

Board Corporate Governance & Nominations Committee Terms of Reference

11 November 2021

QUILTER PLC (“Quilter” or “the Company”)

Version approved by the Quilter Board (the “**Board**”) on 11 November 2021.

1 Role

The role of the Board Corporate Governance and Nominations Committee (the “**Committee**”) is to:

- Support and advise the Board in ensuring that;
 - the composition of the Board enables the Board to be effective and entrepreneurial and supports the long term sustainable success of the Company. This includes ensuring that there are plans in place for orderly succession to both the Board and senior management positions, and oversees the development of a diverse pipeline for succession; and
 - that the Company has the appropriate corporate governance standards and practices in place.
- Oversee the process for Board appointments and make recommendations to the Board;
- Keep the Board’s governance arrangements under review and make appropriate recommendations to the Board on the governance arrangements for Quilter and the wider Quilter business, including the appointment of Board chairs for Significant Subsidiary Boards and the review of Significant Subsidiary Board composition; and
- Ensure there is a robust framework in place regarding Board and Executive Committee recruitment.

2 Authority

- 2.1 The Committee is a Board Committee of Quilter from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority of the Board in respect of the functions and powers in these Terms of Reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation, the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 2.4 The scope of the Committee extends across all businesses owned controlled and governed by Quilter, including joint ventures, in all jurisdictions.
- 2.5 The Committee has authority to investigate any matter relating to Quilter within its Terms of Reference and to obtain such information as it may require from any Director, officer, or employee of the Quilter Group.



3 Constitution

3.1 Chair

- a) The Chair of the Board will chair the Committee, except when it meets to discuss the Chair of the Board's succession plans or performance. In any such case, or in the Chair's absence, an appointed deputy (the Senior Independent Director) will chair the meetings.
- b) In the absence of the Chair of the Committee or an appointed deputy, the remaining members shall elect one of themselves to chair the meeting.
- c) The Committee Chair does not have a casting vote.
- d) The Committee Chair will attend any AGM held in respect of Quilter to answer shareholders' questions on behalf of the Committee.

3.2 Membership

- a) The Committee shall consist of the Chair of the Board and not less than three members, a majority of whom shall be independent Non-executive Directors.
- b) Members of the Committee shall be appointed by the Board, on the recommendation of the Committee and in consultation with the Chair of the Committee.
- c) Such appointments shall be for a period of up to three years, which may be extended for further periods of three years, provided the Director still meets the criteria for membership of the Committee.
- d) The Board may from time to time review and, where appropriate, revise the composition and remit of the Committee in accordance with the recommendations received, taking into account the need for an appropriate balance of skills, experience, independence and knowledge of Quilter and the Quilter business.

3.3 Company Secretary

The Quilter Company Secretary or their nominee shall act as Secretary to the Committee and attend all meetings.

4 Proceedings of Meetings

4.1 Frequency of Meetings

- a) The Committee shall meet at least twice a year, to coincide with key dates within Quilter and otherwise as required.
- b) The Chair of the Committee or the Quilter Chief Executive Officer may each convene meetings of the Committee via the Company Secretary at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

- a) The quorum necessary for the transaction of business shall be the Chair of the Board or the Senior Independent Director and one member in person or by telephone or video conference, who is an independent Non-executive Director.
- b) Where the Committee is considering any matter relating directly to the performance of one of its members, that member shall not participate in or attend the discussion and shall not be counted in the quorum while that matter is being addressed.
- c) In exceptional circumstances, where necessary to achieve a quorum, independent Non-executive Directors who are not members of the Committee may be co-opted as members for individual meetings.



4.3 Attendees

- a) Only members of the Committee have the right to attend Committee meetings, however, the Quilter CEO shall have a standing invitation to meetings except where that would be inappropriate.
- b) Any officer or employee of Quilter may be invited to attend at the invitation of the Chair of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chair of the Committee.

5 **Responsibilities of the Committee**

5.1 Composition of the Board and its Committees

- a) The Committee will regularly review the structure, size and composition (including skills, knowledge, experience and diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths) of the Board and of its Committees in consultation with the Committee Chairs, taking into account the results of the Board performance evaluation process, and make recommendations to the Board.
- b) In making recommendations on the composition of Board Committees, the Committee shall give consideration to the benefits of cross membership of Board Committees and the benefits of progressive refreshing of the Board Committees to promote new perspectives.

