

# Quilter plc General Meeting 2022 Shareholder Questions and Answers

Updated 4 May 2022

# Shareholder Questions and Answers

As explained in our Circular and Notice of General Meeting, in addition to asking questions at the General Meeting itself, shareholders were invited to submit questions in writing to the Company Secretary, Patrick Gonsalves, in advance of the meeting. **It is recommended that all shareholders read the Circular carefully and the answers below should be considered in the light of the full disclosures as set out in the Circular dated 29 March 2022. Terms are defined as set out in the Circular.**

Set out below are summaries of the answers to relevant questions received from shareholders as at 4 May 2022.

## **Q1: How does this scheme benefit shareholders if they lose 1 share out of every 7 they hold?**

Please note that we are not able to provide you with financial advice, including in relation to the value of your shares in the Company. Should you require financial advice then you should consult an appropriately qualified adviser.

As set out in the Circular, the Share Consolidation applies to all of the Company's Shareholders on the same terms. Therefore, after implementation of the Share Consolidation each shareholder will continue to own the same proportion of the Company's issued share capital (subject only to fractional entitlements) as they did immediately prior to the implementation of the Share Consolidation.

Also as set out in the Circular, the purpose of the Share Consolidation is to try to ensure that (subject to normal market fluctuations) the market price of the Company's Ordinary Shares immediately following the implementation of the B Share Scheme is broadly the same as the market price immediately beforehand. Therefore, the reduction in the number of the Company's Ordinary Shares as a result of the Share Consolidation is broadly equivalent to the percentage of the Company's market capitalisation which is proposed to be returned to shareholders under the B Share Scheme.

The Company's intention to return a large part of the proceeds of the sale of Quilter International has been public for several months and the exact terms of the B Share Scheme were published in the Circular to Shareholders on 29 March. Therefore, in the Company's view it is likely that the market price of the Company's Existing Ordinary Shares reflects the proposed capital return that will be implemented via the B Share Scheme.

## **Q2: Why are the fractional shares not paid out to the shareholders at the same time the B shares are paid out?**

Article 11(c) in the Company's articles of association states that "*if as a result of any consolidation and division or sub-division of shares any members would be entitled to fractions of a share, the board may deal with the fractions as it thinks fit*". As noted in the Circular, given the Company's current share price the proceeds from the sale of any fractional entitlement will be less than £3 per shareholder (the rand equivalent is 60.19995 using the exchange rate set out in the Circular), in fact the fractional entitlement per shareholder would be less than half that amount based on today's share price of £1.32.

Taking into account this low value and the administrative costs of distributing very small amounts to large numbers of Shareholders (approximately 200,000), the Board has decided to donate the proceeds arising from the sale of aggregated fractional entitlements to the Quilter Foundation.

This will only happen if Shareholders approve the resolutions set out in the Circular authorising the implementation of the B Share Scheme.

**Q3: If the fractional shares are not paid out to shareholders, why can shareholders not acquire the fractional shares on the same conditions (ie price of 10% less) as the Directors wish to sell these shares on the open market. Why is this not put to the vote?**

The sale of the fractional shares will not take place at a 10% discount this is merely a disclosure that we are required to make. The shares will be sold at the market price on the appropriate date. As noted in the response to question 2, the Company's articles of association permit the Board to deal with fractions as it thinks fit and the Board has decided to donate the aggregated proceeds to the Quilter Foundation. This matter does not require a separate vote by the Company's Shareholders. This will only happen if Shareholders approve the Resolutions set out in the Circular authorising the implementation of the B Share Scheme.

**Q4: What is the amount of all the costs (eg professional legal fees, accounting fees, advisers fees, board members fees, etc) of the scheme devised to pay out the capital amount of GBP 328 million?**

The Quilter Board decided to undertake the return of capital by means of the issue of the B shares and share consolidation after consultation with major shareholders. The costs involved in the transaction are around £1.5m and have been subject to internal review and approval. Much of this cost is driven by the number of Shareholders owning Quilter shares (approximately 200,000) and the costs of communicating with them. The Board believes that the costs are necessary and justified in order to complete the return of capital to Shareholders in a swift and efficient manner and that the benefit of the return of capital via this means is of benefit to all Shareholders

**Q5: Has Quilter engaged with the South African Revenue Services regarding the B shares scheme and has Quilter obtained a ruling that SARS (in terms of section 103 of the Income Tax Act 58 of 1962 as amended) does not consider this scheme a transaction or otherwise which in the opinion of the Commissioner of SARS could be an avoidance or postponement of a liability and thus taxable in the hands on the South African shareholders?**

We have not engaged with the South African Revenue Services regarding the B Share Scheme. Part IV of the Circular contains a summary of the principal South African income tax and Securities Transfer Tax considerations generally applicable to the B Share Scheme. As noted in that section, the summary is of a general nature only and is not intended to be legal or tax advice to any particular shareholder. Please consult your own independent professional adviser regarding the tax consequences for you of the B Share Scheme, taking into account your particular circumstances.

**Q6: Where does the ratio of 7 existing shares to 6 new shares come from, ie 14.29% reduction?**

As set out in the Circular, the ratio of 6 new shares for every 7 existing shares was set by reference to the Company's closing share price (as derived from the Daily Official List of London Stock Exchange plc) on Monday 28 March 2022. The reduction in the Company's issued share capital as a result of the Share Consolidation is broadly equivalent to the percentage of the Company's market capitalisation which is proposed to be returned to Shareholders under the B Share Scheme based on that share price.

As noted in the Circular, the Board retains absolute discretion to determine the final ratio for the Share Consolidation and any changes to the ratio will be announced by the Company prior to the General Meeting on Thursday 12 May 2022.

**Q7: Why is no dividend declared?**

The proposed final dividend for 2021, which will be put to shareholders at the Company's Annual General Meeting on Thursday 12 May 2022, is 3.9 pence per Existing Ordinary Share, payable on Monday 16 May 2022 to Shareholders named on the Company's UK and South African registers of members as at the close of business on Friday 8 April 2022. As noted in the Circular, this is not impacted by the B Share Scheme or the Share Consolidation. Similarly, the Company's dividend policy is not affected.