

QUILTER PLC

Incorporated under the Companies Act 1985 (UK) with registered number 06404270 and re-registered as a public limited company under the Companies Act 2006) (UK)

ISIN CODE: GB00BDCXV269

JSE SHARE CODE: QLT

Quilter plc (the "Company")

24 March 2022

Annual Report and Accounts 2021 and Notice of Annual General Meeting 2022

Quilter plc (the "Company") announces that copies of the following documents have been submitted to the National Storage Mechanism and will shortly be available for inspection at <http://data.fca.org.uk/#/nsm/nationalstoragemechanism>:

1. Annual Report and Accounts 2021 (the "2021 Annual Report");
2. Notice of Annual General Meeting 2022 (the "Notice"); and
3. Forms of Proxy for the Annual General Meeting 2022.

These documents will be posted to shareholders on Tuesday 5 April 2022. The 2021 Annual Report is also available to view online at plc.quilter.com/annualreport and the Notice is available online at plc.quilter.com/gm.

Annual General Meeting

The Company's 2022 Annual General Meeting (the "2022 AGM") will be held on Thursday 12 May 2022 at 11:00am (UK time) at Senator House, 85 Queen Victoria Street, London EC4V 4AB. In light of the ongoing risk to public health posed by COVID-19, we will continue to do all we can to take responsible precautions to help protect the wellbeing of each other. We will monitor and follow the UK Government guidelines and update our GM Hub at plc.quilter.com/gm if our AGM arrangements change. Please ensure you check the GM Hub regularly for up to date information about our AGM arrangements.

Key dates for shareholders

The table below shows the key dates for shareholders in respect of the 2022 AGM.

	Posting record date	Posting date	Last day to trade*	Proxy date for registered holders	Record date to attend and vote	Date of 2022 AGM
Holdings on the London Stock Exchange	Friday 25 March 2022	Tuesday 5 April 2022	-	Tuesday 10 May 2022 at 11:00am (UK time)	Tuesday 10 May 2022 at 6:30pm (UK time)	Thursday 12 May 2022 at 11:00am (UK time)

Holdings on the Johannesburg Stock Exchange	Friday 25 March 2022	Tuesday 5 April 2022	Thursday 5 May 2022	Tuesday 10 May 2022 at 12:00pm (SA time)	Tuesday 10 May 2022 at 7:30pm (SA time)	Thursday 12 May 2022 at 12:00pm (SA time)
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*Last Day to Trade is applicable only to holders on the Johannesburg Stock Exchange. Holders can trade their shares up to the close of business on this date and thereafter the register is closed for the purposes of determining which holders are entitled to vote in respect of the 2022 AGM.

Market purchase of own shares

Pursuant to Listing Rule 12.4.4, in addition to renewing the Company's existing authority to make market purchases of its own shares, the Company announces that it intends to propose a resolution at the 2022 AGM seeking authorisation to enter into contingent purchase contracts with each of: (a) J.P. Morgan Equities South Africa Proprietary Limited; and (b) Goldman Sachs International. The commercial purpose of this authority is to enable the Company to purchase up to a maximum of 163,812,308 ordinary shares of the Company which are currently listed on the Johannesburg Stock Exchange (such maximum to be reduced by any purchases made pursuant to any general authority of the Company to make market purchases of its own shares).

Full details in respect of the proposed resolution are set out in the Notice.

Additional information

The following information is extracted from the 2021 Annual Report (page references are to pages in the 2021 Annual Report) and should be read in conjunction with the Quilter plc 2021 Full Year Results announcement issued on Wednesday 9 March 2022. Both documents can be found at plc.quilter.com/investor-relations and together constitute the material required by DTR 6.3.5 to be communicated to the media in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the 2021 Annual Report in full.

Principal risks and uncertainties

The Directors have carried out a robust assessment of the principal and emerging risks facing Quilter, including those that would threaten its business model, future performance, solvency and liquidity, as well as those risks that are non-financial in nature. The articulation of these principal risks and uncertainties is consistent with Quilter's Enterprise Risk Framework categorisation, and with the 'Top Risk' reporting that is provided quarterly to the Board Risk Committee and Board.

