

# Chair's introduction to corporate governance

**Ruth Markland**  
Chair



## Dear shareholder

I am pleased to write to you as your Chair. I have served on the Board as the Senior Independent Director since Quilter was listed in 2018 and I was honoured to be asked by my fellow Directors to chair your Board of Directors during the year. Since that time, I have spent time with colleagues, major shareholders and other stakeholders to hear their views directly and I am grateful for the support I have received.

Whilst 2022 was undoubtedly a year of change for your Board, you will see that there was also continuity. In April, Rosie Harris stood down from the Board and George Reid agreed to act as the Board Risk Committee Chair until such time as Rosie's replacement was in place. In May, Glyn Jones, our former Chair, who had indicated in late 2021 he wished to step down, also left the Board at the conclusion of the 2022 AGM. I wish to note, on behalf of the Board, my sincere thanks to Rosie and Glyn who both played such important roles preparing Quilter for Listing, and particularly to Glyn who served as Quilter's Chair with distinction and led the Group through significant change as we reshaped the Company into the UK centric wealth management business we are today.

2022 also saw the implementation of our succession plan for a transition in Chief Executive Officer. Paul Feeney's departure in October after over a decade of service marked the beginning of a new chapter for Quilter under the leadership of Steven Levin. Steven, who came to the role with deep knowledge and experience of Quilter built up over many years, is wholly focused on the successful execution of our strategy.

In May, we announced that Neeta Atkar, an experienced Non-executive Director, following a career spent in financial services regulation and risk management, would join the Board on 11 August and would be Chair of our Board Risk Committee from 1 October. Glyn Barker joined the Board in June with a view to assuming the role as Chair but for personal reasons resigned on 11 November. At this time, and following careful consideration by the Board, I was delighted to agree to continue as Chair. I was also pleased that Tim Breedon agreed to continue as Senior Independent Director and Chair of the Board Remuneration Committee.

An important role of the Board is to oversee the delivery of the Company's strategy by the executive within the agreed risk appetite in order to create long-term success for our shareholders and I am confident that the current Board has the right skills and experience for Quilter to achieve the successful execution of our strategy.

My Chair's statement on pages 3 and 4 has touched on the external political and economic environment and challenging market conditions with the year opening with the formal cessation of COVID-19 isolation measures and the on-going conflict in Ukraine, and it is in that context that your Board has operated. On the following pages, I would like to share with you the work of your Board, and some of the principal decisions we have made during the course of 2022.

I would like to thank my fellow Directors, Quilter colleagues and our stakeholders who continue to show their strong support for our Company and I look forward to providing you with an update on our progress in 2023.

A handwritten signature in black ink that reads 'Ruth Markland'.

**Ruth Markland**  
Chair

## Compliance with the UK Corporate Governance Code 2018

### UK Corporate Governance Code 2018 (the "Code")

Quilter is subject to the Code. It is the Board's view that the Company complied with the Code and took appropriate actions during the Chair succession process to ensure compliance. Details of the actions taken can be found on pages 66, 70 and 83. Details of our Corporate Governance framework are available on page 55 and our website at [plc.quilter.com](http://plc.quilter.com). The Code is publicly available at [www.frc.org.uk](http://www.frc.org.uk).

### Disclosure Guidance and Transparency Rules ("DTRs")

By virtue of the information included in this Governance section of the Annual Report including our Directors' Report (pages 108 to 111) 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 Listing 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
<b>Board leadership and company purpose</b>	
Long-term value and sustainability	1 to 51
Culture	61 to 63
Shareholder engagement	25
Other stakeholder engagement	22 to 25
Oversight of Board level conflicts of interest	67
<b>Division of responsibilities</b>	
Role of the Chair	55
Division of responsibilities on the Board	55
Assessment of Non-executive Director role	55 and 66
Assessment of independence on the Board	55
<b>Composition, succession and evaluation</b>	
Board effectiveness	68
Board and Executive succession planning	66 to 67
<b>Audit, risk and internal control</b>	
Integrity of financial statements	71
Fair, balanced and understandable	72
Internal controls and risk management	72 and 77
Assessment of external independent auditor	73 to 74
Principal and emerging risks (Risk Review)	47 to 49
Viability statement and going concern	50 to 51
<b>Remuneration</b>	
Policy, practices and alignment with purpose, values and long-term strategy	86 to 93
Independent judgement and discretion	82 to 83

### Board meeting attendance and Board changes during 2022

	Scheduled Board meetings	Ad hoc Board meetings	Appointment date	Resignation date
<b>Directors</b>				
Ruth Markland <sup>1</sup> (Chair)	8/8	7/7		
Steven Levin	2/2	1/1	1 November 2022	
Mark Satchel	8/8	7/7		
<b>Independent Non-executive Directors</b>				
Neeta Atkar	2/3	3/3	11 August 2022	
Tim Breedon <sup>2</sup> (Senior Independent Director)	7/8	6/7		
Tazim Essani	7/8	7/7		
Moirá Kilcoyne	7/8	7/7		
Paul Matthews	8/8	5/7		
George Reid	7/8	7/7		
Chris Samuel	8/8	7/7		
<b>Former Directors</b>				
Glyn Barker	2/2	2/2	1 June 2022	11 November 2022
Paul Feeney	6/6	5/5		31 October 2022
Rosie Harris	3/3	2/4		30 April 2022
Glyn Jones	4/4	4/4		12 May 2022

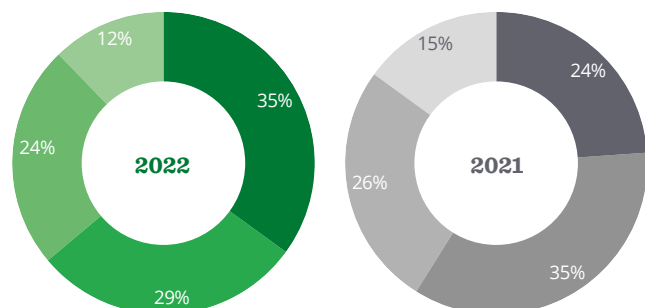
<sup>1</sup>Stepped down as Senior Independent Director and appointed as Chair on 12 May 2022 at the conclusion of the 2022 AGM.

<sup>2</sup>Appointed as Senior Independent Director on 12 May 2022 at the conclusion of the 2022 AGM.

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. The Board had access to briefings and training during the year, including the new FCA Consumer Duty. Where a Director was unable to attend a meeting due to illness or a long-standing conflicting commitment, they reviewed the Board papers and provided comments to the Chair in advance of the meeting. Some ad hoc Board meetings were held at short notice.

# Governance at a glance

## 2022 Board activity and how the Board spent its time



Board activity	2022	2021
Risk management and governance	●	●
Strategy and delivery of strategy	●	●
Business performance oversight	●	●
Stakeholder management	●	●

## Board composition as at 31 December 2022

### Gender identity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board*
Men	6	60%	3
Women	4	40%	1
Not specified/prefer not to say	0	0	0

### Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board*
White British or other White (including minority-white groups)	8	80%	4
Mixed/Multiple Ethnic Groups	0	0	0
Asian/Asian British	2	20%	0
Black/African/Caribbean/Black British	0	0	0
Other ethnic group, including Arab	0	0	0
Not specified/prefer not to say	0	0	0

\*Chair, Chief Executive Officer, Chief Financial Officer, Senior Independent Director.

## Board skills and experience as at 31 December 2022

### Length of tenure for Chair and Non-executive Directors

	2022	2021
0-1 years	1	2
1-3 years	3	1
3-4 years		2
4-5 years	2	3
5-6 years	1	1
6 or more years	1	

### Industry knowledge and experience

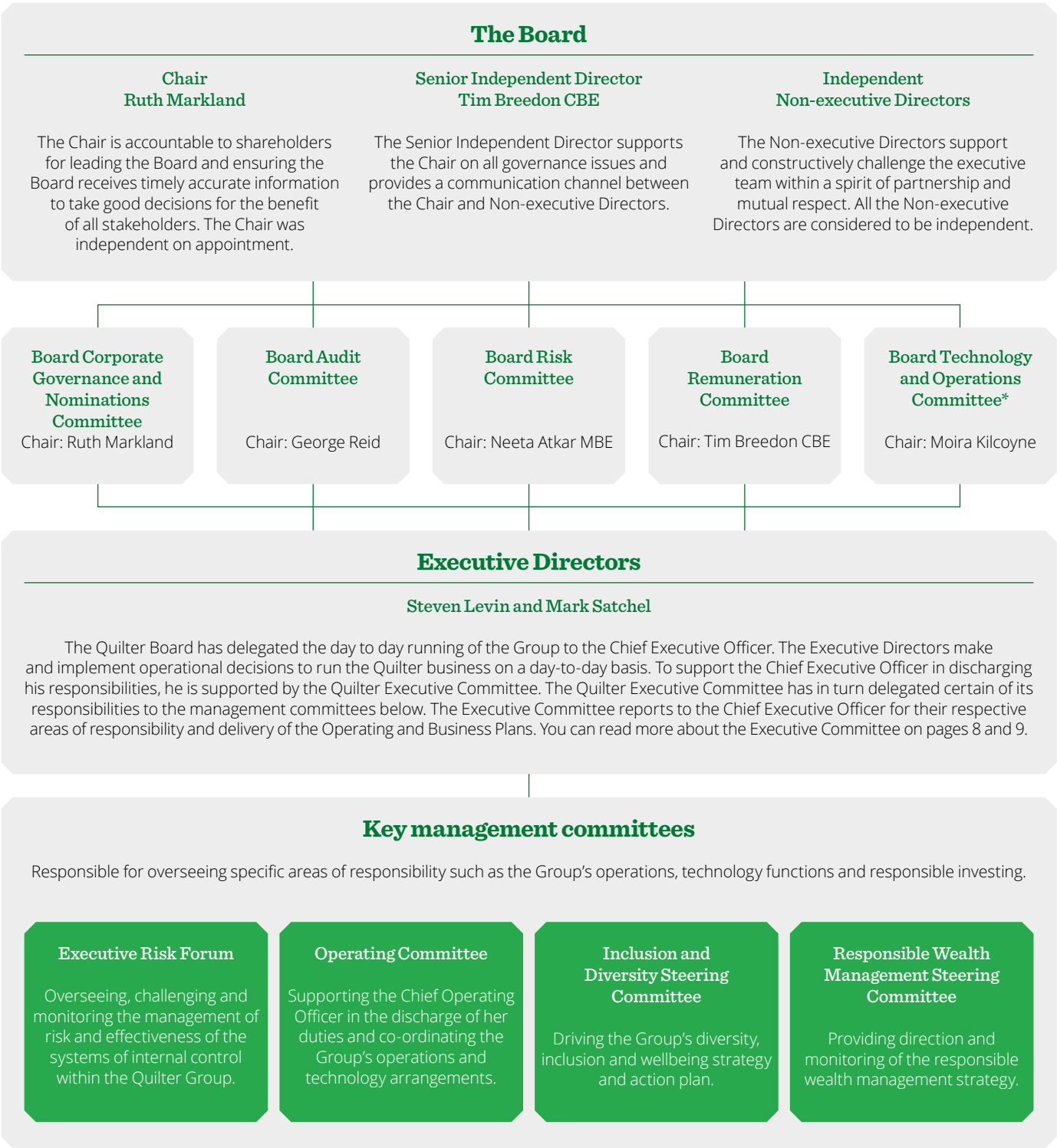
Industry knowledge	
Accounting and finance	5
Asset management	2
Distribution	2
Governance	2
International financial services	5
IT and operations	4
Legal	1
Risk	3
Wealth management	3

Figures represent number of Board members with relevant experience.

## Operating within a robust governance framework

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](http://plc.quilter.com).



\*The Board Technology and Operations Committee was initially formed to oversee the implementation of the new investment platform and now this has successfully completed the Committee formally closed at the end of 2022. Further information can be found on pages 79 to 81.

# Board of Directors

The Quilter Board comprises the Chair, the Senior Independent Director, Chief Executive Officer, Chief Financial Officer and independent Non-executive Directors. All Directors are subject to re-election annually by shareholders at the Company's Annual General Meeting. The skills and experience and how our Directors contribute to the long-term sustainable success of the Company are set out in their biographies on the following pages.



**Ruth Markland**  
Chair

**Appointed:** June 2018

**Committee membership**

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

**Skills and experience:**

Ruth, a former 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. Her considerable experience in senior board roles provides her with the skills and experience to effectively chair the Quilter Board. Ruth was appointed as Chair of the Board on 12 May 2022.



**Tim Breedon CBE**  
Senior Independent Director

**Appointed:** June 2020

**Committee membership**

- Board Corporate Governance and Nominations Committee
- Board Remuneration Committee (C)
- Board Risk Committee<sup>1</sup>

**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 Nominations 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. Tim was appointed as Senior Independent Director on 12 May 2022 and his prior experience enables him to act as a helpful sounding board for the Chair and other Board members.

**Changes to Committee membership**

<sup>1</sup>Tim Breedon stood down as a member of the Board Risk Committee on 31 December 2022.

<sup>2</sup>The Board Technology and Operations Committee was initially formed to oversee the implementation of the new investment platform. Now this has successfully completed, the Committee was formally closed at the end of 2022. More information can be found on pages 79–81.

<sup>3</sup>Paul Matthews will step down as a Workforce Engagement Director, after serving three years in the role, at the conclusion of the 2023 AGM.



**Steven Levin**  
Chief Executive Officer  
**Appointed:** November 2022

**Skills and experience:**

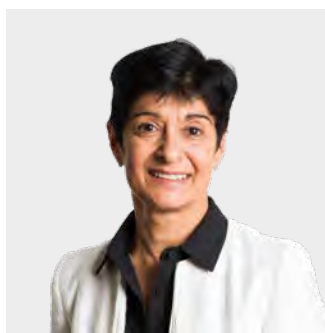
Steven has deep industry knowledge, having worked in asset management, investments, platform and distribution roles. He joined the Group in 1998, the Executive Committee in 2011 and the Board in November 2022 when he was appointed as Chief Executive Officer. Steven has played a leading role in delivering several high-profile strategic initiatives for the Group, including the implementation of Quilter's new investment platform and supporting the development of Quilter's ESG proposition. As Head of Affluent, Steven focused on bringing Quilter's Platform and Investment Solution businesses together to operate in a more customer centric manner with our Advice business. Steven's broad industry and leadership experience allows him to effectively drive strategic delivery. Steven is a qualified Actuary and Chartered Financial Analyst.



**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 Grey Foundation in the UK.



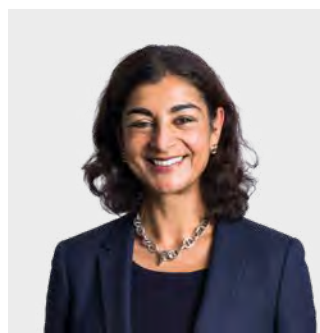
**Neeta Atkar MBE**  
Independent Non-executive Director  
**Appointed:** August 2022

**Committee membership**

- Board Audit Committee
- Board Risk Committee (C)
- Board Technology and Operations Committee<sup>2</sup>

**Skills and experience:**

Neeta has extensive experience of the financial services industry, having worked initially at the Bank of England and subsequently the Financial Services Authority before taking on roles with Andersen Consulting, Abbey National, Royal & Sun Alliance, Lloyds Banking Group and, latterly, with TSB Bank where as Chief Risk Officer, she was a member of the executive team responsible for creating and listing the Bank on the Stock Exchange. Neeta has broad experience of chairing risk committees, gained previously at Yorkshire Building Society and currently at Nomura Europe Holdings plc and at the British Business Bank plc, where she is also the Senior Independent Director. This experience, together with her deep understanding of customers, risk and regulation, will enable Neeta to make a significant contribution to the Board as it continues to ensure that Quilter's risk management framework is integrated with its strategy.



**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. 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, a Council Member of the Royal Horticultural Society and an executive coach at The Alliance.





**Moira Kilcoyne**  
Independent Non-executive  
Director

**Appointed:** December 2016

**Committee membership**

- Board Risk Committee
- Board Technology and Operations Committee<sup>2</sup> (C)

**Skills and experience:**

Moira has extensive technology and cyber security leadership experience, 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 currently a Non-executive Director of Arch Capital Group and Elliot Opportunity II and previously served as a Non-executive Director of Citrix Systems Inc. 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 a member of the Board of Governors of FINRA.



**Paul Matthews**  
Independent Non-executive  
Director

**Appointed:** August 2018

**Committee membership**

- Board Risk Committee
- Board Remuneration Committee
- Workforce Engagement Director<sup>3</sup>

**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 Corporate Governance and Nominations Committee
- Board Audit Committee (C)
- Board Risk Committee
- Board Technology and Operations Committee<sup>2</sup>

**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. George is the Senior Independent Director and Audit Committee Chair of FIL Life Insurance Limited. In July 2022, George was appointed as a member of the Board Corporate Governance and Nominations Committee.



**Chris Samuel**  
Independent Non-executive  
Director

**Appointed:** July 2021

**Committee membership**

- Board Risk Committee
- Board Technology and Operations Committee<sup>2</sup>

**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. Chris will step down as a Non-executive Director of UIL Limited on 31 May 2023 and as Chair of JP Morgan Japanese Investment Trust plc at their Annual General Meeting in January 2024.

# Principal decisions of the Board in 2022

## Delivery of our strategic objectives

### Simplification

As Quilter has become a smaller, more UK focused Group, the Board, supported in part by findings of the 2022 externally facilitated Board effectiveness review, examined its own working practices with the intention to move to providing a more efficient way of delivering effective oversight. We wish to become a leaner and more agile organisation and the Board and its processes are no exception to this. A review of the Board's governance structure was conducted, with assistance from the Company Secretary, in order to simplify and streamline the principal Board Committees. Following this review, the Board concluded that the activities of the Board Technology and Operations Committee, which had delivered on its original strategic objective of overseeing the delivery of Quilter's new investment platform, could be handled in our governance process without the need for a separate Board Committee. In terms of the Committee's remit, responsibility for oversight of strategic technology development will be assumed by the Board as a whole, whilst technology and operational risk matters will be subsumed by the Board Risk Committee. At its December 2022 meeting, the Board formally noted their sincere thanks to the Committee Chair for her excellent leadership, and to management for their focus and dedication in delivering this pivotal strategic matter, and agreed to formally dissolve the Board Technology and Operations Committee. The work this Committee oversaw has now been fully integrated into other governance processes and care has been exercised to ensure that management still have appropriate access to the skills, insights and experience of the Chair of that Committee, Moira Kilcoyne.

In a similar vein, and in recognition of the maturing internal controls and benefits delivered from the introduction and embedding of new financial systems, the number of Board Audit Committee meetings scheduled for 2023 has been reduced.

### Being a responsible wealth manager

The Board has continued to provide close oversight on the delivery against this objective, as well as ensuring we are effectively managing climate-related risks. The Board was updated on the tools and training made available to our advisers and investment managers so that they are able to understand a customer's responsible investment preferences and select a solution which aligns to these. The Board will continue to be informed about management's delivery of the proposition against our customers' responsible investment preferences and have asked to be kept updated with regards to the FCA's Sustainability Disclosure Requirements ("SDR") Regime. The Board routinely examines the investment performance of the funds Quilter offer and the Board has asked the Board Risk Committee to scrutinise in more detail how we mitigate the risk of greenwashing.

### Digital strategy

During the year, the Board continued to provide oversight to the digital strategy. In November 2022 a new mobile Customer App was launched to help customers manage their products and services more easily. The Board has been kept closely briefed by management on the development of the Digital Hybrid Advice initiatives. The Board has discussed in detail the operating model, products, target customers and regulatory requirements for this business growth initiative. The technology that underpins this proposal is expected to have additional broader implications for the advice business that will drive efficiency and growth and the Board agreed to reschedule the launch of the firm's hybrid advice proposition. This reprioritisation will enable us to strengthen and automate internal controls in Quilter Financial Planning, which is a necessary building block to enable hybrid advice to be fully integrated into Quilter's proposition.

The Board reviewed and approved proposals that are aimed at deepening and strengthening Quilter's relationships with the advisers in the Quilter Network and National by making it easier for our advisers to do business with Quilter and increasing opportunities for advisers to grow and invest in their businesses. In a competitive market, the Board believe that there is more to be done to deliver on our advice led model.

## Reviewing the Group strategy

In July 2022 the Board held an in person two day strategy session. Guided by the Board, the management team presented a comprehensive overview and analysis of each business segment and the challenges, opportunities and progress made towards delivering our strategic goals. External experts supported the discussions with insightful analysis on the competitor and market position and industry insights and trends. The Board tested and challenged the strategic priorities and asked management to accelerate the execution of the strategy to ensure Quilter was truly customer centric, our governance, processes and costs are fit for the size of our current business and we are well positioned to serve the needs of our customers, advisers and our investors.

## Product and proposition

The new platform is fully embedded and despite the challenging market conditions, and ongoing programme of improvements, the platform continues to be a springboard for the further development of our strategy. The Board considered and approved further investment in our technology to enable more channels to be available for our customers and advisers to interact with us, particularly as we support customers in generational wealth planning. This is also a way for all our businesses to leverage the capability we already have. Our digital reach improved but we also recognise that there is more to do. With investors increasingly aware of environmental concerns and as we develop solutions to support generational wealth, the Board was heartened by the progress made on environmental solutions, how these are embedded in the investment products and how we make this information clear for advisers and customers.



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## Customers

The new FCA Consumer Duty (the “Duty”) represents a significant regulatory change over which the Board has maintained close oversight during the year. The Group Board and regulated subsidiary board members have been briefed in full on the impacts of the Duty and progress has been monitored. In October 2022, the Board and subsidiary Non-executive Directors met together to consider the plans for Quilter to implement the new Duty consistently across the Group in a way that is appropriate and fair for all customers. The Directors examined the plans to assess the changes and enhancements needed to demonstrate fully how Quilter’s products and services deliver good customer outcomes. Having been reviewed by the Group and subsidiary boards and the independent Non-executive Director Consumer Duty Champions, the Board agreed the implementation plan. The Board Risk Committee will closely scrutinise progress against the plan in 2023. The Group implementation plan was shared with the FCA as part of our routine engagement.

