, the Board carefully considered a range of options for the future of the International business, including the option to retain the business and invest further to drive growth. The Board concluded that there would be significant risks and costs associated with retaining the business which had limited strategic fit with the rest of the Group. The Board assessed that a sale would be the most value-enhancing strategy as it would enhance the growth profile of the Group and allow a simplified, more focused wealth management business to be created. A range of bids were received for the Quilter International business and were critically assessed by an ad hoc Committee, the Transaction Oversight Committee, appointed by the Board, with support from external advisers. In coming to the conclusion to sell the business to Utmost Group, the Board carefully considered the impact of the transaction on the customers and employees of Quilter International and on the communities in which the business operates. There were regular interactions with the relevant regulators. Quilter's shareholders confirmed their support for the transaction at a General Meeting held on 17 June 2021. Further details on how the Board and its Committees oversaw the transaction are set out on pages 86 and 87.

The sale of Quilter International
pages 86 and 87.

Setting a strategy for growth and efficiency

Having agreed the sale of the Quilter International business which would conclude the re-shaping of the perimeter of the business, the Board reviewed the Group's strategy to ensure that the simplified and more focused business was structured to deliver for its customers and shareholders. A more customer-oriented operating model was endorsed with two business segments closely aligned to our key customer groups. The Board also agreed a range of growth initiatives for the two business segments that would leverage the broader capabilities of the Group's new investment platform. New growth initiatives supported by the Board included the decision to launch a hybrid advice channel and the further digitalisation of the business. It was also agreed that the time was right for Quilter to hold a Capital Markets Day.

Being transparent with investors

In preparation for the Capital Markets Day held on 3 November 2021, the Board reviewed the capital that the business would require to deliver the growth that the business is capable of, as well as the investment required to enhance the efficiency of the business as part of a programme of simplification. The Board concluded that some £90 million of the gross cash proceeds from the sale of the International business should be retained for these purposes. The Board also agreed that £328 million of the sale proceeds should be returned to shareholders. Given the enhanced growth profile of the business, the Board agreed that a revised Dividend Policy should be adopted that sets a target pay-out range of 50% to 70% of post-tax, post-interest, adjusted profits, revised from 40% to 60% of post-tax adjusted profits previously. Board members reviewed and commented on drafts of the Capital Markets Day presentations ahead of publication and endorsed the targets that were communicated to the market.

Setting stretching targets for management

Having completed the implementation of the new investment platform and completed the disposal of Quilter International, in December 2021 the Board approved a three-year operating plan which clearly articulates the key deliverables for the Group over the next three years. Achievement of these strategic and business as usual objectives will ensure that Quilter is able to provide new, innovative products for its customers, create opportunities for employees to develop their careers and provide superior returns for investors. Alongside the Operating Plan, the Board has approved a three-year Business Plan that sets stretching financial and business growth targets for management that are consistent with the commitments made at the Group's Capital Markets Day.

Becoming the Responsible Investment Manager

The Board has for some time recognised both the opportunity our business has in responding to the increased demand from customers for ESG products as well as enhancing our risk framework to ensure we are effectively managing environmental risks. The Board confirmed its support for the first phase of the responsible investing strategy which is requiring Quilter to embed consideration of our customers ESG preferences into our advice, investment management and platform services. The second phase of that strategy will be reviewed by the Board early in 2022. The Board will continue to closely oversee this important element of the Group's strategy.

Governance in action

The sale of Quilter International

Overview

In April 2021, Quilter announced that it had entered into an agreement with Utmost Group with respect to the sale of Quilter International. The disposal completed on 30 November 2021 for a total cash consideration of £481 million. The Board and relevant Committees all oversaw specific aspects of the transaction and worked in collaboration to oversee the transaction through to completion. Quilter continues to work closely with Utmost Group to ensure a smooth transition of essential business services to protect customer interests. The Board and Board Committee were supported by their advisers on the process and conclusions.

July to November 2020

The Quilter Board reviewed the strategy for the Quilter International business including the option to retain and invest in the business.

A Board Transaction Oversight Committee was formed to review in detail the strategic options for Quilter International, including the possibility of a sale.

December 2020 to March 2021

The Board concluded that a sale of Quilter International could be in the best interests of all stakeholders if a transaction could be concluded at an appropriate price and terms.

A robust sales process was initiated under the leadership of the Chief Financial Officer with strong interest from a range of interested parties bidding to buy the business.

The Board Transaction Oversight Committee reviewed the list of interested parties and, with support from their advisers, identified a short-list of potential buyers who were invited to take part in an in-depth due diligence process.

The Board Transaction Oversight Committee assessed the bids from interested parties against an objective set of criteria including price, achievability, impact on colleagues, customers, regulatory implications and the pre-agreed terms.

March to May 2021

The Quilter Board, on the recommendation of the Board Committee and its external advisers, unanimously agreed to recommend to shareholders the sale of Quilter International to Utmost Group.

Quilter shareholders were sent a Circular setting out the rationale for the sale of Quilter International.

June 2021

Quilter shareholders approved the sale of Quilter International with a majority of 99.99% of votes in favour.

Shareholder approval at

99.99%

November 2021

Quilter outlined its plans for returning the proceeds of the sale, subject to regulatory and shareholder approvals.

The sale of Quilter International to Utmost Group is completed.

Quilter continues to provide services to the Quilter International business under a Transitional Services Agreement.

2022 onwards

Quilter confirms the arrangements for the return of the proceeds of the sale of Quilter International to shareholders.

Quilter seeks regulatory approval, and convenes a General Meeting to obtain shareholder approval for the B share scheme and share consolidation.

Mark Satchel
Chief Financial Officer

Glyn Jones
Chair

Paul Feeney
Chief Executive Officer

Board and Committee activities

Board/Committee role and responsibilities	Number of times the Board and Committees considered the sale	Stakeholders considered	Actions taken
The Board	**8**	Advisers Colleagues Communities Customers Investors Regulators	– Oversaw the strategic decision to sell Quilter International and provided appropriate review and challenge on the analysis of the various strategic options including the option to retain the business and invest for future growth. – Debated the impact of the proposed transaction for our stakeholders, and most particularly our customers, colleagues, communities, investors and our regulators. – Ensured that communications to all stakeholder groups were appropriate and timely.
Board Transaction Oversight Committee	**5**	Advisers Colleagues Communities Customers Investors Regulators	– Oversaw the pre-sale preparations in relation to the sale of Quilter International and approved the criteria to support the decision making in selecting potential buyers. – Reviewed the Non-binding Offers received in relation to the initial price discovery phase and approved on behalf of the Board which, if any, bidders should proceed to the second phase of the process. – Reviewed the Binding Offers received from potential buyers. Recommended to the Board the buyers with whom a transaction might be concluded in accordance with the selection criteria.
Board Audit Committee	**3**	Investors and Regulators	– Reviewed the financial impacts of the transaction on the Group and carefully considered the resulting disclosures in the Group's financial statements. PwC were appointed as advisers on the sale to support on the production of the Working Capital Report, in accordance with item 1(2)(b) of Annex 1R to chapter 13 of the Listing Rules, and confirmed their independence in relation to the transaction.
Board Technology and Operations Committee	**2**	Customers and Advisers	– Reviewed the details of the Transitional Services Management Agreement and ensured the appropriate controls were in place for an efficient transition.
Board Risk Committee	**3**	Customers and Investors	– Considered the impact of the sale on the Group's overall risk profile and the impacts for the Group's capital and liquidity position. – Oversaw the assessment of the impact of the transaction on the Group and provided review and challenge on the sale to assist in the delivery of the transaction whilst minimising the operational risk of this change, and in particular ensuring that there would be no customer detriment.
Board Corporate Governance and Nominations Committee	**1**	Colleagues and Investors	– Reviewed the impact of the transaction on the succession plans for the Group.
Board Remuneration Committee	**1**	Colleagues	– Carefully considered the impact on colleagues leaving the Group and agreed how the all-employee and other discretionary incentive plans should operate.

Report from the Designated Workforce Engagement Directors

We are delighted to present our joint report as Workforce Engagement Directors. We want to share with you our thoughts on progress in the year, why this is important to the Board and what we intend to achieve in 2022.

Talking and actively listening to people's views is the best way to learn about the health of an organisation. It helps me understand the type of culture that people thrive in which ultimately drives the long-term success of the Company. I want to use my skills and experience to help Quilter be a place where people can thrive.

Paul Matthews

How we perform our role

As Paul reported in 2020, we have continued to work with the Quilter Employee Forum. With the agreement of the forum members, and facilitated by the Forum Chair, Farhana Sadeque, we attend their meetings in rotation. We only attend part of the Forum meetings for pre-agreed topics, but we have been able to listen to the discussions directly and share our thoughts with Forum members. We have sought views on matters as diverse as strategy, culture and the return to offices. We have been impressed with how engaged and committed Quilter colleagues are and how they are driven to support our clients and customers. Although we have not been able to meet people face to face as often as we would have liked during the pandemic, video technology has enabled good conversations. We intend to meet more colleagues in person during 2022.

Our progress

People are our most important asset. It is important that Quilter is an agile employer that attracts and retains talented people – whoever they are. The pandemic has brought a generational change in how people work and we are seeing a competitive labour market where talented people are much in demand.

The Board wishes to support management in creating a culture where everyone can thrive and people are able to bring their whole self to work. Appointing Tazim, who is diverse both in gender and ethnicity, as an additional Workforce Engagement Director, sets a clear tone from the top as to how seriously the Board takes its role in actively championing diversity and inclusion. Since Tazim's appointment in September 2021, her priority has been to raise awareness of her role and her personal interest in championing all talent. She has proactively built a strong relationship with the Head of HR and the new Head of Diversity, Inclusion and Talent Acquisition. An example of how we have raised awareness of the work to create a truly diverse workforce was when Tazim hosted a dinner to celebrate Black History month.

Workforce engagement key themes:

Supporting our people

Quilter has continued to conduct regular surveys on employee engagement. During the year there has been, understandably, a slight decline in the overall engagement scores reflecting the considerable level of change Quilter has undergone.

The implementation of our new platform and sale of Quilter International impacted many people and the measures to simplify our business have sometimes created uncertainty. Face to face meetings and gatherings have been largely impossible during the year as most colleagues have adopted hybrid working patterns.

Leadership

Management continued to use video technology to remain extremely visible to colleagues during the pandemic. Additionally, when possible, the Executive Committee members and other leaders spent time updating Quilter colleagues and advisers in person on our strategy and ensuring colleagues are informed to show them how their work contributes to our success. The launch of the "We Rise" programme, sponsored by our Executive Committee, has been an important step to support our leadership team and all colleagues. In January 2022, our Executive Committee led a virtual conference for all colleagues to discuss our strategy and support "We Rise".

"My manager cares about me as a person."

2021	8.4/10
2020	8.5/10

"People from all backgrounds are treated fairly here."

2021	8.4/10
2020	8.4/10

"My manager provides me with the support I need to complete my work."

2021	8.2/10
2020	8.3/10

"Overall engagement."

2021	7.0/10
2020	7.5/10

Why our role is important

Management is extremely focused on ensuring that our employees' voices are heard. The Board receives regular updates on People and Culture, with data sourced from a weekly Colleague Pulse survey. Our role has enabled us to get more colour around the data and help understand the tone of the conversation, which is not always obvious from data alone. One important lesson is to ensure we do not generalise about what our employees think. For example, in the period of enforced home working, some colleagues actively wanted and needed to come to the office for mental health or family reasons or just to be with other like-minded people, whereas others have thrived working from home and feel this enables them to be more productive, with a better work/life balance.

Our achievements to date and what we are most proud of

We are delighted to represent the Board to Quilter colleagues and vice versa. Our role provides a clear, senior direct link to the Board and our engagement shows colleagues how seriously the Board takes their issues and wants to hear their voices. We are looking at ways to reach the broader workforce, particularly important sub-groups and colleagues in all offices.

We are extremely supportive of the robust strategy that the Board has already endorsed to progress our diversity and inclusion agenda and making Quilter a place where you can bring your whole self to work. The Board recognises that it is a competitive market for talented individuals, both in the financial services industry and more broadly, and we need to create an environment that attracts and retains that talent. We intend to sponsor and champion opportunities to ensure all colleagues are heard and make Quilter an open and inclusive workplace. In 2022 we hope that we can do a lot more in person and share directly how colleagues' voices have made a difference in the decisions the Board has made. We are currently planning how we can best support the Company in 2022.

When the Board asked me to be an additional Workforce Engagement Director in July 2021, I was delighted to bring a diverse lens to the conversation. As an ethnically diverse female, I bring a different perspective to discussions, particularly within the financial services industry. I want to help colleagues to make their voices and experiences heard.

Tazim Essani

Aligning our culture and values to our strategy

The Board pays particular attention to our culture metrics to ensure that our culture and values align to our strategy. The proportion of our colleagues who feel aligned to our purpose and vision marginally declined in the year, and the "We Rise" programme has been devised to drive this score up.

As Paul reported last year, in 2021 the Board has reviewed both a Group-wide view and individual business lens to ensure that management action was targeting the underlying issues. Our employees continue to be aligned to our culture and values of Dependable, Stronger Together and Pioneering.

"I feel able to report risks without fear of reprisal."

2021	8.2/10
2020	8.2/10

"The overall business strategy set by senior leadership is taking Quilter in the right direction."

2021	7.4/10
2020	7.9/10

Note: Data as at 31 December 2021 and 30 December 2020 respectively. Data derived from Peakon staff surveys.

One further extremely important measure of a strong and healthy culture is the extent to which employees feel able to voice concerns and know that they will be listened to and appropriate action taken should issues be raised. The survey makes it clear it is easy for colleagues to highlight areas of potential concern.

George Reid, who is our Whistleblowing Champion, talks more about this important role in the Board Audit Committee report which you can read on page 100.

Paul Matthews
Independent
Non-executive Director

Tazim Essani
Independent
Non-executive Director

Board Corporate Governance and Nominations Committee report

At a glance

Committee activity

7%	26%	10%	40%	17%
Board evaluation 2020: 11%	**Board and Board Committee succession planning** 2020: 19%	**Executive succession planning and talent** 2020: 24%	**Corporate governance** 2020: 23%	**Responsible business** 2020: 23%

Committee highlights 2021

Diversity and inclusion

Heightened focus on Quilter's diversity and inclusion strategy.

Refreshed Board

Continued refresh of Board and Board Committees, including recommending to the Board the appointments of Tazim Essani and Chris Samuel as new Non-executive Directors.

The process we followed
page 92

ESG

Oversight of the framework to drive ESG matters.

Committee responsibilities

- Reviews the composition of the Board and recommends the appointment of new Directors.
- Considers succession plans for the Chair and other Board positions.
- Considers succession plans for key executive leadership positions.
- Monitors corporate governance issues.
- Oversees the annual Board effectiveness review.
- Provides oversight of the Group's responsible business agenda.

Committee membership and meetings attended/eligible to attend

Glyn Jones (Chair)	**6**/6
Tim Breedon	**6**/6
Ruth Markland	**6**/6

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 82 to 84.

Evaluation

As part of the 2021 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 plc.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 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.

Dear shareholder,

The work of this Committee focuses largely around ensuring that the people who make up our Board and our Executive leadership team have the skills, experience and competencies needed to deliver the Group's strategy. We recognise that our success and the delivery of our corporate strategy, our purpose and our values, is dependent on attracting, retaining and motivating high-quality people. As Quilter has moved to being a simpler, modern wealth manager, we reviewed and shared with the Board a briefing on talent and succession planning for our leadership team. This was particularly important as we realigned our businesses to the two business segments we now report against and positioned our business to deliver fully on its potential.

The Committee has continued to provide oversight to the Board and Board Committee succession plans. As I reported last year, we recommended the appointment of Tazim Essani to our Board in March 2021 and in July we were pleased to recommend the appointment of Chris Samuel to the Board.

In January 2022, we announced that Rosie Harris has confirmed that she will not seek re-election at our 2022 Annual General Meeting. Rosie has been a tremendous asset to our Board, and as Chair of our Board Risk Committee. She has overseen the development of a more mature and embedded risk management framework and leaves with our thanks and best wishes. As I stated before, I am intending to retire in 2022 once my successor is in place, so I have asked our Senior Independent Director, Ruth Markland, to lead the search for a new Board Risk Committee Chair. We are fortunate that we were able to implement our contingency succession plan and that George Reid, who has been a member of the Board Risk Committee since his appointment in 2017, has agreed to act as an interim Chair of the Board Risk Committee from 1 May 2022.

Since Listing, our Board has consistently met or exceeded the minimum requirements for female representation on the Board with females taking senior roles chairing the majority of our Board Committees, and we have also met the recommendations of the Parker Review. As with all our external recruitment, the search for the Board Risk Committee Chair and for my successor, will be managed in accordance with our Board Diversity Policy and our desire to promote equality in its broadest sense. I remain, however, conscious that capable diverse talent is in high demand and that many companies and organisations are seeking diverse candidates with skillsets similar to the criteria we set.

In addition to our focus on talent and succession, the Committee has spent considerable time on the oversight and promotion of our diversity and inclusion agenda to ensure that Quilter can create an environment where talented and capable people feel included and can flourish. The Board is strongly supportive of building a diverse talent pipeline. The strategy approved by the Committee will maximise how we access talent that can benefit our Company and ultimately our customers and advisers. To that end, in July 2021, we asked Tazim Essani to work alongside Paul Matthews as a Workforce Engagement Director. You can read more from Paul and Tazim on pages 88 and 89 on their work to date, what has happened as a result and how they intend to engage with our people going forward.

A key area of focus this year has been ensuring that our governance framework overseeing Quilter as a responsible wealth manager maximises the opportunities and minimises the risks.

A further key area of focus for this Committee in 2021 has been ensuring that our governance framework overseeing our role as the responsible wealth manager maximises the opportunities and minimises the risks that this initiative presents. We have endorsed management's simplification of the framework and have been pleased with the progress made both for Quilter as an investment manager and as a Company. There is, of course, more to do.

As announced in October 2021, it is my intention to retire in 2022 and I am not directly involved in the search for my successor. Our Senior Independent Director, Ruth Markland has formed a Sub-Committee of the Board Corporate Governance and Nominations Committee comprising herself, as Chair, Tim Breedon and George Reid to oversee the recruitment of my successor. Having sought the views of all Board members, the Sub-Committee approved a detailed candidate specification in line with the Board Diversity Policy. External search agents have been appointed but the process is ongoing at the moment, and once complete we will update you on the outcome and provide full details of the process followed.

Ruth Markland provides an update on our 2021 Board effectiveness review and the changes made to address the feedback from the review on page 95.