5.2 New Appointments

- a) The Committee shall be responsible for leading the process for Board appointments and for identifying and nominating candidates for approval by the Board.
- b) Before any new appointment is made by the Board, the Committee will evaluate the balance of skills, experience, independence, knowledge and diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths, on the Board and, in light of this evaluation, agree a description of the role and capabilities required for a particular appointment.
- c) The Committee will ensure that prospective Non-executive Directors undertake that they will have sufficient time to fulfil their duties, have mitigated or removed any significant conflicts of interest and that any significant new appointments Directors assume outside Quilter are approved by the Committee prior to their acceptance and subsequently disclosed to the Board.
- d) The Committee will identify, review and recommend potential candidates to the Board for appointment as Directors. In seeking potential candidates, the Committee shall use open advertising or external agencies to facilitate the search, consider the benefits of diversity on the Board and select candidates on merit and against objective criteria.
- e) The Committee shall be responsible for recommending the appointment of a Chair to each of the Boards of Significant Subsidiaries within Quilter and for agreeing appropriate policies and processes to apply to the governance of those Significant Subsidiaries and the wider Quilter business.



5.3 Succession Planning

- a) The Committee will review and make recommendations to the Board, at regular intervals, and at least once a year, for Board succession over the longer term in order to maintain an appropriate balance of skills, experience, independence and knowledge and diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths, to ensure progressive refreshing of the Board. Particular attention shall be paid in respect of the Chief Executive Officer, the Chair of the Board and other key Board and Executive Committee positions.
- b) The Committee will keep under review the leadership needs of Quilter and at regular intervals and at least once a year, consider the adequacy of proposals for the succession, over the longer term, to key leadership positions within Quilter, taking into account the challenges and opportunities facing Quilter, and the skills, experience, independence, knowledge and diversity needed on the Board and the Executive Committee in the future with a view to ensuring the continued ability of Quilter to compete effectively in the marketplace.

5.4 Board Effectiveness

The Committee shall:

- a) consider and set the criteria for the objective and rigorous performance review of each Non-executive Director, the Board and its committees;
- b) ensure that an annual performance evaluation is conducted to review the effectiveness of the Board and its committees and the individual contribution of all Directors. Such evaluation is to be externally facilitated at least once every three years.
- c) ensure that the conclusions and recommendations arising from these reviews and evaluations of the Chair of the Board and Chief Executive Officer are reported to the Board; and
- d) agree an action plan addressing the results of the Board and each individual Directors' effectiveness review and periodically review progress against the plan.

5.5 Serving Directors

The Committee will:

- a) review annually the time commitment required of Non-executive Directors, taking into account the assessment made in performance evaluations; and
- b) pre-approve any proposed additional commitments (outside of Quilter) of Directors on an ad hoc basis, giving particular consideration to the potential impact the proposed new commitment may have on the time the Director has available to commit to their role at Quilter.
- c) make recommendations to the Board concerning:
 - the election and annual re-election by shareholders of Directors;
 - the independence of Non-executive Directors and the individuals' continuing ability to perform their duties independently without undue influence from other persons;
 - renewal of terms of office of Non-executive Directors after three years, based on a review of the Director's performance; and
 - any matters relating to the continuation in office of any Director at any time.

In making these recommendations to the Board the Committee shall take into account the Director's performance and ability to contribute as well as the need for progressive and staggered refreshing of the Board.



5.6 Legal and Regulatory Requirements

- a) The Committee shall assist the Chair, as required, in discharging his or her duties and complying with those requirements of statutory and regulatory bodies that affect the functions and responsibilities of the Board, including supporting the Chair in:
 - allocating all prescribed responsibilities under the Prudential Regulation Authority and Financial Conduct Authority's Senior Managers Regime, as applicable;
 - ensuring Quilter's performance of its obligations under Fitness and Propriety (in the PRA Rulebook) in respect of Notified Non-executive Directors¹, as applicable; and
 - leading the development of and monitoring the effective implementation of policies and procedures for the induction, training and professional development of all members of the Board.
- b) The Committee shall also ensure that appropriate internal policies and procedures are in place for assessing the suitability of Directors, members of the Executive Committee and other key personnel, subject to regulatory approval.