In addition, the Board also received updates on the programme of voluntary redress for customers within our platform business where fees had been erroneously taken. The Board was pleased that management took prompt action to rectify the issues once they became apparent. As is part of normal practice, a “lessons learnt” exercise has been undertaken, which identified the need to ensure that there are appropriate escalation routes for all colleagues to raise issues so that customer complaints can be considered by appropriately qualified people. We continue to work closely with our regulator to agree any possible redress for customers who were given unsuitable historic advice with regards to DB to DC pensions.

During the year, the Board has paid particular regard to investment performance, particularly given the macroeconomic and market headwinds, and the impact the cost-of-living crisis has had on the amount of new money that people are willing to invest. The Board had a clear focus on ensuring that our investment processes, risk oversight and investment risk were closely monitored at a time of extreme market volatility, given the potential impacts for customers.

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## Setting realistic but stretching financial and operating targets

In November 2022, the Board reviewed and approved the Business Plan for the forthcoming three year period. The Business Plan sets the financial and non-financial targets for the period and shows the capital and liquidity impacts of that Plan which are aligned to the Group’s risk appetite. Noting the significant uncertainties in the external environment at the time of setting the Business Plan, and the relatively smaller size of the business following the sale of Quilter Life Assurance and Quilter International, the Board carefully considered the targets and were mindful during 2023 that a rebase of some elements of the Plan may be necessary to take account of the market movements.

Alongside the production of the Business Plan, management developed an Operating Plan which sets out the key strategic initiatives and programmes of work required to deliver the Business Plan and the Group strategy. The Board carefully considered the resource available to deliver the Operating Plan, the alignment of the financial and operating plans and the achievability of the Plans. In particular, the Board raised some concerns with the Executive regarding employee capacity to manage the demands upon them and asked for some aspects of the Plan to be reconsidered to ensure targets were realistic and could be delivered safely and within reasonable time parameters.

A priority of the Board has been to continue to oversee the delivery of the Operating Plan and any material changes to that Plan, which underpins the Business Plan. Given the market conditions in 2022 and the implementation of our Board succession plans, we have directed management to carefully prioritise where they should focus their time. The Board supported management’s recommendation for there to be further investment in technology to deliver on our Business Simplification programme.

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## Monitoring the delivery of the 2022 Operating Plan

During the year, the Board has received quarterly updates on the progress being made to deliver the 2022 Operating Plan, which supports the delivery of the Business Plan and our Group strategy.

Our Chief Operating Officer has continued to provide regular updates to the Board on the progress made in simplifying the Group’s operations, and the improvements made to operational processes through automation as well as expected cost savings achieved by the use of technology. The Board spent time challenging the pace of change and asked to receive updates from the Chief Executive Officer on cost management at each meeting.

## Overseeing material risk matters

In addition to receiving reports from the Chair of the Board Risk Committee after each of their meetings, the Chief Risk Officer attends as a matter of course all Board meetings and provides his assessment of activity against the agreed risk appetite.

The Board has also spent time considering the impacts for our customers of the redress programmes in place for those customers who received unsuitable advice, which resulted in a loss. This advice was in relation to DB to DC pension transfers from Lighthouse advisers prior to Lighthouse transitioning to Quilter's systems and controls after its acquisition by Quilter.

The Board was also kept apprised and endorsed a voluntary programme of redress proposed by management to affected customers where we had inadvertently withheld dividends and interest payments.

## Ensuring Quilter's people and culture remain appropriate

During the year, the Board received biannual updates on people, culture and ways of working. There are positive indicators around how Quilter's people work together, and the Board recognise how the distinct cultures in our business segments sit together under our overarching culture and values framework. The Board has asked management to consider further how they can ensure that Quilter continues to be a place where all colleagues thrive whilst supporting a culture where high performance is recognised and celebrated. You can read more about the Inclusion and Diversity Action Plan on page 30. We are delighted to report that the Board itself met its own current diversity targets for both gender and ethnicity and you can read more about our new Board Diversity Policy on pages 64 and 67.

## Capital return and dividends

Despite the challenging external market conditions, the Company's capital, liquidity and cash flow continue to be strong and the Board continued to exercise prudent oversight of these important metrics.

As reported in last year's Annual Report, following conversations with major shareholders regarding the best method to return the proceeds from the sale of Quilter International, Quilter returned over £328m to shareholders by way of a B Share Scheme and Share Consolidation.

The Company's dividend continues to be in line with the Dividend Policy approved by the Board and implemented in May 2022.

## Debt funding

During the second half of 2022, the Board considered the options as to how to manage the potential refinancing of the existing £200 million bond issued by the Company in 2018 with a first call date option of 28 February 2023. The Board, led by our Chief Financial Officer and with support from our corporate advisers, carefully assessed the options available to us given the market dislocation in the UK bond markets in November 2022 following the government's mini budget. The Board Risk Committee reviewed in detail the Risk Factors that would be disclosed in the debt prospectus and the Board asked management to begin preparations to allow the Company to undertake a new bond issue in early 2023 to maintain optionality in the event of public debt markets reopening. The Board received a further update in December 2022 on the conditions in the debt market and were kept apprised of the potential options available to the Company.

Following a normalisation of debt market conditions in early 2023 coupled with receipt of necessary legal and regulatory approvals, the Board held an ad hoc Board meeting on 6 January 2023 to consider the options available and to review in detail the transaction documents including the Prospectus associated with a potential new issue. The Board considered that the 2018 bond be called and refinanced through a new bond issue of similar size. Cognisant of its responsibilities under s172(1) of the Companies Act, the Board debated in full the appropriate course of action. Although the cost of the new debt issue was higher than the coupon on the existing funding, had the debt not been repaid, it would have repriced to a broadly similar coupon to the new issue as well as potentially having a negative impact on our reputation with credit market investors which, as a relatively infrequent issuer, could have had a negative impact on the Group's reputation across the capital markets. The new capital funding arrangement will support Quilter over the medium term. The Board confirmed that a new Tier 2 Bond should be launched and on 16 January 2023 the new bond was announced to the market with a coupon rate of 8.625% and a maturity date of 18 April 2033, and with an initial call option in the period from 18 January 2028 to 18 April 2028. The Board received an update on market and shareholder sentiment at its next Board meeting.

## Business review

Following the move to simplify our structure to better support the end-to-end customer journey, the Board monitored the progress being made to fully integrate our private client advice business into Quilter Cheviot.

Following the Board Strategy meetings in July 2022, and given the evolving competitor environment, the challenging external market conditions, and with the appointment of our new Chief Executive Officer, the Board asked Steven Levin to focus on execution and the delivery of our strategy. As part of this work, Steven has implemented a business review and is due to bring back to the Board his assessment of how best to deliver Quilter's strategic priorities.

# Report from the Designated Workforce Engagement Directors

## Paul Matthews

Independent Non-executive Director



## Tazim Essani

Independent Non-executive Director



We are pleased to present our joint report as Workforce Engagement Directors. We want to share with you some of the activities we undertook throughout 2022 and our thoughts on the outputs of this work.

### What is our role

Our role is to ensure that the views and concerns of the workforce are central to all our Board decisions and are considered, in line with the Company's values, to support our long-term sustainable success. Our role offers a clear and direct link to the Board for colleagues from diverse groups and at all levels of the organisation. Our feedback complements management's colleague engagement programmes and provides the Board with further insights on colleagues and organisational culture more broadly. The Board receives biannual updates on people, culture and ways of working, with data sourced from a weekly Colleague Pulse survey, and it is our role to provide more colour around this data and help understand the tone of the conversation.

Colleagues are the key to our success, and the Board recognises the importance of attracting and retaining talented people in a highly competitive labour market. The Board is committed to support colleagues, both within and outside the workplace, particularly given the current economic environment and the cost-of-living challenges in 2022 and into 2023.

### Our progress

In 2022 we continued to collaborate with the Quilter Employee Forum, whose membership is made up of individuals from all parts of the organisation. With the agreement of the Forum members, we attend part of the Forum meetings to listen to the discussions, gauge the views of members and obtain feedback to share with the Board on topics as diverse as the impact for colleagues of the rising cost-of-living and the change of Chief Executive Officer. In addition, we meet monthly with the Forum Chair to discuss colleague sentiment and to share any Board updates which are relevant for the Forum.

Attending the Quilter Employee Forum has also provided the opportunity to understand the experience of colleagues working in the business and to hear from them about how the business and leadership changes in 2022 have impacted them. It has been pleasing to hear that, overall, these challenges have been received positively and generated a desire from our people to see more collaboration across the business to support our customers. Through engagement with the Employee Forum, we continue to recognise how committed our colleagues are and have been able to observe many examples throughout the year of where colleagues have come together to promote good customer outcomes.

During the year, we observed that the Employee Forum could be even more representative of the broader Group. Through collaboration with HR, we have considered ways to ensure all businesses and colleagues are fully represented.

# 5

Employee Forums attended

# 12

Discussions with the Chair of the Employee Forum

This year we also attended a face-to-face workshop with the Chairs of all Quilter colleague networks – the LGBT+ Network, the Cultural Diversity Network, the Inclusion & Diversity Steering Committee and the Gender Equality Network. By discussing their achievements to date and planned activities for 2023, we recognise the value that these networks bring to the Group. It was a pleasure to hear how the networks, which are populated and chaired by colleagues in addition to their professional roles, display a real desire and energy to make a difference.

In January 2022 the Board received a briefing from an external speaker on diversity and inclusion to support our Board in effectively overseeing the Group's efforts to drive the diversity and inclusion agenda and to better understand the benefits that openness can bring to an organisation. As a result of this, we asked management to make this session available to the senior management community and as a result, over 300 management colleagues joined a tailored virtual discussion on this vital topic. A key goal of the Quilter Inclusion & Diversity Action Plan, which was launched in July 2022, is to drive transparency about the make-up of Quilter's people. Sponsored by Tazim, the Board warmly endorsed the Action Plan. In line with other Directors and colleagues, we directly supported the Action Plan by providing our demographic data, including our age, gender identity, sexual orientation ethnicity, religion, disability, and socio-economic background to support internal and external initiatives to provide clear base metrics in order to measure and hold management and the Board to account on progress achieved.

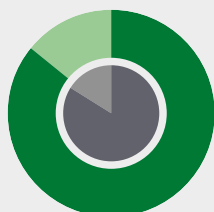
To celebrate International Women's Day, Tazim and other female Non-executive Directors attended a session focused on female talent and career progression, designed to forge connections between senior female talent and the Board. The session provided senior female colleagues the opportunity to ask the Non-executive Directors questions about their careers, and to discuss challenges, opportunities and experiences at Quilter.

### Looking forward to the year ahead

2023 will be another year of continued engagement with colleagues. The Board recognises that the dialogue between Workforce Engagement Directors and our colleague networks is an important mechanism in promoting our values across the business and understanding the perspectives of colleagues. Alongside our engagement with the Employee Forum, we attended the Quilter Conference in January 2023, and will meet with the colleague networks Chairs, engage with colleagues on our apprenticeship scheme, and identify opportunities to engage with colleagues across the organisation. Paul Matthews will step down as a Workforce Engagement Director, after serving three years in the role, at the conclusion of the 2023 AGM.

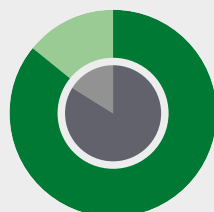
## 2022 employee engagement survey scores

**“My manager cares about me as a person.”**



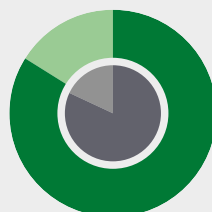
2022	8.6/10
2021	8.4/10

**“People from all backgrounds are treated fairly here.”**



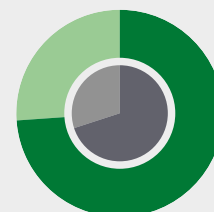
2022	8.6/10
2021	8.4/10

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



2022	8.4/10
2021	8.2/10

**“Overall engagement.”**



2022	7.4/10
2021	7.0/10

## Workforce engagement key themes

### Leadership

Quilter's people strategy continues to be an essential feature to support our leadership team and all colleagues. In January 2022, the Executive Committee led a virtual conference for all colleagues to discuss our business strategy and reinforce support for our people strategy and we are pleased to see that throughout 2022 there has been positive colleague engagement and participation with the colleague programme. Colleagues also heard from external guests who covered a range of subjects, including how to shape organisational culture and financial wellbeing and resilience.

Group hybrid working principles and guidelines were published in December 2022, to offer clarity to colleagues about Quilter's hybrid working arrangements. The approach encourages colleagues on a case-by-case basis to discuss with management working patterns, taking into account what works for colleagues, our customers and our business. As workforce engagement directors, we view this approach as an example of where management are adapting to the change in how people want to work in a post-pandemic environment.

### Supporting our people

Quilter continues to carry out regular surveys on colleague engagement. We have seen a steady improvement in engagement across the Group with engagement scores increasing marginally throughout 2022. We are delighted to see that across the six engagement metrics we reported on last year, each score has increased.

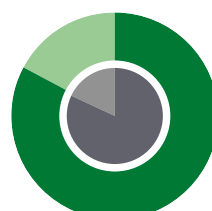
Feedback from colleagues this year highlighted that the frequency of engagement surveys is considered too high. Colleagues have reported that they often do not have the time each week to complete the survey. Following our recommendation to management that the frequency of these touchpoints be reconsidered, the frequency will change to quarterly in 2023.

### Aligning our culture and values to our strategy

It is important that colleagues align with our culture and values, which are Dependable, Stronger Together and Pioneering, and that the Board has confidence that this alignment continues to strengthen. In 2022, the Board has kept oversight of the people strategy, which focused on targeted Group-wide and individual business actions to target underlying issues and improve colleague engagement scores. The Board also dedicated time to discuss culture and values at our meetings in May and September.

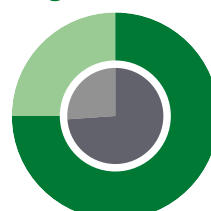
The Board considers the way colleagues feel able to voice concerns and know that they will be listened to and appropriate action taken should issues be raised, an extremely important measure of a strong and healthy culture. We are pleased to see a rise in the related metric in this year's survey results. The survey result demonstrates that most colleagues continue to feel it is easy 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 73.

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



2022	8.3/10
2021	8.2/10

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



2022	7.5/10
2021	7.4/10

Note: Data as at 30 December 2022 and 31 December 2021 respectively.

# Board Corporate Governance and Nominations Committee Report

**Ruth Markland**  
Chair



## Dear shareholder

This is my first report to shareholders as your Board Corporate Governance and Nominations Committee Chair. This Committee plays a key role in ensuring that our Board and Executive leadership have the right skills and experience to deliver our strategic priorities. It has been a busy year for the Committee with succession plans implemented for a number of key Board and Executive roles. During 2022, we announced the appointment of two new Non-executive Directors and a new Chief Executive Officer and completed the Chair succession process following Glyn Jones stepping down from the Board in May 2022.

Mindful of the changes to the Board during the year, we carefully considered the membership of our Board Committees and made arrangements to refresh the membership in line with the UK Corporate Governance Code 2018. Further details including our approach to governance during this time are included in the Board Committee reports.

The change in Chief Executive Officer and his senior management team gave us the opportunity to ensure that we have the right people in senior roles and that we also take action to build a strong senior management team for the longer term. There will be continuing focus on talent and succession planning in 2023.

We were fortunate to conduct an externally facilitated Board effectiveness review in the Autumn of 2022, which has helped me work with my fellow Board colleagues and management to consider how we can best drive the business forward. An overview of the process and the key outputs are set out on page 68.

The Committee recommended to the Board a new Board Diversity Policy which was approved with effect from 31 December 2022. The new Board Diversity Policy is a broad refresh to reflect the importance of Diversity and Inclusion at Quilter and to closely align to the voluntary targets set out in the FTSE Women Leaders Review and the new Listing Rules, which will be in place for reporting periods commencing from April 2022.

I am pleased to report that Quilter has continued to meet the targets in our Board Diversity Policy for the Board. We have also met the targets in the new Listing Rules for there to be 40% female representation on the Board and for there to be at least one woman in a senior Board position (being the Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director). In accordance with the recommendations of the Parker Review, Quilter further had at least one Director from a minority ethnic

background serving on the Board. Whilst we did not achieve our internal aspiration to reach 38% female representation within our senior management population (being the Executive Committee and their direct reports), we know that we need to sustain our focus to attract and retain more senior women and to enable women to grow their careers with us. That will, we hope, ensure we reach our goal of 40% female representation in senior management roles by the end of 2025. In accordance with the Code, as at 31 December 2022, 39% of senior management (being the Executive Committee, Company Secretary and their direct reports) were female (2021: 28%). We remain committed to maintaining the momentum of our gender diversity programme. A summary of the diversity and composition of the Board is set out on page 54 and the progress made by management is summarised on page 30.

The Committee has also carefully considered the next steps in simplification as Quilter is now organised in its new business segments. We continue to oversee preparations to implement a new Board and management governance structure in 2023 which will enable Quilter to be more agile and reflect the more focused organisation we now are.

In December 2022, following consideration of the Board effectiveness review, the Committee recommended to the Board that the Board Technology and Operations Committee be closed. You can read more about the process and how technology and operational matters are now addressed on page 81. The Committee will continue to review the Group's Corporate Governance framework and activities performed by the Board Committees.

As previously reported, the Committee further continued to oversee the Responsible Business framework and received updates on the progress being made in this strategically important area.

Finally, I would like to note my thanks to Glyn Jones for his careful stewardship of Quilter during his tenure as Chair. I would further like to thank our former Company Secretary, Patrick Gonsalves, who retired at the end of July 2022. Patrick's support to Quilter in preparation for Listing and in the years following Listing was invaluable. The Board was delighted to appoint Clare Barrett, Patrick's deputy, as his successor.

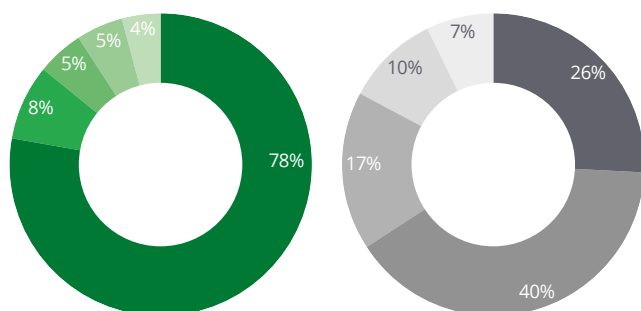
A handwritten signature in dark ink, appearing to read 'Ruth Markland', written in a cursive style.

**Ruth Markland**  
Chair



## At a glance

### Committee activity



Committee activity	2022	2021
Board & Board Committee Succession Planning	●	●
Corporate Governance	●	●
Responsible Business framework	●	●
Executive Succession Planning and Talent	●	●
Board Evaluation	●	●

### 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 framework

### Committee governance

The Board Corporate Governance and Nominations Committee currently comprises the Chair of the Board, the Senior Independent Director and one independent Non-executive Director. Ruth Markland was appointed as Chair of the Committee on 12 May 2022 at the conclusion of the 2022 AGM, when she was also appointed as Chair of the Board.

Details of the skills and experience of the Committee members can be found in their biographies on pages 56 to 58.

### Committee evaluation

As part of the 2022 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.

### Committee membership and meetings attended/eligible to attend

	Scheduled meetings	Ad hoc meetings <sup>1</sup>
Ruth Markland (Chair)	3/3	8/8
Tim Breedon	2/3	8/8
George Reid <sup>2</sup>	2/2	8/8
<b>Former members</b>		
Glyn Barker <sup>3</sup>	–	3/3
Glyn Jones <sup>4</sup>	2/2	–

<sup>1</sup>Some of the ad hoc meetings were sub committee meetings relating to succession.

<sup>2</sup>George Reid joined the Committee on 27 July 2022.

<sup>3</sup>Glyn Barker served as a member of the Committee during his time as a Director between June and November 2022.

<sup>4</sup>Glyn Jones resigned from the Board and stood down as Committee Chair on 12 May 2022 at the conclusion of the 2022 AGM.

Where a Director was unable to attend a meeting due to illness or a long-standing conflicting commitment, they reviewed the Committee papers and provided comments to the Committee Chair in advance of the meeting.

### 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](http://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. Given the Chair and Chief Executive Officer succession matters considered during the year, careful consideration was given to ensure that the attendees were appropriate for all scheduled and ad hoc meetings.

### Collaboration

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



## Key areas of Committee focus

### Board and Board Committee succession planning

A key area of responsibility for the Committee is to consider the skills and composition of the Board and Board Committee membership with a view to ensuring that there is an appropriate balance of Directors with the desired skills, experience, thought, independence and knowledge required to deliver Quilter's strategy. 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. The Chair considered each Directors' individual contribution to the Board together with feedback from the 2022 Board effectiveness review. The Chair provided feedback to the Non-executive Directors on their performance and Tim Breedon, as Senior Independent Director, provided feedback to the Chair. Ruth Markland, when in role as Senior Independent Director, provided feedback to the former Chair, Glyn Jones. 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 also responsible for reviewing and making recommendations to the Board on succession planning for the Board and key leadership positions within Quilter. As at year end, the Chair and all the Non-executive Directors have served on the Board for six years or less. Heightened focus is applied in the assessment of independence where Non-executive Directors have served for more than six years. All the Directors are subject to annual re-election by shareholders and the specific reasons why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success are set out in their biographies on pages 56 to 58. All Non-executive Directors have been assessed as independent in accordance with the Code, and the Chair was independent on appointment.

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 54. 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.