The Board requires management to put in place actions to mitigate these risks, and controls to maintain risk exposures within acceptable levels defined by Quilter's risk appetite. The table below sets out Quilter's principal risks and uncertainties, including Executive Committee member ownership and key mitigants being implemented by management. The risk trend noted is the residual risk trend (risk after the application of mitigants) during 2021.

During the year we have removed Investment Management risk, given a relative reduction in risks associated with investment management activities as supporting control frameworks have been enhanced. We have added new risks related to Strategic Delivery and Climate Strategy, given the increased impact of both of these risks to Quilter during 2021.

Business and strategic risks

<p>Economic environment</p> <p>Quilter's principal revenue streams are asset value related and as such Quilter is exposed to the condition of global economic markets. Whilst market conditions generally stabilised during 2021 from the COVID-19 pandemic, the evolving Ukraine crisis is having an impact on the economic environment resulting in short term market volatility. Volatility in debt, equity and currency markets may adversely impact customer investment portfolios which in turn impacts Quilter's ability to generate fee-based revenue.</p>	<p>Risk owner</p> <p>Chief Financial Officer</p>	<p>2021 risk trend</p> <p>Stable</p>	<p>Mitigation</p> <p>2021 activity:</p> <ul style="list-style-type: none"> • 2021 economic scenario testing at Group and subsidiary level. • The share buy-back programme was performed in tranches, to enable Board consideration of market conditions prior to execution. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> • Stress and scenario analysis, including in respect of market shocks. • Ongoing enhanced monitoring of market and liquidity risk exposures.
<p>Business financial performance</p> <p>While the direct impact of the pandemic on business performance moderated during 2021, consequential impacts including inflationary pressures and an increase in the cost of living could impact customers' ability to invest and therefore investment inflows. The Russian invasion of Ukraine creates increasing economic and political uncertainty which could impact consumer confidence. The potential for tax increases as well as direct inflationary impacts could result in adverse cost impacts for Quilter, acting as headwinds to our performance. Any negative impact on earnings, share price and/or capital position could have a resulting adverse effect on Quilter's market credibility and financial standing.</p>	<p>Risk owner</p> <p>Chief Financial Officer</p>	<p>2021 risk trend</p> <p>Stable</p>	<p>Mitigation</p> <p>2021 activity:</p> <ul style="list-style-type: none"> • Continued 2021 in-year cost focus, with favourable out-turn against plan achieved. • Longer-term expense targets established aligned to the strategic Simplification programme. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> • Propositional activity under Quilter's new segment model to drive revenue growth, including Wealth Select+.

<p>Strategic delivery (new for 2021) Quilter has embarked on an ambitious strategy focused on growth and efficiency, while increasing digitisation and embedding ESG wherever possible. Achieving this ambition will require the operation of a robust strategic delivery framework, and investment in capabilities. As we are now embarking on our next strategic phase and with the ambitious programme of work needed to deliver it, we are further increasing our focus in this area. Any failure to deliver on the strategic delivery programme, could expose the Group to competitive risks and impact Quilter's franchise value.</p>	<p>Risk owner Chief Executive Officer</p>	<p>2021 risk trend Not applicable</p>	<p>Mitigation 2021 activity:</p> <ul style="list-style-type: none"> • Sale of Quilter International, and realisation of the post-Listing objective of becoming a modern UK wealth manager. • Establishment of the Simplification programme and identification of strategic initiatives. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> • Full mobilisation of activities to support delivery against Quilter's new strategic objectives.
<p>Change execution Quilter continues to be subject to change execution risk given an ongoing programme of material change projects, although the maturing of Quilter's change execution capabilities, and the successful completion of a number of key projects in 2021, including the Platform Transformation Programme, has reduced the impact of this risk. The effective embedding of new technology and process across Quilter is key for the next phase. Any loss of focus on change execution disciplines could impact the delivery of the intended benefits, and risk disruption to continuing operations and the control environment.</p>	<p>Risk owner Chief Operating Officer</p>	<p>2021 risk trend Reducing</p>	<p>Mitigation 2021 activity:</p> <ul style="list-style-type: none"> • Successful final PTP migration. • Successful implementation of Workday as a strategic platform for HR and Finance activities. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> • Active management and prioritisation of the change portfolio. • Enhanced executive oversight and change assurance. • Disciplined programme and portfolio governance arrangements.
<p>Climate strategy (new for 2021) Quilter takes its responsibility to the environment seriously, and is determined to play its part in</p>	<p>Risk owner Chief Executive Officer</p>	<p>2021 risk trend Not applicable</p>	<p>Mitigation 2021 activity:</p>