Glyn P. Jones

Glyn Jones
Chair

Key areas of Committee focus

Board and Board Committee succession planning

The accountabilities, competencies and expectations required of the holder of each role on the Board, including those required by the Code, have been documented in our Board Charter, which is reviewed annually. 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 Chair, Senior Independent Director, Committee Chairs, Non-executive Directors and Executive Directors. Performance against these expectations was assessed in the 2021 Board effectiveness review, detailed in the report from our Senior Independent Director on page 95, 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 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, thought, 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. The Chair and all the Non-executive Directors have served on the Board for six years or less. 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 82 to 84. The membership of the Quilter Board is regularly reviewed by the Committee using a Board Skills, Experience and Diversity 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. A summary of this matrix is set out on page 78. In line with best practice, the Committee has also agreed emergency succession arrangements for all of the key Board positions including the Chair 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.

As I wrote in last year's Annual Report, after a full external search, we were pleased to appoint Tazim Essani to our Board on 9 March 2021. The recruitment agency engaged, Egon Zehnder, was fully independent of Quilter and was not conflicted in providing this service. Egon Zehnder have been retained for other Non-executive Director searches but have no other connection with Quilter or individual Directors. Tazim joined our Board Remuneration Committee on appointment. Tazim had a full induction programme, meeting with both her fellow Board members and senior management and colleagues. Tazim's appointment enabled us to continue to meet our targets in terms of gender and ethnic diversity on the Board, as we have done for nearly all of the period since Listing. As Tazim only recently finished her executive career, her appointment to our Board Audit Committee was staged to enable her time to more fully familiarise herself with our business. Again, following consultation, she has undergone a full induction programme with management, and internal and external auditors on matters important to that Committee. In July 2021, we recommended to the Board that Chris Samuel, who chairs our Quilter Financial Planning Board, join the Quilter plc Board. Chris also joined our Board Risk Committee and Board Technology and Operations Committee. Chris is an experienced Non-executive Director and has deep expertise in operations and asset management. Chris has chaired the Quilter Financial Planning Board since June 2020 and was therefore well known to Quilter, so, exceptionally, in this instance no external search firm was used. Provision 20 of the Code requires that "Open advertising/External search consultants should generally be used for the recruitment of the Chair or Non-executive Directors". External search consultants have been used in relation to all other appointments of Non-executive Directors since the Company's Listing in 2018.

As explained in more detail on page 91, Rosie Harris will not seek re-election at our 2022 Annual General Meeting and will step down from the Board on 30 April 2022. Quilter has a strong Board and, in line with our succession plan, George Reid will serve as the interim Board Risk Committee Chair from 1 May 2022, pending the recruitment of a new Board Risk Committee Chair. Ruth Markland has been leading the search for a new Board Risk Committee Chair so that this search is closely co-ordinated with the Quilter Chair search. As at the time of writing this search is underway.

Executive succession planning and talent management

Following a review of our succession and talent management for our senior leadership team in November 2020, and to address feedback from the 2020 Board effectiveness review, the Board received an update from our Chief Executive Officer and HR Director in January 2021 on the development of talent within the Group and the succession arrangements in place for key executive positions. They presented the People strategy which the Committee challenged and endorsed the strategy to support succession within senior leadership roles and the development of talent to build capability for the future.

Talent development is an area which has continued to progress in preparation for the implementation of our new business segments and in November 2021 the Committee received a further update on how our leadership team is being developed to support our new business segments, including the appointment of a single business head across the Quilter Investment Platform and Quilter Investors businesses. The update covered initiatives to develop internal capability to support succession, the leadership and management programmes being offered to colleagues and an update on external recruitment. The update included both a gender and ethnicity lens as these populations are closely monitored and tracked to promote a more diverse workforce.

Responsible business framework

As our goal of being the responsible wealth manager is so integral to our strategy, this is an area where the Committee focused on overseeing our responsible business framework with the Board monitoring our responsible investment strategy, and the Board Risk Committee ensuring that the reporting of risks and risks around our ESG strategy were appropriately identified, monitored and mitigated.

Diversity and inclusion

In recognition of our desire to become a more diverse organisation, in July 2021 we asked Tazim Essani to work alongside Paul Matthews as an additional director with responsibility for workforce engagement. You can read more about the progress and outcomes as a result of that work on pages 88 and 89. The Committee and the Board place significant reliance on this role, although all our Board routinely engage with colleagues in a variety of ways. We have formally documented the responsibilities of this role which are set out in our Board Charter published on our website at plc.quilter.com.

One important facet of our responsible business agenda is to ensure that our colleagues are representative of the communities that they work in. The Committee has spent time ensuring that there are appropriate mechanisms and support in place to promote a diverse workforce and an inclusive environment for our people. We strongly endorsed management's strategy to promote diversity and inclusion, and we were joined by Tazim Essani, who has a particular focus on diversity and inclusion, for these important discussions. The Committee has also been updated directly by Tosin James-Odukoya, the new Head of Diversity, Inclusion and Talent Acquisition. Tosin was made responsible for recruitment in recognition of how important it is for practical access routes to be available to reach new joiners from diverse backgrounds. As at 31 December 2021, 28% (2020:26%) of our senior management team, comprising the Executive Committee, the Company Secretary and their direct reports, are female. We received updates on the progress being made to build supportive networks, promote mentoring and achieve greater diversity in its broadest sense.

Key objectives of the Diversity Policy

1. The Board is committed to maintaining a minimum one third female Director representation at Board level, which is in line with the Hampton-Alexander review recommendations.

2. In order to achieve the development of a more diverse pipeline for Board succession, the Board will proactively seek opportunities to support Quilter's strategy of creating more diversity at senior levels including but not limited to gender, LGBT+, BAME, age, disability and socio-economic background.

3. We strive to ensure that the Board is made up of an appropriate range of skills, experience, knowledge and background. To support that objective, we only engage search firms who have signed up to the voluntary Code of Conduct on both gender and ethnicity.

4. We will consider all aspects of diversity, including age, gender, LGBT+, disability, socio-economic background and ethnicity, when reviewing the composition and balance of the Board, and will seek opportunities to drive a more diverse pipeline.

The Board Diversity Policy is online at plc.quilter.com

Key areas of Committee focus

Sponsored by our Chair, the Committee has reviewed and commented on important consultations on diversity and inclusion for financial services firms and also for listed companies. We have decided to review again our Board Diversity Policy in 2022 once the outputs of these consultations are known. In light of the publication in February 2022 of the FTSE Women Leaders Review, the Committee will be reviewing the Board Diversity Policy and will be setting more stretching targets for gender diversity on the Board and a timetable to achieve these targets. In the meantime, with the support of our Board, I am pleased we are reporting on a broader range of diverse characteristics for our Board on page 78 and for our colleagues more broadly on page 47 for the first time this year. I am pleased to report that the Board continues to meet or exceed the recommendations of the Hampton-Alexander Review and meet the Parker Review, and indeed a majority of our Board Committees continue to be chaired by female Directors. Since the year end the Board, along with senior executives who support the Board, took part in a thought provoking interactive session on diversity and inclusion led by John Amaechi OBE, Founder of APS Intelligence exploring our roles as leaders in making change happen.

Board evaluation

The Committee concluded that a lighter touch, internally facilitated review would be appropriate in 2021. A full report on that review and the outcomes are set out on page 95. The Committee intends to ask our Senior Independent Director to oversee an externally facilitated review in 2022.

Read more about our Board diversity
page 93

Corporate governance

The Quilter corporate governance framework places material emphasis and reliance on the role and work of our subsidiary boards and during the year the Committee continued to facilitate further alignment across our governance structure with the appointment of Chris Samuel to the Quilter plc Board. The Group Subsidiary Governance Manual was reviewed and an updated version was published in January 2021 to clarify some of the reporting and escalation processes from subsidiary boards. With the simplification of our business and the operation of our new business segments, the Committee continues to review regularly the governance framework to ensure that it remains appropriate and proportionate.

Conflicts of interest

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 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 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.

> ***The Board continues to meet or exceed the recommendations of the Hampton-Alexander Review and meet the Parker Review, and a majority of our Board Committees continue to be chaired by female Directors.***

2021 Board effectiveness review

2021 Board effectiveness review update
As Senior Independent Director, I was asked to oversee the 2021 Board effectiveness review which the Board decided should be managed internally.

The 2021 review was conducted in September 2021 using a questionnaire which was completed by all Board members and a small number of executives who work closely with the Board. The questionnaire covered the performance of the Board, each of its Committees and individual Board members.

The Board intends that the next Board effectiveness review in 2022 will be facilitated externally.

Conclusions
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 and overall the Board's assessment of performance was stable year on year. The Board was pleased with progress made during the year, despite the challenges of largely meeting virtually. As usual, the review identified a small number of areas where improvements could be made and an action plan to address those areas of focus was debated and agreed by the Board in November 2021. The Board Corporate Governance and Nominations Committee is monitoring the delivery of that action plan.

2021 overall Board effectiveness score

6.4/7

Ruth Markland
Senior Independent Director

Summary of themes, outputs and how these will be addressed

Themes	Matters to be addressed	How the issue will be addressed
Monitor corporate performance	Continue to drive a culture of lessons learnt throughout the organisation	There would be benefit in working with management to access opportunities to learn from, and to escalate more quickly, the insights gained from the handling of past issues and the reviews conducted of the root causes, and to embed those learnings into the business.
Culture	Greater insight into culture within individual businesses required	The Board will continue to receive regular reporting on culture, and will monitor closely the success, or otherwise, of the "We Rise" programme.
Leadership and talent	Continued focus on performance and succession of the leadership team	The Board calendar has been updated to include updates on executive performance, succession and management structure.
Subsidiary oversight	Continue to work closely with subsidiary boards.	The Board Corporate Governance and Nominations Committee will oversee the subsidiary governance framework. Corporate Secretariat will support the reporting to the Quilter Board, and Quilter Board Committee Chairs will continue to meet with subsidiary board counterparts.

2021 Committee effectiveness
The performance of each Board Committee was assessed and each concluded that the Committees were operating effectively. You can read about those reviews in the individual Committee reports elsewhere in the Governance report.

Progress against the 2020 Board effectiveness review
The Board Corporate Governance and Nominations Committee has regularly reviewed the progress on the action plan in response to the 2020 Board effectiveness review. In accordance with the action plan, the Board has received more detail on the KPIs used by management to drive our business forward and measure long-term business health. Greater reporting on executive succession planning, and culture at business level, and the activities of the subsidiary boards has been welcomed by the Board. The Committee was content that all the findings of the 2020 effectiveness review had been fully addressed.

Board Audit Committee report

At a glance

Committee activity

30%	24%	34%	8%	4%
Review of financial statements	**Internal controls**	**Internal and external audit**	**Regulatory compliance and reporting**	**Governance**
2020: 26%	2020: 18%	2020: 31%	2020: 19%	2020: 6%

Committee highlights 2021

Fair, balanced and understandable

A comprehensive review process to support the Board in reaching its conclusion that the 2021 Annual Report is fair, balanced and understandable.

Read more on page 99

Internal Audit

The External Quality Assessment confirmed that Quilter has a leading internal audit function.

Read more on page 100

Committee responsibilities

- Reviews the Group's accounting policies and the contents of financial statements.
- Monitors disclosure controls and procedures.
- Considers the adequacy, scope of work and resourcing of the external and internal audit functions.
- Oversees the relationship with our external auditors.
- Monitors the effectiveness of internal financial controls.

The Committee 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.

Committee membership and meetings attended/eligible to attend

George Reid (Chair)	**12**/12
Tazim Essani*	**4**/4
Rosie Harris	**12**/12
Ruth Markland	**12**/12

*Appointed 1 September 2021.

Committee governance

The Board Audit Committee currently comprises four 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 in. Details of the skills and experience of the Committee members can be found in their biographies on pages 82 to 84.

Evaluation

As part of the 2021 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 plc.quilter.com.

Attendance

The Chief Internal Auditor, the Chief Financial Officer, the Chief Risk Officer and representatives of PwC, the external auditors, attend all meetings of the Committee. The Committee holds regular private sessions with the Chief Internal Auditor and the representatives of PwC in accordance with best practice.

Collaboration

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 on matters such as the effectiveness of internal controls.

Dear shareholder,

As Chair of the Board Audit Committee, I am pleased to have this opportunity to present this report on the Committee's work during 2021.

The Committee has focused clearly on its key responsibilities of assisting the Board in monitoring the Group's control environment, providing robust governance over the Group's financial reporting and challenging the judgements made by management and the estimates and assumptions on which they are based, whilst ensuring appropriate, balanced disclosures are included.

During the year, the Committee continued to deal with the challenges of the COVID-19 pandemic which required the majority of our employees to perform their roles remotely. The Committee has regularly 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.

I reported to you last year that in light of the COVID-19 pandemic, the Committee had deferred the External Quality Assessment ("EQA") of the Internal Audit function to 2021. I am pleased, therefore to confirm that in 2021 we were able to commission and oversee a thorough EQA process conducted by KPMG. Further details on the EQA, which confirmed that the Quilter Internal Audit function is a leading internal audit function that benchmarks well to its peers, are set out on page 100.

In September, the Committee was pleased to welcome Tazim Essani as a member. Tazim's breadth of business experience and expertise in the interpretation, analysis and presentation of financial statements has enabled her to contribute immediately to the Committee's deliberations.

During the year, the Committee received communications from the Financial Reporting Council ("FRC") in relation to two items, the Group's pension transfer advice provision, as part of the FRC's thematic review of provisioning, and a separate request for clarification on the intention for the Group to reduce the number of Alternative Performance Measures ("APMs") used in the 2021 Annual Report. The FRC confirmed they were satisfied with the Group's approach to both of these matters.

The second half of 2021 saw the Committee focus on the presentation of the Group's financial results on the basis of continuing and discontinued businesses, following the disposal of Quilter International at the end of November 2021, and ensuring that the Committee satisfied itself with the basis for reporting on the Group's new business segments: High Net Worth and Affluent.

The Committee has also spent time reviewing how the Finance function has operated and maintained the effectiveness of financial controls, particularly whilst working remotely and during the transition to a new General Ledger system. Further information on how the Committee has overseen the Group's financial reporting and controls can be found on pages 98 to 100.

Information on how the Committee has discharged its role is set out below covering the following areas:
- financial reporting
- CASS compliance
- whistleblowing
- regulatory reporting
- internal audit; and
- external audit.

Looking ahead, given the relative complexity of the Group's 2021 financial statements the Committee will be focused on simplifying the Group's financial disclosures and I will report on the progress made in this regard in the 2022 Annual Report.

George Reid
Chair

Key areas of Committee focus

Financial reporting
The Group's accounts are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain 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 necessary, clearly highlighted and explained and are reconciled to statutory performance measures in line with the guidance from the FRC.

The Committee has reviewed the Group's Accounting Policies and confirmed that they are appropriate to be used for the 2021 financial statements. Following the sale of Quilter International, specific attention has been paid to the presentation of the financial results on the basis of continuing and discontinued businesses. Consideration has also been given to the basis for reporting on the new business segments: High Net Worth and Affluent.

The Committee has also 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:
- the Group's three-year Business Plan which includes consideration of the economic, regulatory, competitive and risk environment; and
- 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.

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 74 and 75.

The Committee reviewed and challenged the Interim Results for 2021 and the Annual Report and Accounts for 2021. The Committee's reviews were supported by analysis and discussion provided by the Finance and Actuarial teams, reports from the second line 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.

During the year end process the Committee reviewed the Task Force on Climate-related Financial Disclosures Report.

Accounting judgements and estimates
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.

Critical accounting judgements, critical accounting estimates and other principal estimates deliberated by the Committee during review of the 2021 Annual Report and Accounts included the treatment of:

Area of focus	Issue/role of the Committee
Sale of Quilter International	The Committee reviewed and challenged the accounting for, and disclosure of, the sale of Quilter International including considering the key judgements and estimates of provisions, presentation of ongoing costs and the treatment of costs associated with the sale.
Provisions for Lighthouse British Steel and other past business review cases	The Committee reviewed the estimates involved in the provisioning for DB pension to DC pension cases which are subject to a skilled person review in Lighthouse and other past business review cases, which have been assessed for suitability and the number of cases requiring redress ascertained. The disclosures in the Group's financial statements were reviewed to ensure compliance with IFRS and transparent presentation in the financial statements.
Goodwill and intangibles	The Committee considered the appropriateness of the key assumptions underpinning the Group's goodwill impairment testing, and the sensitivities modelled, which were based upon the Group's two operating segments: Affluent and High Net Worth, and followed the allocation of a portion of the goodwill to the Quilter International disposal 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.
Deferred tax	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 disclosure in the Group's financial statements for compliance with IAS 12.

The sale of Quilter International
pages 86 and 87

Fair, balanced and understandable
There has been a comprehensive review process to support the Board in reaching its conclusion that the 2021 Annual Report is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group's financial position, performance, business model and strategy.

The process which enabled the Committee to reach this conclusion included:
- the production of the 2021 Annual Report and Accounts, managed closely by the Chief Financial Officer, with overall governance and co-ordination provided by a cross-functional team of senior management;
- cross-functional support to drafting the 2021 Annual Report and Accounts which included input from Finance, Risk, Investor Relations, Corporate Secretariat, HR and wider business leaders;
- a robust review process of inputs into the 2021 Annual Report and Accounts by all contributors, to ensure disclosures are balanced, accurate and verified, with further comprehensive reviews by senior management;
- 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 2021 Annual Report and Accounts;
- a specific management paper detailing the 2021 year end assessment of fair, balanced and understandable;
- a formal review by the Board Audit Committee of the draft 2021 Annual Report and Accounts in advance of final sign-off; and
- a final review by the Quilter Board of Directors.

Having carefully reviewed and considered all relevant information, the Committee is satisfied that, taken as a whole, the 2021 Annual Report and Accounts are fair, balanced and understandable and has confirmed that to the Quilter Board. This process was also undertaken in respect of the Group's 2021 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.

Controls over financial reporting
The Committee has continued to closely monitor the programme of work to strengthen and enhance the Group's internal financial controls and governance framework that underpins the Group's financial reporting. Management has regularly reported on the state of the financial control environment throughout the year, confirming that good progress has been made towards delivering the enhancements required. The Committee has monitored the progress made against the PwC internal control recommendations and is content that good progress has been made towards closing these agreed actions.

The Committee has also spent time reviewing the work to enhance the financial control environment within the Quilter Financial Planning business.

As part of the process to review and challenge the 2021 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 to the Board on this area.

Alternative performance measures
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. The refinements made to these disclosures in 2020 have continued to be enhanced in the 2021 Annual Report in light of the Financial Reporting Council's thematic review report on APM's published in October 2021. As part of its review of the financial statements, the Committee has challenged the clarity of any APMs used and careful consideration has been given to these disclosures. 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 line item which has been cross-referenced to Quilter's KPIs.

Alternative performance measures
pages 255 to 258

CASS compliance
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 and by management. This has included overseeing the impact of the Platform Transformation Programme on our CASS processes and controls and the performance of third-party suppliers who manage the Group's CASS arrangements in certain parts of the business. The Committee has also heard from management about the challenges faced by the businesses in maintaining a strong CASS control environment during a year of considerable change and continued remote working. The Committee has been kept informed about how the various CASS entities in the Group have been increasing co-ordination and moving towards simplifying and harmonising their CASS Control Frameworks.