5.7 Corporate Governance

The Committee shall:

- a) review and approve material changes to the Quilter Group Governance Manual, monitor Quilter's compliance with the Quilter Group Governance Manual and related policies and recommend to the Board such changes or additional action as it deems necessary. It is noted that changes in relation to the Policy framework are overseen by the Board Risk Committee;
- b) review and recommend changes to the Board Diversity Policy for Board approval and regularly review progress against any measureable objectives that the Board has set in respect of Board diversity;
- c) ensure it is kept up-to-date and fully informed about strategic issues and commercial changes affecting Quilter and the markets in which it operates;
- d) monitor developing trends, initiatives or proposals in relation to legal developments, Board governance issues and best corporate governance practice in order to determine the extent to which these initiatives impact Quilter and provide periodic updates to the Board; and
- e) review and approve any material information of Quilter to be made public or available to any public body relating to corporate governance.

5.8 Responsible Business

The Committee shall:

- a) provide oversight of, and support for, the Group's aspirations and strategy with respect to responsible business;
- b) provide challenge to the Quilter executive management on those activities, which impact on the Group's reputation as a trusted, responsible business;
- c) review and recommend to the Board for approval the Group's publicly available Responsible Business Reports; and
- d) report to the full Board at least annually on the Group's strategy and performance on Responsible Business.

¹ As defined by the PRA



5.9 Conflicts of Interest

The Committee:

- a) will, with assistance from the Company Secretary, ensure that prospective Non-executive Directors disclose any business interests that may result in any actual or potential conflict of interests with those of Quilter prior to any offer of appointment is made and be required to immediately report any proposed future business interest that could result in a conflict of interests at any point during their tenure;
- b) may consider and authorise, subject to ratification by the Board, any situational conflict in which a Director may have a direct or indirect interest that conflicts, or possibly may conflict with the interests of Quilter;
- c) when considering the authorization of these situations, the Committee will have regard to the possible time required to fulfil this and all other outside commitments notified by the Director, and whether it could impede the Director from spending sufficient time to fulfil his/her obligations to the Company; and
- d) will conduct an annual review of the Conflicts Register and review any disclosure relating to conflicts of interest to be made public.

6 **Reporting and Disclosure**

- 6.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its terms of reference.
- 6.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit.
- 6.3 The Committee shall produce a report to be included in the Company's Annual Report, including:
 - A description of the significant issues dealt with by the Committee.
 - How the Board Evaluation has been conducted, the nature and extent of any external evaluator's contact with the Board and individual Directors, the outcome and actions taken and how it has or will influence the Board.
 - The process used in relation to appointments, the approach to succession planning and how they both support the development of a diverse pipeline. Explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company.
 - A statement of the Board's Policy on Diversity and Inclusion, any measurable objectives that it has set for implementing the Policy, and progress on achieving the objectives, including the gender balance for senior management and their direct reports.

7 **Governance and Resources**

The Committee shall:

- a) In its decision making, give due consideration to all applicable laws and regulations, including where appropriate the provisions of the UK 2018 Corporate Governance Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and regulations set by the Financial Conduct Authority and Prudential Regulatory Authority and any other relevant legal or regulatory requirements, as appropriate; and



- a) Act in the way that they believe will promote the success of Quilter for the benefit of its shareholders while also giving consideration to the following matters under the Companies Act 2006:
- The consequences of any decision in the long term;
 - The interests of Quilter's employees;
 - The need to foster good relationships with suppliers and others;
 - The need to foster good relations with customers and to be mindful of outcomes for customers;
 - The impact of Quilter's operations on the community and the environment;
 - The desirability of Quilter maintaining a reputation for high standards of business conduct; and
 - The need to act fairly between all of Quilter's shareholders.
- b) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, who shall have independent access to the Chair of the Committee and to the services of Quilter Corporate Secretariat on Committee matters;
- c) have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

8 Committee Support

The Committee will have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, who shall have independent access to the Chair of the Committee and to the services of Corporate Secretariat on Committee matters. The Committee will have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

9 Terms of Reference

The Committee shall periodically, and at least annually, review its performance and its Terms of Reference and may recommend to the Board any appropriate amendments to these Terms of Reference.