### Board changes and succession planning

In April 2022, Rosie Harris stood down from the Board. Rosie had served on our Board since April 2017 and was Chair of the Board Risk Committee. The Board were extremely grateful for Rosie's wise oversight as management embedded the Risk Framework as a newly listed company. The search for Rosie's successor was led by an external executive search agency, Egon Zehnder, who have only been retained for Board searches and have no other connection with Quilter or any individual Director.

Whilst the external search was conducted, the internal succession plan was enacted and George Reid, who has served on the Board Risk Committee and the Board Technology and Operations Committee since he joined the Board in 2017, and is the Chair of our Board Audit Committee, agreed to chair the Board Risk Committee until such time as a replacement could be identified. George did an exemplary job in chairing this Committee.

Following the search process, the Board were pleased to welcome Neeta Atkar to the Board on 11 August 2022 with a view to Neeta assuming the role of Board Risk Committee Chair once her induction had largely concluded. Neeta has a wealth of experience as a risk practitioner and as a Board Risk Committee Chair. The Chair responsibilities were handed over to Neeta on 1 October 2022.

As noted in the 2021 Annual Report, Glyn Jones, who had been Quilter Chair since November 2016 indicated in late 2021 his desire to stand down from the Board in 2022. Glyn resigned from the Board in May at the conclusion of the 2022 Annual General Meeting. Glyn was instrumental in supporting the Quilter executive team through Managed Separation and the Company's Listing in 2018, and the subsequent reshaping of the business. The Board were extremely grateful to Glyn for his oversight and careful stewardship during his tenure as Chair. In accordance with best practice, Glyn took no part in the process to oversee the search for his successor. In line with the Board Succession Plan, and given a full external search was progressing, the Board asked Ruth Markland to take on the Chair role from the conclusion of the Annual General Meeting and, in line with best practice, she ceased to chair any meetings of the Board Remuneration Committee and stood down from the Board Audit Committee at the same time.

In June 2022, following an external search by Egon Zehnder against pre-agreed criteria, Glyn Barker was appointed to the Board as a Non-executive Director with a view to him becoming Quilter Chair. Glyn informed the Board of his decision to step down for personal reasons on 11 November 2022. We wish Glyn well for the future. Following this, the Board concluded it was in the best interests of shareholders and other stakeholders that Ruth Markland be asked to continue as Chair. Ruth is committed to working with her Board colleagues and the executive team to deliver for all our stakeholders. Ruth was not involved in the discussions or process to confirm her appointment as Chair which was led by our Senior Independent Director, Tim Breedon. Tim's appointment as Senior Independent Director and Chair of Board Remuneration Committee was confirmed at the same time and he was not involved in this process. Tim's wealth of business, governance and remuneration experience and wise counsel is appreciated by the whole Board.

For the period from Ruth's initial appointment as Chair in May to November 2022, when she was asked to continue as Chair, the Board put in place arrangements in line with the recommendations of the Code. Tim Breedon chaired all meetings of the Board Remuneration Committee and was appointed as Senior Independent Director.

### Executive succession

As announced on 10 October 2022, Paul Feeney stood down from the Board on 31 October 2022 after over a decade of service as Chief Executive Officer and an Executive Director. Paul led the Company with vision and passion and was responsible for building Quilter into the strategically well positioned wealth manager it is today. In considering Executive succession, the Board identified Steven Levin as the nominated successor to the Chief Executive Officer role. Steven had been supported by a development plan to equip him to succeed Paul and over time his Group level responsibilities had increased to run the Affluent business. Steven was a member of Paul's Executive Committee, has a strong track record of execution and delivery and is well known to Quilter colleagues. Following an assessment of Steven's readiness and consideration of Quilter's strategy, the Board were pleased to confirm the appointment of Steven, as our Chief Executive Officer.

The Committee also delegated to a Sub-Committee, chaired by the Board Audit Committee Chair, and composed of the Senior Independent Director and the Chair of the Board Risk Committee, the oversight of the process to appoint a new Chief Risk Officer and Chief Internal Auditor.

In appointing our new Chief Executive Officer from within Quilter, the Committee and Board have a heightened focus on talent management in 2023.

### Diversity and inclusion

An important area of focus for this Committee is to oversee Quilter's work on diversity and inclusion for the Board, senior management and broader colleagues. We received updates on the progress being made to build supportive networks, promote mentoring and achieve greater diversity in its broadest sense. Early in 2022, 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.

Having commented on the FCA consultation on diversity in the financial services industry and in view of the publication in February 2022 of the FTSE Women Leaders Review, and the new Listing Rule and DTR requirements for reporting periods commencing from April 2022, the Committee reviewed the Board Diversity Policy and recommended some changes to the Policy to the Board. The Board approved the new Board Diversity Policy with effect from 31 December 2022. The changes include setting more stretching targets for gender diversity on the Board and senior management. The Committee, who were joined by Tazim Essani who has a particular interest in diversity and inclusion, were keen to ensure that the Policy appropriately expressed the Board's interest in the promotion of Quilter as a place all can thrive. The Directors provided the Company Secretary with their personal data and this is aggregated and will be used by the Committee when considering Board succession and composition. I am pleased to report that the Board continues to meet the voluntary recommendations of the FTSE Women Leaders Review for female representation on the Board, including the recommendation that at least one of our senior Board members (defined as a Chair, Chief Executive Officer, Chief Financial Officer or Senior Independent Director) is female. The Board also meet the Parker Review recommendation to have at least one Director from a minority background on the Board. A summary of the diversity and composition of the Board is set out on page 54.

The Board routinely engages with colleagues in a variety of ways, including mentoring and attending team events. Paul Matthews and Tazim Essani continued to serve on the Board's behalf as Workforce Engagement Directors. Tazim's sponsorship of the Company's Inclusion and Diversity Action Plan was a visible signal to our colleagues and other stakeholders as to the Board's commitment to making Quilter a place where everyone can thrive. How our Workforce Engagement Directors have discharged their responsibilities and the key areas of focus for 2023 are set out on pages 62 and 63. Paul Matthews will step down as a Workforce Engagement Director, after serving three years in the role, at the conclusion of the 2023 Annual General Meeting.

We endeavour to ensure that our colleagues are representative of the communities that they work in. In accordance with the Code, as at 31 December 2022, 39% (2021: 28%) of our senior management team, comprising the Executive Committee, the Company Secretary, and their direct reports, are female.

### Responsible Business framework

Being a responsible wealth manager is a core strategic priority and the Committee focused our efforts on overseeing the Responsible Business framework receiving updates during the year on how management are delivering the targets to support our reporting requirements. As in 2021, the Board directly monitored our responsible investment strategy, the Board Risk Committee ensured that the reporting of risks and risks around our ESG strategy were appropriately identified, monitored and mitigated and the Board Audit Committee scrutinised our external reporting.

### Corporate governance

As noted in our 2021 Annual Report, the Committee keeps actively under review our Corporate Governance framework. With the refocusing of our business and management now reporting under the Affluent and High Net Worth segments, the Committee has spent time examining how best to govern the Group. A recommendation has been made to the Board on a simplified approach that has regard to the legal and regulatory responsibilities for our operating entities, whilst ensuring our governance is simple, proportionate and appropriate.

### 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 recommends to 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.

## Board effectiveness review

### Background

In 2022, the Board agreed it was appropriate to commission an externally facilitated Board effectiveness review in line with best practice. Quilter's last externally facilitated review was performed in 2019. The review was conducted between August 2022 and November 2022 and was carried out in line with the recommendations of the UK Corporate Governance Code 2018. The review was led by the Chair, and we are pleased to be able to report on the process we undertook, the outputs from the review and our approach for 2023. The Chair has asked the Senior Independent Director to provide oversight to the action plan and he will report on that to the Board.

### Appointment

Following a selection process led by the Chair with support from the Company Secretary and overseen by the Board Corporate Governance and Nominations Committee, Quilter appointed Manchester Square Partners ("MSP") to facilitate the Board effectiveness review. MSP has no connection to any individual Director. They do provide coaching support to a small number of executives, but aside from this have no other connection with Quilter. The Board Corporate Governance and Nominations Committee considered the scope of MSP's engagement with Quilter and concluded that this would not preclude MSP from being the external facilitator of the 2022 Board effectiveness review. The Board Corporate Governance and Nominations Committee recommended to the Board the scope of the review with a view to examining the performance of the Board, its Committees, individual Directors and the Chair.

### Process

Following briefings by the Chair and Company Secretary, the review was carried out by the qualitative approach of in-depth structured one-to-one interviews by MSP with each Board member, anchored around the following key themes:

- Strategy | Challenges and Risk | Values and Culture
- Role of the Board | Dynamics | Engagement
- Structure of the Board | Composition | Succession
- Governance | Execution | Leadership

MSP also reviewed Board and Committee papers for the 12 month period prior to the review and the full report of the previous externally facilitated review conducted in 2019. Due to the timing of the interviews, the current Chief Executive Officer, Steven Levin, was not interviewed as part of the process. As Neeta Atkar was new to the Board in August 2022, she did not participate in the in-depth interviews, but her initial impressions were gained by way of an informal meeting.

### Results and actions

MSP presented their report to the Quilter Board in December 2022, which facilitated an open and constructive debate by the Board. The key themes emerging from the review were used to develop an action plan, which was reviewed and endorsed by the Board at its meeting on 2 March 2023. A summary of the themes and actions identified by the Board are set out opposite.

We are pleased to report that the review concluded that good progress has been made on all suggested improvements since the last external Board review in 2019. The review identified that the Board and Board Committees are functioning well, and that governance procedures and practices are strong.

The Board is collegiate and supportive and that there is a good degree of trust and respect between Non-executive Directors.

Following discussion of the MSP report, the Board identified some areas of focus for the future which have formed the basis of the action plan. The actions, as summarised in the table below, have been endorsed by the Board. Led by the Senior Independent Director, the Board Corporate Governance and Nominations Committee will monitor the delivery of the plan, and the Senior Independent Director will provide regular updates to the Board. The Board has already taken action to address some of the recommendations. The Board have asked MSP to perform a follow up review to check on progress in the first half of 2023.

### Summary of the key themes the Board agreed in the action plan and how these will be addressed

Matter to be addressed	How the issue will be addressed
<b>Future Board Governance Framework and Operating Model</b>	
As Quilter has refined its perimeter and refocused to be a UK wealth manager, Board Governance will be reviewed to rationalise how Quilter is run. This will include reviewing Committee remits and membership.	The Board will continue to drive the work to simplify the Board and management governance.
<b>Board Focus and Operation</b>	
The Board will take the opportunity to reconsider how best to use their time effectively.	The Board Strategy meeting has been brought forward to May 2023.
	The Board calendar to be reconsidered and clear steer provided to management on any papers required for the Board and sufficient time allocated to ensure time is spent on the most strategically important matters.
	Board papers will be refined to be more succinct with Board KPIs re-examined and refreshed.
	The Board will keep under active review where external stakeholder engagement may be of benefit to the Board, including ensuring the views of the workforce are appropriately considered by the Board.
<b>Board Dynamics</b>	
The Non-executive Directors will continue to consider how best to engage both inside and outside of the boardroom.	Non-executive Director only sessions will be scheduled and how the Board is working will be kept under active review. The format of talent events will be refreshed.

### Update on 2021 Board and Board Committee effectiveness

The Board Corporate Governance and Nominations Committee has regularly reviewed the progress on the action plan in response to the 2021 Board effectiveness review and concluded that all actions have been satisfactorily addressed.

# Board Audit Committee Report

**George Reid**  
Chair



## Dear shareholder

As Chair of the Board Audit Committee, I am pleased to report on the work the Committee has undertaken during 2022.

The Committee's core duties and responsibilities remain unchanged. The Committee has continued to assist the Board in monitoring the Group's control environment, providing strong 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 made.

During the year, the Committee continued to assess the financial control and reporting environment and is pleased to see improvements resulting from the embedding of the new general ledger. There is more work to do to fully embed these process improvements in some of the subsidiary businesses. We will remain focused on ensuring greater consistency in the reporting processes applied across the Group. Further information on how the Committee has overseen the Group's financial reporting and controls can be found on pages 71 and 72.

Towards the end of the year, the Committee commissioned an effectiveness review of the Internal Audit function which was conducted internally by way of a questionnaire. We are pleased to see that the function continues to perform strongly particularly given the change in Chief Internal Auditor during the year. Details of the Chief Internal Auditor appointment can be found on page 73.

We have received assurance from both our internal effectiveness review and the FRC's Audit Quality Review ("AQR") that our external auditors, PricewaterhouseCoopers LLP ("PwC"), continue to perform satisfactorily. The outcome of these reviews can be found on pages 73 and 74.

The Committee spent time considering the accounting and related disclosures for the capital return to shareholders by way of a B Share Scheme accompanied by a Share Consolidation which was implemented in May 2022. Since year-end we have also considered the disclosure requirements arising in connection with the new issue of £200 million subordinated debt and redemption of the previous £200 million subordinated debt instrument.

There have been some changes to the membership of the Committee during the year and I would like to take this opportunity to extend my thanks to Rosie Harris for her valuable contribution to the work of the Committee. In accordance with the UK Corporate Governance Code 2018 and best practice, Ruth Markland ceased to be a member of the Committee on assuming the role as Quilter Chair. We were pleased to welcome Neeta Atkar who joined the Board and the Board Audit Committee in August 2022.

I reported to you last year that the Committee will focus on simplifying the Group's financial disclosures and I am pleased to report that progress has been made in this regard following the sale of Quilter International. The Committee has also worked to ensure that other disclosures are presented more simply and clearly. There will be further scope for simplification in the 2023 financial statements and the Committee will stay focused in this regard.

The following pages provide further information on how the Committee has discharged its responsibilities during the year.

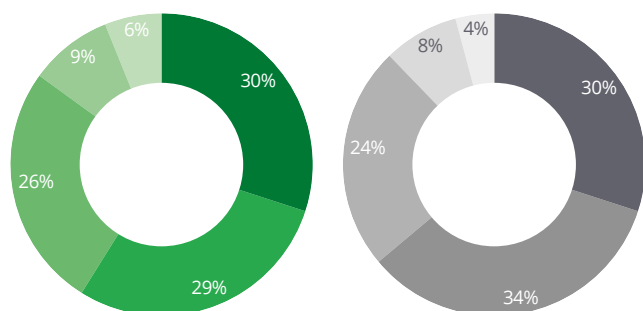
It is anticipated that in 2023 the Committee's main focus will be on overseeing, challenging and holding management to account on the provisions held and the evolution and adequacy of finance systems, procedures and controls.

A handwritten signature in dark ink, appearing to read 'George M. Reid', with a horizontal line underneath.

**George Reid**  
Chair

## At a glance

### Committee activity



Committee activity	2022	2021
Review of Financial Statements	●	●
Internal and External Audit	●	●
Internal Controls	●	●
Regulatory Compliance and Reporting	●	●
Governance	●	●

### 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 governance

The Board Audit Committee currently comprises three independent Non-executive Directors. The Chair of the Committee has recent and relevant financial experience and the Committee as a whole has competence relevant to the business sectors that Quilter operates in. On appointment as Quilter Chair, Ruth Markland ceased to be a member of the Committee. Glyn Barker, a former accountant, attended each Committee meeting whilst he was on the Board. No meetings were held in the period between Ruth Markland stepping down from the Committee and Glyn Barker joining the Board.

Details of the skills and experience of the Committee members can be found in their biographies on pages 56 to 58.

### Committee membership and meetings attended/eligible to attend

	Scheduled meetings	Ad hoc meetings
George Reid (Chair) <sup>1</sup>	9/10	1/1
Neeta Atkar <sup>2</sup>	3/3	–
Tazim Essani	9/10	1/1
<b>Former members</b>		
Glyn Barker <sup>3</sup>	2/2	1/1
Rosie Harris <sup>4</sup>	4/4	–
Ruth Markland <sup>5</sup>	5/5	–

<sup>1</sup>George Reid was unable to attend one meeting due to illness and this meeting was chaired by the Risk Committee Chair.

<sup>2</sup>Neeta Atkar joined the Committee on 11 August 2022.

<sup>3</sup>Glyn Barker joined all Committee meetings during his time as a Director between June and November 2022.

<sup>4</sup>Rosie Harris resigned from the Board and stood down as a Committee member on 30 April 2022.

<sup>5</sup>Ruth Markland ceased to be a member of the Committee on appointment as Quilter Chair.

Where a Director was unable to attend a meeting due to illness or a long-standing conflicting commitment, they reviewed the Committee papers and provided comments to the Committee Chair in advance of the meeting.

### Committee evaluation

As part of the 2022 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](http://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, without management present.

### 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.



## Key areas of Committee focus

### Financial reporting

The Committee reviewed and challenged the Annual Report and Accounts, Preliminary Announcement and Interim Results for 2022. The Committee's reviews were supported by analysis and discussion from the Finance and Actuarial teams, reports from the second line on the solvency position and 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 reports.

The Group's accounts are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain alternative performance measures ("APMs") are used to aid the understanding of the Group's financial statements by Quilter's shareholders and other stakeholders. The Committee has continued its close scrutiny of APMs and great care has been taken 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 2022 financial statements.

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 assessment of viability for a period longer than 12 months. 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 Assessment, and Internal Capital Adequacy and Risk Assessment reports, 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 for the statement which is aligned with the Group's three-year business planning cycle. The viability statement can be found on pages 50 and 51.

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

### Accounting judgements and estimates

The Committee received regular updates on the Group's key accounting judgements and estimates to enable the Committee to consider and discuss these with management and the external auditors in advance of the end of each reporting period. Critical accounting judgements and material accounting estimates deliberated by the Committee during review of the 2022 Annual Report and Accounts included the treatment of:

Area of focus	Issue/role of the Committee
<b>Provisions for past business review cases and the related insurance recovery assets</b>	<p>The Committee reviewed the estimates involved in the provisioning for DB to DC pension transfer cases which are subject to a skilled person review in Lighthouse and other past business review cases. The Committee also reviewed the approach taken to the recognition and measurement of insurance recovery assets in the June 2022 interim financial statements, and year-end financial statements.</p> <p>The Committee's work included consideration of regulatory developments and correspondence received from the skilled person. The disclosures in the Group's financial statements were reviewed by the Committee to ensure compliance with IFRS and transparent presentation.</p>
<b>Goodwill and intangibles</b>	<p>The Committee considered the appropriateness of the key assumptions underpinning the Group's goodwill impairment testing, and the sensitivities modelled. In particular, the Committee considered whether the carrying amounts of goodwill and intangibles remained appropriate in the context of changes in the UK and global economy during 2022. The Committee reviewed the associated disclosures in both the interim and annual financial statements to ensure these met the requirements of IFRS, and provided relevant information to the readers of the financial statements.</p>
<b>Deferred tax</b>	<p>The approach taken to the recognition and measurement of deferred tax assets, and the estimations and assumptions used, were reviewed by the Committee. In particular, the Committee considered the impact of changes in the economic climate during 2022 on the recoverability of deferred tax assets.</p> <p>In addition, the Committee reviewed the deferred tax disclosures in the Group's financial statements to ensure compliance with IAS 12 (Income Taxes).</p>



## Key areas of Committee focus

### Fair, balanced and understandable

There has been a comprehensive review process to support the Board in reaching its conclusion that the 2022 Annual Report is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

The process which enabled the Committee to reach this conclusion included:

- the production of the 2022 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 for the drafting of the 2022 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 2022 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 2022 Annual Report and Accounts;
- a specific management paper detailing the 2022 year-end assessment of fair, balanced and understandable;
- a formal review by the Board Audit Committee of the draft 2022 Annual Report and Accounts in advance of the final sign-off; and
- a final review by the Quilter plc Board of Directors.

Having evaluated all relevant information, the assurances by management and underlying processes used to prepare the financial information the Committee is satisfied that, taken as a whole, the 2022 Annual Report and Accounts are fair, balanced and understandable and has confirmed this to the Board. This process was also undertaken in respect of the Group's 2022 Interim Results.

### Controls over financial reporting

The Committee has remained focused on ensuring the Group's internal controls over financial reporting operate effectively. Management has regularly reported on the state of the financial control environment throughout the year, confirming that, overall, there is an improving trend in the financial control environment across Quilter. This is evidenced by improved controls testing results, the low volume of risk events and improvements in data quality. The financial control environment within the Quilter Financial Planning business has received the Committee's utmost attention to ensure the necessary improvements are made. Time has also been spent monitoring the progress made against the internal control recommendations from PwC and the Committee is content that adequate progress is being made towards closing these agreed actions.

As part of the process to review and challenge the 2022 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.

### CASS compliance

Monitoring compliance with the FCA's Client Assets Sourcebook (CASS) rules, and the frameworks in place to maintain appropriate CASS controls in each of the regulated businesses, is essential to protecting the interests of Quilter's customers. The Committee performs this role by reviewing the reports on CASS produced by the internal and external auditors, the second line Risk Function and by management. Throughout the year, there has been a focus on collaboration across the Quilter CASS entities and on streamlining the control frameworks. The Committee has been kept informed on the progress made and is encouraged that there has been a move towards greater consistency in CASS controls over the year.

### Regulatory reporting

During the year, the Committee reviewed, challenged and recommended to the Board for approval, the Group's 2021 annual Solvency II reporting having received detailed reports on the disclosures from management, the second line Actuarial function and the external auditors. The 2021 year-end consolidated Capital Requirements Directive IV disclosures were approved by the Committee ahead of their publication on Quilter's website. Towards the end of the year, the Committee also scrutinised and approved the methodology and assumption changes to be applied to the 2022 year-end Solvency II reporting. The Committee has, and will continue to, closely monitor the potential impacts of the Department of Business, Energy & Industry Strategy ("BEIS") consultation on restoring trust in audit and corporate governance. The Committee reviewed the BEIS Response Statement published in May and FRC Position Paper that followed in July.