<p>reducing climate impacts. In order to do this, Quilter must develop and deliver an achievable, coherent, comprehensive and robust long-term climate strategy to manage climate related financial and non-financial risks. Failure to do so would result in Quilter being unable to meet regulatory and other stakeholder expectations, and fulfil our strategic priority to become the responsible wealth manager.</p>			<ul style="list-style-type: none"> Climate Risk Appetite statement development. Implementation of climate change scenario testing. Implementation of the required TCFD statement in this document, and the associated TCFD report. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> Further development of Quilter's climate change strategy including specifying targets.
Operational and regulatory risks			
<p>Advice</p> <p>Quilter's financial advice services are subject to fundamental regulatory conduct requirements to assure suitability of advisory recommendations. This risk remains elevated and stable, as Quilter continues to address historic DB to DC transfer advice shortcomings of the acquired Lighthouse Group, as announced by Quilter in 2020. Remediation programmes are ongoing to ensure impacted customers receive fair outcomes and to ensure robustness of the control framework to support the ongoing delivery of suitable advice. Failure to operate effective arrangements to support the ongoing delivery of suitable advice could expose Quilter to risks associated with customer detriment, regulatory censure and remediation programmes, with consequential impacts to the Group's business, financial condition and reputation.</p>	<p>Risk owner</p> <p>Chief Executive Officer – Quilter Financial Planning</p>	<p>2021 risk trend</p> <p>Stable</p>	<p>Mitigation</p> <p>2021 activity:</p> <ul style="list-style-type: none"> Ongoing remediation exercise to address historic defined benefit pension transfer advice provided by Lighthouse to British Steel Pension scheme members and some other pension transfer cases, with a total provision of £29 million held to fund the exercise and resultant redress to these customers. Ongoing programme of work to enhance the control environment that supports the delivery of suitable advice in the Quilter Financial Planning business.

			Planned and ongoing activity: <ul style="list-style-type: none"> • Completion of defined benefit remediation activity. • Further uplifts of controls in operational processes supporting the delivery of suitable of advice.
Information technology Quilter's business is dependent on its technology infrastructure and applications to perform necessary business functions. Much of Quilter's legacy IT estate is currently being replaced, by cloud-based applications, thereby reducing internal complexity. Nevertheless, a range of legacy applications are still supported, including the technology platform underpinning the divested Quilter International business, which will be supported until 2023 under a Transitional Services Agreement. Failure to manage technology risk could have a material adverse impact on Quilter's business, resilience capabilities, operations, financial condition and reputation.	Risk owner Chief Operating Officer	2021 risk trend Stable	Mitigation 2021 activity: <ul style="list-style-type: none"> • Technology transformation programmes across Quilter have achieved retirement of many legacy systems, with their replacement by modern cloud-hosted systems. • Retired systems include legacy UK Platform technology, and supporting systems in HR, Finance and Risk. Planned and ongoing activity: <ul style="list-style-type: none"> • Technology transformation continues, with further system retirements. • Active systems monitoring. • Technology policy and standards compliance arrangements.
Information security Quilter's business, by its nature, requires it to store, retrieve, evaluate and utilise customer and Company data and information, some of which is highly sensitive. Quilter and its service providers are subject to the risk of information security breaches	Risk owner Chief Operating Officer	2021 risk trend Stable	Mitigation 2021 activity: <ul style="list-style-type: none"> • Completion of most elements of the Information Security Improvement Programme, which has delivered uplifted