Key areas of Committee focus

Regulatory reporting

During the year, the Committee reviewed, challenged and recommended to the Board for approval the Solvency II reporting for the Quilter businesses for the 2020 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 2021 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. The Committee has closely monitored the Department of Business, Energy & Industry Strategy ("BEIS") consultation on restoring trust in audit and corporate governance. The consultation included recommendations arising from the Competition and Market Authority's statutory audit market study, the Brydon Review on the quality and effectiveness of audit, and the Kingman Review of the Financial Reporting Council. The Committee carefully considered the potential impacts of these recommendations and formally responded to BEIS on the initial consultation. Once the consultation is finalised we will focus on the impact to our business and any required changes.

Whistleblowing

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, rigorous and effective in resolving 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 also reviewed data on grievances and other indicators that the Group has an open culture where employees feel able to raise concerns. The Committee has continued to encourage management to embed a "speak up" culture in the organisation and receives assessments of the culture of transparency and a "speak up" environment. The Chair of the Board Audit Committee is the Whistleblowing Champion for Quilter.

Internal audit

Quilter's shareholders and customers can take comfort that the Group's internal audit function is mature, appropriately focused and is 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 their work, the pace at which management is addressing any issues raised and the extent to which management has 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.

During the course of the year, the Committee received regular reports from Group Internal Audit on its activities across the Group detailing their assessment of the internal control environment and highlighting to management where action is needed to enhance internal controls.

In December 2021, the Committee approved a risk-based internal audit plan for 2022 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's plan for 2022 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 2022 internal audit plan, including having contingency resources in place to ensure that they can respond to unexpected demands.

In line with the Chartered Institute of Internal Auditors standards, the Committee commissioned an external quality assessment ("EQA") which was undertaken by KPMG during the second half of 2021. The report concluded that:

- Group Internal Audit is a leading internal audit function and benchmarks well against other financial services internal audit functions, particularly in its organisational position and its process, methodology and reporting;
- Group Internal Audit generally conforms with the International Standards for the Professional Practice of Internal Auditing, as published by the Chartered Institute of Internal Auditors. This is the highest score that can be achieved during an EQA; and
- the strength of the function gives Group Internal Audit opportunities to consider implementing optional alternative working practices to drive greater efficiency.

As part of the assessment, the Group Internal Audit team held workshops with KPMG to explore areas where the function could drive even greater efficiency. Increased use of data analytics was identified as an area where the function could continue to develop its capabilities. The Committee confirmed that it was satisfied with the conclusions drawn in the report and supports the function's drive for greater efficiency.

External audit

The Committee deems it vital that Quilter benefits from a robust, high-quality external audit conducted by an independent and professional audit firm. PricewaterhouseCoopers (PwC) were appointed as the Group's statutory auditors, with effect from the 2020 financial year, following a formal tender process. The Committee has received regular and detailed reports from PwC throughout 2021.

The Committee has also assessed management's response to the external auditor's 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.

During the period, the external auditors provided reports covering all aspects of their work. The information provided to the Committee included:
- The non-audit services provided by PwC, including preparing the Working Capital Report in preparation for the sale of Quilter International and reports on their own independence. The Committee were content that providing these services would not impair PwC's independence.
- An effectiveness review report focused on whether the External Auditors have delivered a high-quality audit.
- Reviewing the PwC audit plans, their reports on their work and any management actions recommended as evidence of their objectivity and effectiveness.
- Reviewing lessons learnt from the audit conducted during the 2020 year end cycle.

In addition to the reports provided by PwC on their independence, the Committee has also received reports from management providing details of the non-audit services provided by PwC and consultancy support provided by other leading audit firms. The Committee has adopted a policy of non-audit services, which requires that non-audit services provided by the statutory auditor, will not exceed 25% of the fees charged for audit and audit related services. In line with the policy, the Committee approved the appointment of PwC to conduct the reporting accountant work in relation to the sale of Quilter International as clearly as Quilter's Group auditors, PwC were clearly best placed to provide this service.

The Committee engaged with PwC in a pilot programme on using Audit Quality Indicators ("AQIs") as a tool to inform the assessment of the effectiveness of the external audit. The Committee and PwC agreed five AQIs in areas important to an effective audit, such as project management and the timeliness of management deliverables. The AQIs have been reported on by the external auditor to the Committee throughout the course of the audit which has led to the Committee having a more granular understanding of the audit process.

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 2021.

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, enhancements to the Group's internal financial controls, the Group's financial reporting processes and key accounting and reporting judgements.

In November 2021 an effectiveness review was conducted by the Company Secretary, using a written survey of management's 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 in their first audit since appointment had performed strongly and had delivered an effective service overall for the Group and achieved a very strong rating for independence and challenge. The Committee commended PwC for delivering a high-quality audit despite the difficult circumstances that have applied during their audits of the 2020 and 2021 financial statements. Accordingly, PwC are recommended for re-appointment by shareholders at Quilter's AGM to be held in May 2022.

Auditors' remuneration

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Fees payable for audit services		
Group and Parent Company	1.5	1.5
Subsidiaries	2.2	2.0
Additional fees payable to KPMG LLP related to the prior year audit of the Group	–	0.6
Total fees for audit services	3.7	4.1
Fees for audit-related assurance services	0.8	1.0
Fees for non-audit services	0.5	–
Total Group auditors' remuneration – continuing operations	5.0	5.1
Total Group auditors' remuneration – discontinued operations	0.3	0.8
Total Group auditors' remuneration	5.3	5.9

All fees are presented net of VAT.

Board Risk Committee report

At a glance

Committee activity

60%	15%	6%	19%
Top risk oversight 2020: 54%	**Risk appetite, profile and capital & liquidity** 2020: 20%	**Change programmes** 2020: 13%	**Regulatory change** 2020: 13%

Committee highlights 2021

Liquidity

Maintaining an appropriate capital and liquidity position.

Read more on page 104

Customer

Ensuring our advice process is robust and promotes good customer outcomes.

Operational risk

Monitoring our operational risk profile at a time when COVID-19 continued to challenge our markets and our business.

Committee responsibilities

- Monitors and reviews the effectiveness of the internal control and risk management system.
- Provides advice to the Board on the management of the top risks faced by the Group.
- Recommends the total level of risk Quilter is prepared to take (risk appetite).
- Monitors the risk profile.
- Advises the Board on risk strategy.
- Oversees the effectiveness of the Compliance function.

Committee membership and meetings attended/eligible to attend

Rosie Harris (Chair)	**9**/9
Tim Breedon	**8**/9
Moira Kilcoyne	**9**/9
Paul Matthews	**9**/9
George Reid	**9**/9
Chris Samuel*	**5**/5

*Chris Samuel was appointed to the Committee on 1 July 2021.

Committee governance

The Board Risk Committee currently comprises six independent Non-executive Directors. Details of the skills and experience of the Committee members can be found in their biographies on pages 82 to 84.

Evaluation

As part of the 2021 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 plc.quilter.com.

Attendance

The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer and Chief Internal Auditor regularly attend Committee meetings. The Group Chair and, on occasion, other Non-executive Directors attended Committee meetings for matters as desired.

Collaboration

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.

Read our Terms of Reference at plc.quilter.com

Dear shareholder,

I am pleased to share with you my report on the work the Committee has undertaken during the year. As we strive to meet our goal to be the responsible wealth manager, we have focused on protecting our customers and meeting the expectations of other key stakeholders. The Committee supports and advises the Board on Quilter's risk profile and we monitor the Group's overall risk appetite, which is the amount and type of risk the Company is prepared to accept in the delivery of its strategy, by monitoring both our internal and external risk profile. Overall, our risk profile has marginally reduced in the year in line with a reduction in the Group's complexity and we have maintained strong and conservative capital and liquidity positions, with prudent surpluses over risk appetite targets throughout the year.

2021 was an important year for Quilter as we transitioned to a smaller, simpler and more focused business. The Committee continued to ensure that the risks to delivery of our strategy are understood and mitigated. 2021 has also proved to be the second year influenced by the direct and second order impacts of the COVID-19 pandemic. Externally, the economic environment fluctuated as the UK economy grew following the sharp contraction in 2020 and the threat of higher interest rates and inflation challenge economic stability. During the year, the wealth advice market has become even more margin focused, with some competitor disruption from new entrants targeting our advisers and flows have been disrupted. Despite these headwinds, Quilter remains resilient.

Most of our people ended the year as it started, working remotely, as the numbers of people affected by the latest COVID-19 Omicron variant rose, and the UK Government again asked people to work from home where they could.

The Committee continues to review the adequacy of our systems for risk assessment, risk management and reporting. We have been rigorous in our oversight of the Company's operational risk profile. We have sought to minimise the impacts for our customers when our operational risk increased as it did through the platform migration. We commissioned additional updates to better inform our discussions on the impacts for customers. We continue to work closely with the Board to ensure that there is appropriate focus on delivering day to day for our customers and advisers and ensuring we know when we delight these important stakeholders. There continues to be a high level of regulatory change and we are focused on ensuring the new FCA Consumer Duty is embedded in Quilter's day-to-day processes and is well understood by our workforce.

As we reported last year, we have continued to pay close attention to situations where it is identified that potentially unsuitable Defined Benefit to Defined Contribution pension advice has been provided by businesses before we acquired them. We are ensuring that in such cases customers are, where appropriate, appropriately compensated. Management is working closely with Grant Thornton (including in its capacity as skilled person in relation to the s166 process for Lighthouse) and the FCA to ensure fair outcomes are delivered. In light of these issues in an acquired business, we have asked management to perform a stress test for a reasonable worst case scenario.

Our attention has also been directed to the environmental risks for Quilter, both for us as a business through our own carbon footprint and importantly in our role in providing advice to our customers and as an investment manager. Our new Committee Terms of Reference approved in December 2021 set out how we have refined our governance for this important oversight responsibility. Following a Board briefing in June 2021, in November the Committee requested an environmental stress and scenario test and we will continue to monitor this closely in 2022. The Committee is focused on the articulation and mitigation of the transition risk as we move to a lower-carbon economy.

I am pleased to confirm that the Committee has fully discharged its responsibilities within the year and worked in collaboration with other Board Committees to ensure that appropriate scrutiny and oversight was exercised on key risk matters. There continues to be a high degree of overlap in Committee membership with the Board Audit Committee and the Board Technology and Operations Committee and we work closely to ensure issues are given appropriate scrutiny. We were pleased to welcome to the Committee Chris Samuel, who Chairs Quilter Financial Planning, and brings additional insights into the risks in our advice business.

Looking forward

The Committee has asked management to focus more attention on emerging risks, their identification and mitigation. We will invite first line risk owners to our meetings to update us on this as well as crystallised risks. I have also asked the Internal Audit function to perform some follow up work in 2022 on aspects of the work of the Risk function, as this work was postponed in 2021 due to COVID-19.

This is my last report as your Committee Chair, as I am stepping down from the Board on 30 April 2022. I am pleased to leave behind a strong and focused Committee.

Rosie Harris
Chair

Key areas of committee focus

Risk appetite

On behalf of the Board, the Committee monitors the Group's risk appetite. During the year we reviewed the Strategic Risk Appetite Principles ("SRAPs") and approved changes to the Customer SRAP and a new Climate Related Risk Appetite Statement.

We also approved the methodology for constructing the risk appetite thresholds (Long Term Targets, Early Warning Thresholds and Limits) together with their actual levels as at year end 2021 for the Group.

The Company continued to operate inside of risk appetite limits in 2021, based on performance against the SRAP measures.

Top risks

You can read about the Group's assessment of our top risks and how these are identified, managed and mitigated in the Risk Report on pages 66 to 73. Our Committee routinely receives quarterly updates from the Chief Executive Officer and the Chief Risk Officer on their assessment of these risks.

Despite the challenging external environment, Quilter remains strongly capitalised and within risk appetite.

Prudential risk

An important area of focus has been to ensure that the control framework is strong and that the Group's stress and scenario planning is comprehensive and robust. We debated and challenged the scenarios underpinning the own risk and solvency assessment ("ORSA") and internal capital adequacy assessment process ("ICAAP") on behalf of the Board. Over the year, we reviewed the component parts of the ORSA and ICAAP, including the capital allocations and stress and scenario testing. The Committee further reviewed the impacts of the sale of Quilter International on the Group's reports. We were briefed on the implications for Quilter of the introduction of the new UK Investment Firms Prudential Regime ("IFPR")" and in December 2021 took a first look at the reporting timetable and inputs for the new internal capital adequacy and risk assessment (ICARA), which we will report against in 2022.

Capital and liquidity

The Committee received quarterly updates from our Chief Financial Officer on the Group's capital, cash and liquidity against our risk appetite during the year. Despite the challenging external environment, Quilter remains strongly capitalised and within risk appetite. We remain well positioned to support our stakeholders. On all measures, the Company is projected to remain within thresholds for the Business Plan period.

We have asked management to perform further stress testing on the impacts for our business of inflation and interest rates for our scrutiny in 2022.

The Committee reviewed the potential impact of negative interest rates on the Group and impressed upon management the need to be prepared both operationally and financially for such an eventuality.

Internal control

The Board Risk Committee, the Board Audit Committee and the Board Technology and Operations Committee regularly review internal controls on behalf of the Board and receives regular reports from management, Internal Audit and the Finance function. 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 2021 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.

The Board Risk Committee received management's assessment of the effectiveness of internal controls over financial reporting as of 31 December 2021 and concluded that, based on their assessment, they were effective. The Board also considered and endorsed this assessment as well as the Board Audit Committee's 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 100 and 101.

Operational risk

Our operational risk profile was heightened in 2021 as the mandatory lock-downs due to COVID-19 meant our contact centres were impacted by periods of remote working and sickness absence. The final move of some £14 billion of assets and more than 5,000 advisers and customers to our new investment platform in February 2021 coincided with a COVID-19 lock-down and fewer of our contact centre staff could work in our offices. Whilst service levels were maintained in the immediate migration period, we were disappointed that the service levels subsequently declined and we have asked to receive regular updates on the programme of upgrades that will enable us to better support our customers. Our team have worked hard to provide support for advisers and customers who have been impacted and by the end of the year we saw a welcome return to more stable service levels.

The Committee monitored on behalf of the Board the risks associated with the sale of Quilter International which occurred on 30 November 2021. The sale reduced Quilter's overall operational risk profile and will continue to incrementally reduce it further as legacy systems are closed or migrated to the purchaser, Utmost Group. The Committee will continue to monitor the risk associated with the transitional services agreement in place with Utmost Group. You can read more about our role, alongside those of the Board and the other Board Committees on pages 86 and 87.

The introduction of a new internal risk assessment tool, Resolver, will further inform management and the Board of management's assessment of top risk issues through the tracking and monitoring of risk and control self assessments. The Risk team review and assess the effectiveness of the risk framework and the Committee receives assurance from the Chief Executive Officer on internal control and the Committee approve any material changes to the Quilter Policy Suite.

The increased focus on the environment and climate change risk meant we counselled management to give careful consideration to the risk of "greenwashing" and the need to ensure that our products promote and record ESG meaningfully.

Advice

The Committee has received routine updates on the progress in enhancing controls to mitigate the risk associated with providing inappropriate advice to customers. Along with the Board of Quilter Financial Planning, we have monitored the steps management are taking to fully embed a robust and effective control culture throughout the business to ensure our customers are appropriately protected and we can demonstrate that the advice provided is in their best interests and will promote good customer outcomes. The measures taken include education and robust on-boarding processes for new advisers.

Conduct

Quilter always seeks to treat customers and advisers fairly, before, during and after the advice process through offering products which meet their needs and expectations, perform as represented and provide value for money. The Committee has continued to champion our vision of being the responsible wealth manager with our on-going management of conduct risk, meaning that our products and processes are focused on delivering good customer outcomes. This year the increased focus on the environment and climate change risk meant we counselled management to give careful consideration to the risk of "greenwashing" and the need to ensure that our products promote and record ESG metrics meaningfully and transparently and will not be reviewed retrospectively and found by regulators or other stakeholders to be inadequate in some way.

Key areas of committee focus

People
We monitored closely the impact for our people of prolonged periods of remote working and the reduction in the number of people the Group employs as a result of the introduction of our new platform, the sale of Quilter International and increased efficiency. We noted the slight decline in the Peakon scores which measure colleague engagement, and you can read more in the Board Report on pages 88 and 89 how the Board has supported management in ensuring appropriate understanding of culture and staff turnover. The Committee has also asked management to consider performing scenario testing with regards to the risk of wage inflation and reduced talent availability in 2022.

Third party suppliers
The Group's technology platforms are provided by third parties, and this Committee, along with the Board Technology and Operations Committee, oversee the effectiveness of the control processes in place to manage the services they provide to the Group, particularly as the services provided directly impact our customers and advisers. We have urged management to work closely with our suppliers to ensure that the necessary upgrades and technology fixes are applied promptly.

Cyber and information security
Cyber Risk and Information Security Risk is a threat commonly faced across the financial services industry. Along with the Board Technology and Operations Committee, we received an update on mitigation of these important risks.

New and emerging risks
The bi-annual updates on emerging risks identified risk to Quilter as a business from the external environment including an assessment of likelihood and time scale. As a result of these reports, we commissioned additional stress and scenario testing, subsequently receiving an additional deep dive on climate change reporting risk.

We commissioned additional stress and scenario testing, subsequently receiving an additional deep dive on climate change reporting risk.

As part of our preparations for the new UK Investment Firms Prudential Regime, we ensured that the Board received a detailed presentation on the impacts for Quilter. The Committee was routinely briefed on progress as part of our plans for reporting in 2022.

Strategic delivery
We continued to pay close attention to strategic delivery risk issues facing the Group. Quilter is at an inflection point as we transition to a simpler, digitally enabled, business which brings new risks into focus.

The Committee received detailed updates on the operational risk issues arising from the sale of Quilter International. In collaboration with the Board Technology and Operations Committee, we will continue to monitor the risk associated with the transitional services agreement with Utmost Group.

The degree of strategic change underpinning the Business Plan also commanded our attention and our Chief Operating Officer provides full updates on the plans to achieve our Business Plan targets. Given the breadth of the agenda of work facing the Group, we asked management to consider what we could stop or pause which would not cause detriment to the overall delivery for our stakeholders.

Regulatory risk

The Committee receives a quarterly report which provides analysis and commentary on the interactions with our regulators. The reporting covers regulatory and legal change that impacts our business, clients and customers. It includes horizon scanning and an assessment of likely change and the impact for Quilter. Work to embed the new FCA Customer Duty is fully underway and changes in the regulations underpinning how we define people who are deemed to be Material Risk Takers were reviewed in collaboration with the Board Remuneration Committee.

Conflicts of interest

The conflicts of interest inherent in our business model are closely monitored and as the business moved to the new reporting segments, the Chief Executive Officer provided us with an update on the identification and education processes in place to mitigate this risk alongside a second line assessment.

Data privacy

Twice a year the Committee receives an update from the Group Data Protection Officer with his assessment of the data privacy risk. This assessment details the adequacy of data protection policies, procedures and governance arrangements to mitigate data protection risks and comply with data protection legislation, including the General Data Protection Regulation.