### Whistleblowing

To ensure a transparent and open culture that encourages employees to speak up, Quilter recognises the importance of having effective and trusted whistleblowing arrangements in place. 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. The Committee has received semi-annual reports on whistleblowing from management and has considered the details of specific whistleblowing complaints, the outcome of management's investigations and the effectiveness of the whistleblowing processes in place. The reports have included metrics from the Peakon colleague surveys which relate directly to a "speak up" culture. 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. A "mystery shopper" survey of the whistleblowing hotline was conducted in the year and the outcome reported to the Committee. The Chair of the Board Audit Committee is the Whistleblowing Champion for Quilter.

### Internal audit

Throughout the year, the Committee reviewed regular reports from the Chief Internal Auditor, which drew the Committee's attention to the key audit findings together with management's response, updating on progress against the audit plan and proposed changes to the plan as the year progressed. The reports also detailed the extent to which management has self identified the issues being raised by Internal Audit, as well as the progress and effectiveness of management actions taken to address audit findings. These measures are tracked closely as they provide an indication of the maturity of the Group's control framework. The Committee has also heard regularly from Internal Audit on its overall assessment of the internal control environment and where action is needed to enhance internal controls.

During the year, the Committee approved the appointment of a new Chief Internal Auditor, Daniel Baynton, following the appointment of the previous incumbent as Chief Risk Officer. This appointment was initially on an acting basis. In December 2022, the Committee confirmed Daniel Baynton as the Chief Internal Auditor on a permanent basis following a comprehensive selection process which was overseen by the Chair of the Committee and by a Sub-Committee of the Board Corporate Governance and Nominations Committee.

Each year, the Committee meets jointly with the Board Risk Committee to consider together the Risk Function Plan and the Internal Audit Plan. The Committee approved a risk-based internal audit plan for 2023 focused on the most critical areas for the Quilter business and focused on supporting the safe delivery of the organisation's strategic priorities. In particular, the plan recognises the importance of considering Consumer Duty requirements during each audit review in 2023. The Chief Internal Auditor has confirmed that the necessary resources and skillsets are in place to deliver the 2023 Internal Audit Plan, including having appropriate contingency to ensure that the Internal Audit function can adjust and react to unexpected demands.

Following last year's External Quality Assessment of the Internal Audit function, the Committee commissioned an internal review this year which sought views from key stakeholders across the business. The results concluded that the function is well respected, operates efficiently and effectively and makes a strong contribution to the control environment across the Group. The function scored highly for independence, objectivity and integrity. The Committee also regularly monitors the effectiveness of the function using a balanced scorecard, which is reviewed periodically to ensure it remains appropriate. In addition to reviewing the Internal Audit function's effectiveness, the Committee assessed the level of internal audit resource and the suitability of the skills and experience of the Internal Audit function.

### External audit

The Committee is responsible for overseeing the relationship with the external auditors and the effectiveness of the audit process. PwC were appointed as the Group's statutory auditor, with effect from the 2020 financial year, following a formal tender process.

In advance of each 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.

## Key areas of Committee focus

To support a robust and high-quality external audit the Committee has received regular and detailed reports from PwC throughout 2022 covering all aspects of their work. The Committee has reviewed PwC's internal control recommendations and also assessed management's response to these internal control findings. PwC has continued to contribute strongly to discussions on Quilter's financial statements, the Group's financial reporting processes and key accounting judgements.

To safeguard the independence and objectivity of the external auditors, the Committee adopted a policy on 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 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. Towards the end of 2022, PwC were engaged on work in relation to the issue of subordinated debt and this engagement constituted a non-audit service. The Group's total fees for non-audit services remain within the 25% limit set out in the policy.

Following the successful implementation of Audit Quality Indicators ("AQIs") last year, use of these as a tool to inform the assessment of the effectiveness of the external audit has continued this year. The indicators agreed are broadly in line with the prior year audit and focus on 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 auditors to the Committee throughout the course of the audit which has provided the Committee with more in-depth information about factors that influence the external audit quality.

In November 2022, an effectiveness review, similar to that undertaken in 2021, was conducted by the Company Secretary using a written survey to seek the views of key stakeholders to inform the Board Audit Committee'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 continues to perform satisfactorily and had delivered an effective service overall for the Group. PwC scored highly for independence, integrity and objectivity which provides assurance over audit quality. The Committee was pleased to note that PwC's delivery of a high-quality audit is further supported by the outcome of the FRC's AQR which assessed PwC's 2021 audit as 'limited improvements required'.

The scope of the inspection under the AQR covered the audit work performed on the following key audit matters:

- Sale of Quilter International (Group);
- Compensation provisions (Group);
- Goodwill impairment assessment (Group); and
- Impairment assessment of investments in subsidiaries (Parent).

As well as the audit work performed on the following other areas of audit focus:

- Cash and cash equivalents; and
- Revenue recognition.

The Committee has discussed the findings of the AQR with PwC and was pleased to note that there were no key findings and some areas of good practice. We note that this puts the review in the top category for public reporting. There were two areas of limited improvements required that the Committee are satisfied have been addressed by PwC.

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 2022. Quilter has no intention of tendering for an alternative external auditor before the end of the current required period of 10 years.

PwC are recommended for re-appointment by shareholders at Quilter's AGM to be held in May 2023.

### Auditors' remuneration

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Fees payable for audit services		
Group and Parent Company	1.3	1.5
Subsidiaries	2.1	2.2
Total fees for audit services	3.4	3.7
Fees for audit-related assurance services	1.2	0.8
Fees for non-audit services	0.2	0.5
<b>Total Group auditors' remuneration – continuing operations</b>	<b>4.8</b>	<b>5.0</b>
<b>Total Group auditors' remuneration – discontinued operations</b>	<b>–</b>	<b>0.3</b>
<b>Total Group auditors' remuneration<sup>1</sup></b>	<b>4.8</b>	<b>5.3</b>

<sup>1</sup>All fees are presented net of VAT.

# Board Risk Committee Report

**Neeta Atkar MBE**  
Chair



## Dear shareholder

This is my first report to you as Chair of the Board Risk Committee having joined the Quilter Board in August 2022 and becoming Chair of the Board Risk Committee on 1 October. I am grateful to George Reid, who served as the Committee Chair following the departure of Rosie Harris at the end of April 2022. Both George and Rosie provided excellent stewardship of the Committee and effective oversight of management during their periods as Chair.

Through my induction I have spent time with all members of the Quilter Board as well as the Executive Committee and senior members of the Risk Function. I am pleased to share with you my report on the work the Committee has undertaken during the year. I have been impressed by both the support and challenge given to management during the year and I look forward to further enhancing the role of the Committee in 2023.

The Committee supports and advises the Board on Quilter's risk profile providing a pan-Quilter perspective on all material risk matters. We monitor the Group's overall risk appetite, which is the amount and type of risk Quilter is prepared to accept in the delivery of its strategy, by monitoring both our internal and external risk profile. The macroeconomic climate has been challenging during the year, given high inflation and a fluctuating interest rate profile. However, we have maintained strong and conservative capital and liquidity positions, with prudent surpluses over risk appetite targets throughout the year. As part of the issuance of the Bond the Committee reviewed, considered and recommended to the Board, the risk factors set out in the Prospectus dated 16 January 2023.

There continues to be a high level of external regulatory change and we are focused on ensuring our plans to implement the new FCA Consumer Duty are robust with appropriate governance and resources in place to ensure that the Duty is appropriately embedded in Quilter's day-to-day processes and will be well understood by our advisers and employees. Other regulatory changes, such as the enhancements to the Appointed Representatives Regime and the continuing focus on ESG risk, have been carefully considered during the year and we will continue to monitor risk mitigation activities closely. The Committee's activity during the year in relation to ESG risk included receipt of a deep dive assessment on the risk of greenwashing and a review of the outputs of a new climate and environmental stress scenario test that has been implemented by management. More information can be found in our Responsible Business Report which forms part of the Strategic Report on pages 26 to 35.

The Committee continues to review the adequacy of our systems for risk assessment, internal controls and reporting. As in prior years, the Committee has remained focused on protecting customers, with a focus on providing oversight of Advice Risk. We have challenged management to continue to make the necessary enhancements to the control environment in Quilter Financial Planning and continue to exercise oversight of the delivery of operational change and automation of procedures to support and enhance customer experience.

The Committee has also had close regard to people risk given the pressures of the economic environment and our business change initiatives.

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. During the year, the Committee Chair has provided regular updates to the Board on matters considered by the Committee.

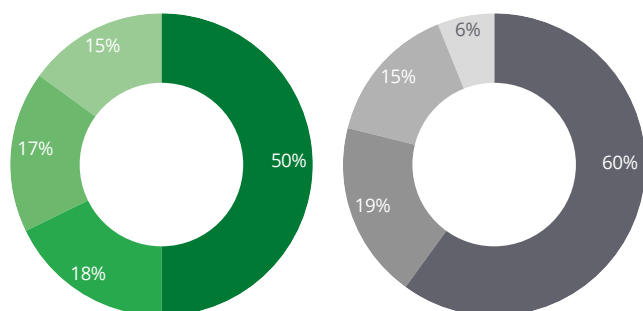
As we look forward to 2023, I intend to work closely with the Chief Risk Officer to enhance the reporting the Committee receives in order to support more effectively the Committee in discharging its responsibilities on behalf of our stakeholders. I am grateful to the Quilter team for their continuing focus and to my fellow board colleagues for their support.

A handwritten signature in black ink, appearing to read 'Neeta Atkar'.

**Neeta Atkar MBE**  
Chair

## At a glance

### Committee activity



Committee activity	2022	2021
Top Risk Oversight	●	●
Regulatory Change	●	●
Risk Appetite, Profile and Capital & Liquidity	●	●
Risk Governance and Remuneration	●	–
Change programmes	–	●

### Committee responsibilities

- Oversees risk strategy.
- Monitors and reviews the internal control framework.
- Recommends the total level of risk Quilter is prepared to take (risk appetite).
- Assesses the top and emerging risks.
- Monitors the risk profile.
- Oversees the effectiveness of the Risk and Compliance function.

### Committee governance

The Board Risk Committee currently comprises five independent Non-executive Directors, with Tim Breedon stepping down from the Committee on 31 December 2022. George Reid chaired the Committee from 1 May 2022 to 30 September 2022.

Details of the skills and experience of the Committee members can be found in their biographies on pages 56 to 58.

### Committee evaluation

As part of the 2022 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.

### Committee membership and meetings attended/eligible to attend

	Scheduled meetings	Ad hoc meetings
Neeta Atkar <sup>1</sup> (Chair)	4/4	–
Tim Breedon <sup>2</sup>	8/9	1/1
Moir Kilcoyne	8/9	0/1
Paul Matthews	9/9	1/1
George Reid	8/9	1/1
Chris Samuel	8/9	1/1
<b>Former member</b>		
Rosie Harris <sup>3</sup>	3/3	1/1

<sup>1</sup>Neeta Atkar joined the Committee on 11 August 2022.

<sup>2</sup>Tim Breedon stepped down from the Committee on 31 December 2022.

<sup>3</sup>Rosie Harris resigned from the Board and stood down as Committee Chair on 30 April 2022.

Where a Director was unable to attend a meeting due to illness or a long-standing conflicting commitment, they reviewed the Committee papers and provided comments to the Committee Chair in advance of the meeting.

### 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.

### 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. The Committee has continued to work collaboratively and effectively with other Board Committees on matters such as the effectiveness of internal controls.

## Key areas of Committee focus

### Risk appetite

The Committee monitors and receives routine updates on the Group's risk appetite on behalf of the Board. During the year we reviewed the Strategic Risk Appetite Principles ("SRAPs") and approved changes to Information Security and Regulatory risk measures within the Control Environment SRAP. The Committee has closely engaged on the enhancements to the Customer SRAP as management continue to refine this to more appropriately reflect how management assess customers' outcomes in line with the new Consumer Duty.

During Q3 the Internal Audit Failed Issues Assurance measure, which forms part of the Control Environment SRAP, exceeded the risk appetite threshold and the Committee welcomed the action taken by management to address and mitigate the areas of risk in relation to the Issues Assurance failures. With the exception of this matter, the Committee was pleased to note that Quilter continued to operate within its risk appetite limits in 2022, based on performance against the SRAP measures.

The Committee 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 2022 for the Group.

### Prudential risk

This has been the first year for the new reporting regime under the Prudential sourcebook for investment firms ("IFPRU") and we have reported against the new internal capital adequacy and risk assessment ("ICARA") for the first time. Over the year, we reviewed the component parts of the own risk and solvency assessment ("ORSA") and ICARA, including the capital allocations and stress and scenario testing which have been debated and challenged. We have reviewed and considered the recovery and wind down plans and have discussed with management the enhancements that will be made in 2023 to further improve the plans.

### Capital and liquidity

The Committee received routine quarterly updates from our Chief Financial Officer on the Group's capital, cash and liquidity positions against our risk appetite during the year. Despite the challenging macroeconomic environment, Quilter remains strongly capitalised and has operated within capital and liquidity risk appetites during the year. Given the changing external economic environment, we asked management to perform further stress testing on economic scenario analysis on inflation and interest rates and this was completed and reviewed during the year.

### Operational risk

The Committee received a demonstration of a new internal risk assessment tool, Resolver, which was implemented in 2022. During the year, the Committee asked management to refresh the operational risk reporting that the Committee receives, and good progress is being made on the enhancements requested.

### New and emerging risks

The biannual updates on emerging risks identify risks to Quilter as a business from the external environment including an assessment of likelihood and time scale. In Q1 2022 the Committee considered risk impacts for Quilter resulting from Russia's invasion of Ukraine with a view to identifying how to mitigate any risks to Quilter and our customers. As it became apparent the economic climate was worsening, the Committee received a risk assessment of the impacts of inflation on, amongst other things, flows, investment performance impacting our customers and the impact for colleagues of the rising cost of living.

### Risk factors – Bond Prospectus

The Committee reviewed, considered and recommended to the Board risk factors contained within the Prospectus dated 16 January 2023. You can read more about the process we undertook and the factors considered on page 61.

### Risk management and internal control systems

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 receive 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 2022 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 2022 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 73 and 74.



## Key areas of Committee focus

### Top risks

You can read about the Group's assessment of our top risks and how these are identified, managed and mitigated on pages 44 to 49 in the Risk Review. The Committee routinely receives quarterly updates from the Chief Executive Officer and the Chief Risk Officer on their assessment of these risks.

### Advice risk

The Committee has held in depth discussions on the controls to mitigate the risk associated with how Quilter and its advisers provide appropriate advice to customers. Along with the Board of Quilter Financial Planning, the Committee has overseen the improvements made to date in the control environment of that business and continues to monitor the steps being taken to automate control processes and fully embed a robust and effective control culture throughout the business. This will ensure that our customers are appropriately protected and Quilter can demonstrate that the advice provided is in their best interests and promotes good customer outcomes. The Committee has challenged management to consider and mitigate the business risks for customers given the external market conditions.

### Conduct risk

The Committee has continued to monitor our ongoing management of conduct risk and receives regular updates on conduct risk matters including complaints, advice and suitability, and post advice arrangements and servicing.

### People risk

The Committee has welcomed the improved employee engagement score during the year and has continued to monitor people risk carefully given the pressures of the economic environment and business change initiatives. As the working environment continues to evolve post the COVID-19 pandemic we have discussed an update from Human Resources on the mitigation of people risk through the implementation of a hybrid working model.

### Third-party suppliers risk

During the year this Committee, along with the Board Technology and Operations Committee, has overseen the effectiveness of the processes in place to manage the services provided to the Group by third-parties ensuring robust oversight and engagement with our suppliers. The Committee has welcomed the ongoing focus in this area.

### Strategic delivery risk

The Committee introduced biannual reviews of the strategic risk profile associated with delivery of the operating plan. The risk profile has heightened during the year largely reflecting the impacts from market conditions due to the current economic and geopolitical environment. The Committee asked management to re-assess activity in order to ensure that Quilter is focused on the most critical activities.

### Regulatory risk

The Committee receives a quarterly report which provides analysis and commentary on the interactions with our regulators. The reporting covers regulatory change that impacts our

business, clients and customers. It includes horizon scanning and an assessment of likely change and the impact for Quilter. The Committee spent appropriate time during the year reviewing and challenging the implementation plans for the new FCA Consumer Duty ensuring these plans are robust with appropriate governance and resources in place to ensure that the new Consumer Duty will be embedded in Quilter's day-to-day processes and be well understood by our advisers and employees. The Committee has also received an assessment on how the future changes in the Appointed Representatives Regime will be implemented in Quilter Financial Planning.

### Conflicts of interest

The conflicts of interest inherent in our business model are closely monitored and an update is presented to the Committee twice a year by the Chief Executive Officer along with a second line assessment. Policies and processes are in place to ensure that there is appropriate scrutiny and consistency of how Quilter manages potential conflicts of interest across the Group.

### Data privacy risk

Twice a year the Committee considers a report 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 receives an annual update from the Group's Money Laundering Reporting Officer which gives a pan-Quilter view of the Anti-Money Laundering and Counter Terrorist Financing operating environment and associated risks. Following an increase of Financial Crime during the COVID-19 pandemic, levels have now stabilised and we are focused on managing high profile and emerging issues including sanctions risk.

### Risk and Compliance function and plans

In July 2022, Matt Burton stepped down as Chief Risk Officer to focus on his health. The Committee is grateful to Matt for his outstanding contribution and has welcomed Nick Sacre-Hardy as Chief Risk Officer. A review of the Risk function led by Nick commenced in the final quarter of 2022 and the Committee reviewed the results and proposed changes to the risk function in Q1 2023.

The Committee monitors progress 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 for approval if necessary.

### Looking forward

As we look forward to 2023, the Committee will continue to pay close regard to the impacts of the external environment for our customers and advisers and ensure that Quilter is well placed to ensure customer outcomes are appropriate and we continue to exercise oversight to manage and mitigate risk.

# Board Technology and Operations Committee Report

**Moira Kilcoyne**  
Chair



## Dear shareholder

I am pleased to present my report as Chair of the Board Technology and Operations Committee.

During 2022, the Committee focused on driving improvements to the digital experience for our customers and was pleased to see the successful launch of the new Customer App for customers of the investment platform.

The Committee has continued to oversee the development and delivery of the technology strategy. Good progress has been made in the rationalisation and modernisation of our infrastructure during the year, bringing this programme of work to a close.

As change activity continued apace, we ensured that lessons learned from the Platform Transformation Programme have been embedded within management's planning and risk decision making. The Committee has challenged and endorsed management's drive for prioritising quality over cost savings and speed of delivery.

Continuing the progress made in recent years, the Committee has overseen further enhancements to the resilience of the Group's operations and technology to ensure availability of our services for our customers and advisers. The completion of our self-assessment of operational resilience, a regulatory requirement, is an important landmark for the Group and has supported the creation of additional goals in this space for the next two years.

We received regular updates on Information Security deliverables that are designed to keep the organisation, colleague and customer data secure through design, the deployment of key security capabilities, and targeted training for staff and awareness campaigns for customers.

Following the departure of Rosie Harris at the end of April 2022, the membership of the Committee was bolstered when Neeta Atkar joined the Committee on her appointment to the Board in August 2022. Neeta's understanding of customers and risk within the financial services industry strongly supported our deliberations.

The Committee was set up to oversee management's delivery of significant strategic technology change, most notably the implementation of the new investment platform. Following the successful delivery of the investment platform in 2021 and the continued demonstration of technological and operational expertise across the Group during 2022, the Board agreed to formally close the Committee with effect from 31 December 2022.

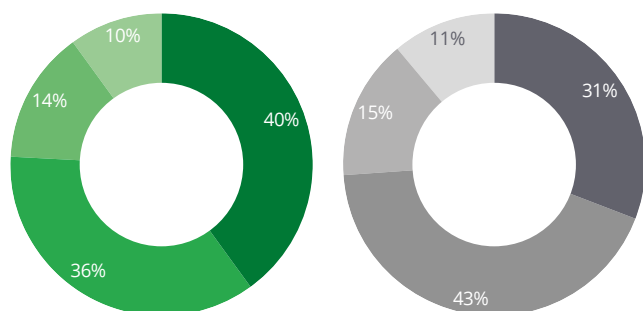
Reflecting on the priorities agreed in 2018 following the separation from Old Mutual, the Committee can look back with satisfaction at the significant milestones achieved and improvements made across technology and operations. The challenge and scrutiny provided by the Committee over areas such as information security, operational resilience and change programmes has created a strong foundation for the prospects of the Group going forwards. I am looking forward to continuing to work closely with management in 2023 and fully participating in discussions at the Board and Board Risk Committee meetings on the important matter of strategic technology change and management of IT risks.

A handwritten signature in black ink, appearing to be 'MK' or similar, written in a cursive style.

**Moira Kilcoyne**  
Chair

## At a glance

### Committee activity



Committee activity	2022	2021
Change Programmes	●	●
Technology and Operations Strategy	●	●
IT Security	●	●
Operational Resilience	●	●

### Committee responsibilities

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

### Committee governance

The Board Technology and Operations Committee comprised of four independent Non-executive Directors as at 31 December 2022.

Details of the skills and experience of the Committee members can be found in their biographies on pages 56 to 58.

### Committee evaluation

As an output of the 2022 Board effectiveness review, and in line with the desire to simplify the Group Governance, the Board assessed that the Committee had successfully met its objectives and decided that it is the right time to close the Committee. You can read more about this decision and how the Committee's responsibilities have transitioned to the Board and Board Risk Committee on page 81.

### Committee membership and meetings attended/eligible to attend

	Scheduled meetings
Moira Kilcoyne (Chair)	5/5
Neeta Atkar <sup>1</sup>	2/2
George Reid	4/5
Chris Samuel	5/5
<b>Former member</b>	
Rosie Harris <sup>2</sup>	0/1

<sup>1</sup>Neeta Atkar joined the Committee on 11 August 2022.