from parties with criminal or malicious intent. Should intrusion detection and anti-penetration processes not anticipate, prevent or mitigate a network failure or disruption, it may have a material adverse effect on Quilter's customers, business, financial condition, operations and reputation.			<p>controls, processes and tools.</p> <ul style="list-style-type: none"> • Cyber attack framework implementation. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> • Evolution of the information security framework in the context of a cloud-based third-party application ecosystem. • Cyber threat defences and monitoring. • Information Security Policy and standards and associated compliance arrangements.
<p>People</p> <p>Quilter relies on its talent to deliver its service to customers. People risk has remained heightened during the pandemic as Quilter's people have adapted to new ways of working during a period of significant change. Delivery of Quilter's ambitious new strategic objectives will require particular skills and competencies to be successful, including in digital and ESG-related competencies. Failure to attract and retain suitable talent may impact on the delivery of Quilter's strategy and may have an adverse impact on Quilter's business, its financial and operational performance and its delivery of service to customers.</p>	<p>Risk owner</p> <p>HR Director</p>	<p>2021 risk trend</p> <p>Stable</p>	<p>Mitigation</p> <p>2021 activity:</p> <ul style="list-style-type: none"> • Launch of HR Transformation plan. • Implementation of Workday HR to enhance HR related process. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> • Talent management and succession programme. • Performance and risk-adjusted remuneration arrangements. • Regular employee engagement surveys. • Quilter's staff wellbeing initiative, 'Thrive'.
<p>Third-party</p> <p>Quilter procures certain services from third parties, which has increased given the significant business process and technology</p>	<p>Risk owner</p> <p>Chief Operating Officer</p>	<p>2021 risk trend</p> <p>Stable</p>	<p>Mitigation</p> <p>2021 activity:</p> <ul style="list-style-type: none"> • Maturing of the Third-Party Risk Management arrangements,

outsourcing to FNZ and the deployment of multiple new cloud-based technologies. If Quilter does not effectively oversee its third-party providers, they do not perform as anticipated, or Quilter experiences technological or other problems with a third party, Quilter may experience operational difficulties, increased costs and loss of business, potential customer detriment and damage to its reputation.			<p>including systemisation of controls within the Coupa procurement system.</p> <ul style="list-style-type: none"> Centralisation of supplier management teams to facilitate consistency of approach. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> Continued evolution of oversight approach, including optimising for cloud-based applications. Third-Party Risk Management Framework and associated policy and standards compliance arrangements.
<p>Operational resilience</p> <p>Quilter provides important services for its customers, and its ability to maintain these services during unforeseen events is key. The continuing COVID-19 pandemic has provided comfort on Quilter's ability to operate in a severe operational resilience scenario. Any failures in Quilter's preparation for, or response to, sudden disruptions could compromise the maintenance of important business services, resulting in the potential for customer detriment, financial loss, damage to reputation or regulatory sanction.</p>	<p>Risk owner</p> <p>Chief Operating Officer</p>	<p>2021 risk trend</p> <p>Stable</p>	<p>Mitigation</p> <p>2021 activity:</p> <ul style="list-style-type: none"> Preparation for the March 2022 implementation of the enhanced UK operational resilience requirements, including identification of Important Business Services. Business disruption exercises, including a scenario of significant service failure by a strategic supplier. <p>Planned and ongoing activity:</p> <ul style="list-style-type: none"> Business Continuity and Crisis Management Policy and related policy compliance arrangements.

			<ul style="list-style-type: none"> • Systemised inventories of processes and dependencies. • Resilience plans and resilience testing.
Regulatory Quilter is subject to regulation in the UK by the PRA and the FCA, and following the sale of Quilter International, by a now reduced number of other regulators internationally. Additionally, the firm is subject to the privacy regulations enforced by the Information Commissioner's Office and international equivalents. Quilter faces risks associated with compliance with these regulations and to changes in regulations or regulatory focus or interpretation in the markets in which Quilter operates. Failure to manage regulatory compliance effectively could result in regulatory censure, including the possibility of fines or prohibitions which could impact business performance and reputation.	Risk owner Chief Risk Officer	2021 risk trend Reducing	Mitigation 2021 activity: <ul style="list-style-type: none"> • Reduced exposure to international regulatory regimes through sale of Quilter International. • Close engagement with regulators on regulatory developments including in respect of the FCA's Consumer Duty proposals. Planned and ongoing activity: <ul style="list-style-type: none"> • Compliance monitoring programme. • Regulatory engagement management. • Regulatory horizon scanning. • Staff training and staff awareness programmes. • Regulatory Compliance Policy, as associated policy compliance arrangements.