Money Laundering Officer's report

The Committee further receives an annual update from the Group's Money Laundering Officer's report. Despite a deteriorating external environment with an increase in fraud attempts our processes and procedures have performed adequately and we have continued to train colleagues in how to spot fraud and work with others to reduce fraud. The Money Laundering Officer has led industry efforts to raise the profile of digital fraud and its prevention.

Risk and Compliance function and plans

The Committee receives regular updates on the Risk and Compliance function and plans. This includes an assessment of the quality and appropriateness of resourcing and overall delivery of key activity. Adjustments to the plans are brought back to the Committee if necessary.

The Chair continues to collaborate with other Committee Chairs to ensure that risk 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

At a glance

Committee activity

15%	11%	31%	43%
IT security 2020: 12%	**Operational resilience** 2020: 11%	**PTP and other change programmes** 2020: 59%	**Technology and operations strategy** 2020: 18%

Committee highlights 2021

Oversight of embedding Quilter's new investment platform.

Read more on page 110

Simplification of our IT estate to reduce risk and ensure our services are resilient.

Ensuring our technology continues to enable business growth.

Committee responsibilities

- Oversees delivery of the Operations and Technology strategy.
- Provides oversight and challenge on Operations and Technology risk.
- Oversee Information Security, Information Management and Operational Resilience strategy, systems and controls.
- Oversees strategic operational and technology change programmes.

Committee membership and meetings attended/eligible to attend

Moira Kilcoyne (Chair)	**7**/7
Rosie Harris	**7**/7
George Reid	**7**/7
Chris Samuel*	**3**/3

*Chris Samuel was appointed to the Committee on 1 July 2021.

Committee governance

The Board Technology and Operations Committee currently comprises four independent Non-executive Directors. Details of the skills and experience of the Committee members can be found in their biographies on pages 82 to 84.

Evaluation

As part of the 2021 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 plc.quilter.com.

Attendance

The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer and Chief Information Officer regularly attend Committee meetings. The Group Chair and other Non-executive Directors attended Committee meetings for matters of particular interest, such as the Platform Transformation Programme.

Collaboration

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.

Dear shareholder,

During 2021 the Group successfully completed the safe delivery of its new investment platform which had been the Group's number one priority in the period leading up to the third and final phased adviser migration in February 2021. The Committee's work in relation to the Platform Transformation Programme did not of course end there and the Committee has continued to oversee the transition to the new platform, the plans for closing down the legacy platform, the resourcing of our operations area through the transition and over the busy tax year end period and the leveraging of the new platform to provide enhanced services to our customers and advisers.

Inevitably there have been challenges in implementing the new investment platform in the midst of a global pandemic. Management has had to adapt to the increased complexity of having many of our staff working remotely through this process which has made training and embedding of new skills more difficult. Staff sickness and isolation absences and reduced productivity resulting from remote working in our platform customer servicing area have coincided with periods of heightened customer demand creating inevitable pressures. Quilter's management has continued to ensure that Quilter's advisers and customers receive the best quality of service possible when using our platform even when this has added materially to short-term costs and delayed other revenue enhancing initiatives. By the end of 2021, with management focus and determination, our service levels have returned to our usual high standards.

In accordance with best practice, the Committee required that management conduct a thorough lessons learned exercise following the completion of the Platform Transformation Programme. Overall, the review concluded that the programme had been well managed with careful planning and good risk decision making such that the programme was delivered with the minimum of disruption for our advisers and customers. The lessons learned will prove valuable as the Group continues to adopt significant change activity.

The Committee has continued to oversee the programme of work to enhance the resilience of the Group's operations and technology so that our customers and advisers can be confident in the availability of our services.

Good progress has been made on the Group's digital strategy which encompasses our digital customer proposition, public websites and portals. The implementation of our digital advice proposition and our digital transformation of our business operations will be a key focus for 2022.

During the year, the Committee's membership has been strengthened by the addition of Chris Samuel to the Committee. Chris has added deep experience of operations in the financial services industry to our deliberations.

By the end of 2021, the Group's technology estate looks very different to when the business was separated from Old Mutual in 2018. We have made significant progress in building a simpler, less fragmented technology estate that is more secure, agile and resilient and there is more to be done. Managing and leveraging the new opportunities created has required the business to acquire new skills such as in managing and collaborating with major third party providers as well as new capabilities in digital technology. The Committee will continue to make sure that the business has the skills that it requires to continue to make progress in these areas.

Moira Kilcoyne
Chair

Key areas of committee focus

Platform Transformation Programme
The final migration for our new investment platform moved some 5,000 advisers and approximately £14 billion of assets onto the new platform in February 2021. The Committee received assurances from management as to the readiness of our call centres, our regulatory reporting arrangements and the advisers to be migrated before endorsing management's decision to proceed.

Management had prepared a detailed plan for decommissioning the legacy investment platform. By the end of 2021 over 1,584 legacy servers had been decommissioned leaving a materially simplified technology estate, reducing costs and security risks.

The lessons learned exercise conducted at the end of the Platform Transformation Programme ("the Programme") highlighted clearly that the Programme had benefited significantly from being identified early as the most critical and high priority strategic programme in the Group. The whole firm was engaged in the Programme and the Programme had access to the firm's best talent and a diverse skillset. The quality of the end product delivered for customers and advisers was emphasised throughout the Programme and critical decisions were made to prioritise quality over cost savings and speed of delivery. The whole Board attended a full demonstration of the new platform so that they could see first hand what our advisers and customers experience when they are using the platform.

No programme of this scale is without challenges. The Committee is satisfied that the Programme succeeded in its objective to safely deliver a high-quality investment platform that meets the needs of customers and advisers, and positions the business for growth despite the challenges of a complex programme and the COVID-19 pandemic.

Quilter Financial Planning payments programme
Quilter Financial Planning's new payments solution, CommPay, was successfully launched in February 2021, following a re-planning of the programme in 2020. The new system has delivered benefits to both advisers and staff with streamlined processes and enhanced reporting tools.

Operations
The Group's operations areas have been the most directly impacted by the continuing effects of the COVID-19 pandemic. The business has had to manage the challenges of remote working and heightened sickness levels. The demand for staff in the operations areas has been unprecedented, challenging management to be more flexible and adaptive for recruitment and retention.

While the COVID-19 pandemic created significant management challenges, it also offered opportunity. The rapid move to remote working allowed the Group to accelerate existing optimisation strategies resulting in the early deployment of a Group-wide standard desktop enabling a consistent and stable work from home solution. Productivity levels have been kept almost as high as when staff were working from the office. The Group has adopted remote training successfully, but as with all new processes, there will need to be a balance as staff feedback has highlighted the need for face to face options as well.

Some operational processes have been made more efficient in response to the crisis such as a reduction in the numbers of cheques being issued by some business areas. Controls have been re-engineered to ensure they remain effective whilst working remotely.

As some COVID-19 restrictions were eased in the summer, staff were able to return to the office. Where appropriate, flexible working has been implemented and staff have welcomed the ability to better balance their home and work life.

The Committee is mindful of the large number of manual processes across the organisation and encouraged management to reinvest some of the proceeds from the sale of Quilter International to simplifying and automating operational areas, commencing with Quilter Financial Planning which will have the additional benefit of enhancing controls.

Information security
Mindful of the pressures on all firms and organisations to manage the risks posed by external threats, and the need to manage data well, we continued to urge management to remain focused in managing this risk within risk appetite. During the year, we received a deep dive on information security threats and management actions to mitigate such risks through the implementation of appropriate controls, monitoring and training. Management provided assurance on the measures we take as a firm to protect client data and our systems. We discussed the continuing use of data access management tools and the risks associated with unstructured data.

Technology strategy
The Group has made significant progress in 2021 on the delivery of several major transformational programmes including the Platform Transformation Programme, the Enterprise Resource Planning Programme and the Quilter Financial Planning payments system mentioned previously. The first phase of the Group's Infrastructure Transformation Programme has been completed and the second phase, which includes the data centre consolidation, is progressing well. New cloud-based capabilities are now available and new Enterprise Telephony services are being introduced. Management has defined and gained support for the new data strategy which the Committee will be overseeing delivery against in 2022.

Digital strategy
The Group's digital strategy covers several initiatives aimed at improving the digital access and experience of our customers and advisers. The digital customer proposition includes enhancements to the Group's public websites, online portals and mobile apps. Good progress has been made in relation to public websites. Since 2019 we have moved from having nine different public websites on nine different technologies. All of our websites are now on the same strategic technology with shared functionality across the Group's websites and an aligned look and feel. As part of the launch of the new investment platform, a new online customer portal has also been made available with enhanced functionality and useability. A new customer mobile app is also being developed for the Affluent business.

There is more to be done to leverage digital capabilities that will support the Group's intention to create a simpler, more efficient business.

ReAssure migration
As part of the sale of the Quilter Life Assurance business to ReAssure in 2019, a Transitional Services Agreement was put in place for Quilter to continue to provide certain core services to support the Quilter Life Assurance business. The Committee has carefully overseen the preparations for the migration of these customers from Quilter's systems to ReAssure's, including a number of dry run exercises and dress rehearsals held between June and September 2021 to ensure that the process would run smoothly, customers would not be impacted and ReAssure's operations area could seamlessly take on the support for these customers. The migration was successfully completed in October 2021.

In parallel with the planning for the customer migration, management also developed a detailed plan for decommissioning the systems and hardware that service these customers. Robust governance is in place for IT environment decommissioning post-migration with the majority of the work completed by the end of 2021.

Operational resilience
The Committee has continued to oversee the work to ensure the Group's operational resilience continues to be in line with our and our regulators' expectations. As part of this review, management has identified its important business services and defined the tolerances for impact to those services that we are prepared to accept. The aim is to ensure that Quilter can continue to make these important business services available to our customers and advisers in a range of severe but plausible scenarios. With the support of our second and third lines of defence, there is a strong plan in place for achieving the required end state.

Strategic change initiatives
Given the large volume of change that the Group has navigated in recent years and the strategic changes that are planned to complete the transformation of the Group to a simpler, more efficient modern wealth manager the Committee has prioritised the identification of lessons learnt from major programmes. All major change programmes have, on their conclusion, conducted lessons learnt reviews with the support of the second and third lines of defence. These learnings are captured and built into the methodology for future change initiatives to help ensure that the Group's material investment in change delivers the benefits that were agreed at the inception of the programme.

Business technology and operations updates
In addition to the Committee's oversight of significant change programmes it has also exercised oversight at a more granular level on the technology and operations areas in each of our businesses, Quilter Financial Planning, Quilter Investors, Quilter Investment Platform, Quilter International, Quilter Cheviot and our Group functions. These were helpful, interactive sessions which enabled the sharing of best practice and new initiatives across the Group.

Sale of Quilter International
pages 86 and 87

Board Remuneration Committee Report

At a glance

Committee activity

26%	25%	23%	26%
Group remuneration policy 2020: 10%	**Specific remuneration arrangements** 2020: 27%	**Remuneration schemes, including all employee schemes** 2020: 36%	**Risk and governance** 2020: 27%

Committee highlights 2021

Strong year of performance

Remuneration outcomes for Executive Directors reflect a year of strong business performance and strategic execution.

New Policy

We have reviewed our Directors' Remuneration Policy to ensure it aligns to the next phase of the Quilter strategy. We have proposed minimal changes to the Policy previously approved by shareholders with a 97% vote at the 2019 AGM, and we are proposing evolutionary changes to its implementation for 2022.

Committee responsibilities

- Sets the overarching principles and parameters of remuneration policy across Quilter.
- Considers and approves remuneration arrangements for Executive Directors and senior executives.
- Approves individual remuneration awards.
- Agrees changes to Senior Executive incentive plans.

Committee membership and meetings attended/eligible to attend

Ruth Markland (Chair)	**10**/10
Glyn Jones	**10**/10
Tim Breedon	**9**/10
Tazim Essani*	**7**/7
Paul Matthews	**9**/10

*Appointed to the Committee on 9 March 2021.

Compliance with the Code

The Board Remuneration Committee ("Committee") currently comprises four independent Non-executive Directors and the Group Chair, who was independent on appointment. Details of the skills and experience of the Committee members can be found in their biographies on pages 82 to 84.

Evaluation

As part of the 2021 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 www.quilter.com.

Attendance

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

Collaboration

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. The members of the Board Risk Committee are invited to join Committee meetings when the impact of risk on remuneration matters is being discussed.

Dear shareholder,

As Chair of the Board Remuneration Committee ("Committee"), I am pleased to present on behalf of the Board the Remuneration Report ("Report") in respect of the year ended 31 December 2021. This statement and the accompanying Report aims to ensure high levels of disclosure regarding pay policy in accordance with the Corporate Governance Code and transparency of remuneration decision making.

2021 was a year of strong business performance and significant strategic progress for Quilter, as demonstrated in our 2021 results and reflected in remuneration outcomes for the Executive Directors. During 2021, we completed the strategic reshaping of the business with the sale of Quilter International and the final migration to our new platform, whilst delivering robust financial performance with net flows of £4.0 billion (up from £1.5 billion in 2020) and Adjusted Profit for the continuing business of £138 million (up from £108 million in 2020).

The Committee approved a 2021 STI outcome of £886k (66% of maximum) for the Chief Executive and £618k (69% of maximum) for the Chief Financial Officer, and an outcome of 56% of maximum for the vesting of the 2019 LTIP award after exercising discretion to adjust for corporate activity. Full details of these outcomes are set out in the Report.

As part of its review of 2021 performance, the Committee – at a joint meeting with the Board Risk Committee – considered the impact of any material risk events or risk issues that arose during the year. The Committee noted that several past reviews into historic defined benefit pension transfers initiated in 2020 and 2021 resulted in a further £12 million of estimated customer remediation costs and professional fees during the 2021 financial year. The formulaic impact of these costs within the profit component of the STI scorecard was to reduce the Chief Executive's STI outcome by £93k (a reduction of 9% of the outcome) and the Chief Financial Officer's STI outcome by £62k (a reduction of 9% of the outcome). The Committee concluded that the 2021 financial impact of the customer remediation provisions was appropriately reflected in the 2021 STI outcomes. It will continue to monitor the impact of all defined benefit past business reviews as they progress and will consider carefully whether any further risk adjustments to remuneration outcomes are necessary in the future.

Our Report for 2020 received 97% of votes in favour at the last AGM and our current Directors' Remuneration Policy also received 97% of votes in favour at the 2019 AGM. This year we will present our new Directors' Remuneration Policy (the "Policy"), which we will put to a binding shareholder vote at the 2022 AGM. The Committee undertook an extensive and holistic review of the Policy during 2021, taking into account Quilter's strategic priorities and the alignment of executive reward with the long-term sustainable success of the Company in the interests of all stakeholders, as well as the latest market developments, regulatory requirements and corporate governance best practice. The Committee consulted with the Company's major shareholders on the Policy, engaging with over 50% of the share register.

Shareholder feedback has been gratefully received and is reflected in the new Policy. As you will see, we are proposing a new Policy which is evolutionary in nature, with no major structural changes, except the removal of the ability to grant an exceptional LTI award above the normal Policy maximum in line with market practice.

For 2021 we have reported a median gender pay gap of 29% and a median bonus gap of 53% for the continuing business. Whilst our pay gaps have reduced since Gender Pay Gap Reporting was introduced five years ago, we still have much further to go. Last year, the Company committed to long-term gender and ethnic minority representation targets for our Senior Leadership Community and progress against these will be formally incorporated into the Executive Directors' 2022 STI scorecards. Further details of our gender pay gap and diverse representation targets can be found on pages 46 to 47 of the Responsible Business Report.

Looking at the year ahead, we look forward to inviting shareholders to vote on the new Policy at the AGM. We will continue to monitor executive remuneration developments within the industry and the regulatory landscape 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 actively engages with shareholders and investor bodies and welcomes the opportunity for further engagement to discuss remuneration issues in advance of the 2022 AGM. I appreciate the ongoing support and feedback from our shareholders.

Ruth Markland
Chair of the Remuneration Committee

Remuneration at a glance

2021 remuneration in numbers

STI metrics

£60m
IFRS profit before tax (STI Outcome)
2020: £3m

4%
Net flows as a percentage of opening AuMA
2020: 2%

LTI metrics (2019-2021)

12%
Earnings per share (EPS) CAGR performance achieved
2020: 7%

27%
Total Shareholder Return (TSR)
2020: 9%

Executive Directors' outcomes

Paul Feeney

66%
Short-term incentive (STI) as a % of max
2020: 0%

56%
Long-term incentive (LTI) as a % of max
2020: 49%

69%
Total compensation as a % of max
2020: 41%

Mark Satchel

69%
Short-term incentive (STI) as a % of max
2020: 0%

56%
Long-term incentive (LTI) as a % of max
2020: 49%

70%
Total compensation as a % of max
2020: 39%

Components of Executive remuneration and outcomes for 2021

Components of remuneration

Fixed pay +
- Salary, benefits, and pension.
- Normally reviewed annually with effect from 1 April.

Short-term incentive ("STI") +
- Award based on annual performance metrics that assess Company and individual performance. 50% of the award is subject to deferral under the Share Reward Plan.

Long-term incentive ("LTI")
- Awards subject to three-year performance period ending 31 December 2021.
- Award vests in Q1 following end of the performance period and subject to further two-year holding period.

How much our Executive Directors earned in 2021

The following charts set out the aggregate emoluments earned by the Executive Directors in the year ended 31 December 2021.