<sup>2</sup>Rosie Harris resigned from the Board and stood down as Committee member on 30 April 2022.

Where a Director was unable to attend a meeting due to illness or a long-standing conflicting commitment, they reviewed the Committee papers and provided comments to the Committee Chair in advance of the meeting.

### Discharging our responsibilities

The Committee reviewed its activities over the previous 12 months against its Terms of Reference and confirmed that it had discharged its responsibilities in full.

### Attendance

The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Risk Officer regularly attended Committee meetings. Other Non-executive Directors attended Committee meetings for matters of particular interest.

### Collaboration

The Chair briefed the Board on key discussions and provided a written report to the Board, where feasible, after each meeting. The papers and reports presented to the Committee were made available to all Quilter Non-executive Directors.

## Key areas of Committee focus

### Digital and data strategies

A key area of focus for the Committee in 2022 has been to oversee and challenge the digital and data strategies, which have included several initiatives aimed at improving the digital experience for our customers and building foundational capabilities to support them.

One component of the digital strategy has been the Customer App that was successfully launched towards the end of 2022. It has initially been deployed for Quilter Investment Platform customers as part of the Affluent segment proposition, with the intention to extend the Customer App in future to the High Net Worth segment. The Customer App was developed to include a range of functionality, with customer feedback used to identify the features of most benefit for customers.

An area of focus for the Group's data strategy has been the Data Transformation Programme that has been laying the foundations for the future. The aim of the first stage of the programme has been to establish a new Group-wide data and reporting platform. This will reduce the number of technologies in the estate, but more importantly will enable customers to interact seamlessly across the entire Group. Improvement in data quality, whilst being critical for an effective operating environment, will also support management's work in readiness for the FCA Consumer Duty regulations that come into force during 2023.

With the history of managed separation and acquisitions over recent years, Quilter has consciously had a number of independent website domains. As the Group has continued its focus on simplification of our brand and optimising operational efficiency and technology solutions, a project was approved in 2021 to simplify the firm's websites. Work in this area has progressed during the year with a plan to migrate business websites to align with our Affluent and High Net Worth segments. The websites will support customers and advisers to access their products and services across the Group.

### 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. During the year management completed a self-assessment of operational resilience that included the Group's resilience strategy, resilience journey and the steps taken to comply with new regulatory requirements. Where services are being provided or supported by third parties, a consistent and proportionate approach has been taken by

### Transition of Committee responsibilities

During 2022, the Board conducted an externally facilitated Board effectiveness review. Amongst other things, the review considered the role of the Board Committees.

The Board Technology and Operations Committee was created in 2017 to oversee the implementation of the new investment platform which was successfully delivered in 2021. The Committee further oversaw the work to develop a more mature operational and technological organisation as Quilter continued

management to ensure the resilience of services for our customers. The management of our external technology partners continues to be a key part of our resilience strategy.

The risk posed by external threats has continued to evolve and gain prevalence, with the risks elevated by Russia's invasion of Ukraine. Management have been focused in managing the risks posed by external threats with a culture and awareness programme. This approach has now evolved to promote awareness and behavioural change to develop a positive security culture. The protection of client data and our systems underpins our digital and data strategies and the Committee has received regular updates that provide assurance of management's vigilance and continued focus on protecting our customers.

### Operations enhancements

The Committee has continued to strongly encourage management to modernise, simplify and automate operational areas as part of a move to a data-driven, risk-based, processing environment. Quilter Financial Planning has been the first business to commence scoping work, with a view to enhancing controls by reducing the volume of manual processes in place through an investment in technology and data. Whilst the project is at an early stage, significant progress is anticipated during 2023. Quilter Investment Platform will be implementing the same technology, a cross divisional initiative that aims to produce further consistency and efficiency across operations. Progress on this activity will enable Quilter to progress our digital strategy at pace.

### Sale of Quilter International

As part of the sale of the Quilter International business to Utmost in 2021, a Transitional Services Agreement was put in place for Quilter to continue to provide certain core services to support the former Quilter International business. The Committee spent time during the year overseeing initial preparations for the migration of these customers from Quilter's systems to Utmost's to ensure that the process will run smoothly and customer impacts are minimised. The migration is due to be completed during 2023.

### Segment technology and operations updates

During the course of the year the Committee continued its approach of receiving more granular updates on technology and operations in each business segment. The sessions enabled the Committee to be informed about the collaboration across the Quilter Group and ongoing efforts to simplify key processes where it has been beneficial for customers for us to do so.

to deliver more customer-centric systems and operations. The findings of the Board effectiveness review were discussed with the Board and the Board concluded that the Committee had successfully delivered its original objective, and agreed that, with effect from 31 December 2022, the Committee be closed.

All the activity that the Committee conducted has been mapped to our Board Risk Committee or will be overseen directly by the Board.

# Board Remuneration Committee Report

**Tim Breedon**  
Chair



## Dear shareholder

In my first year as Chair of the Board Remuneration Committee ("Committee"), on behalf of the Board, I am pleased to present the Remuneration Report ("Report") in respect of the year ended 31 December 2022. This statement and the accompanying Report aims to ensure high levels of disclosure regarding pay policy in accordance with the UK Corporate Governance Code and transparency in respect of remuneration and decision-making.

At the last AGM in May 2022, both our Report for 2021 and our new Directors' Remuneration Policy ("Policy") received 96% of votes in favour. Our Policy is intended to be in place for three years and the next binding shareholder vote will be no later than the 2025 AGM, with the Policy kept under continuous review by the Committee to ensure it remains appropriate. This Report will be subject to an advisory vote at the 2023 AGM in line with regulatory requirements.

2022 was a year of solid business performance considering the challenging market in which we are operating in, with the war in Ukraine, the cost-of-living crisis and economic uncertainty impacting investor confidence and significantly dampening the revenue environment across the wealth and asset management industry. Despite this, the Company delivered a resilient financial performance with net flows of £1.8 billion (down from £4.0 billion in 2021) and Adjusted Profit of £134 million (down from £138 million in 2021).

The Committee approved a 2022 short-term incentive ("STI") outcome of £89k (46% of maximum) for the new Chief Executive Officer, Steven Levin, for the two months of qualifying service, and £418k (46% of maximum) for the Chief Financial Officer, Mark Satchel. Paul Feeney, who served as Chief Executive Officer for 10 months of the year, received £466k (41% of maximum). In determining these outcomes, the Committee exercised discretion to adjust down the STI outcome profit, relative to the reported IFRS profit, for the impact of below-the-line items where appropriate. All Executive Directors received an outcome of 32% of maximum for the vesting of the 2020 LTIP award after exercising discretion to adjust for corporate activity. Full details of these outcomes are set out in the Report.

During the year, the Company acknowledged the effect of higher price inflation on employees and made a one-off cost-of-living payment of £1,200 in August 2022 to all employees with a full-time equivalent base salary of up to £50,000 per annum, and continues to monitor inflation data and market developments closely.

The 2019 three-year Save As You Earn ("SAYE") scheme matured on 1 July 2022 with an option price 125 pence. Savings were returned to participants at the end of the six-month exercise period following maturity due to the prevailing share price being lower than the option price. The 2022 scheme commenced on 1 July 2022 with an option price of 117 pence and was available to all eligible UK employees over a three or five-year term. Both Executive Directors joined the 2022 Scheme.

For 2022 we have reported a median gender pay gap of 31% and a median bonus gap of 44%. Whilst our pay gaps have reduced since Gender Pay Gap Reporting was introduced five years ago, we still have much further to go. To reinforce our commitment to diverse representation within our senior management roles and to driving an inclusive culture, the Committee incorporated gender and ethnic minority representation and workforce engagement targets into the Executive Directors' 2022 STI scorecards. These targets were partially met and are reflected in the Executive Directors' 2022 STI outcomes, as detailed on page 97, and will continue to form an important component of the STI scorecard in future years. Further details of our gender pay gap and diverse representation targets can be found on page 30 of the Responsible Business Report.

Looking ahead, we will continue to monitor market developments 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 2023 AGM. I appreciate the continued support and feedback from our shareholders.

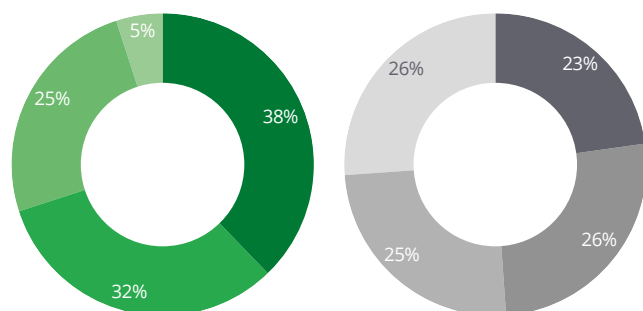
I would also like to take this opportunity to thank my predecessor, Ruth Markland, for her excellent chairmanship prior to my appointment.

A handwritten signature in dark ink, appearing to be 'TB', with a long horizontal flourish extending to the right.

**Tim Breedon**  
Chair of the Remuneration Committee

## At a glance

### Committee activity



Committee activity	2022	2021
Remuneration schemes, including all employee schemes	●	●
Risk and Governance	●	●
Specific remuneration arrangements	●	●
Group Remuneration Policy	●	●

### 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 governance

The Board Remuneration Committee ("Committee") currently comprises three independent Non-executive Directors and the Chair of the Board, who was independent on appointment. In accordance with the UK Corporate Governance Code, Ruth Markland ceased to chair the Committee meetings on appointment as Quilter Chair and Tim Breedon has chaired all Committee meetings since May 2022. Tim was confirmed as Board Remuneration Committee Chair in November 2022. Tim has served as a member of this Committee since appointment in June 2020 and has extensive remuneration experience and expertise.

Details of the skills and experience of the Committee members can be found in their biographies on pages 56 to 58.

### Committee evaluation

As part of the 2022 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.

### Committee membership and meetings attended/eligible to attend

	Scheduled meetings	Ad hoc meetings
Tim Breedon (Chair)	7/8	3/3
Ruth Markland	8/8	2/2
Tazim Essani	7/8	3/3
Paul Matthews	8/8	2/3
<b>Former members</b>		
Glyn Barker <sup>1</sup>	1/1	1/1
Glyn Jones <sup>2</sup>	5/5	–

<sup>1</sup>Glyn Barker served as a member of the Committee during his time as a Director between June and November 2022.

<sup>2</sup>Glyn Jones resigned from the Board and stood down as a Committee member on 12 May 2022 at the conclusion of the AGM.

Where a Director was unable to attend a meeting due to illness or a long-standing conflicting commitment, they reviewed the Committee papers and provided comments to the Committee Chair in advance of the meeting.

### 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](https://plc.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. Attendees do not take part in decisions relating to their own remuneration and potential conflicts are suitably mitigated.

### 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 Committee has met jointly with the Board Risk Committee to discuss the impact of risk on remuneration matters.



# Remuneration at a glance

## 2022 remuneration in numbers

STI metrics		Executive Directors' outcomes			
		Steven Levin	Mark Satchel	Paul Feeney	All Executive Directors
<b>£76m</b>	<b>2%</b>	<b>46%</b>	<b>46%</b>	<b>41%</b>	<b>32%</b>
IFRS profit before tax (STI Outcome) 2021: £60m	Net flows as a percentage of opening AuMA 2021: 4%	Short-term incentive (STI) as a % of max 2021: n/a	Short-term incentive (STI) as a % of max 2021: 69%	Short-term incentive (STI) as a % of max 2021: 66%	Long-term incentive (LTI) as a % of max 2021: 56%
LTI metrics (2020-2022)					
<b>9%</b>	<b>Below median</b>	<b>64%</b>	<b>54%</b>	<b>50%</b>	
Earnings per share (EPS) CAGR performance achieved 2021: 12%	Total Shareholder Return (TSR) 2021: 55th percentile	Total compensation as a % of max 2021: n/a	Total compensation as a % of max 2021: 70%	Total compensation as a % of max 2021: 69%	

## Components of Executive remuneration and outcomes for 2022

### Components of remuneration

Fixed pay	+	Short-term incentive ("STI")	+	Long-term incentive ("LTI")
<ul style="list-style-type: none"> <li>Salary</li> <li>Benefits</li> <li>Pension</li> <li>Normally reviewed annually with effect from 1 April</li> </ul>		<ul style="list-style-type: none"> <li>Award based on annual performance metrics that assess Company and individual performance</li> <li>50% of the award is subject to a three-year deferral under the Quilter Share Reward Plan</li> </ul>		<ul style="list-style-type: none"> <li>Awards subject to three-year performance period ending 31 December 2022</li> <li>Award vests in Q1 following end of the performance period and subject to a further two-year holding period</li> </ul>

### How much Executive Directors earned in 2022

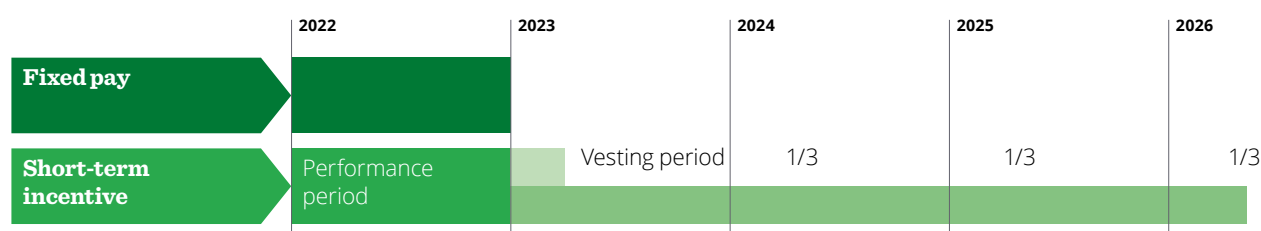
The following charts set out the aggregate emoluments earned by the Executive Directors for qualifying services in the year ended 31 December 2022.

Steven Levin	£201k	Mark Satchel	£1,175k	Paul Feeney	£1,475k
<b>£107k</b>	<b>£89k</b>	<b>£502k</b>	<b>£418k</b>	<b>£627k</b>	<b>£466k</b>
<b>Fixed</b>		<b>Fixed</b>		<b>Fixed</b>	
Salary	95.8	Salary	450.0	Salary	562.5
Benefits	1.5	Benefits	7.1	Benefits	8.1
Pension	9.6	Pension	45.0	Pension	56.3
<b>Short-term incentive</b>		<b>Short-term incentive</b>		<b>Short-term incentive</b>	
Total incentive award	89.0	Total incentive award	417.5	Total incentive award	466.0
<b>Long-term incentive</b>		<b>Long-term incentive</b>		<b>Long-term incentive</b>	
Award vests	5.5	Award vests	254.8	Award vests	382.2

## Link between remuneration and business strategy

Performance indicators			STI scorecard weighting	2022 achievement (% of maximum)
Short-term incentive	Financial	IFRS profit before tax attributable to equity holders (excluding amortisation, policyholder tax adjustments and other one-off items)	35%	50%
		Net flows as a percentage of opening AuMA	25%	0%
	Non-financial	Risk management	10%	
		• Steven Levin (appointed 1 November 2022)		60%
		• Mark Satchel		60%
		• Paul Feeney (stood down 31 October 2022)		50%
		Customer outcomes	10%	79%
		Strategic personal performance:	20%	
		• Steven Levin (appointed 1 November 2022)		75%
		• Mark Satchel		75%
		• Paul Feeney (stood down 31 October 2022)		55%
Long-term incentive	EPS growth	EPS compound annual growth rate (2019-2022)	70%	46%
	TSR value	TSR relative to FTSE 250 (excluding investment trusts)	30%	0%

## Summary of the key elements of our Policy



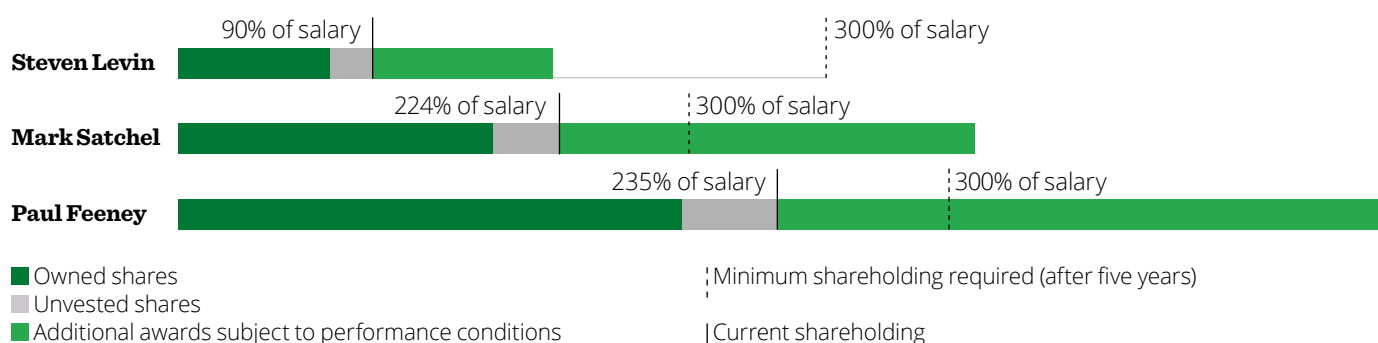
- Cash element of incentive outcome (50% of the whole award) is paid in Q1 following the end of the performance year.
- Deferred element of incentive outcome (50% of the whole award) is granted in shares and vests in three equal tranches in Q1 2024, Q1 2025 and Q1 2026 subject to the Deferred Share Bonus Plan rules.

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



Maximum long-term incentive opportunity 200% of salary.

## Shareholding



## Key areas of Committee focus

### Key performance highlights

- IFRS profit before tax attributable to equity holders (excluding amortisation, policyholder tax adjustments and other one-off items) for remuneration purposes was £76 million for 2022, compared with £60 million in 2021.
- The Company continued to drive net new flows in challenging market conditions as investor sentiment was weakened by inflationary shocks and the cost-of-living crisis, with Quilter achieving the largest share of gross flows across the retail advised industry to the end of the third quarter. Our full year net flows of £1.8 billion for 2022 was down on the £4.0 billion in the previous year, and was below the level to which we aspire. As a percentage of opening AuMA, net flows were 2% compared with 4% achieved in the prior year.
- AuMA decreased by 11% during the year to close at £99.6 billion, compared with £111.8 billion at the end of 2021. This was primarily the result of market headwinds, with lower equity markets and higher bond yields more than offsetting positive net flows.
- Management responded strongly to the declining revenue environment by instilling strong cost discipline, achieving full-year expenses of £472 million, £8 million below prior year despite the high inflationary environment, whilst also delivering higher savings through Business Simplification than originally targeted. This contributed to an operating margin of 22%, in line with the prior year.
- We significantly increased our focus on climate action in 2022, announcing a plan to reduce our Scope 1 and Scope 2 emissions by 80% by 2030 from a 2020 baseline, as well as strengthening the integration of ESG factors within our investment process; both of these measures have been incorporated into the LTI for the Executive Directors to underline our commitment to being a responsible wealth manager.
- We have continued to focus resolutely on our customers, with service a priority and the launch of some key propositional updates, whilst investment performance across our Wealth Select managed portfolios remained consistently strong, although our flagship Cirilium Active range lagged industry benchmarks over the period.

### Short-term incentive outcome

- Business performance has been resilient in a challenging year for the entire wealth management industry but, nonetheless, our financial performance was below the targets we set ourselves at the start of the year. Our 2022 IFRS profit result for STI purposes of £76 million was in line with target, generating an outcome equal to 50% of maximum and accounted for 35% of the Executive Directors' scorecard.
- Net flows as a percentage of opening AuMA were 2% (£1.8 billion), which was below the threshold target of 4% and therefore contributed a zero outcome for this metric, which accounted for 25% of the Executive Directors' scorecard.
- The risk management of the business and overall progress against key customer outcome measures were positive, with Quilter achieving a Trust Pilot score of 4.2, with 78% of reviews at four or five stars and overall satisfaction at 82%. This is considerably better than many of our peers. Investment performance was generally strong with the exception of the Cirilium Active proposition, with steps taken to address this.
- Good progress was made on our Inclusion and Diversity agenda, and we published our first full Action Plan and our lowest Gender Pay Gap since reporting began. The Company also made good progress in driving an inclusive culture with an improved colleague engagement score. Further details on our inclusion, diversity and gender pay gap outcomes and targets can be found on page 87.
- Overall, this generated an STI award of 46% of maximum (£89k) for the Chief Executive Officer, Steven Levin, and 46% of maximum (£418k) for the Chief Financial Officer, Mark Satchel. Paul Feeney also received an award of 41% of maximum (£466k) for the period he served as Chief Executive Officer.
- In determining these outcomes, the Committee exercised discretion in the form of a downward adjustment to the STI outcome profit result, relative to the reported IFRS profit, for the impact of below-the-line items where appropriate. They compared actual costs to targets and trued up to target where costs are delayed but still expected to be incurred, to ensure management didn't benefit from any cost delays versus genuine savings.

### Long-term incentive outcome

- The performance period for the 2020 LTI award ended on 31 December 2022 and the award is due to vest on 27 March 2023, subject to a further two-year holding period.
- The performance conditions were weighted 70% on adjusted EPS CAGR and 30% on TSR relative to the FTSE 250 excluding investment trusts.
- In line with the treatment of prior vested LTI awards, the Committee exercised discretion to adjust the EPS growth calculation for the impact of corporate activity during the vesting period to ensure the outcome appropriately reflected underlying performance. Specifically, the Committee decided to remove the earnings of divested businesses, net of stranded costs, and neutralise the impact of the Company's share buyback and Share Consolidation programmes to ensure there was a consistent measure of underlying growth, whilst also increasing the target CAGR range to reflect an expectation of higher growth within the core, continuing operations. This had the effect of reducing the outcome of the EPS CAGR condition from 55% of maximum to 46% of maximum. The full calculation is set out on pages 99 to 100 of the Report.
- The outcomes of both the earnings growth and TSR measures were negatively impacted by the challenging market conditions in 2022. Quilter's TSR – as well as other wealth and asset managers – underperformed relative to other industries within the FTSE 250 and was below the threshold target of median performance, contributing zero for that metric.
- Awards will vest on 27 March 2023 with an overall outcome of 32% of maximum for the Executive Directors, as detailed on pages 99 to 100 of the Report.