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law, the Directors have prepared the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards. Additionally, the Financial Conduct Authority's Disclosure Guidance and Transparency Rules require the Directors to prepare the Group financial statements in accordance with international financial reporting standards as adopted by the United Kingdom.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether, for the Group and Company, applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report and financial statements

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

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

Signed on behalf of the Board

Paul Feeney
Chief Executive Officer

Mark Satchel
Chief Financial Officer

9 March 2022

39: Related party transactions

In the normal course of business, the Group enters into transactions with related parties. Loans to related parties are conducted on an arm's length basis and are not material to the Group's results. There were no transactions with related parties during the current and prior year which had a material effect on the results or financial position of the Group.

39(a): Transactions with key management personnel, remuneration and other compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. Details of the compensation paid to the Board of Directors as well as their shareholdings in the Company are disclosed in the Remuneration report.

39(a)(i): Key management personnel compensation

	31 December 2021 £'000	31 December 2020 £'000
Salaries and other short-term employee benefits	7,627	5,503
Post-employment benefits	43	62
Share-based payments	2,987	5,263
Termination benefits	-	51
Total compensation of key management personnel	10,657	10,879

39(a)(ii): Key management personnel transactions

Key management personnel and members of their close family have undertaken transactions with the Group in the normal course of business.

The Group's products are available to all employees of the Group on preferential staff terms, the impact of which is immaterial to the Group's financial statements. During the year ended 31 December 2021, key management personnel and their close family members contributed £1 million to Group pensions and investments (in both internal and external funds). The total value of investments in Group pensions and investment products by key management personnel serving at any point during the year and their close family members was £12 million at the end of the year.

During the year ended 31 December 2020, key management personnel and their close family members contributed £2 million and the value of their investments in Group pensions and investment products totalled £14 million.

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2021 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers and office. In addition, the Company maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

39(b): Associates

In the current and prior year, IT services were provided by 360 Dot Net Limited, an associate company. The relevant transactions had no material impact on the financial statements of the Group.

39(c): Other related parties

Details of the Group's staff pension schemes are provided in note 33. Transactions made between the Group and the Group's staff pension schemes are made in the normal course of business.

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Enquiries:

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Registrars:

Shareholders on the UK Register:	
Equiniti	https://help.shareview.co.uk Tel: +44 (0)333 207 5953* (calling from the UK) Tel: +44 (0)121 415 0113 (calling from overseas) *Lines are open Monday to Friday between 08:30 and 17:30 (UK time), excluding public holidays in England and Wales
Shareholders on the South African Register:	
JSE Investor Services (Pty) Limited	Email: investorenquiries@jseinvestorservices.co.za Tel: 086 140 0110/086 154 6566 (calling from South Africa) Tel: +27 11 029 0251/+27 11 715 3000 (calling from overseas)

JSE Sponsor:

J.P. Morgan Equities South Africa Proprietary Limited

About Quilter plc

Quilter plc is a leading wealth management business in the UK and internationally, helping to create prosperity for the generations of today and tomorrow.

Quilter plc oversees £111.8 billion in customer investments (as at 31 December 2021).

It has an adviser and customer offering spanning: financial advice, investment platforms, multi-asset investment solutions, and discretionary fund management.

The business is being reorganized into two segments: **Affluent** and **High Net Worth**.

Affluent encompasses the financial planning businesses, Quilter Financial Planning, the Quilter Investment Platform and Quilter Investors, the Multi-asset investment solutions business.

High Net Worth includes the discretionary fund management business, Quilter Cheviot, together with Quilter Private Client Advisers.