Paul Feeney **£2,519k**

£753k	£886k	£880k

Fixed	
Salary	675.0
Benefits	10.2
Pension	67.5
Short-term incentive	
Total incentive award	886.0
Long-term incentive	
Award vests	880.6

Mark Satchel **£1,707k**

£502k	£618k	£587k

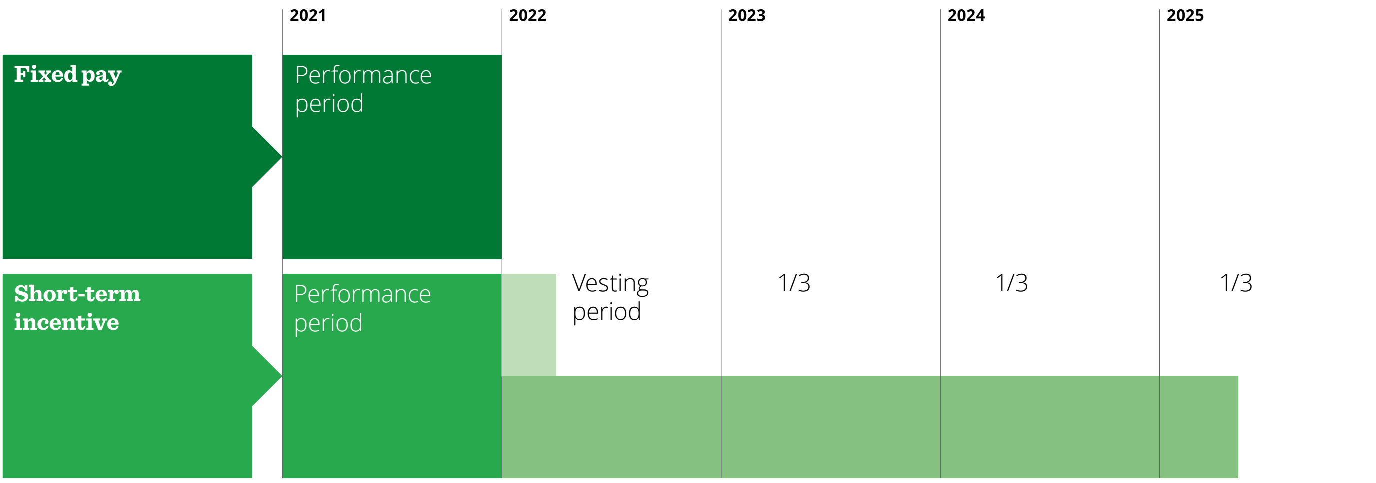
Fixed	
Salary	450.0
Benefits	7.1
Pension	45.0
Short-term incentive	
Total incentive award	618.0
Long-term incentive	
Award vests	587.0

Link between remuneration and business strategy

		Performance indicators	STI scorecard weighting	2021 achievement (% of maximum)
Short-term incentive	Financial	IFRS profit before tax (excluding amortisation, policyholder tax adjustments, business disposal impacts and one-off items)	40%	69%
Short-term incentive	Financial	Net flows as a percentage of opening AuMA	20%	43%
Short-term incentive	Non-financial	Risk management	10%	75%
Short-term incentive	Non-financial	Customer outcomes	10%	61%
Short-term incentive	Non-financial	Strategic personal performance: – Paul Feeney – Mark Satchel	20%	 80% 95%

			LTI scorecard weighting	2021 achievement (% of maximum)
Long-term incentive	EPS growth	EPS compound annual growth rate (2018-2021)	70%	63%
Long-term incentive	TSR value	TSR relative to FTSE-250 (excluding investment trusts)	30%	42%

Summary of the key elements of our Policy

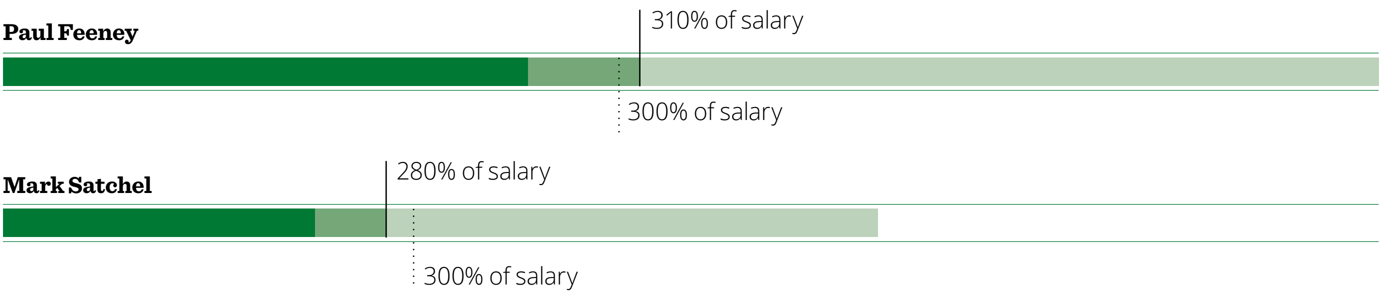


Maximum short-term incentive opportunity is 200% of salary.

- 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 2023, Q1 2024 and Q1 2025 subject to the plan rules.

Maximum long-term incentive opportunity 200% of salary.

Shareholding



- Owned shares
- Unvested shares
- Additional awards subject to performance conditions

- - Minimum shareholding required (after five years)
— Current shareholding

Key areas of Committee focus

Key performance highlights

- IFRS profit before tax (excluding amortisation, policyholder tax adjustments, business disposal impacts and one-off items) for remuneration purposes was £60 million for 2021, compared to £3 million in 2020 (£63 million including Quilter International).
- Net flows from continuing operations of £4.0 billion was more than double the £1.5 billion in the previous year, supported by increased IFA usage of the new Quilter platform.
- AuMA for continued operations increased by 13% during the year to close at £111.8 billion as a consequence of strong net flows and £8.8 billion of positive market movement, compared to £99.0 billion AuMA in prior year.
- Net flows as a percentage of opening AuMA is 4%, which is double the 2% achieved in the prior year.
- Expenses were well managed and ended the year below market expectations.
- Good progress was made with strategic priorities; the safe and secure delivery of our new UK Platform and streamlining our business with the sale of Quilter International.
- We have continued to increase customer focus, and whilst we have experienced some disruption following the final UK Platform migration, core investment performance and customer and adviser experience on the whole has been positive.

Short-term incentive outcome

- Business performance has been robust. Our 2021 IFRS profit result for STI purposes of £60 million was 69% of maximum and accounted for 40% of the Executive Directors' scorecard. The STI target range for 2021 was set at a relatively wide range – both on the upside and the downside – in recognition of market uncertainty amid the ongoing impact of the COVID-19 pandemic.
- Net flows as a percentage of opening AuMA was introduced to the scorecard for the first time in 2021 to reflect its importance as a lead indicator of business performance. The outcome of 4% (£4.0 billion) equated to 43% of maximum and accounted for 20% of the Executive Directors' scorecard.
- The Company made good strategic progress in 2021, notably on the completion of the UK Platform Transformation Programme and the sale of Quilter International, which completes the strategic reshaping of the perimeter of our business.
- The risk management of the business and overall progress against key customer outcome measures was positive, notwithstanding some customer disruption following the migration of the UK Platform which was closely managed over the year.
- Overall this generated an STI award of 66% of maximum (£886k) for the Chief Executive Officer and 69% of maximum (£618k) for the Chief Financial Officer.
- As part of its review of 2021 performance, at a joint meeting with the Board Risk Committee, the Committee considered the impact of any material risk events that arose during the year. In particular, taking advice from the Chief Risk Officer and Board Risk Committee, the Committee considered the impact of past business reviews of historic defined benefit pension transfer advice, which resulted in provisions of £12 million for customer remediation costs and professional fees, which in turn reduced the profit component of the STI scorecard.
- The Committee noted that the 2021 financial impact of the customer remediation provisions reduced the Chief Executive's STI outcome by £93k and the Chief Financial Officer's STI outcome by £62k, and concluded that this was an appropriate adjustment and that no additional risk-based adjustment to Executive Directors' STI was required.

Long-term incentive outcome

- The performance period for the 2019 LTI award ended on 31 December 2021 and the award is due to vest on 25 March 2022, subject to a further two-year holding period.
- The performance conditions measure compound annual profit growth from 2018 to 2021, and TSR relative to the FTSE-250 (excluding investment trusts) from 2019 to 2021.
- The Committee considered carefully the impact of corporate activity during the performance period and determined an approach which appropriately reflected underlying performance. Specifically, the Committee decided to exclude the earnings of Quilter Life Assurance and Quilter International, net of stranded costs, from the EPS CAGR calculation, neutralise the impact of Quilter's share buyback programme and increase the target CAGR range. The full calculation is set out on pages 137 to 138 of the Report. This approach was considered an appropriate way to measure the performance of the ongoing business and is also consistent with the treatment of the 2018 LTI award as disclosed in the 2020 Report.
- Awards will vest on 25 March 2022 with an outcome of 56% of maximum for the Executive Directors, as detailed in the Report.
- In respect of the 2018 LTIP award, the Committee exercised discretion to allow vested options to be exercised on vesting in order to avoid a technical issue whereby the Executive Directors would be unfairly disadvantaged by not being eligible to receive dividends or dividend equivalents on exercised options during the holding period. This treatment was determined on an exceptional basis in accordance with the terms of the Directors' Remuneration Policy in force at the time, and aligns the treatment of their awards with the wider workforce and market practice. This Committee required the net-of-tax shares to be held by corporate nominee during the post-vesting holding period to preserve its effectiveness.

Remuneration Policy

- The Committee conducted a thorough review of the Policy, whilst considering corporate governance best practice, regulatory requirements including future IFPR impacts and latest market developments to ensure the Policy continues to encourage and reward growth of shareholder value and promotes the long-term sustainable success of the Company.
- The new Policy is an evolution of the current version, which remains fit for purpose and aligned with best practice.
- The next phase of the Company's strategy is guided by four strategic priorities and the application of the new Policy is proposed to evolve to become more clearly aligned to these, as set out below.
- The main changes to the way we propose to apply the Policy in 2022 are to the LTI metrics; adding operating margin and ESG measures, whilst also changing the methodology of EPS growth from compound annual growth rate to a cumulative measure. We will also increased the weighting of net flows as a percentage of opening AuMA within the STI scorecard for 2022.
- There are no changes proposed to the remuneration structure or opportunity at threshold, target and maximum.
- The Committee has decided to remove the opportunity to grant an exceptional LTI award of up to 400% of salary, above the normal Policy maximum of 200% of salary, that previously existed, in consideration of current market practice.
- The Policy also formally includes the post-cessation shareholding requirement for Executive Directors' previously introduced in 2020.
- We approached more than 50% of the share register for feedback on the Policy, which was gratefully received and has been reflected in the final proposals.
- The new Policy will be put to a shareholder vote for formal approval at the 2022 AGM.

Alignment to strategic priorities

The application of the Policy has evolved to align management incentives to the four strategic priorities of the Company, as set out in the chart below.

How we create value for our stakeholders

Our strategic priorities	Grow with our clients and advisors	Enhance efficiency	Embed digital	Be the responsible wealth manager
How we align our incentive schemes				
Short-term incentive	Net flows as a % of opening AuMA Customer outcomes	IFRS profit	Part of personal element of the scorecard, informed by relevant KPIs	Diverse representation Colleague engagement
Long-term incentive	EPS growth Relative TSR	Operating margin EPS growth Relative TSR	Operating margin	Responsible investing Carbon intensity of own operations

Key areas of Committee focus

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 pages 46 to 47. During 2021 the Company made progress across several areas, including:

- on-boarded a Head of Diversity, Inclusion and Talent Acquisition, 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;
- updated our talent programme to ensure we can identify, track and support individuals of under-represented ethnicities and gender in progressing their careers in Quilter; and
- continued to evolve our recruitment processes to ensure we market roles, shortlist and select candidates on a fully diverse and inclusive basis.

For 2021 we have reported a median gender pay gap of 29% and a median bonus gap of 53%. Whilst our pay gaps have reduced since Gender Pay Gap Reporting was introduced five years ago, we still have much further to go. Further details regarding our gender pay gap figures can be found on pages 46 to 47 of the Responsible Business report.

The Committee is focused on ensuring that pay arrangements across the Group reflect our diversity and inclusion ambitions. In 2022, the Committee has decided to include new diversity and Inclusion measures within the personal measures of the STI scorecard for both Executive Directors, including specific targets set for diversity and culture goals.

Employee voice

Paul Matthews and Tazim Essani, Independent Non-executive Directors of Quilter and members of the Remuneration Committee, are responsible for reflecting the employee voice in the Boardroom and engaged directly with our Employee Forum during 2021 to gain valuable insight on employee views 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 88 to 89.

Considerations for the year ahead

We continue to monitor executive remuneration developments within the industry and the regulatory landscape, 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 2022 in accordance with the Policy. Key points are as follows:

- there will be no increase to the Executive Directors' salaries at the 1 April 2022 review date, and base salaries were also not increased at the April 2021 or 2020 review;
- the structure, performance metrics and target and maximum award levels of the STI awards in respect of 2022 will remain unchanged, however the weighting of net flows within the scorecard will be increased;
- the structure, target and maximum award levels of the LTI grants in 2022 will also remain unchanged. However, the performance metrics will be updated to include operating margin and ESG measures, as well as a change to the EPS growth methodology from compound annual growth rate to cumulative; and
- there will be no increase in fees for the current Board Chair or Non-executive Directors' for 2022.

Directors' Remuneration Policy

The following Policy is subject to formal approval by shareholders at the 2022 AGM. It is intended that the Policy will apply for three years from that date.

The previous Policy has been in place since the Company listed in 2018 (taking effect from the first AGM in May 2019). In line with the usual cycle, the Company is therefore due to seek shareholder approval for a renewed Policy at the forthcoming AGM. This has provided an opportunity for the Committee to reflect on the current Policy to ensure it continues to be appropriate. Overall, the Committee concluded that the current Policy continues to align with market practice, remains fit-for-purpose and operates as intended. It is therefore tabling only minor changes for the 2022 Remuneration Policy.

In determining the new Remuneration Policy, the Committee followed a rigorous process. The Committee discussed the detail of the Policy over a series of meetings throughout 2021. Input was sought from the management team, including the risk function. The Company also undertook a significant engagement exercise with our key shareholders, whose input helped guide the Committee's thinking. Conflicts of interest were suitably mitigated throughout the review process, and external perspective and market insight was provided by our independent advisors. The Committee also assessed the Policy against the principles of clarity, simplicity, risk management, predictability, proportionality and alignment to culture, as set out in the Corporate Governance Code 2018.

The key drivers of our Remuneration Policy:

Alignment to culture	– to align the interests of the Executive Directors, senior executives and employees with the long-term interests of shareholders and strategic objectives of the Company; – to incorporate incentives that are aligned with and support the Group's business strategy, align executives to the creation of long-term shareholder value, and promote the long-term sustainable success of the Company for the benefit of all stakeholders, within a framework that is sufficiently flexible to adapt as our strategy evolves; – to reinforce a strong performance culture, across a wide range of individual performance measures, including behaviours, risk management, customer outcomes and the development of the Company's culture in line with its values over the short and long term; – to ensure that remuneration practices are consistent with and encourage the principles of gender neutrality, equality, inclusion and diversity; and – to align management and shareholder interests through building material share ownership over time.
Clarity	– to clearly communicate our Remuneration Policy and reward outcomes to all stakeholders.
Simplicity	– to ensure that our Remuneration Policy is transparent and easily understood; and – to operate simple and clear remuneration structures across the Company.
Risk	– to provide a balanced package between fixed and variable pay, and long and short-term elements, to align with the Company's strategic goals and time horizons whilst encouraging prudent risk management; and – to ensure reward processes are compliant with applicable regulations, legislation and market practice, and are operated within the bounds of the Board's risk appetite.
Predictability	– to set robust and stretching performance targets which reward exceptional performance; and – to set remuneration within the limits established under the Remuneration Policy.
Proportionality	– to attract, retain and motivate the Executive Directors and senior employees by providing total reward opportunities which, subject to individual and Group performance, are competitive within our defined markets both in terms of quantum and structure for the responsibilities of the role; and – to consider wider employee pay when determining that of our Executive Directors.

Remuneration Policy for Executive Directors

The tables on the following pages summarise the key components of Executive Director remuneration arrangements, which form part of the Policy, subject to shareholder approval.

Fixed elements of pay

Base salary

Purpose and link to strategy
Essential to attract and retain Executive Directors with the calibre, personal skills and attributes to develop, lead and deliver the Group's strategy.

Operation
Base salaries are normally paid in equal monthly instalments during the year and reviewed annually with increases usually effective 1 April. In reviewing base salaries the Committee takes into account a number of factors, including:
- Group and individual performance;
- the skills, experience and level of responsibilities of the Executive Director and his/her market value;
- the scope, nature and size of the role;
- levels of increase across the wider employee population; and
- affordability, economic factors, external market data, business and personal performance.

The Committee considers the direct and indirect impacts of any base salary increases on total remuneration.

Maximum opportunity
There are no prescribed maximum salary levels, but any salary increases will normally be in line with percentage increases across the wider employee population.

In specific circumstances, the Committee may award increases above this level, for example:
- where the base salary for a new recruit or promoted Executive Director has been set at a lower level to allow the individual to progress into the role over time;
- to reflect a material increase in the size or scope of an individual's role or responsibilities;
- where a change is deemed necessary to reflect changes in the regulatory environment; and
- where the size, value or complexity of the Group warrants a higher salary positioning.

Performance metrics
Individual and Company performance will be taken into account in determining any salary increases.

Proposed changes to application for 2022
No change in approach.

Benefits

Purpose and link to strategy
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.

Operation
The Committee's policy is to provide Executive Directors with a market competitive level of benefits taking into consideration benefits offered to other employees in the UK.

Benefits currently provided to Executive Directors include:
- private medical insurance;
- life assurance; and
- income protection.

The usual approach for benefit provisions for Executive Directors is to be consistent and operated in line with the rest of the organisation. Specific benefit provisions are subject to regular review in line with market practice and may be subject to change from time to time.

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.

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.

Where the Committee considers it appropriate, other benefits may be provided, for example, but not limited to, situations involving recruitment or relocation for a defined period.

Any reasonable business-related expenses (including tax thereon if determined to be a taxable benefit) can be reimbursed.

Maximum opportunity
In line with other 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.

Performance metrics
There are no performance conditions.

Proposed changes to application for 2022
No change in approach.

Pension

Purpose and link to strategy
To provide a market-competitive contribution towards retirement benefits that helps to attract and retain the best talent for the business.

Operation
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.

Maximum opportunity
The maximum benefit will normally be capped at a level comparable to the benefit available to the wider workforce. This is currently 10% of base salary.

Performance metrics
There are no performance conditions.

Proposed changes to application for 2022
No change in approach.

Short-term incentives ("STI")

Purpose and link to strategy

The STI plan is designed to align remuneration with performance against financial and non-financial business plan targets and personal goals, within the Group's risk appetite and taking into consideration the Company's culture and values, on an annual basis.

A portion of any award is deferred and delivered in shares to aid retention, encourage long-term shareholding, a considered risk-based environment and align the executive and shareholder interests.

Operation

Performance targets and weightings are normally reviewed and set annually by the Committee taking into account business plans and the Company's risk appetite. Pay-out levels are determined by the Committee following the year end, based on performance against objectives.

STI awards are funded from the overall Group bonus pool, which is approved each year by the Committee.

STI pay-out for threshold performance is set at 25% of maximum, on-target performance is set at 50% of maximum and maximum is set at 100%.

Overall pool funding and individual outcomes are also subject to risk adjustment after the Committee's consideration of a comprehensive report from the Chief Risk Officer and in conjunction with 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.

At least 50% of any STI awarded to an Executive Director is normally deferred in the form of conditional awards under the Share Reward Plan, which vests annually in equal annual instalments over a three-year period subject to the rules of the Share Reward Plan. Where required by regulation, deferral will be increased to ensure compliance with regulatory deferral levels for all variable pay.

Vested awards:

- may be subject to a post-vesting holding period in line with regulatory requirements, during which vested shares may not normally be exercised or sold other than to settle any tax liability arising; and
- must be exercised within ten years of the grant date.

Dividend equivalents may accrue on deferred awards during the deferral period and are normally paid in the form of shares or, exceptionally, cash to the Executive Directors upon vesting, calculated on an assumed reinvested basis.

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 page 126.

Maximum opportunity

The maximum STI opportunity for Executive Directors is set at 200% of base salary for stretch performance.