### Wider workforce considerations

The Committee considered carefully the effect of macroeconomic conditions on the Company's broad employee base, including close monitoring of market data movements and targeted salary review budgets to ensure the Company could appropriately attract, develop and retain talent in a particularly tight labour market. During the year, the Company also acknowledged the effect of the higher price inflation on employees and made a one-off cost-of-living payment of £1,200 in August 2022 to all employees with a full-time equivalent base salary of up to £50,000 per annum. At the 1 April review date, base salaries for the wider workforce are set to increase by an average 5%, which is a higher rate than historically applied. The Company will continue to monitor inflation data and market developments closely.

### Remuneration Policy

- The Policy was approved by shareholders at the AGM on 12 May 2022, with 96% votes in favour.
- The Policy itself had minor evolutionary updates to continue to align to market and corporate governance best practice. In applying the Policy the Committee amended the incentive metrics and weightings for 2022, increasing the weighting of net flows within the STI scorecard and expanding the LTI metrics to include strategic priorities covering operating margin and ESG measures. These updates will remain in place for 2023.
- The Policy is intended to be in place for three years and assuming no changes are required earlier, will next be put to a shareholder vote for formal approval at the 2025 AGM.

### Alignment to strategic priorities

The application of the Policy continues to align management incentives to the four strategic priorities of the Company, as set out in the chart on page 89.

### Inclusion, diversity and the gender pay gap

The Committee is focused on ensuring that pay arrangements across the Group reflect our diversity and inclusion agenda. Within the personal component of the 2022 STI scorecard for the Executive Directors, the Committee included specific targets to increase the proportion of female and ethnic minority colleagues within our senior management (defined as our Executive Committee and their direct reports (excluding Personal Assistants)). These targets were not met, with the proportion of females at the end of 2022 being 36% compared with a target of 38% and the proportion of ethnic minority individuals being 4% compared with a target of 5%, as the Company progresses toward its long-term target of 40% female by the end of 2025 and 5% ethnic minority representation in senior roles by the end of 2023, as published in the Company's Inclusion and Diversity Action Plan. Further details on scorecard targets and achievements can be found within the Executive Directors' personal objectives on page 97.

To support efforts on driving an inclusive and unified culture, the Committee also set a colleague engagement target of 7.4 (generated by an anonymous, weekly all-employee survey), representing a 6% increase on the starting position of 7.0. At the end of 2022, the score had improved to 7.4 in line with the target.

For 2022 we have reported a median gender pay gap of 31% and a median bonus gap of 44%. Whilst our pay gaps have reduced since Gender Pay Gap Reporting was introduced five years ago, we still have further to go in this area.

An inclusive culture and diverse workforce continues to be a key priority for the Company. Further details regarding our gender pay gap figures, our diverse representation targets and progress against our wider inclusion and diversity action plan can be found on pages 30 of the Responsible Business Report.

## Key areas of Committee focus

### Workforce engagement

Paul Matthews and Tazim Essani, Independent Non-executive Directors of Quilter and members of the Committee, are responsible for workforce engagement under the Corporate Governance Code. During 2022 they attended the Employee Forum and gained valuable insights on employee views, including the impact for colleagues of the rising cost of living, the appointment of Quilter's new Chief Executive Officer, and organisational culture. Further insights on their work is set out in the Governance in action report on pages 62 to 63.

### Considerations for the year ahead

The economic outlook remains uncertain and we expect the challenging market conditions for wealth managers experienced in 2022 to persist in 2023. We have a clear long-term plan to transform the business and the Committee is focused on ensuring that the execution of that plan for the benefit of all stakeholders is appropriately reflected in the incentive arrangements and outcomes for the Executive Directors over the coming period.

The Committee has decided that instead of setting the Executive Directors' profit target by reference to IFRS profit before tax (excluding amortisation, policyholder tax adjustments and other one-off items), the Committee will set the profit target by reference to Adjusted Profit from the 2023 financial year onwards but will retain – and disclose full details in the relevant year's Remuneration Report regarding the application of – an override to adjust the Adjusted Profit outcome if any below-the-line costs for Adjusted Profit purposes exceed the Board-approved business plan or include any exceptional items that the Committee concludes should be reflected in remuneration outcomes to reinforce the continued alignment of Executive Director and shareholder interests.

The previous IFRS profit definition has been in place since the Company listed in 2018, at which point it was delivering the Platform Transformation Programme and reshaping the perimeter of the business, with material restructuring costs as a result, so was seen by the Committee as a way of reinforcing alignment with the interests of shareholders. Those programmes are now complete and the Committee, noting that the definition of IFRS profit for STI purposes is not a metric reported for any other aspect of business performance and is not commonly used in the market, has decided that it is now appropriate to adopt Adjusted Profit for STI purposes, which, in contrast, is a widely followed metric by market participants. Aligning profit for STI purposes to Adjusted Profit will support the Policy principles of Clarity, Simplicity and Predictability for all stakeholders. It will also align the profit basis used in both the Company's short and long-term incentive plans.

The targets for the 2023 LTI award are set out on page 101 and the targets for the 2023 STI award will be disclosed retrospectively in the 2023 Directors' Remuneration Report in line with normal practice, given commercial sensitivity.

The Committee will also continue to monitor market practice and regulatory developments.

The Committee considered the overall remuneration arrangements for the Executive Directors for 2023 in accordance with the Policy. Key points are as follows:

- the Committee approved a 5% increase to the Chief Financial Officer's base salary, which was in line with the average increase of the wider workforce, and will be implemented at the 1 April 2023 salary review date. This was the first increase awarded to the Chief Financial Officer since appointment in 2019;
- there will be no increase to the Chief Executive Officer's base salary at the 1 April 2023 review date; and
- there will be no increase in fee for the Board Chair and there are currently no planned fee increases for Non-executive Directors for 2023. As part of the change of Board Chair during 2022, the Committee approved a revised Board Chair Fee of £350k, a 7% reduction on the prior incumbent.

# Directors' Remuneration Policy (summary)

The Policy is summarised below. The full details of the Policy are on pages 119 to 131 of the 2021 Annual Report and Accounts, which can be found in the investor relations section of the Quilter website. The Policy was approved by shareholders at the 2022 AGM and it is intended that the Policy will apply for three years from that date.

The Committee continues to assess 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:

<b>Alignment to culture</b>	<ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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;</li> <li>to ensure that remuneration practices are consistent with and encourage the principles of gender neutrality, equality, inclusion and diversity; and</li> <li>to align management and shareholder interests through building material share ownership over time.</li> </ul>
<b>Clarity</b>	<ul style="list-style-type: none"> <li>to clearly communicate our Remuneration Policy and reward outcomes to all stakeholders.</li> </ul>
<b>Simplicity</b>	<ul style="list-style-type: none"> <li>to ensure that our Remuneration Policy is transparent and easily understood; and</li> <li>to operate simple and clear remuneration structures across the Company.</li> </ul>
<b>Risk</b>	<ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>
<b>Predictability</b>	<ul style="list-style-type: none"> <li>to set robust and stretching performance targets which reward exceptional performance; and</li> <li>to set remuneration within the limits established under the Remuneration Policy.</li> </ul>
<b>Proportionality</b>	<ul style="list-style-type: none"> <li>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</li> <li>to consider wider employee pay when determining that of our Executive Directors.</li> </ul>

## How we create value for our stakeholders

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



### 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.

Elements		Purpose and link to strategy	Operation	Maximum opportunity
Fixed elements of pay	Base Salary	Attract and retain talent with the calibre, personal skills and attributes to develop, lead and deliver the Group's strategy.	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, and considers the direct and indirect impacts of any base salary increases on total remuneration.  Individual and Company performance will be taken into account in determining any salary increases.	There are no prescribed maximum salary levels, but any salary increases will normally be in line with percentage increases across the wider employee population.
	Benefits	To aid retention and attract the best talent for the business, whilst ensuring the total package is competitive in the market.	To provide Executive Directors with a market competitive level of benefits. Benefits currently provided to Executive Directors are in line with other Quilter employees and include private medical insurance, life assurance and income protection.  Executive Directors 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.  Any reasonable business-related expenses (including tax thereon if determined to be a taxable benefit) can be reimbursed.	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.
	Pension	To provide a market-competitive contribution that helps to attract and retain the best talent for the business.	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.	This is currently 10% of base salary.
Short-term incentive		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.	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.  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.  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%.  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.  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 of the 2021 Annual Report and Accounts.	The maximum STI opportunity is 200% of base salary.

Elements	Purpose and link to strategy	Operation	Maximum opportunity
<b>Long-term incentive</b>	To incentivise and reward Executive Directors for achieving superior long-term business performance that creates shareholder value and maximises sustainable shareholder returns.	<p>LTI awards are made under the Quilter plc Performance Share Plan ("PSP"). Awards are normally granted annually as nil cost options, which are subject to performance conditions. Awards normally vest after three years, subject to the achievement of performance conditions and continued employment.</p> <p>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 metrics and weighting are subject to periodic review and may be amended for future plan cycles.</p> <p>For each performance metric, a threshold and stretch level of performance is set. At threshold, 25% of maximum of the relevant element vests rising on a straight-line basis to 100% for attainment of levels of performance between threshold and maximum targets.</p> <p>LTI awards are subject to malus and clawback provisions as described in further detail in 'Risk adjustments, malus and clawback' on page 126 of the 2021 Annual Report and Accounts.</p>	An award over Company shares with a face value of 200% of base salary at the date of grant.
<b>Shareholding requirement</b>	To align Executive Directors' interests with those of shareholders.	<p>The Group operates a mandatory shareholding policy under which Executive Directors are required to build up and maintain a shareholding in the Company with a value at least equal to 300% of base salary. Executive Directors are expected to meet the requirement within five years of the Company's Listing date or, for newly-appointed Executive Directors, within five years of appointment if later.</p> <p>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.</p> <p>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).</p>	n/a

There are no changes to the composition of the STI scorecard in terms of metrics and weightings. However, the basis of the STI profit metric will change from IFRS profit before tax (excluding amortisation, policyholder tax adjustments and other one-off items) to Adjusted Profit from 2023 onwards. There are no other changes proposed to the application of any of the above elements of remuneration in 2023.

### 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
<b>Notice</b> Normally six months' notice.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Executive Directors will be subject to annual re-election at the AGM.</li> </ul>
<b>Treatment of annual incentive awards</b> 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.	<ul style="list-style-type: none"> <li>• Delivered in line with normal Policy and timeline, including the application of deferral into shares.</li> </ul>
<b>Treatment of unvested legacy LTI and deferred annual incentive share awards</b> All awards lapse except for good leavers.	<ul style="list-style-type: none"> <li>• LTI awards continue to the normal vesting date for good leavers<sup>1</sup> 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.</li> <li>• Deferred annual incentive share awards for good leavers<sup>1</sup> continue to the normal vesting date unless the Committee applies discretion to accelerate the vesting to the termination date.</li> <li>• Any post-vesting retention periods on share awards for good leavers continue to apply as normal.</li> </ul>
<b>Compensation for loss of office</b> Settlement agreements may provide for, as appropriate: <ul style="list-style-type: none"> <li>• Incidental costs related to the termination, such as legal fees for advice on the settlement agreement.</li> <li>• Provision of outplacement services.</li> <li>• Payment in lieu of accrued, but untaken, holiday entitlements.</li> <li>• Exit payments in relation to any legal obligation or damages arising from such obligation.</li> <li>• Settlement of any claim arising from the termination.</li> <li>• Continuation or payment in lieu of other incidental benefits.</li> <li>• In the case of redundancy, in line with the Company operated enhanced redundancy policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Terms are subject to the signing of a settlement agreement.</li> </ul>

<sup>1</sup>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.

## 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 2023.

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

### Fixed remuneration

Consists of expected 2023 base salary, which will include the 5% uplift for the Chief Financial Officer from 1 April 2023, plus the value of benefits in 2022 on a full-year basis (incorporating any pro-rated base salary uplift impacts) and a 10% pension contribution or allowance.

### On-target

Based on the value of fixed remuneration plus the potential value that the Executive Director could earn for on-target performance:

- a short-term incentive paying out at 50% of maximum; and
- long-term incentive paying out at 50% of maximum.

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

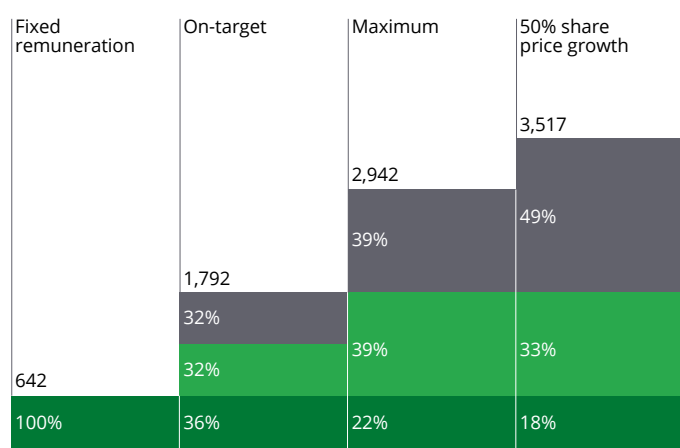
### Maximum

In addition to fixed remuneration, includes the potential value under the STI and LTI plans that the Executive Directors could earn for maximum performance.

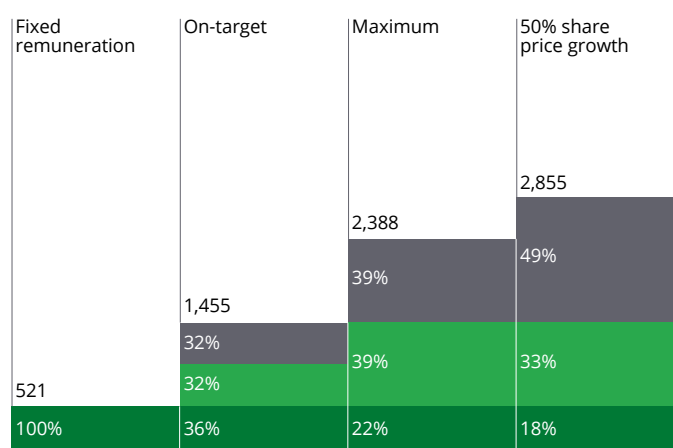
### Share price growth

Assuming share price growth of 50% to the maximum long-term incentive outcome, total remuneration would be £3,516,500 for the Chief Executive Officer.

#### Chief Executive Officer (£'000)



#### Chief Financial Officer (£'000)



- Fixed remuneration
- Short-term incentive
- Long-term incentive

# Annual Report on Remuneration

## Audited

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

## Application of the Policy in 2023

Content within a shaded box reflects the implementation approach for 2023.

The Report sets out how the Policy of the Company has been applied in 2022 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 2022 together with 2021 comparator figures.

Audited	Base salary £'000	Benefits £'000	Pension <sup>1</sup> £'000	STI £'000	LTI <sup>2</sup> £'000	Total £'000	Total Fixed £'000	Total Variable £'000
<b>Executive Director</b>								
<b>2022</b>								
Steven Levin (appointed 1 November 2022)	95.8	1.5	9.6	89.0	5.5	201.4	106.9	94.5
Mark Satchel	450.0	7.1	45.0	417.5	254.8	1,174.4	502.1	672.3
Paul Feeney (stood down 31 October 2022) <sup>3</sup>	562.5	8.1	56.3	466.0	382.2	1,475.1	626.9	848.2
<b>2021</b>								
Paul Feeney	675.0	10.2	67.5	886.0	754.4	2,393.1	752.7	1,640.4
Mark Satchel	450.0	7.1	45.0	618.0	502.9	1,623.0	502.1	1,120.9

<sup>1</sup>Pension includes contributions made under the Group defined contribution pension scheme plus, where applicable, amounts received as a pension allowance.

<sup>2</sup>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 99 to 101). The value of the 2020 LTI is calculated using the average share price over the final three-month period of the year ending 31 December 2022, which was £0.9625. The actual vesting date is 27 March 2023 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 depreciation is valued at £1,591 for Steven Levin, £73,638 for Mark Satchel and £110,457 for Paul Feeney as at 31 December 2022. The 2021 LTI value has been updated to reflect the share price on the actual vesting date, 12 May 2022, which was £1.2291, and the dividend equivalents issued before vesting of 15,863 additional shares for Paul Feeney and 10,574 additional shares for Mark Satchel.

<sup>3</sup>Base salary, benefits, pension and STI amounts in the above table are for qualifying services during the year up until 31 October 2022 only. For the period between 1 November 2022 and 31 December 2022, Paul Feeney continued to support the Company through a period of handover and transition and, in line with the Policy, for this period he received fixed compensation of £125,357 as part of his contractual notice period, as well as an STI of £93,000 calculated in line with the 2022 bonus scorecard in operation for Executive Directors.

## Components of the single figure

There were no increases to Executive Director base salaries at the 1 April 2022 review date. The Committee agreed for Mark Satchel to receive a 5% base salary increase, which is in line with the average increase for the wider workforce, at the 1 April 2023 review date.

Audited	Annual base salary as at 1 April 2022 £'000	Total base salary paid in 2022 for qualifying services £'000	Total base salary effective 1 April 2023 £'000
<b>Executive Director</b>			
Steven Levin (appointed 1 November 2022)	–	95.8	575.0
Mark Satchel	450.0	450.0	472.5
Paul Feeney (stood down 31 October 2022)	675.0	562.5	–

## Benefits

Benefits include life assurance, private medical cover and income protection.

Audited	Life assurance £'000	Medical £'000	Income protection £'000
<b>Name</b>			
<b>2022</b>			
Steven Levin (appointed 1 November 2022)	0.5	0.2	0.8
Mark Satchel	2.2	1.3	3.6
Paul Feeney (stood down 31 October 2022)	2.8	0.8	4.5
<b>2021</b>			
Paul Feeney	3.5	1.1	5.6
Mark Satchel	2.3	1.1	3.7

## Benefits for 2023

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, for qualifying services only. 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	Cash in lieu of pension contribution £'000	Contribution to pension scheme £'000	Total contribution £'000
Name			
<b>2022</b>			
Steven Levin (appointed 1 November 2022)	8.9	0.7	9.6
Mark Satchel	41.0	4.0	45.0
Paul Feeney (stood down 31 October 2022)	56.3	–	56.3
<b>2021</b>			
Paul Feeney	67.5	–	67.5
Mark Satchel	41.3	3.7	45.0

## Pension for 2023

No changes to the approach.

## 2022 STI awards

For the purpose of determining the 2022 STI outcome, the Committee assessed the performance of the business and the individuals by reference to a balanced scorecard of IFRS Profit (35%), net flows as a percentage of opening AuMA (25%), 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 2022.

## Group financial achievement

Audited	Weighting as % of total STI opportunity	Threshold (25% of max)	Target (50% of max)	Maximum (100%)	Outcome	Outcome as % of max
<b>Group financial performance measures</b>						
IFRS profit before tax attributable to equity holders (excluding amortisation, policyholder tax adjustments and other one-off items)	35%	£61m	£76m	£91m	£76m	50%

## 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 the STI outcome profit, relative to the reported IFRS profit, 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	Reported profit	STI target	STI outcome
<b>2022 profit reconciliation</b>			
<b>Adjusted profit before tax (before financing costs)</b>	<b>£134m</b>	<b>£146m</b>	<b>£134m</b>
Debt financing costs	(£10m)	(£10m)	(£10m)
<b>Adjusted profit before tax (after financing costs)</b>	<b>£124m</b>	<b>£136m</b>	<b>£124m</b>
Business Transformation <sup>1</sup>	(£23m)	(£31m)	(£27m)
Contingency for further revenue and cost benefits <sup>2</sup>	(£5m)	(£24m)	(£24m)
Platform Transformation Programme costs ("PTP")	–	(£1m)	–
Quilter Life Assurance & Quilter International restructuring costs <sup>3</sup>	(£3m)	(£4m)	(£4m)
Customer remediation <sup>4</sup>	£6m	–	£6m
Foreign exchange movements <sup>5</sup>	£4m	–	–
<b>IFRS profit before tax attributable to equity holders (excluding amortisation, policyholder tax adjustments and other one-off items)</b>	<b>£103m</b>	<b>£76m</b>	<b>£76m</b>

<sup>1</sup>Final Optimisation costs were £4 million lower than plan. Business Simplification 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 remove the benefit of below-target spend on Business Simplification.

<sup>2</sup>As actual spend was lower than the original contingency budget, the Committee approved an adjustment to true-up the STI outcome to the target level and remove the benefit of lower actual costs.

<sup>3</sup>The difference between actual and target spend is due to the timing of building exit costs; the Committee approved an adjustment to remove the benefit of lower actual spend during the period.

<sup>4</sup>The customer remediation net benefit arises from £12 million of insurance recoveries on past redress costs related to historic pre-acquisition DB to DC pension transfer advice, offset by costs of £6 million related to voluntary customer remediation payments arising from the Quilter Investment Platform Final Plan Closure matter.

<sup>5</sup>Relating to the South African Rand transactions to complete the B Share Scheme, with no benefit attributed to the performance scheme.



### Net flows as a percentage of opening AuMA

Net flows as a percentage of opening AuMA represented an increased maximum of 25% of the total STI opportunity, up from 20% in 2021. 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 as at 1 January 2022. 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 % of max
Net flows		£4.4bn	£6.2bn	£8.9bn	£1.8bn	
Opening AuMA		£111.8bn	£111.8bn	£111.8bn	£111.8bn	
<b>Net flows as a percentage of opening AuMA</b>	<b>25%</b>	<b>4%</b>	<b>6%</b>	<b>8%</b>	<b>2%</b>	<b>0%</b>

### 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 by considering quantitative and qualitative indicators of tone at the top and risk culture, management of risk profile with framework tools, management against risk appetite, the understanding of risk in strategic and tactical decision making and regulatory relationships. For the Customer element of the scorecard, performance was assessed against key risk and performance indicators covering governance, customer contact, complaints, satisfaction, service, advice suitability and oversight and an assessment of value, as measured by the Company's Customer Strategic Risk Appetite Principles ("SRAP"), as well as customer outcome and satisfaction indicators including net promoter and Trust Pilot scores, investment performance data and a qualitative assessment of evidence of broader customer focus.

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	Steven Levin (appointed 1 November 2022)	10%	<ul style="list-style-type: none"> <li>Strong support of a risk aware culture, promoting speaking up and constructive engagement with second line.</li> <li>Sound understanding of risk profile and top risks across the business clearly reflected in governance forum discussions, with constructive engagement and challenge.</li> </ul>			60%
Risk Management Framework Effectiveness	Mark Satchel	10%	<ul style="list-style-type: none"> <li>Strong risk focus, including through Capital Management Forum and constructive engagement with second line.</li> <li>Balanced focus on cost control with managing risks, ensuring risks fully identified and mitigating actions in place.</li> <li>Capital and liquidity management strong and effective, ensuring Quilter's financial position remains resilient and within risk appetite.</li> <li>Consideration of risk factors embedded in business planning process and provided clear view of risks associated with plan.</li> <li>Proactive and open engagement with regulators, particularly in relation to the Tier 2 debt refinancing.</li> </ul>			60%
Risk Management Framework Effectiveness	Paul Feeney (stood down 31 October 2022)	10%	<ul style="list-style-type: none"> <li>Strong tone at the top, ensured effective discussions and considerations on key risk issues.</li> <li>Clear understanding of risk profile and challenged management team to ensure effectiveness of mitigating actions.</li> <li>Balance between commercial drivers and broader associated risks could be strengthened in some decision making.</li> </ul>			50%
Customer Outcomes	Steven Levin, Mark Satchel and Paul Feeney	10%	<ul style="list-style-type: none"> <li>The Committee considered performance against a 50:50 balance of customer SRAP measures and customer satisfaction and delight measures.</li> <li>Quilter's Trustpilot score remained steady over 2022, ending the year at 4.2 with 78% of reviews being 4/5 stars and Quilter's overall satisfaction score was at 82%. This performance compared favourably to peers.</li> <li>Strong investment performance across our WealthSelect MPS range (8 portfolios 1st or 2nd quartile over 1 and 3 years), though the Cirilium Active range lagged industry benchmarks (5 portfolios 3rd or 4th quartile over 1 and 3 years).</li> <li>Key propositional launches including WealthSelect Plus and the Climate Assets Growth fund.</li> <li>Launch of the Quilter Family Office campaign.</li> <li>Launch of the Quilter Customer App for the Quilter Investment Platform.</li> <li>Further ESG integration into the advice process to support customer preferences on responsible investing.</li> </ul>			79%

### 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		Weighting as % of total STI opportunity	Overview	Key achievements in the year	Outcome as % of max
Executive Director					
Steven Levin (appointed 1 November 2022)		20%	Priorities following appointment were to become quickly established in the Group CEO role, build the right leadership capability at the executive table and start to drive forward the key strategic priorities facing the business.	<ul style="list-style-type: none"> <li>Timely reorganisation of the Quilter Executive Committee to provide strong leadership and delivery against the Company's strategic priorities and transformation plans.</li> <li>Strong start to the Group Chief Executive Officer role, with early identification and grasp of pressing business issues, focused on execution.</li> <li>Effective early engagement with key stakeholders as Group Chief Executive Officer, including customers, shareholders, employees and regulators to ensure the Company is focused on delivery for the benefit of all.</li> <li>Diverse representation targets for females and ethnic minorities in senior leadership roles were underachieved, with 36% female representation against a target of 38% and 4% ethnic minority representation against a target of 5% at the end of 2022.</li> </ul>	75%
Mark Satchel		20%	Objectives focused on delivery of financial KPIs with a particular focus on expenses, conclusion of the general ledger rationalisation programme, completion of return of capital and share buyback programmes, resolution of the Group Capital regime and preparation of a new or rolling bond instrument ahead of the first call redemption on the Company's existing Tier 2 bond in Q1 2023.	<ul style="list-style-type: none"> <li>In conjunction with the Chief Executive Officer, responded decisively to the rapidly changing macro-environment following Russia's invasion of Ukraine by implementing strong cost discipline for 2022, accelerating the delivery of planned cost reductions and delivering costs well below plan.</li> <li>Business Simplification initiatives generated annual run-rate savings of £23 million, more than double the original target and ahead of plan.</li> <li>Led successful execution of the capital return of £328 million in surplus proceeds from the sale of Quilter International to shareholders by way of a B Share Scheme followed by a Share Consolidation.</li> <li>Led preparatory work for a new Tier 2 bond issue as part of the Company's debt refinancing plans.</li> <li>Provided strong and stable leadership during a period of exceptional market conditions and played an integral role in supporting the transition of Group CEO and Group Chair.</li> <li>Diverse representation targets for females and ethnic minorities in senior leadership roles were underachieved, with 36% female representation against a target of 38% and 4% ethnic minority representation against a target of 5% at the end of 2022.</li> </ul>	75%
Paul Feeney (stood down 31 October 2022)		20%	Objectives focused on overall delivery of the Company's business and operating plans, strategic propositional developments, continuing to improve the control environment and developing the responsible wealth manager strategy, whilst achieving strong core business performance and creating value for shareholders.	<ul style="list-style-type: none"> <li>Overall business performance was solid in difficult market conditions and good progress was made against strategic priorities.</li> <li>Important uplift to our investment proposition with the launch of Wealth Select Plus, including a full suite of responsible and sustainable portfolios, as well as an improved digital proposition with the launch of a Customer App for the Platform.</li> <li>RFP numbers fell short of business plan targets, reflecting a difficult environment for adviser recruitment and retention amid consolidation in the industry, whilst Investment Manager numbers were in line with target.</li> <li>Demonstrated visible and responsible leadership against a difficult backdrop in 2022, with particular focus on the wider workforce including a one-off cost-of-living payment and improving the Company's culture score to 7.4 out of 10 in line with the target set at the start of the year.</li> <li>Diverse representation targets for females and ethnic minorities in senior leadership roles were underachieved, with 36% female representation against a target of 38% and 4% ethnic minority representation against a target of 5% at the end of 2022.</li> </ul>	55%

As part of its performance assessment, 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.

Following the identification of an unintended consequence relating to the application of a particular contractual term following account closure within the pension and bond products on the UK Platform, the Company decided to make voluntary remediation payments to customers impacted over the last 10 years. This resulted in total costs of £6 million for the remediation payments, which had the effect of reducing the Chief Executive's STI outcome by £14k (a reduction of 14% of the outcome) and the Chief Financial Officer's STI outcome by £63k (a reduction of 13% of the outcome). The Committee concluded that the 2022 financial impact of the additional costs was already appropriately reflected in the 2022 STI outcomes and a further explicit risk adjustment was not required.

### Deferral policy

In line with our Policy, 50% of the Executive Directors' 2022 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.

Audited Executive Director	Total		Deferred bonus		To be paid in cash	
	£'000	% of salary	£'000	% of salary	£'000	% of salary
Steven Levin (appointed 1 November 2022)	89.0	93%	44.5	46%	44.5	46%
Mark Satchel	417.5	93%	208.8	46%	208.8	46%
Paul Feeney (stood down 31 October 2022)	466.0	83%	233.0	41%	233.0	41%

### STI for 2023

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 customer, risk, strategic and personal measures (including inclusion and diversity measures). From 2023, the profit component of the STI scorecard will be based on Adjusted Profit instead of IFRS profit (excluding amortisation, policyholder tax adjustments and other one-off items).

Actual targets for 2023 have not been disclosed due to commercial sensitivity. These targets will be disclosed in the 2023 Report.

No other changes to the scorecard metrics or weightings are proposed.

### Vesting of 2020 LTI awards

On 31 December 2022, the 2020 LTI awards granted under the PSP reached the end of their performance period. These awards will vest on 27 March 2023, with the vested shares subject to a further two-year post-vesting holding period. The performance conditions which applied to the 2020 LTI award and the performance achieved are set out below.

Audited					
Performance condition	Weighting	Threshold <sup>1</sup> (25% vesting)	Maximum <sup>1</sup> (100% vesting)	Performance Achieved <sup>2</sup>	Weighted Percentage of Award Vesting
EPS CAGR (2019-22) <sup>3</sup>	70%	6% <sup>4</sup>	17% <sup>4</sup>	9.1%	46.2%
Relative TSR <sup>5</sup>	30%	Median	Upper quartile	102 out of 157 companies <sup>6</sup>	0.0%
<b>Award Outcome</b>					<b>32.4%</b>
<sup>1</sup> Straight-line interpolation between points. <sup>2</sup> The Committee adjusted the EPS CAGR performance condition to reflect the sales of Quilter Life Assurance and Quilter International. <sup>3</sup> Adjusted EPS, pre-dividend excluding amortisation and goodwill. <sup>4</sup> The Committee adjusted the EPS CAGR threshold and maximum targets from 5-15% 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 2019-22 from 56% to 46%. <sup>5</sup> Ranking relative to the constituents of the FTSE 250 excluding Investment Trusts. <sup>6</sup> Quilter achieved TSR of -27% over the period compared to median TSR for the comparator group of -9% and upper quartile of 21%.					

To ensure that earnings growth could be fairly and consistently assessed and the outcome appropriately reflective of the underlying 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. The Committee decided to exclude Quilter Life Assurance and Quilter International profits, adjusted for stranded costs, from the base year of the Adjusted EPS CAGR calculation to ensure the earnings growth was measured on a like-for-like basis between the end year and the base year, which was consistent with the treatment applied to the 2018 and 2019 LTI awards at vesting. 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 and the Share Consolidation following the capital return of surplus proceeds from the sale of Quilter International. 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 5-15% 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 2019-22 from 56% to 46% of maximum.

Audited			
Performance condition	2019 £m	2022 £m	Outcome
<b>Adjusted Profit (before tax)<sup>1</sup></b>	<b>235</b>	<b>134</b>	
less Quilter Life Assurance profit	(53)	–	
plus Quilter Life Assurance stranded costs	(12)	–	
less Quilter International profit	(55)	–	
plus Quilter International stranded costs	(10)	–	
<b>Revised Adjusted Profit (before tax)</b>	<b>105</b>	<b>134</b>	
<b>Revised Adjusted Profit (after tax)</b>	<b>89</b>	<b>115</b>	
Weighted average number of shares (million) <sup>2</sup>	1,835	1,835	
Adjusted EPS (pence)	4.8	6.3	
<b>Adjusted EPS CAGR (2019-22)</b>			<b>9.1%</b>
<sup>1</sup> Pre-dividend excluding amortisation and goodwill. <sup>2</sup> Share count in the measurement year has been adjusted to match the share count in the base year (1,835 million) 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) and the earnings of Quilter International (following which a Share Consolidation took place) have been excluded from the calculation.			

The Committee 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. The Committee also considered whether the vesting of awards may give rise to any windfall gains for the Executive Directors and noted that the awards were granted at a share price of 123p, considerably higher than the likely vesting price, with the three-month average share price for the period to the end of 2022 being 96p.

As a result of the 2020 LTI awards vesting at 32.4%, the Executive Director outcomes are as follows:

Audited					
Executive Director	Number of shares granted	Share-settled dividend equivalents	% of Awards vesting	Number of shares vesting	Value of shares vesting (£000) <sup>1</sup>
Steven Levin (appointed 1 November 2022) <sup>2</sup>	15,776	1,877	32.4%	5,720	5.5
Mark Satchel	730,223	86,870	32.4%	264,738	254.8
Paul Feeney (stood down 31 October 2022)	1,095,335	130,306	32.4%	397,108	382.2

<sup>1</sup>Deemed value based on the average share price of the final three-month period ended 31 December 2022 of £0.9625, the actual value will be based on the share price when the awards vest on 27 March 2023. The amount of this figure, which includes share dividend equivalents, attributable to share price depreciation is valued at £1,591 for Steven Levin, £73,638 for Mark Satchel and £110,457 for Paul Feeney as at 31 December 2022.

<sup>2</sup>Steven Levin's awards are pro-rated for his qualifying services only, which are two months of the thirty-six month performance period.

### LTI awards granted in 2022

Executive Directors are eligible to participate in the PSP, which is an LTI plan. The awards granted in 2022 are subject to the following performance conditions:

Audited					
2022 LTIP Performance Metrics		Weighting %	Threshold <sup>1</sup> (25% vesting)	Maximum <sup>1</sup> (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 <sup>2</sup>	• Carbon intensity of Quilter's operations (tonnes of carbon dioxide (tCO <sub>2</sub> e) per full-time employee/contractor)	2.5%	2,050	1,650	
	• Responsible investing (Principles for Responsible Investment ("PRI") aggregate modules rating) <sup>3</sup>	7.5%	12 stars	20 stars	

<sup>1</sup>Straight-line interpolation between threshold and maximum.

<sup>2</sup>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.

<sup>3</sup>If the score for any module is less than 3 stars, it will not count towards the total.

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 2022 performance year:

Audited								
Executive Director	Form of award	Date of award	Basis of award (% of salary)	Share price at the date of grant	Nil cost options awarded	Face value of award <sup>1</sup>	% vesting at threshold	Performance period
Steven Levin <sup>2</sup>	Nil cost options	27 March 2022	200%	£1.3765	209,872	£288,889	25%	2022–2024
Mark Satchel	Nil cost options	27 March 2022	200%	£1.3765	653,832	£900,000	25%	2022–2024
Paul Feeney <sup>3</sup>	Nil cost options	27 March 2022	200%	£1.3765	980,748	£1,350,000	25%	2022–2024

<sup>1</sup>The face value of the award figure is calculated by multiplying the number of shares awarded by the closing share price on the working day before the award was granted, of £1.3765.

<sup>2</sup>Steven Levin's awards were granted prior to being appointed Chief Executive Officer, his awards are pro-rated for his qualifying services only, which are twenty-six months of the thirty-six month performance period.

<sup>3</sup>Upon vesting, Paul Feeney's award will be pro-rated for the proportion of the vesting period served.

### LTI awards to be granted in 2023

The Committee intends to grant awards to the Executive Directors in March 2023 over nil cost options under the PSP with a face value at grant of 200% of base salary.

2022 LTIP Performance Metrics		Weighting %	Threshold <sup>1</sup> (25% vesting)	Maximum <sup>1</sup> (100% vesting)
Earnings per share	• Cumulative Adjusted EPS 2023-25 (pre-dividend excluding amortisation and goodwill)	40%	19p	28p
Operating margin	• 2025 pre-tax Adjusted Profit divided by total net fee revenue	25%	23%	27%
Total shareholder return	• Ranking relative to the constituents of the FTSE 250 excluding investment trusts	25%	Median of index	Upper quartile of index
ESG <sup>2</sup>	• Carbon intensity of Quilter's operations (tonnes of carbon dioxide (tCO <sub>2</sub> e) per full-time employee/contractor)	2.5%	1,800	1,450
	• Responsible investing (Principles for Responsible Investment ("PRI") aggregate modules rating) <sup>3</sup>	7.5%	12 stars	20 stars

<sup>1</sup>Straight-line interpolation between threshold and maximum.

<sup>2</sup>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.

<sup>3</sup>If the score for any module is less than 3 stars, it will not count towards the total.

The Committee may apply discretion to adjust the formulaic outcome upon vesting based on a review of the extent to which windfall gain considerations apply.

No further changes are proposed for the approach.

### All-employee share plans

In 2022, the Company invited all eligible UK employees, including Executive Directors, to enter the Save As You Earn ("SAYE") scheme. The scheme allows participants 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, participants 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 2022 with an option price of 117 pence.

In 2022, Steven Levin entered into a three-year savings contract, providing an option at maturity over 15,384 Quilter shares and Mark Satchel entered into a five-year savings contract, providing an option at maturity over 25,641 shares.

Steven Levin and Mark Satchel also participated in the three-year 2019 SAYE scheme with an option price of 125 pence, which matured on 1 July 2022. The options under this scheme lapsed at the end of the six-month exercise period following maturity due to the prevailing share price being lower than the option price, and savings were returned to participants.



### Non-executive Director total remuneration

The total remuneration for the services to Quilter 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. As at 31 December 2022, the regular Non-executive Director fees were paid at the following rate:

	Fee as at 31 December 2022
<b>Annual fees (Quilter Board)</b>	
Chair	£350,000
Basic annual fee	£65,000
<b>Additional fees:</b>	
Senior Independent Director	£20,000
Chairs of Board Audit, Board Risk, Board Remuneration and Board Technology and Operations Committee	£25,000
Members of the above Board Committees	£10,500
Members of the Board Corporate Governance and Nominations Committee	£5,500

Audited	Fees for 2022 £'000	Taxable benefits <sup>1</sup> 2022 £'000	Fees for 2021 £'000	Taxable benefits <sup>1</sup> 2021 £'000
<b>Non-executive Director</b>				
Ruth Markland	182.0	2.6	126.0	–
Neeta Atkar	41.2	0.3	–	–
Tim Breedon <sup>2</sup>	96.3	–	91.5	0.2
Tazim Essani	86.0	0.1	64.8	0.1
Moirá Kilcoyne	100.5	20.7	100.5	–
Paul Matthews <sup>3</sup>	86.0	7.1	86.0	3.2
George Reid <sup>4</sup>	119.4	29.6	111.0	12.5
Chris Samuel <sup>5</sup>	86.0	1.5	43.0	0.9
<b>Former Non-executive Directors</b>				
Glyn Barker <sup>6</sup>	36.2	1.4	–	–
Rosie Harris	37.0	7.8	111.0	7.6
Glyn Jones	137.1	–	375.0	–

<sup>1</sup>Taxable benefits relate to travel and subsistence expenses, and tax thereon, which were required to carry out duties as a Non-executive Director. Taxable benefits were not disclosed in the prior year. Such expenses were significantly lower in the prior year due to the global pandemic restricting travel. They have been included in the table above in order to ensure comparability.

<sup>6</sup>Glyn Barker attended Board Audit Committee meetings and he did not receive a fee.

Where applicable, additional fees are paid for a Non-executive Director who also serves on a subsidiary company within the Group. The current subsidiary Board and Committee fees are listed below, and details of fees paid are disclosed in the financial statements of the relevant legal entity.

	Fee as at 31 December 2022
<b>Subsidiary Board fees:</b>	
Chair of Subsidiary Boards	£80,000
Board Member of Quilter Financial Planning ("QFP"), Quilter Investors ("QI"), Quilter Cheviot ("QC")	£45,000
Members of the Subsidiary Board Committees	£5,000

The following Non-executive Directors received additional fees for subsidiary appointments during 2022:

<sup>2</sup>Tim Breedon is the Chair of Quilter Investors Limited.

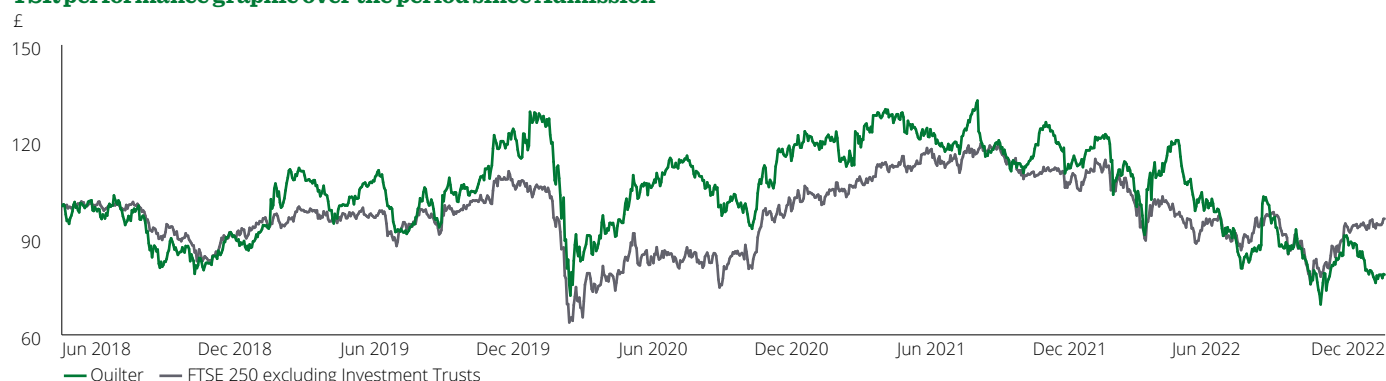
<sup>3</sup>Paul Matthews is a Director of Quilter Financial Planning Limited and is a member of its Audit Committee and Risk & Governance Committee. He was in receipt of a temporary uplift in his Quilter Financial Planning Limited fees from 1 January 2021 until 30 June 2022, which reflects the additional time commitment required in the business area.

<sup>4</sup>George Reid is the Chair of the UK Platform business, which comprises Quilter Life and Pensions Limited and Quilter Investment Platform Limited.

<sup>5</sup>Chris Samuel is the Chair of Quilter Financial Planning Limited. He was in receipt of a temporary uplift in his Quilter Financial Planning Limited fees from 1 January 2021 until 30 June 2022, which reflects the additional time commitment required in the business area.

Further details on Non-executive Directors' Board and Committee responsibilities and dates of appointment can be found on pages 52 to 58 of the Chair's Introduction to Corporate Governance.