Performance metrics

The STI plan uses a balanced scorecard of performance measures, which are aligned with the key strategic priorities of the Group and designed to deliver sustainable shareholder value.

Performance is usually measured based on a mix of financial, non-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 financial measures, with at least 50% of the scorecard reflecting financial performance.

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.

Specific measures, targets and weightings will be set by the Committee annually and disclosed on a retrospective basis.

Proposed changes to application for 2022

The weighting of net flows as a percentage of opening AuMA will be increased from 20% to 25% for 2022, with the weighting of IFRS profit reduced accordingly from 40% to 35% to reflect the importance of net flows as a key growth driver. The weighting of the non-financial aspect of the scorecard will remain unchanged at 40%, which is made up of risk management (10%), customer outcomes (10%) and strategic personal performance (20%).

Long-term incentives ("LTI")

Purpose and link to strategy
To incentivise and reward Executive Directors for achieving superior long-term business performance that creates shareholder value and maximises sustainable shareholder returns.

Operation
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.

Performance is measured based on a mix of financial and non-financial targets. The splits between the performance measures and relative weighting of the targets are reviewed by the Committee at the start of each performance period and set out in the Annual Report on Remuneration. The targets are subject to review and possible amendment for future plan cycles.

Vested awards:
- are subject to a minimum post-vesting holding period of two years;
- may be exercised in full at vesting but vested shares may not be sold during the holding period other than to settle any tax liability arising; and
- must be exercised within ten years of the grant date.

The Committee may shorten the minimum holding period in exceptional circumstances provided it is not to participants' advantage, such as a situation where the vesting date is delayed and the holding period is shortened, to maintain the original release date no earlier than the fifth anniversary of grant.

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.

LTI awards are subject to malus and clawback provisions as described in further detail in 'Risk adjustments, malus and clawback' on page 126.

Maximum opportunity
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.

Performance metrics
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 priorities of delivering sustainable returns to shareholders over the long term and promoting the long-term sustainable success of the Company for the benefit of all stakeholders.

Performance is measured based on a mix of financial and non-financial targets. The splits between the performance measures and relative weighting of the targets are reviewed by the Committee at the start of each performance period and set out in the Report. The majority of any award will be subject to financial measures.

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.

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.

Proposed changes to application for 2022
For the grant of PSP awards in 2022, it is proposed to introduce additional performance metrics to the EPS growth and relative TSR measures that have comprised the performance conditions for prior awards. In line with the Company's strategic priorities regarding growth, efficiency and being a responsible wealth manager, the Committee proposes to add operating margin, responsible investment and environmental measures to the LTI scorecard. It is also proposed to amend the calculation methodology for EPS growth from compound annual growth rate to cumulative EPS. Relative TSR would remain subject to the same methodology as present. Further details regarding these changes and the weightings and targets for 2022 are set out on page 139 in the Report.

Shareholding requirement including post-cessation

Purpose and link to strategy
To align Executive Directors' interests with those of shareholders.

Operation
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 the Company's Listing date or, for newly appointed Executive Directors, within five years of appointment if later.

At least 50% of any shares vesting under Quilter's share plans (on a net-of-tax basis) are expected to be retained until the shareholding requirements are met. Vested and unvested (net of tax) awards under the Share Reward Plan are included in the calculation of a Director's shareholding for this purpose. Vested awards no longer subject to performance conditions (net of tax) under the PSP are also included.

Executive Directors are normally 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).

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 shareholding requirement. However, only 25% of the value of such purchased shares will count towards the minimum shareholding requirement during employment. This applies to shares purchased after the date the post-cessation policy came into effect, in January 2020.

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, in accordance with the relevant share plan rules.

The Committee has discretion to make adjustments to the shareholding and post-cessation shareholding requirement in exceptional circumstances.

Proposed changes to application for 2022
No change in approach.

Committee scope for discretion

The Committee will operate the STI plan (including the Share Reward Plan) and the PSP according to their respective rules and the policy set out above. The Committee, consistent with market practice, retains discretion in a number of areas relating to the operation and administration of these plans.

These include (but are not limited to) the following:
- who participates in the plans;
- the timing of award grants and/or payments;
- the size of an award and/or a payment (within the limits set out in the Policy table above);
- the choice and weighting of performance metrics (in accordance with the statements made in the Policy table above);
- in exceptional circumstances, determining that any share-based award (or any dividend equivalent) shall be settled (in full or in part) in cash;
- discretion relating to the measurement of performance in the event of a change of control or restructuring;
- determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of each plan and the appropriate treatment in such circumstances;
- determining the extent of payment or vesting of an award based on the assessment of any performance conditions, including discretion as to the basis on which performance is to be measured if an award vests in advance of normal timetable (on cessation of employment as a good leaver or on the occurrence of a corporate event) and whether (and to what extent) pro-rating shall apply in such circumstances; whether (and to what extent) malus and/or clawback shall apply to any award;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, on a change of control and special dividends);
- the ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose whilst being no less stretching; and
- the discretion to adjust vesting outcomes to take account of overall performance and the wider stakeholder experience.

While the Committee anticipates that any such discretion would normally result in a reduction, the Committee reserves the right to make an upwards adjustment if considered appropriate.

Legacy arrangements

Executive Directors may be eligible to receive any relevant payment from any award or other remuneration arrangements made prior to the approval of the Policy (or prior to appointment to the Board) or that are in line with the previous Policy. Details of any such payments will be set out in the Report as they arise as required.

Payment of statutory entitlements and settlement of claims

The Company may pay any statutory entitlements, to which a Director is entitled, or settle or compromise any claims made in connection with the employment of a director where the Committee considers such claims to have a reasonable prospect of success and that it is in the best interests of the Company to do so.

Performance measures

The 2022 performance measures selected for the STI plan and PSP have been chosen by the Committee to align with the Group's strategic priorities and are consistent with the key performance indicators in relation to the operation of the business. Targets are set annually taking into account a number of internal and external reference points including: the level of performance that is achievable over a sustained period of time; historic performance and internal forecasts of future performance; market expectations and any guidance provided to the market; and the Company's agreed risk appetite.

Risk adjustments, malus and clawback

All variable pay arrangements operated by the Group are subject to malus and clawback provisions. The Committee may, in its absolute discretion, determine to reduce the number of shares before they are released (malus), impose further conditions on the vesting or exercise of an award or, alternatively, at any time within five years of an award being made, the Committee may require the Executive Director to transfer to the Company a number of shares or a cash amount (clawback).

Malus may be applied where:
- the results or accounts or consolidated accounts of any company, business unit or undertaking in which the Executive Director worked or works or for which he or she was or is directly or indirectly responsible are found to have been materially incorrect or misleading;
- an error in the calculation of the Executive Director's bonus in respect of which any deferred bonus award was made;
- there is any material failure of risk management at a Group, or business unit level and/or loss from business written, due in whole or in part, to a failure to observe risk management policies in effect at that time;
- there is evidence of Executive Director gross misconduct or it is discovered that the Executive Director's employment could have been summarily terminated, or there is reasonable evidence of Executive Director misbehaviour or material error;
- the behaviour by the Executive Director resulted or is likely to result in serious reputational damage to the Company or has or is likely to bring, the Company into disrepute in any way;
- the Executive Director participated in or was responsible for conduct that resulted in significant losses for the Company and/or for any company, business or undertaking in which he/she worked;
- the Executive Director failed to meet appropriate standards of fitness and propriety, in accordance with any regulatory rules or principles, internal policies or reasonable expectations as determined by the Committee in its absolute discretion;
- the Company or any company, business or undertaking in which the Executive Director worked or works or which he/she was or is directly responsible has suffered a material downturn in its financial performance which the Committee considers to justify the application of malus;
- corporate failure of the Company or any Group Company; and
- any other circumstances similar in nature to those described above where the Committee consider adjustments should be made.

Clawback may be applicable where:
- the results or accounts or consolidated accounts of any company, business unit or undertaking in which the Executive Director worked or works or for which he or she was or is directly or indirectly responsible are found to have been materially incorrect or misleading;
- there is any material failure of risk management at a Group, or business unit level and/or loss from business written, due in whole or in part, to a failure to observe risk management policies in effect at that time;
- there is evidence of Executive Director gross misconduct or it is discovered that the Executive Director's employment could have been summarily terminated or there is evidence of Executive Director misbehaviour or material error;
- the Executive Director participated in or was responsible for conduct that resulted in significant losses for the Company and/or for any company, business or undertaking in which he/she worked;
- the Executive Director failed to meet appropriate standards of fitness and propriety, in accordance with any regulatory rules or principles, internal policies or reasonable expectations as determined by the Committee in its absolute discretion;
- the Company or any company, business or undertaking in which the Executive Director worked or works or which he/she was or is directly responsible has suffered a material downturn in its financial performance which the Committee considers to justify the application of clawback;
- corporate failure of the Company or any Group Company; or
- any other circumstances similar in nature to those described above where the Committee consider adjustments should be made.

The Committee is supported in its decision making in this area by the Board Risk and Board Audit Committees and the Quilter Risk function.

Remuneration policy for other employees

The general principles of the Policy are broadly applied throughout the Group and are designed to support recruitment, motivation and retention as well as to reward high performance in a framework of approved risk management.

The structure of total remuneration packages for the Executive Directors and for the broader employee population is similar, comprising of salary, pension and benefits and eligibility for a discretionary STI award based on a combination of Company and personal performance in the financial year. The level of STI opportunity is determined by role and responsibility.

All employees are subject to the Company's deferral policy, which applies above a certain threshold of annual incentive award or such other amount as may be required in accordance with regulatory requirements. Deferred bonuses are granted in the form of a conditional award of shares in Quilter under the Share Reward Plan, or for portfolio managers in Quilter Investors in their own funds and vest no faster than annually, over three years in equal parts.

Executive Directors and other selected senior executives participate in the PSP to aid retention and motivate the delivery of long-term growth in shareholder value and to align their interests with those of shareholders. As a result of this more limited participation, a greater proportion of the Executive Director's potential pay is subject to performance and therefore 'at risk' than compared to the broader employee population.

Annual base pay increases for the Executive Directors are normally limited to the average base pay increase for the wider employee population unless there are exceptional circumstances such as a change in role or salary progression for a newly appointed director.

The provision of pension contributions for the Executive Directors is consistent with the wider workforce.

Recruitment policy

The remuneration package for a new director will be established in accordance with the Company's approved Policy subject to such modifications as set out below.

Salary and pension levels for Executive Directors will be set in accordance with the Policy, considering the experience and calibre of the individual and his or her existing remuneration package. Where it is appropriate to offer a lower salary initially, a series of increases to the desired salary positioning may be made over subsequent years subject to individual performance and development in the role. Benefits will be limited to those outlined in the Policy, with relocation assistance provided where appropriate. Where provided, relocation assistance will normally be for a capped amount and/or limited time.

The structure of variable elements will be in accordance with the Company's approved Policy detailed above. The maximum variable pay opportunity will be set out in the Policy table. Different performance measures may be set initially during the year of joining to take into account the responsibilities of the individual and the point when he or she joined the Board. An LTI award can be made shortly following an appointment (assuming the Company is not in a closed period).

The Committee may buy out incentive awards a new hire has forfeited on joining the Group, if it considers the cost can be justified and is in the best interests of the Company. Any buy-out award would take into account timing and expected value (e.g. likelihood of meeting any performance criteria) of the forfeited awards and be structured, to the extent possible, to take into account other key terms (e.g. vesting schedules and performance conditions) of the awards which are being replaced. The Committee retains the discretion to rely on the exemption under LR 9.4.2 of the Listing Rules to make such an award, or to utilise any other incentive plan operated by the Group. The aim of any such award would be to ensure that as far as possible, the expected value and the structure of the award will be no more generous than the amount forfeited.

Where an Executive Director is appointed from within the Group, any legacy arrangements would be honoured in line with the original terms and conditions as long as these do not cause a material conflict with the Policy.

For an overseas appointment, the Committee will have discretion to offer cost-effective benefits and pension provisions which reflect local market practice and relevant legislation.

Fees for a new Chair or Non-executive Director will be set in line with the Policy.

Executive Directors' service agreements

All Executive Directors enter into service agreements with the Company. The service agreements are of indefinite duration, subject to termination by either party on six months' notice. Where a longer notice period is required to recruit an executive, a notice period of up to 12 months may be offered for an initial period. The agreement contains terms typical for a senior executive, including entitlement to a salary, pension contribution, other core benefits including annual holiday entitlement, and eligibility for consideration of annual short-term and LTI awards in accordance with the Remuneration Policy. The Executive Directors are also entitled to reimbursement of reasonable business expenses incurred by him/her in the performance of his/her duties and will be eligible for cover under any director or officer insurance the Company has in place from time to time. Service contracts are available for inspection at the Company's registered office.

Termination of office policy

If the employment of an Executive Director is terminated, any compensation payable will be determined by reference to the terms of the service agreement in force at the time. As variable pay awards are not contractual, treatment of these awards is determined by the relevant plan rules. Bad leavers are not entitled to any payment. The Committee may structure any compensation payments beyond the contractual notice provisions in the contract in such a way as it deems appropriate as set out in the table below and taking into account the best interests of the Company.

Policy element	Details
Notice Normally six months' notice.	– In certain cases, Executive Directors will not be required to work their notice period and may be put on garden leave or granted pay in lieu of all or part of their notice period ("PILON"). PILON may be paid monthly or in a lump sum depending on circumstances. – Holiday does not accrue when PILON is paid. During a period of garden leave, holiday that has accrued is deemed to have been taken during the garden leave. – Executive Directors will be subject to annual re-election at the AGM.
Treatment of annual incentive awards Annual incentive awards will be made to good leavers (see below) based on an overall assessment of corporate and personal performance and (normally) pro-rated for the period worked in the performance year of termination.	– Delivered in line with normal Policy and timeline, including the application of deferral into shares.
Treatment of unvested legacy LTI and deferred annual incentive share awards All awards lapse except for good leavers.	– LTI awards continue to the normal vesting date for good leavers[1] unless (exceptionally) the Committee applies discretion to accelerate the vesting to the termination date. In each case, the number of shares released shall be based on the achievement of performance conditions over the performance period (or curtailed performance period, if applicable). The number of shares that vest would typically be calculated on a pro rata basis, based on time served during the vesting period. – Deferred annual incentive share awards for good leavers[1] continue to the normal vesting date unless the Committee applies discretion to accelerate the vesting to the termination date. – Any post-vesting retention periods on share awards for good leavers continue to apply as normal.
Compensation for loss of office Settlement agreements may provide for, as appropriate: – Incidental costs related to the termination, such as legal fees for advice on the settlement agreement. – Provision of outplacement services. – Payment in lieu of accrued, but untaken, holiday entitlements. – Exit payments in relation to any legal obligation or damages arising from such obligation. – Settlement of any claim arising from the termination. – Continuation or payment in lieu of other incidental benefits. – In the case of redundancy, in line with the Company operated enhanced redundancy policy.	– Terms are subject to the signing of a settlement agreement.

[1]Subject to further adjustments which may be applied to discretionary good leavers. An executive will be treated as a good leaver under certain circumstances such as death, illness, injury, disability, redundancy, retirement, their employing company ceasing to be a Group Company or any other circumstances at the discretion of the Committee.

Prior arrangements

The Committee reserves the right to make any remuneration payments and payments for loss of office notwithstanding that they are not in line with the terms of the Policy where the terms of the payment were agreed:

- before this Policy came into effect, provided in the case of any payment whose terms were agreed before this Policy became effective, either (a) the remuneration payment or payment for loss of office was permitted under the Company's former Policy at the time of agreement or (b) the agreement was before the former Policy entered into effect; or
- at a time when the relevant individual was not a Director of the Company and in the opinion of the Committee the payment was not in consideration for the individual becoming a Director of the Company.

Change of control policy
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 Committee may exercise its discretion to waive pro-rating.

All the Company's employee 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 Committee discretion. Alternatively, outstanding awards and options may vest and become exercisable on a change of control, subject to the assessment of performance at that time and pro-rating of awards, in accordance with the rules of the Company share plans and terms of awards.

External appointments
Subject to prior clearance by the Board, an Executive Director is permitted to hold one external non-executive directorship of a listed company and is entitled to retain any fees paid for doing so.

Compliance with regulatory requirements
The Policy is compliant with current regulatory requirements, namely the PRA and FCA Remuneration Codes that apply to the Company. Remuneration arrangements will operate in line with the PRA and FCA Remuneration Codes, as amended from time to time.

The Committee may make minor amendments to this Policy (for regulatory, exchange control, tax or administrative purposes, to correct clerical errors or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Illustration of the application of the Policy

Our aim is to ensure that superior rewards are only paid for exceptional performance, with a substantial proportion of Executive Directors' remuneration payable in the form of variable, performance-related pay. The graphics below illustrate the Executive Directors' fixed remuneration and how much they could earn for target and maximum performance for 2022.

In developing the scenarios, the following assumptions have been made:

Fixed remuneration
Consists of 2021 base salary plus the value of benefits in 2021 and a 10% pension contribution or allowance.

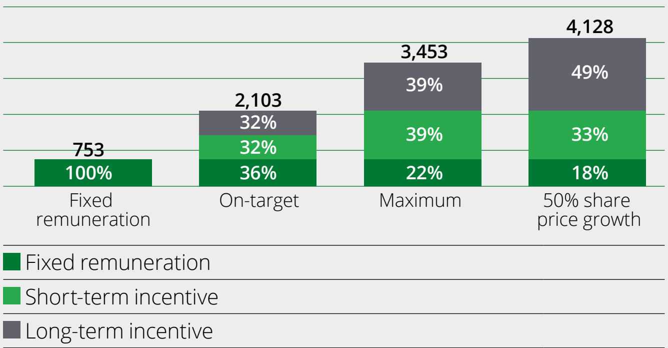
On-target
Based on value of fixed remuneration plus the potential value that the Executive Director could earn for on-target performance:
- annual variable element paying out at 50% of maximum; and
- long-term incentive element (under PSP) paying out at 50% of maximum.

The assumptions noted for 'on-target' performance are provided for illustration purposes only.

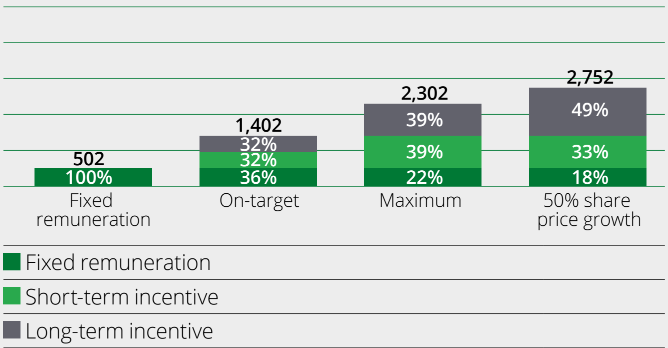
Maximum
In addition to fixed remuneration, includes the potential value under the Share Reward Plan and PSP that the Executive Director could earn for maximum performance.

Share price growth
Assuming share price growth of 50% to the maximum long-term incentive outcome, total remuneration would be:

Chief Executive Officer (£'000)



Chief Financial Officer (£'000)



How the views of employees are taken into account

Pay and employment conditions generally in the Group will be considered when setting Executive Directors' remuneration. Though currently the Company does not consult with employees specifically in determining Executive Director remuneration, the Board has appointed Paul Matthews and Tazim Essani (both are members of the Committee) as the designated Non-executive Directors responsible for ensuring the "employee voice" is heard at Board level on matters including executive remuneration and alignment to the wider workforce. This role extends to a range of issues that matter to employees and includes inputs from annual employee engagement and culture surveys, meetings with employee forums/representatives and a report to the Board.

The Committee receives regular updates on overall pay and conditions in the Group, including (but not limited to) changes in base pay and the incentive schemes in operation, as well as pay ratio data. The Committee also has oversight of the all-employee share plans which Executive Directors and all other Group employees can participate in on the same terms and conditions.

Statement of consideration of shareholder views

The Committee recognises that Director remuneration is an area of particular interest to our shareholders and in setting and considering changes to remuneration, it is critical that we listen to, and take into account, their views.

The Committee considers shareholder feedback received in relation to the AGM each year at its first meeting following the AGM. This feedback, as well as any additional feedback received during any other meetings with shareholders, is then considered as part of the Group's annual review of the implementation of the Remuneration Policy. We also regularly engage with our largest shareholders to ensure we understand the range of views which exist on remuneration issues.

The Committee engaged with key shareholders in the development of this Policy during 2021. These discussions were productive and their feedback was taken into account in the finalisation of the policy. The Committee were pleased that many shareholders were supportive of the approach the Committee has taken in maintaining consistency with, and making only minimal changes to, the pay approach in the existing policy. In developing the new Policy, the Committee has also considered the guidelines from the main shareholder bodies and regulatory requirements, as well as prevailing market practice.

Non-executive Directors

The following table sets out the key elements of remuneration and policy for Non-executive Directors:

Approach and link to strategy	Fees for the Chair and Non-executive Directors are set at an appropriate level to attract individuals of the highest calibre with relevant commercial and other experience to develop, monitor and oversee the Group's strategy. Fee levels take into account: – the time commitment required to fulfil the role; – the duties and responsibilities associated with the role; and – external fee reference points and typical practice from relevant FTSE and other comparable competitor organisations.
Operation	The Chair receives an all-inclusive annual fee which is reviewed periodically by the Committee. All Non-executive Directors receive a basic annual fee. Additional fees may be payable to: – the Senior Independent Director; – the Chairs of the Board Audit, Risk, Technology and Operations, Remuneration and Corporate Governance and Nominations Committees[1]; and – other members of the Board Audit, Risk, Technology and Operations, Remuneration and Corporate Governance and Nominations Committees. Additional fees to reflect the extra responsibilities and additional time commitment required from Non-executive Directors for chairmanship or membership of subsidiary boards. If there is a temporary yet material increase in the time commitments for Non-executive Directors, the Board may pay extra fees on a pro rata basis to recognise the additional workload. Fee levels are reviewed annually by the Chair and Executive Directors. The Chair's fee is reviewed annually by the Committee. No individual may participate in the approval of his or her own fees. Neither the Chair nor other Non-executive Directors are eligible for any performance-related remuneration or a pension contribution. They do not receive any benefits but they may be reimbursed or paid directly by the Company for the cost of any reasonable and properly documented business expenses incurred in carrying out their duties which are deemed taxable by the relevant tax authority (including any personal tax due on such expenses). Details of current fees are set out in the Annual Report on Remuneration.

[1]The Board Corporate Governance and Nominations Committee is chaired by the Chair who receives an all-inclusive annual fee.

Proposed changes to application for 2022

No change in approach.

Letters of appointment for Non-executive Directors

All Non-executive Directors have a letter of appointment with the Company for an initial period of three years, subject to annual reappointment at the AGM. Appointments may be terminated with three months' notice. The appointment letters for the Chair and Non-executive Directors provide that no compensation is payable on termination, other than accrued fees and expenses. All Directors submit themselves for re-election at the AGM each year. Service contracts and letters of appointment are available for inspection at the Company's registered office. The service contract policy for a new appointment will be on similar terms as existing Executive Directors, with the facility to include a notice period of no more than three months.

Details of the Chair's and Non-executive Directors' terms of appointment are set out in the table:

Non-executive Director	Effective date of appointment
Glyn Jones	7 November 2016
Rosie Harris	3 April 2017
Moira Kilcoyne	31 December 2016
George Reid	8 February 2017
Ruth Markland	25 June 2018
Paul Matthews	8 August 2018
Tim Breedon	1 June 2020
Tazim Essani	9 March 2021
Chris Samuel	1 July 2021

Termination of office policy

Non-executive Directors

- Three months' notice period.
- Appointed for an initial three-year term.
- Normally expected to serve two three-year terms, subject to annual re-election at the AGM.
- A third term (of up to three years, or longer in exceptional circumstances) may be offered on a year-by-year basis after completion of the first two terms.

Annual Report on Remuneration

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

Application of the Policy in 2022
Content within a shaded box indicates that the information is planned for implementation in 2022.

The Report sets out how the Policy of the Company has been applied in 2021 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 2021 together with 2020 comparator figures.

Audited

Executive Director	Base salary £'000	Benefits £'000	Pension[1] £'000	STI £'000	LTI[2] £'000	Total £'000	Total Fixed £'000	Total Variable £'000
2021								
Paul Feeney	675.0	10.2	67.5	886.0	880.6	2,519.3	752.7	1,766.6
Mark Satchel	450.0	7.1	45.0	618.0	587.0	1,707.1	502.1	1,205.0
2020								
Paul Feeney	675.0	7.5	67.5	–	875.1	1,625.1	750.0	875.1
Mark Satchel	450.0	5.9	45.0	–	282.0	782.9	500.9	282.0

[1]Pension includes contributions made under the Group defined contribution pension scheme plus, where applicable, amounts received as a pension allowance.
[2]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 PSP (see pages 137 to 138). The value is calculated using the average share price over the final three-month period of the year ending 31 December 2021, which is £1.4728. The actual vesting date is 25 March 2022 and the actual value will be reflected in next year's Report. The amount of this figure, which includes share dividend equivalents, attributable to share price appreciation is valued at £46,958 for Paul Feeney and £31,306 for Mark Satchel as at 31 December 2021. The 2020 LTI value has been updated to reflect the share price on the actual vesting date, 16 April 2021, which was £1.6550.

Components of the single figure

There were no increases to Executive Director base salaries at the 1 April 2021 review date, and unlike the wider workforce there are no increases to Executive Directors base salaries planned for the 1 April 2022 review date.

Audited

Executive Director	Annual base salary as at 1 April 2021 £'000	Total base salary paid in 2021 for qualifying services £'000	Total base salary effective 1 April 2022 £'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 and income protection.

Audited

Name	Life assurance £'000	Medical £'000	Income protection £'000
2021			
Paul Feeney	3.5	1.1	5.6
Mark Satchel	2.3	1.1	3.7
2020			
Paul Feeney	3.1	1.4	3.0
Mark Satchel	2.2	1.1	2.6

Benefits for 2022
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, which is currently set at 10% of base salary.

Audited

Name	Cash in lieu of pension contribution £'000	Contribution to pension scheme £'000	Total contribution £'000
2021			
Paul Feeney	67.5	–	67.5
Mark Satchel	41.3	3.7	45.0
2020			
Paul Feeney	67.5	–	67.5
Mark Satchel	39.2	5.8	45.0

Pension for 2022

No changes to the approach.

2021 STI awards

For the purpose of determining the 2021 STI outcome, the Committee assessed the performance of the business and the individuals by reference to a balanced scorecard of IFRS Profit (40%), net flows as a percentage of opening AuMA (20%), 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 2021, 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[1] (44% of max)	Stretch[2] (50% of max)	Maximum (100%)	Outcome	Outcome as % of max
IFRS profit before tax (excluding amortisation, policyholder tax adjustments, business disposal impacts and one-off items)[2]	40%	£11m	£38m	£47m	£82m	£60m	69%

[1]In recognition of market uncertainty due to the ongoing impact of the COVID-19 pandemic, the Committee approved a wider target range than normal. The Committee decided that business plan achievement would generate an outcome lower than 50% of maximum in consideration of absolute profit expectations relative to pre-pandemic levels, with management required to outperform plan by 24% to achieve a target outcome of 50% of maximum, with a super-stretch target set at more than double the target profit to achieve maximum.
[2]IFRS profit for the continuing business only.

IFRS profit reconciliation

In determining the outcome of the profit metric shown above, the Committee considered the impact of key business transformation 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

2021 profit reconciliation	Reported profit	STI target	STI outcome
Adjusted profit before tax (before financing costs)	**£138m**	**£110m**	**£138m**
Debt financing costs	(£10m)	(£10m)	(£10m)
Adjusted profit before tax (after financing costs)	**£128m**	**£100m**	**£128m**
UK Platform Transformation Programme ("PTP")[1]	(£28m)	(£28m)	(£28m)
Optimisation[1]	(£22m)	(£30m)	(£30m)
Quilter Life Assurance decommissioning costs	(£1m)	(£1m)	(£1m)
Managed Separation costs	(£2m)	(£3m)	(£2m)
Customer remediation[2]	(£7m)	–	(£7m)
IFRS profit before tax on a continuing basis (excluding amortisation, policyholder tax adjustments, business disposal impacts and one-off items)	**£68m**	**£38m**	**£60m**

[1]Optimisation costs were lower than the plan expectation for the year due to the timing of delivery and 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.
[2]The customer remediation costs relate to an increase in estimated customer redress and professional fees for historic DB to DC pension transfer advice.

Net flows as a percentage of opening AuMA

2021 is the first-year net flows as a percentage of opening AuMA has been included in the scorecard, and represents a maximum of 20% of the total STI opportunity. This is aligned to the Group's KPIs and is calculated by assessing the full year's net flows, which is made up of gross inflows less gross outflows, divided by the opening AuMA excluding discontinued operations as at 1 January 2021. The below table details the performance and outcome:

Audited

Performance condition	Weighting as % of total STI opportunity	Threshold (25% of max)	Target (50% of max)	Maximum (100% of max)	Outcome	Outcome as a % of max
Net flows		£2.9bn	£4.4bn	£6.8bn	£4.0bn	
Opening AuMA[1]		£97.3bn	£97.3bn	£97.3bn	£97.3bn	
Net flows as a percentage of opening AuMA	**20%**	**3.0%**	**4.5%**	**7.0%**	**4.1%**	**43.2%**

[1]Opening AuMA was restated by £1.7 billion to £99.0 billion during the year, after the Committee approved the target, to include the intra-group eliminations relating to Quilter International since the business area is no longer part of the Group.

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.

Audited

Customer and Risk Performance measures	Executive Director	Weighting as % of total STI opportunity	Key achievements in the year	Outcome as % of max
Risk Management Framework Effectiveness	Paul Feeney	10%	– Strong tone from the top promoting an effective risk culture. – Chaired the Executive Risk Forum and ensured it remained focused on the key risks facing the business. – Appropriate balance between risk reduction, revenue generation and cost management evidenced through project prioritisation and focus. – Open and pro-active engagement with regulators. – Established and led joint executive oversight committee with FNZ to manage customer experience and regulatory risks post-migration of the UK Platform.	75%
Risk Management Framework Effectiveness	Mark Satchel	10%	– Solid risk focus through the capital management forum and deputy chair of the Executive Risk Forum. – Continued constructive engagement with the second line, seeking opinions and challenge on key decisions. – Good balance of challenge on financial performance and cost control to appropriately manage risks and issues. – Strong risk considerations in strategy and planning, with key risk considerations given due prominence. – Proactive and open engagement with the FCA, PRA and the various Quilter International regulators.	75%
Customer Outcomes	Paul Feeney and Mark Satchel	10%	– Strong progress made on strategic customer initiatives and evidence of a positive culture to address customer needs. – The Quilter Investment Platform final migration delivered a safe and successful transition of customers' investments, however customer experience deficiencies and increased regulated complaints were experienced following migration. – Quilter Investors' Assessment of Value project has driven customer outcome improvements with discretionary customer plans at the forefront. – Strong performance against core customer metrics for Quilter Cheviot with client feedback rating favourable to the peer group benchmark. – Investment performance in our flagship Cirilium, Income and WealthSelect ranges delivered positive returns, whilst performance against comparators was mixed.	61%

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 2021 were focused on the strategic development of the business to maximise future growth potential, improve the control environment, provide responsible leadership and drive an inclusive culture, whilst achieving strong core business performance and creating value for shareholders.	– A strong year leading the strategic transformation of Quilter into a simpler, UK-centric wealth manager poised to deliver strong growth and sustainable returns, with the completion of the Platform Transformation Programme and sale of Quilter International marking the culmination of a three-year journey from the Company's Listing in 2018. – Improved control environment, with use of better management information and close attention to risk to drive performance and pre-empt issues. Whilst the post-migration platform stabilisation period was longer and more disruptive than hoped, instituted effective oversight to mitigate risks and improve customer experience. – Made progress on embedding ESG into the advice and investment process as we build towards becoming a leading responsible wealth manager. – Strong leadership in relation to key stakeholders – our people, customers, regulators and shareholders – amid a second year of unprecedented social and economic disruption caused by the COVID-19 pandemic.	80%
Mark Satchel	20%	Objectives were to deliver on the outcome of the Quilter International strategic review, lead our Optimisation goals, deliver strong cost discipline across the business, whilst achieving strong core business performance and creating value for shareholders.	– An exceptional year managing the sale of Quilter International for a price of £481 million with the sale process executed professionally and expediently. – Leading preparations for the proposed capital return to shareholders of £350 million and successfully managed the share buyback programme following the sale of Quilter Life Assurance, which concluded in early 2022 and delivered a further £375 million capital return to shareholders. – Driven very strong cost containment across the business, with expenses lower than plan expectations in almost all areas. – Optimisation programme has realised benefits ahead of plan and within overall budget, with a further £45 million of cost savings targeted as part of the next phase of business simplification. – Delivered significant operational improvements, with the general ledger rationalisation project substantially concluded in 2021. – Provided very strong leadership and engagement with all stakeholders, including the investor community, leading a successful Capital Markets Day in November 2021.	95%

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, jointly with the Board Risk Committee, also considered an annual risk report and the recommendations of the Chief Risk Officer. 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 noted that several past business reviews into historic defined benefit pension transfer advice were initiated in 2021 and resulted in total provisions of £12 million for estimated customer remediation costs and professional fees, £7 million of which relates to advice provided by Lighthouse prior to the acquisition of the business and £5 million of which is included in adjusted profit before tax. The impact of these costs within the profit component of the annual scorecard was to reduce the Chief Executive Officer's STI outcome by £92,571 (a reduction of 9%) and the Chief Financial Officer's STI outcome by £61,714 (a reduction of 9%). The Committee concluded that the 2021 financial impact of the customer remediation provisions was appropriately reflected in the 2021 STI outcomes and no further adjustment was necessary.

Deferral policy

In line with our Policy, 50% of the Executive Directors' 2021 STI awards will be deferred into a conditional award of ordinary shares under the Share Reward Plan and will vest in equal annual instalments over a three-year period, subject to continued employment and malus and clawback provisions in accordance with the rules of the Share Reward Plan.

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	Total		Deferred bonus		To be paid in cash	
Executive Director	**£'000**	**% of salary**	**£'000**	**% of salary**	**£'000**	**% of salary**
Paul Feeney	886.0	131%	443.0	66%	443.0	66%
Mark Satchel	618.0	137%	309.0	69%	309.0	69%

STI for 2022

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

The weighting of net flows as a percentage of opening AuMA will be increased from 20% to 25% for 2022, with the weighting of IFRS profit reduced accordingly from 40% to 35% to reflect the importance of net flows as a key growth driver. The weighting of the non-financial aspect of the scorecard will remain unchanged at 40%, which is made up of risk management (10%), customer outcomes (10%) and strategic personal performance (20%).

Actual targets for 2022 have not been disclosed due to commercial sensitivity. These targets will be disclosed in the 2022 Report.

Vesting of 2019 LTI awards

On 31 December 2021, the 2019 LTI awards granted under the PSP reached the end of their performance period. These awards will vest on 25 March 2022, with the vested shares subject to a further two-year post-vesting holding period. The performance conditions which applied to the 2019 LTI award and the performance achieved are set out below.

Audited

Performance condition	Weighting	Threshold[1] (25% vesting)	Maximum[1] (100% vesting)	Performance Achieved[2]	Weighted Percentage of Award Vesting
EPS CAGR (2018-21)[3]	70%	6%[4]	17%[4]	11.5%	43.81%
Relative TSR[5]	30%	Median	Upper quartile	80 out of 176 companies[6]	12.65%
			Award Outcome		**56.46%**

[1]Straight-line interpolation between points.
[2]The Committee adjusted the EPS CAGR performance condition to reflect the sales of Quilter Life Assurance and Quilter International.
[3]Adjusted EPS, pre-dividend excluding amortisation and goodwill.
[4]The Committee adjusted the EPS CAGR threshold and maximum targets from 5-11% to 6-17% to reflect an expectation of higher growth excluding discontinued operations. This had the effect of increasing the level of challenge in the targets, and reducing the outcome for the EPS metric for 2018-21 from 100% to 62%.
[5]Ranking relative to the constituents of the FTSE-250 excluding Investment Trusts.
[6]Quilter achieved TSR of 27% over the period and was ranked 80th out of 176 companies. Median TSR was 17% and upper quartile TSR was 59% which equates to 42% of maximum for the TSR element.

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, and the sale of Quilter International, which completed on 30 November 2021. Consistent with the treatment of the 2018 awards, the Committee decided to exclude Quilter Life Assurance and Quilter International 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 fixed the share count in both years to neutralise the benefit of a reduction in share count over the period resulting from the share buyback programme funded by the proceeds from the sale of Quilter Life Assurance. Finally, the Committee reassessed the target CAGR range to reflect an expectation of higher growth excluding discontinued operations and concluded on increasing the EPS CAGR threshold and maximum targets from 5-11% to 6-17%. This had the effect of increasing the level of challenge in the targets, and reducing the outcome for the EPS metric for 2018-21 from 100% to 62%.

Audited

Performance condition	2018 £m	2021 £m	Outcome
Adjusted Profit (before tax)[1]	**233**	**138**	
less Quilter Life Assurance profit	(57)	–	
plus Quilter Life Assurance stranded costs	(13)	–	
less Quilter International profit	(51)	–	
plus Quilter International stranded costs	(10)	–	
Revised Adjusted Profit (before tax)	**102**	**138**	
Revised Adjusted Profit (after tax)	**90**	**125**	
Weighted average number of shares (million)[2]	1,684	1,684	
Adjusted EPS (pence)	5.4	7.4	
Adjusted Profit CAGR (2018-21)			**11.5%**

[1]Pre-dividend excluding amortisation and goodwill.
[2]Share count in the base year of 1,833 million has been adjusted to match the lower share count in the measurement year to neutralise any benefit arising from a reduction in share count on the basis that the earnings of Quilter Life Assurance (the proceeds of which funded the share buyback programme) have been excluded from the calculation.