### 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 2022. 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
2022	Steven Levin (appointed 1 November 2022)	201.4	46%	32.4%
2022	Paul Feeney (stood down 31 October 2022)	1,475.1	41%	32.4%
2021	Paul Feeney	2,393.1	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 annual percentage change in salary or fee and STI between the Directors and average employee from 2019 to 2022. The annual change in salary is based on the salary of permanent UK employees as at 31 December, and the annual change in STI excludes employees that are not eligible for bonus.

The annual increase in salary for the average employee reflects the inflationary environment and the strategic initiatives which have targeted efficiencies in workforce. The annual decrease of the average employee and Executive Directors' STI in 2022 reflects the challenging market conditions we have been operating in, the negative market movements and lower revenues have impacted the financial metrics driving the STI outcomes for all employees, and resulted in the weighted outcome of the financial aspect of the Executive Directors' scorecard being 50% lower than prior year. The annual changes in Non-executive Directors' fees are driven by changes in commitments, the Chair of the Board fee change in 2022 is the only Board or Committee fee change since Listing.

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 94 of this Report.

Remuneration outcome	Executive Directors				Independent Non-executive Directors							
	Average employee	Steven Levin <sup>2</sup>	Mark Satchel	Paul Feeney <sup>2</sup>	Ruth Markland	Tim Breedon	George Reid	Moira Kilcoyne	Paul Matthews	Tazim Essani	Chris Samuel	Neeta Atkar
2021-2022												
Salary/fees	4%	n/a	0%	0%	15%	3%	5%	0%	(7%)	33%	15%	n/a
STI	(12%)	n/a	(32%)	(37%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2020-2021												
Salary/fees	5%	n/a	0%	0%	2%	122%	(1%)	0%	24%	n/a	n/a	n/a
STI <sup>3</sup>	78%	n/a	100%	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2019-2020												
Salary/fees	5%	n/a	0%	0%	6%	n/a	(2%)	0%	10%	n/a	n/a	n/a
STI <sup>3</sup>	(49%)	n/a	(100%)	(100%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<sup>1</sup>Non-executive Directors' annual fee percentage changes have been updated to reflect the total actual fees received during the year for all plc and subsidiary commitments, previously the fees used to calculate the percentage change were based on plc Committee and Board appointments as at 31 December. Details of each Non-executive Directors' Board and Committee appointments can be found on page 102 of this Report.

<sup>2</sup>Steven Levin was appointed Chief Executive Officer on 1 November 2022, Paul Feeney stood down as Chief Executive Officer on 31 October 2022. The outcomes in the above table are calculated using the remuneration from the time served as an Executive Director only.

<sup>3</sup>During 2020, on the recommendation of the Executive Directors, the Committee exercised its discretion to reduce the Executive Directors' STI outcome to zero, which impacts the year-on-year percentage change in 2020 and 2021.

### 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 paid during the year.

#### Total remuneration

Year	Method	25th percentile	Median	Pay ratio		All employees £		
				75th percentile		25th percentile	Median	75th percentile
2022	Option A	46:1	30:1	17:1		36,196	56,092	96,835
2021	Option A	70:1	47:1	26:1		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

Year	Method	25th percentile	Median	Pay ratio		All employees £		
				75th percentile		25th percentile	Median	75th percentile
2022	Option A	23:1	16:1	9:1		28,359	42,456	70,000
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 2022 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 2021 total remuneration ratios above have been updated to reflect the actual STI and LTI amounts paid. The Chief Executive Officer remuneration is based on the combined salary and total single figure for Paul Feeney and Steven Levin for their qualifying services during the year. Our Chief Executive Officers have 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 lower Chief Executive Officer salary and strategic initiatives which have targeted efficiencies in our workforce in 2022, 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 reflect the lower Chief Executive Officer variable compensation in 2022, which is largely due to the decreased 2022 share price of the LTI, in addition to the targeted efficiencies in our workforce, and the outer years 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.

The Committee continues to carefully consider the macroeconomic conditions on the Company's employees, in addition to application of the Policy, and apply discretion where necessary, to ensure all aspects of Executive Directors remuneration remain aligned to the wider workforce. The Committee therefore believes the median pay ratio is consistent with pay, reward and progression policies for the Company's UK employees taken as a whole.

### Gender pay gap

The Company reported a median gender pay gap of 30% and a median bonus gap of 44% for 2022. The results reflect the under-representation of women in senior roles, which we recognise is a systemic issue facing the wealth management industry and will require ongoing, multi-year efforts to resolve. Further details regarding our gender pay gap figures can be found on page 30 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 2022 and 31 December 2021:

	2022	2021	% Change
Adjusted profit before tax <sup>1</sup> (£m)	134	138	(3%)
Dividends <sup>2</sup> (£m)	61	64	(5%)
Employee remuneration costs <sup>1,3</sup> (£m)	292	290	1%

<sup>1</sup>On a continuing business basis and therefore excludes Quilter International in 2021 for the period before the sale completed on 30 November 2021, including Quilter International, adjusted profit before tax is £188 million and employee remuneration costs are £329 million in 2021. Adjusted profit before tax is included in the above table as the Company considers it an important Key Performance Indicator.

<sup>2</sup>In 2021, the Company paid an Interim Dividend of 1.2 pence and a Final Dividend of 2.8 pence on a continuing basis. Including Quilter International, the Company paid an Interim Dividend of 1.7 pence and a Final Dividend of 3.9 pence and a total dividend payment of £90 million. For the 2022 financial year, the Company paid an Interim Dividend of 1.2 pence, a capital distribution equal to the 20 pence in the form of a B Share Scheme and Share Consolidation, and recommend a Final Dividend of 3.3 pence.

<sup>3</sup>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, which include shares held by connected persons, in Company share plans which will vest in future years subject to performance and/or continued service at 31 December 2022 together with any additional interests in shares held beneficially by the Executive Directors outside of Group share schemes. The share price at 31 December 2022 was £0.9292.

During the period 31 December 2022 to 8 March 2023, there were no exercises or dealings in the Company's share awards by the Directors.

Audited	Scheme interests at 31 December 2022				
				Deferred STI and other awards not subject to performance conditions (shares)	Subject to performance conditions under the LTIP (shares)
Performance condition	Legally owned (shares)	Subject to SIP (shares)	Subject to SAYE (options)		
Steven Levin (appointed 1 November 2022) <sup>1</sup>	414,555	1,418	29,784	224,494	878,130
Mark Satchel	863,459	1,418	40,041	347,633	2,077,935
Paul Feeney (stood down 31 October 2022) <sup>2</sup>	1,382,336	709	24,000	496,835	3,116,905

<sup>1</sup>Steven Levin's scheme interests are unadjusted for qualifying services.

<sup>2</sup>The share interests for Paul Feeney are as at the day he stood down from the Board, 31 October 2022.

### 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 2022, neither Steven Levin or Mark Satchel satisfy the minimum shareholding requirement due, in part, to the material reduction in Quilter's share price over the past year compared to historic averages. Each Executive Director has up to five years from the date of their appointment to achieve the minimum, which is 1 November 2027 for Steven Levin and 13 March 2024 for Mark Satchel.

As per our Policy, Paul Feeney will be subject to the post-cessation shareholding requirement to hold the value of his shares detailed below – less any shares he is obliged to sell or transfer when they vest as part of a Court Order relating to his divorce settlement – until 31 October 2024, which is two years following cessation of his directorship. The shares are held in a corporate sponsored nominee account and permission to deal will need to be granted by the Company Secretary.

Audited		
Name	Value <sup>1</sup> £'000	Multiple of base salary
Steven Levin (appointed 1 November 2022)	514.5	90%
Mark Satchel	1,009.8	224%
Paul Feeney (stood down 31 October 2022) <sup>2</sup>	1,584.6	235%
<sup>1</sup> Includes the estimated net value of unvested share awards which are not subject to performance conditions. For the purposes of the minimum shareholding requirement, the calculation is based on the average share price of the final three-month period ended 31 December 2022 of £0.9625. The actual value will be based on the share price when the awards vest.		
<sup>2</sup> The shareholding for Paul Feeney is calculated as at the day he stood down from the Board on 31 October 2022.		

### Directors' personal holding and beneficial share interests

As at 31 December 2022 and 31 December 2021, the Executive and Non-executive Directors held the following legal and beneficial interests in ordinary shares:

Audited		
Name	31 December 2022 <sup>1</sup>	31 December 2021 <sup>1</sup>
Steven Levin <sup>2</sup>	415,973	n/a
Mark Satchel	864,877	696,304
Moirá Kilcoyne	29,556	34,482
George Reid	17,733	20,689
Ruth Markland	100,000	20,689
Paul Matthews	25,714	30,000
Tazim Essani	12,428	–
Tim Breedon	10,000	–
Chris Samuel	18,028	20,000
Neeta Atkar	–	–
<b>Former Directors</b>		
Glyn Jones <sup>3</sup>	685,714	800,000
Rosie Harris <sup>3</sup>	14,778	17,241
Paul Feeney <sup>3</sup>	1,383,045	1,171,207
Glyn Barker <sup>3</sup>	88,858	–

<sup>1</sup>2021 shareholdings are in 7 pence ordinary shares, 2022 shareholdings are in 8 1/6 pence ordinary shares following Share Consolidation on 23 May 2022.

<sup>2</sup>Steven Levin was appointed to the Board on 1 November 2022.

<sup>3</sup>The shareholdings for Glyn Jones and Rosie Harris who stood down from the Board on 12 May 2022 and 30 April 2022, respectively, are as at 23 May 2022 following the Share Consolidation. The 2022 shareholding for Paul Feeney is as at the day he stood down from the Board, 31 October 2022. The shareholding for Glyn Barker is as at the day he stood down from the Board, 11 November 2022.

During the period 31 December 2022 to 8 March 2023, there were no other changes to the interests in shares held by the Directors as set out in the table above.

Audited

### Payments within the year to past Directors

During 2022, there were no payments made to any past Directors.

### Departure arrangements for Paul Feeney

As detailed in the Company's market announcement on 10 October 2022, Paul Feeney will be treated as a Good Leaver under the Policy after stepping down as Chief Executive Officer on 31 October 2022. He will continue to receive his salary and benefits until the end of his six-month notice period and remained eligible for a 2022 STI award. He will remain eligible for the vesting of outstanding deferred share awards on the normal vesting dates, subject to the satisfaction of performance conditions and pro-rating for the proportion of the vesting periods served where applicable, the rules of the relevant share plans and additional post-termination conditions. He was entitled to a capped contribution of £60,000 + VAT toward legal fees and other related support.

### External directorships

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

Executive Directors	External directorships held	Fees received and retained
Steven Levin	None	–
Mark Satchel	None	–

### External advisers

During 2022, Deloitte provided advice covering application of the newly approved Policy, annual remuneration report and policy disclosures, market practice and incentive design. Deloitte also support the Group with risk advisory, tax compliance and consulting services. As part of the procurement and contracting process, appropriate safeguards were put in place to ensure no conflict of interest arises.

The Committee appointed Deloitte in April 2021, and remain satisfied that the advice received is objective and independent, and the firm is a member of the Remuneration Consultants Group, whose voluntary Code of Conduct is designed to ensure objective and independent advice is given to Committees. The total fees paid in respect of remuneration advice during 2022 are as follows:

Name	Key areas of advice received	Total fees 2022
Deloitte	Policy review, application, disclosures, governance and market practice	£71,880

### Statement of shareholder voting

During the Company's AGM in May 2022, a resolution to approve the Report was proposed, and the proportion of votes from shareholders cast For was 96% and cast Against was 4%. Total votes Withheld were 122,580, which is 0.01% of issued share capital.

A resolution to approve the new Policy was also proposed, and the proportion of votes from shareholders cast For was 96% and cast Against was 4%. Total votes Withheld were 127,420, which is 0.01% of issued share capital. The next resolution to approve the Policy will be in 2025 as the current Policy is intended to be in place for three years.

The Company did not receive a significant percentage of votes Against the resolutions at the 2022 AGM or prior years.



# Directors' Report

## The Directors present their Report for the financial year ended 31 December 2022

### 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 DTRs can be found in the governance section of the Annual Report on pages 52 to 107 (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 2 to 51 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	5-7
Events since the end of the financial year	193
Engagement with employees	33
Engagement with suppliers, customers and others	22-35
Employment of disabled persons	33
Greenhouse gas emissions, energy consumption and energy efficiency action	31
Financial risks	47

### Information to be disclosed under Listing Rule 9.8.4R

Subject matter	Page reference
Details of long-term incentive schemes	99-101
Shareholder waivers of dividends	108
Shareholder waivers of future dividends	108

### Financial instruments and risk management

The information relating to financial instruments and financial risk management objectives and policies can be found on pages 131 to 134, 161 to 162, and 186 to 193.

### Branches

During 2022, in addition to its offices in the UK, the Group has operated branches in Jersey and the United Arab Emirates.

### Profit and dividends

Statutory profit after tax from continuing operations for 2022 was £175 million (2021: £23 million).

The Directors have recommended a Final Dividend for the financial year ended 31 December 2022 of 3.3 pence per Ordinary Share which will be paid out of distributable reserves, subject to approval by shareholders at the 2023 Annual General Meeting ("AGM"). Further information regarding the dividend, including key dates, can be found at [plc.quilter.com/dividends](http://plc.quilter.com/dividends). On 10 August 2022, the Board declared an Interim Dividend of 1.2 pence per Ordinary Share. The Interim Dividend was paid on 20 September 2022 to shareholders on the UK and South African share registers.

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 56 to 58 and are incorporated into this Report by reference. Changes to Directors during the year are set out below:

Name	Role	Effective date of appointment/resignation
Rosie Harris	Non-executive Director	Resigned 30 April 2022
Glyn Jones	Non-executive Director	Resigned 12 May 2022
Glyn Barker	Non-executive Director	Appointed 1 June 2022 Resigned 11 November 2022
Neeta Atkar	Non-executive Director	Appointed 11 August 2022
Paul Feeney	Executive Director	Resigned 31 October 2022
Steven Levin	Executive Director	Appointed 1 November 2022

Details of the Directors' interests in the share capital of the Company are set out in the Annual Report on Remuneration on pages 94 to 107.

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 following information summarises certain 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 with a nominal value of 8 1/6 pence each, representing 100% of the total issued share capital as at 31 December 2022 and as at 3 March 2023 (the latest practicable date for inclusion in this report). Details regarding changes in the Company's share capital, including information on the B Share Scheme and Share Consolidation implemented on 23 and 24 May 2022, can be found in note 25 of the financial statements on page 172. The rights attaching to the Ordinary 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

On 27 January 2022, Quilter completed the £375 million share buyback programme (the "Programme"), first announced on 11 March 2020 to distribute to shareholders the net surplus proceeds arising from the sale of Quilter Life Assurance.

In 2019 when the Board approved the sale of Quilter Life Assurance, the Board engaged with its major shareholders to obtain their views on the use of the sale proceeds. Having also discussed the matter with the Group's brokers, the Board agreed to return the sale proceeds to shareholders by way of the Programme. In February 2020, we reconfirmed with our major shareholders that they remained supportive of the launch of the Programme.

The Programme was executed using the authorities granted by shareholders at the AGMs held on 14 May 2020 and 13 May 2021, to purchase up to 10% of the Company's issued Ordinary Share capital in the period beginning on the date of each AGM and up to the date of the following year's AGM. A breakdown of the Programme is noted in the following table.

Year	Number of Ordinary Shares purchased <sup>1</sup>	Total consideration paid	Average price paid per share	Percentage of the issued share capital <sup>2</sup>
2020	118,282,047	£152,963,992	£1.2932	6.22%
2021	128,141,834	£195,593,129	£1.5264	7.18%
2022 <sup>3</sup>	17,704,132	£26,437,862	£1.4933	1.07%

<sup>1</sup>Nominal value 7 pence each.

<sup>2</sup>Calculated based on the total number of shares in issue at the beginning of each financial year.

<sup>3</sup>In addition to the Programme, the Company purchased four additional shares on 12 May 2022 as part of the Share Consolidation, as explained overleaf.

Shares bought back on the Johannesburg Stock Exchange ("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 enabled 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 London Stock Exchange. The shares acquired under the Programme were cancelled upon acquisition.

Details of the impact on earnings per share and total shareholder return can be found on pages 37 and 15 respectively, and how these metrics are factored into remuneration decisions on pages 99 to 100.

At the AGM held on 12 May 2022, shareholders passed resolutions to authorise the Company to purchase a maximum of 163,812,308 Ordinary Shares of 7 pence each, representing 10% of the Company's issued Ordinary Share capital as at 21 March 2022, which was the latest practicable date prior to publication of the Notice of AGM. Four Ordinary Shares with a nominal value of 7 pence each were purchased under these authorities for an average price of £1.2485 per share. The four shares were purchased prior to the Share Consolidation in order to ensure that the number of the Company's Ordinary Shares of 7 pence each was exactly divisible by the denominator in the Share Consolidation ratio (which was seven).

The authorities granted at the AGM held on 12 May 2022 were updated at the General Meeting held later that day to approve a B Share Scheme and six for seven Share Consolidation, with the Company authorised to purchase up to 140,410,550 new Ordinary Shares of 8 1/6 pence nominal value each. The authorities granted at the General Meeting in respect of the new Ordinary Shares have not been used and will expire at the 2023 AGM. In accordance with institutional guidelines and the Company's established practices, the Directors are seeking renewal of the authorities for the purchase of shares at the 2023 AGM. Further information on the shares purchased during the year under review is in note 25 on page 172.

### Return of Capital relating to the sale of Quilter International

At the General Meeting on 12 May 2022, shareholders passed resolutions to approve the return of £328m of the net proceeds of the sale of Quilter International as a return of capital through a B Share Scheme accompanied by a six for seven Share Consolidation, whilst retaining around £90m to fund planned business initiatives. The Company allotted and issued 1,638,123,081 B Shares and the Company's new Ordinary Shares of 8 1/6 pence each were admitted to trading on 23 May 2022. The B Shares were redeemed on 24 May 2022. Payments in respect of the proceeds of the B Share Scheme were dispatched to shareholders on or around 6 June 2022. For more information on the return of capital, please refer to the circular to shareholders that accompanied the Notice of the General Meeting held on 12 May 2022 available at [plc.quilter.com/gm](http://plc.quilter.com/gm).

### Odd-lot Offer

The Directors are seeking shareholder approval at the 2023 AGM together with requisite regulatory approvals to implement an Odd-lot Offer at any time within the next 18 months. This will enable the Company to purchase, at a 5% premium, the Ordinary Shares held by those shareholders who hold less than 200 Ordinary Shares in the Company and who do not choose to retain their shareholding. No Odd-lot Offer will be implemented unless and until such approvals have been obtained on terms satisfactory to the Directors.

For more information on the Odd-lot Offer, please refer to the 2023 Notice of AGM available at [plc.quilter.com/gm](http://plc.quilter.com/gm).

### 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. Exceptionally, the Board Remuneration Committee may exercise its discretion to waive pro-rating.

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.

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 2022 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.

### 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 2022. 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 2023 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 2023 Notice of AGM. For information on our engagement with shareholders following the 2022 AGM, please refer to the Chair's statement on pages 3 to 4.

### Major shareholders

As at 31 December 2022, 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 attached to Quilter shares	% interest in voting rights attached to Quilter shares <sup>1</sup>	Nature of holding notified
BlackRock Inc. <sup>2</sup>	111,805,973	6.81%	Direct
Coronation Asset Management (Pty) Ltd	195,332,204	13.91%	Direct
Equiniti Trust (Jersey) Limited <sup>3</sup>	42,996,532	3.06%	Direct
Ninety One UK Ltd <sup>2</sup>	82,416,634	5.01%	Indirect
Norges Bank	44,285,747	3.15%	Direct
Old Mutual Limited	68,070,687	4.84%	Indirect
Public Investment Corporation of the Republic of South Africa	210,834,490	15.01%	Direct

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

<sup>2</sup>The number of voting rights reflects the position at the time of notification, prior to the May 2022 Share Consolidation.

<sup>3</sup>These shares are held by Equiniti Trust (Jersey) Limited in its capacity as Trustee of the Quilter EBT.

As at 3 March 2023, 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 attached to Quilter shares	% interest in voting rights attached to Quilter shares <sup>1</sup>	Nature of holding notified
BlackRock Inc. <sup>2</sup>	111,805,973	6.81%	Direct
Coronation Asset Management (Pty) Limited	181,651,900	12.93%	Direct
Equiniti Trust (Jersey) Limited <sup>3</sup>	42,996,532	3.06%	Direct
Ninety One UK Ltd <sup>2</sup>	82,416,634	5.01%	Indirect
Norges Bank	44,285,747	3.15%	Direct
Old Mutual Limited	68,070,687	4.84%	Indirect
Public Investment Corporation of the Republic of South Africa	210,834,490	15.01%	Direct

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

<sup>2</sup>The number of voting rights reflects the position at the time of notification, prior to the May 2022 Share Consolidation.

<sup>3</sup>These shares are held by Equiniti Trust (Jersey) Limited in its capacity as Trustee of the Quilter EBT.

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](https://plc.quilter.com/investor-relations).

### Directors' responsibility statements

The Directors are responsible for preparing the Annual Report of 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 56 to 58, 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 UK, 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 69 to 74.

### Disclosure of information to external auditors

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

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

### Independent auditors

The Directors are recommending the reappointment of PricewaterhouseCoopers LLP as the Company's statutory auditor at the 2023 AGM.

### AGM

The Quilter plc 2023 AGM will be held at Senator House, 85 Queen Victoria Street, London EC4V 4AB on Thursday 18 May 2023 at 11:00am (UK time). Details of the business to be transacted at the 2023 AGM, along with details of how you can ask questions and join the meeting, are included in the Quilter plc 2023 Notice of AGM which can be found on our GM Hub at [plc.quilter.com/gm](https://plc.quilter.com/gm).

By order of the Board



**Clare Barrett**  
Company Secretary  
8 March 2023