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 2019 LTI awards vesting at 56.5%, 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)[1]
Paul Feeney	953,524	105,477	56.46%	597,912	880.6
Mark Satchel	635,683	70,317	56.46%	398,608	587.0

[1]Deemed value based on the average share price of the final three-month period ended 31 December 2021 of £1.4728, the actual value will be based on the share price when the awards vest on 25 March 2022. The amount of this figure, which includes share dividend equivalents, attributable to share price appreciation is valued at £46,958 for Paul Feeney and £31,306 for Mark Satchel as at 31 December 2021.

LTI awards granted in 2021

Executive Directors are eligible to participate in the PSP, which is an LTI plan. The awards granted in 2021 are subject to the following performance conditions:

Audited

Performance condition	Weighting	Threshold[1] (25% vesting)	Maximum[1] (100% vesting)
Adjusted EPS CAGR (2020-22)[2]	70%	8%	20%
Relative TSR[3]	30%	Median	Upper quartile

[1]Straight-line interpolation between points.
[2]Pre-dividend excluding amortisation and goodwill.
[3]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 2021 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[1]	% vesting at threshold	Performance
Paul Feeney	Nil cost options	8 April 2021	200%	£1.6780	804,529	£1,350,000	25%	2021–2023
Mark Satchel	Nil cost options	8 April 2021	200%	£1.6780	536,353	£900,000	25%	2021–2023

[1]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 £1.6780.

LTI awards to be granted in 2022

The Committee intends to grant awards to the Executive Directors in March 2022 over nil cost options under the PSP with a face value at grant of 200% of base salary. The LTI scorecard has been updated for 2022 to align with the Company's strategic priorities over the next performance period.

The EPS growth component of the LTI will be reduced from a 70% weighting to 40% and the methodology changed from CAGR (three-year 'point-to-point' measure) to cumulative EPS, which will better reward sustainable performance over the period as all years will contribute to the result. The TSR component of the LTI will be reduced from a 30% weighting to 25% and will continue to be assessed relative to the FTSE-250 excluding investment trusts.

In addition, an operating margin measure will be introduced in line with the Company's previously stated target to improve its operating margin relative to peers, with a weighting also of 25%. The final 10% of the LTI scorecard will be based on ESG measures to support the Company's strategic priority to become the responsible wealth manager, with 7.5% weighted on responsible investing and 2.5% on reducing the carbon intensity of the Company's own operations. The responsible investing component will be based on the UN-backed Principles for Responsible Investment ("PRI") Framework, the world's leading independent benchmark for responsible investing. Quilter will be scored against the PRI's 5-star rating system across four modules, covering investment and stewardship policy, fund manager selection and monitoring and asset class-specific assessments for listed equity and fixed income. This will provide a quantifiable, independent and externally verifiable measure of relative performance in this strategically important area.

The full scorecard is shown below:

2022 LTIP Performance Metrics		Weighting %	Threshold[1] (25% vesting)	Maximum[1] (100% vesting)
Earnings per share	– Cumulative Adjusted EPS 2022-24 (pre-dividend excluding amortisation and goodwill)	40%	24.6p	37.0p
Operating margin	– 2024 pre-tax Adjusted Profit divided by total net fee revenue	25%	27.5%	32.5%
Total shareholder return	– Ranking relative to the constituents of the FTSE-250 excluding investment trusts	25%	Median of index	Upper quartile of index
ESG[2]	– Carbon intensity of Quilter's operations (tonnes of carbon dioxide (tCO_2e) per full-time employee/contractor)	2.5%	2,050	1,650
	– Responsible investing (Principles for Responsible Investment ("PRI") aggregate modules rating)[3]	7.5%	12 stars	20 stars

[1]Straight-line interpolation between threshold and maximum.
[2]Given ESG is an emerging area of focus for the Committee, we will keep the approach to measuring ESG progress under review and may make adjustments to the metrics or weightings for future awards.
[3]If the score for any module is less than 3 stars, it will not count towards the total.

All-employee share plans

In 2021, the Company invited all employees, including Executive Directors, to enter the Save As You Earn ("SAYE") scheme. The scheme allows employees to save up to a maximum of £500 across all savings contracts on a monthly basis for either a three- or five-year term, at the end of the savings period, employees have the option to purchase Company shares at a discounted option price, which was set at the beginning of the scheme. This year's scheme commenced on 1 July 2021 with an option price of 131 pence.

Neither Paul Feeney or Mark Satchel have entered into this year's scheme as they have already utilised their maximum savings capacity by entering into the 2019 savings contract at a monthly savings amount of £500 each. In 2019, Paul Feeney entered into a five-year savings contract, providing an option at maturity over 24,000 Quilter shares and Mark Satchel entered into a three-year savings contract, providing an option at maturity over 14,400 Quilter shares.

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 2021, the regular fees were paid at the following rate:

Annual fees (Quilter Board)	2021 fee
Chair	£375,000
Basic annual fee	£65,000
Additional fees:	
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
Fees (Subsidiary Boards):	
Chair 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

Non-executive Director	Board and Committee membership	Subsidiary Board and Committee membership	Fees for 2021 £'000	Subsidiary Board fees £'000	Total for 2021 £'000	Fees for 2020 £'000	Subsidiary Board fees £'000	Total for 2020 £'000
Glyn Jones	Board (C), CGN (C), R		375.0	–	375.0	375.0	–	375.0
Rosie Harris	BAC, BRC (C), BTOC	QC Board and GARC member	111.0	50.0	161.0	111.0	50.0	161.0
Moira Kilcoyne	BRC, BTOC (C)		100.5	–	100.5	100.5	–	100.5
George Reid	BAC (C), BRC, BTOC	QIP[1] Chair	111.0	80.0	191.0	111.0	81.7	192.7
Ruth Markland[2]	SID, BAC, CGN, R (C)	International Board member	126.0	32.1	158.1	120.7	35.0	155.7
Paul Matthews[3]	BRC, R, WED	QFP Board and GARC member	86.0	71.5	157.5	82.1	50.4	132.5
Tim Breedon	CGN, BRC, R	QI Chair	91.5	80.0	171.5	53.3	23.8	77.1
Tazim Essani[4]	BAC, R		64.8	–	64.8	–	–	–
Chris Samuel[5]	BRC, BTOC	QFP Chair	43.0	136.5	179.5	–	87.5	87.5

Board Committee key:

Board = Board
BAC = Board Audit Committee
R = Board Remuneration Committee
BRC = Board Risk Committee
(C) = Chair
SID = Senior Independent Director
BTOC = Board Technology and Operations Committee
CGN = Board Corporate Governance and Nominations Committee
WED = Workforce Engagement Director
GARC = Governance, Audit and Risk Committee

[1]Quilter Investment Platform ("QIP") business area.
[2]Ruth Markland resigned from the Quilter International Board with effect from 30 November 2021.
[3]Paul Matthews 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]Tazim Essani was appointed to the Remuneration Committee with effect from 9 March 2021 and the Audit Committee with effect from 1 September 2021.
[5]Chris Samuel was appointed as Chair of Quilter Financial Planning Limited with effect from 8 April 2020. Chris was appointed to the Board with effect from 1 July 2021. He 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.

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 2021. 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
2021	Paul Feeney	2,519.3	66%	56.5%
2020	Paul Feeney	1,487.3	0%	48.7%
2019	Paul Feeney	1,896.3	79%	n/a
2018	Paul Feeney	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 2020 to 2021. The annual change in salary is based on the salary of permanent UK employees as at 31 December 2020 and 31 December 2021, and the annual change in STI excludes employees that are not eligible for bonus.

The annual increase of the Executive Directors' STI is inflated following their recommendation to waive their 2020 STI outcomes due to the wider impact of COVID-19 on the business and employees. The annual increase in the average employee salary reflects a change to the overall profile of the workforce following the launch of the new UK Platform, with fewer, relatively lower paid operational roles required than in the past. This has led to an increase in average salary per employee in 2021.

As Executive Directors' benefits are 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 132 of this Report.

		Executive Directors		Independent Non-executive Directors						
Remuneration outcome	Average employee	Chief Executive Officer	Chief Financial Officer	Glyn Jones	Ruth Markland	Rosie Harris	George Reid	Moira Kilcoyne	Paul Matthews	Tim Breedon
2021										
Salary/fees	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%
STI	78%	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2020										
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

		Pay ratio			All employees £		
Year	Method	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2021	Option A	74:1	49:1	27:1	33,963	51,399	93,358
2020	Option A	55:1	36:1	21:1	29,663	45,349	78,368
2019	Option B	62:1	39:1	27:1	30,478	48,486	69,114

Salary

		Pay ratio			All employees £		
Year	Method	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2021	Option A	27:1	18:1	11:1	25,000	37,600	63,325
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 2021 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. The 2020 total remuneration ratios above have been updated to reflect the actual STI and LTI amounts paid. 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. We have adopted Option A from 2020 and intend to continue reporting under this method in future years.

The year-on-year salary variances at each quartile reflect the reduction and change in profile of our workforce following the launch of our new platform in early 2021 and the sale of Quilter Life Assurance at the end of 2019, in addition to the adoption of Option A methodology from 2020. The year-on-year total remuneration variances are largely due to the recommendation of the Chief Executive Officer to receive zero STI for 2020 due to the impact of the COVID-19 pandemic on the business and its employees in 2020.

Gender pay gap

The Company reported a median gender pay gap of 29% and a median bonus gap of 53% for 2021. 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 pages 46 to 47 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 2021 and 31 December 2020:

	2021	2020	% Change
Adjusted profit before tax[1] (£m)	138	108	28%
Dividends[2] (£m)	90	78	15%
Employee remuneration costs[1,3] (£m)	290	250	16%

[1]On a continuing business basis and therefore excludes Quilter International. Including Quilter International, adjusted profit before tax is £188 million in 2021 and £168 million in 2020, and employee remuneration costs are £329 million in 2021 and £291 million in 2020. Adjusted profit before tax is included in the above table as the Company considers it an important Key Performance Indicator.
[2]In 2020, the Company paid an Interim Dividend of 1.0 pence and a Final Dividend of 3.6 pence. For the 2021 financial year, the Company paid an Interim Dividend of 1.7 pence and recommend a Final Dividend of 3.9 pence.
[3]Employee remuneration costs represent the underlying employee costs within the adjusted profit view for Quilter, excluding the impact of one-off items.

Executive Directors' shareholding and interests in Quilter share plans

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 2021 together with any additional interests in shares held beneficially by the Executive Directors outside of Group share schemes. The share price at 31 December 2021 was £1.4850.

During the period 31 December 2021 to 9 March 2022, there were no exercises or dealings in the Company's share awards by the Directors.

Audited				Scheme interests at 31 December 2021	
Performance condition	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)
Paul Feeney	1,170,414	793	24,000	472,282	3,066,186
Mark Satchel	694,718	1,586	14,400	300,137	2,044,124

Executive Directors' shareholding requirements

In line with the 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 at 31 December 2021, Mark Satchel does not satisfy the minimum shareholding requirement but has up to five years from the date of his appointment (13 March 2024) to achieve the minimum.

Audited

Name	Value[1] £'000	Multiple of base salary
Paul Feeney	2,093.5	310%
Mark Satchel	1,259.8	280%

[1]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 2021 of £1.4728. The actual value will be based on the share price when the awards vest.

Directors' personal holding and beneficial share interests

As at 31 December 2020 and 31 December 2021, the Executive and Non-executive Directors held the following legal and beneficial interests in ordinary shares:

Audited

Name	31 December 2021	31 December 2020
Paul Feeney	1,171,207	650,340
Mark Satchel	696,304	655,392
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
Tazim Essani	–	–
Tim Breedon	–	–
Chris Samuel	20,000	–

During the period 31 December 2021 to 9 March 2022, there were no other changes to the interests in shares held by the Directors as set out in the table above.

Payments within the year to past Directors
During 2021, there were no payments made to any past Directors.

Payment for loss of office
During 2021, 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 19 April 2021, Deloitte were appointed as our new independent remuneration advisers following a thorough RFP process.

On 31 March 2021, Alvarez & Marsal ("A&M") were stood down as the Committee's independent remuneration adviser.

During 2021, Deloitte provided advice covering the redesign of the evolved Policy, and both firms provided advice covering annual remuneration report and policy disclosures, market practice and incentive design. Deloitte also support the Group with risk advisory, tax compliance and consulting services, whilst A&M have no other connection with the Company. As part of the procurement and contracting process, appropriate safeguards were put in place to ensure no conflict of interest arises.

The Committee is satisfied that the advice received from both Deloitte and A&M is objective and independent, and the firms are 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 2021 are as follows:

Name	Key areas of advice received	Total fees 2021
Alvarez Marsal	Annual remuneration Report and Policy disclosure, market practice, incentive design	£30,192
Deloitte	Policy review, application, disclosures, governance and market practice	£60,375

Statement of shareholder voting
During the Company's AGM in May 2021, a resolution to approve the Directors' Remuneration Report was moved and the votes from shareholders cast For was 97%, and 3% Against. Total votes Withheld were 31,260,900, which is 1.79% of issued share capital.

A resolution to approve the previous 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 new Policy, which is detailed within this Report, will be in May 2022.

The Company did not receive a significant percentage of votes Against the resolutions at the 2021 AGM or prior years.

Directors' Report

The Directors present their report for the financial year ended 31 December 2021

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 76 to 145 (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 75 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	19
Engagement with employees	45 to 47
Engagement with suppliers, customers and others	42 to 53
Employment of disabled persons	46
Greenhouse gas emissions, energy consumption and energy efficiency action	48 and 49
Financial risks	69

Information to be disclosed under Listing Rule 9.8.4R

Subject matter	Page reference
Details of long-term incentive schemes	112 to 145
Director waivers of emoluments	114
Shareholder waivers of dividends	146
Shareholder waivers of future dividends	146

Financial instruments and risk management
The information relating to financial instruments and financial risk management objectives and policies can be found on pages 172 to 174, 200 and 201, and 227 to 234.

Branches
During 2021, in addition to its offices in the UK, the Group has operated branches in Ireland, Jersey, Hong Kong, Singapore and the United Arab Emirates.

Profit and dividends
Statutory profit after tax from continuing operations for 2021 was £23 million (2020: £13 million).

The Directors have recommended a final dividend for the financial year ended 31 December 2021 of 3.9 pence per Ordinary Share which will be paid out of distributable reserves, subject to approval by shareholders at the 2022 Annual General Meeting. Further information regarding the dividend, including key dates, can be found at plc.quilter.com/dividends. On 11 August 2021 the Board declared an interim dividend of 1.7 pence per Ordinary Share. The interim dividend was paid on 20 September 2021 to shareholders on the UK and South African share registers on 3 September 2021.

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 82 to 84 and are incorporated into this report by reference. Changes to Directors during the year are set out below:

Name	Role	Effective date of appointment
Tazim Essani	Non-executive Director	9 March 2021
Chris Samuel	Non-executive Director	1 July 2021

Details of the Directors' interests in the share capital of the Company are set out in the Annual Report on Remuneration on page 144.

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 AGM and may offer themselves for election.

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. The 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 2021 and as at 4 March 2022 (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 211. 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 Trustee 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

Throughout 2021, Quilter has continued to conduct the £375 million share buyback programme (the "Buyback"), first announced on 11 March 2020 to distribute to shareholders the net surplus proceeds arising from the sale of Quilter Life Assurance. At the AGMs held in May 2020 and May 2021, shareholders passed resolutions to authorise the Company to purchase up to 10% of the Company's issued Ordinary Share capital in the 12-month period following each AGM.

Conduct of the Buyback

Year	Number of Ordinary Shares purchased	Total consideration paid	Average price paid per share	Percentage of the issued share capital[1]
2020	118,282,047	£152,963,992	£1.2932	6.22%
2021	128,141,834	£195,593,129	£1.5264	7.18%
2022	17,704,132	£26,437,862	£1.4933	0.99%

[1]Calculated based on the total number of shares in issue at the beginning of each financial year.

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 and 2021 AGMs. 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.

The Buyback completed on 27 January 2022, with £375 million returned to shareholders. Further information on the Buyback can be found on page 211.

Return of capital relating to the sale of Quilter International

As announced on Wednesday 9 March 2022, Quilter intends to return £328m of the net proceeds of the sale of Quilter International as a return of capital through a B share scheme accompanied by a share consolidation, whilst retaining £90m to fund planned Business Simplification. Full details of the B share scheme and share consolidation will be provided in the Circular and Notice of General Meeting that will be posted to shareholders on or around Wednesday 6 April 2022. The General Meeting to seek shareholder approval for the B share scheme and share consolidation will be held at the conclusion of the AGM on Thursday 12 May 2022.

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 pro-rating of awards.

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 2021 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 2021, 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[1]	Nature of holding notified
Coronation Asset Management (Pty) Ltd	249,195,745	15.02%	Direct
Equiniti Trust (Jersey) Limited[2]	69,283,197	3.91%	Direct
Public Investment Corporation of the Republic of South Africa	211,940,550	12.73%	Direct

[1]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.
[2]These shares are held by Equiniti Trust (Jersey) Limited in its capacity as trustee of the Quilter Employee Benefit Trust.

As at 4 March 2022, 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[1]	Nature of holding notified
Coronation Asset Management (Pty) Ltd	245,647,533	14.99%	Direct
Equiniti Trust (Jersey) Limited[2]	69,283,197	3.91%	Direct
Ninety One UK Ltd	82,416,634	5.01%	Indirect
Public Investment Corporation of the Republic of South Africa	216,870,050	13.19%	Direct

[1]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.
[2]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 plc.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 2021. However, the Directors are seeking to renew the Company's and its subsidiaries' authority to make political donations not exceeding £50,000 in aggregate at the 2022 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 2022 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 and Accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's position and performance, business model and strategy.

Each of the Directors in office as at the date of this report, whose names are listed on pages 82 to 84, 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 as endorsed by the United Kingdom, 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 96 to 101.

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:

a) so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
b) 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.

Independent Auditors

The Directors are recommending the reappointment of PricewaterhouseCoopers LLP as the Company's statutory auditors at the 2022 AGM.

AGM

The 2022 AGM of Quilter plc will be held at Senator House, 85 Queen Victoria Street, London EC4V 4AB on Thursday 12 May 2022 at 11:00am (UK time). Details of the business to be transacted at the 2022 AGM, along with details of how you can ask questions and join the meeting, are included in the Quilter plc 2022 Notice of AGM which can be found on our GM Hub at plc.quilter.com/gm. In light of the ongoing risk to public health posed by COVID-19, we will continue to do all we can to take responsible precautions to help protect the wellbeing of each other. We will monitor the UK Government guidelines and update our GM Hub if the guidance changes.

By order of the Board

Patrick Gonsalves
Company Secretary
9 March 2022