Quilter

IFPR Public Disclosures

Quilter Investment Platform Limited - as at 31 December 2022

Contents

Section A. Introduction and Purpose

A1 Regulatory Framework

The UK financial services regulator, the Financial Conduct Authority (FCA), introduced the Investment Firms Prudential Regime (IFPR) on 1 January 2022. This is the regulatory framework that governs the amount and nature of capital resources that investment firms must hold. The requirements for investment firms are set out in the Prudential Sourcebook for MiFiD Investment firms (MIFIDPRU). The IFPR aims to streamline and simplify the prudential requirements for MiFID investment firms that the FCA prudentially regulate in the UK (FCA investment firms). It refocuses prudential requirements and expectations away from the risks that firms face, to also consider and look to manage the potential harm firms can pose to consumers and markets.

The IFPR applies to MiFID investment firms authorised and regulated by the FCA and is directly applicable to Quilter Investment Platform Limited (QIPL).

The IFPR includes a new framework for annual regulatory disclosures. QIPL is considered to be a non-small and non-interconnected investment firm (non-SNI) MIFIDPRU investment firm and is required to make public disclosures under the requirement of Chapter 8 of MIFIDPRU.

This document sets out the disclosures that QIPL is required to make publicly available under the IFPR, covering the following key areas:

- Governance arrangements;
- Risk management objectives and policies;
- Own funds;
- Own funds requirements; and
- Remuneration policy and practices.

This disclosure has been prepared in line with MIFIDPRU requirements, to help QIPL customers and other stakeholders to understand the nature of the business, how the business is managed, and its capital position. This report should be read in conjunction with the 2022 Quilter Investment Platform (QIP) Annual Report and Financial Statements.

A2 About Quilter Investment Platform Limited

QIPL is part of the Quilter plc group (Quilter or the Group). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Group with strategic and governance oversight.

A3 Name and contact details of the supervisory authority

QIPL is authorised and regulated by the Financial Conduct Authority (FCA).

Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

A4 Name and contact details of the external auditor

PricewaterhouseCoopers LLP is the statutory auditor of QIPL for the period ending 31 December 2022.

PricewaterhouseCoopers LLP Statutory Auditor
7 More London Riverside
London
SE1 2RT

A5 Qualifying holdings in the undertaking

100% of the voting rights of QIPL were held by the immediate parent company throughout the reporting period.

A6 Frequency of disclosure

QIPL IFPR disclosures are made on an annual basis following publication of the Company's annual report and financial statements. Quilter's disclosures in respect of 2022 are the first set of public disclosures prepared by Quilter under the new IFPR which was effective from 1 January 2022. QIPL may make additional disclosures where appropriate, for example, in the event of material changes to the Company's business model or risk profile.

A7 Publication

The QIPL IFPR disclosure report is published on the Quilter plc website (***https://plc.quilter.com/investor-relations/regulatory-reports-and-company-disclosures***).

A8 Reporting currency

QIPL reports in Great British Pounds (GBP).

A9 Reporting period

This report covers the financial position as at 31 December 2022.

A10 Verification

This disclosure is not audited but has been reviewed internally. The elements of this disclosure taken from the audited financial statements of QIPL have been subject to external verification. These disclosures explain how the QIPL Board has calculated certain capital requirements and information about risk management generally. This disclosure does not constitute a set of financial statements and should not be relied upon in making judgements about QIPL or for any other purpose than that for which the disclosure is intended.

Section B. Governance Arrangements

B1 Quilter Investment Platform Limited Board and Committees

The QIPL Board benefits from strong representation of independent Non-executive Directors who are considered independent and who represent a majority on the Board.

As a subsidiary of Quilter plc, QIPL is subject to the delegated authorities given by Quilter plc under the Quilter plc Group Governance Manual. The Quilter plc Board has adopted an Enterprise Risk Management framework that applies to the entire Quilter business and has been adopted by QIPL.

The Board has established the Governance, Audit and Risk Committee (GARC) as the principal standing Committee of the Board. The role of the GARC is principally to review and monitor all material governance, audit and risk related matters on behalf of the QIPL Board and, where appropriate, make recommendations to the QIPL Board. The GARC reports to the QIPL Board and the Quilter plc Board Risk and Board Audit Committees on its proceedings. The membership of the GARC comprises at least two Non-executive Directors of QIPL appointed by the Board. At least one member has recent and relevant financial experience and competence in accounting and/or auditing. The Committee as a whole has competence relevant to the sector in which the Company operates.

During 2022 the Board established the Investment Oversight Committee (IOC) as an additional standing Committee of the Board. The role of the IOC is principally to ensure that the conflicts of interest arising as a result of including investment solutions manufactured by Quilter businesses are managed effectively, and in doing so ensure investors are provided with products and services which perform as investors expect. The IOC reports to the QIPL Board on its proceedings. The membership of the IOC comprises at least two Non-executive Directors of QIPL appointed by the Board. At least one member has recent and relevant investment management experience. The Committee as a whole has competence relevant to the sector in which the Company operates.

QIPL is managed alongside Quilter Life and Pensions Limited (QLPL), the two companies forming the Quilter Investment Platform (QIP) business.

B2 Three Lines of Defence

The Quilter governance model is designed to promote transparency, accountability and consistency through the clear identification of roles, the separation of business management and governance and control structures, and by tracking performance against accountabilities. The segregation of risk taking, oversight and assurance are codified in Quilter's Three Lines of Defence model which ensures clear accountability and ownership for risk and controls.

The responsibilities of each line of defence are set out below:

First Line of Defence	*Second Line of Defence*	*Third Line of Defence*
Risk Origination, Ownership and Management Business Operations	*Risk Oversight, Challenge and Advice* Risk and Compliance Functions	*Assurance* Internal Audit
The primary responsibility for risk management lies with business management and all employees, who are responsible for managing risk as part of their day-to-day activities. They are responsible for identifying and evaluating the significant risks to the business, for designing and operating suitable controls and reporting risks and issues that arise in their areas.	The second line responsibilities are to provide risk frameworks and advice to the business. Risk's role also includes reviewing and challenging the business on how well the frameworks, standards and regulatory requirements have been implemented and providing additional insights on the main risks being run, the controls around these and the capital held.	The third line responsibilities owned by Internal Audit (IA) are to provide independent, objective assurance. The scope of IA's activities encompasses the examination and evaluation of the design adequacy and operating effectiveness of Quilters system of internal controls and associated risk management processes.
Includes: 1. Setting Risk Management Strategy 2. Setting and delivering tone at the top 3. Implementation and ownership of policies 4. Implementation and monitoring of risk appetite and risk limits 5. Ongoing management of risks 6. Implementation of compliant and risk-aware operating practices 7. Conducting performance management	**Includes:** 1. Delivering a clear and well communicated, business-wide risk framework 2. Providing control and monitoring systems 3. Producing second line risk opinions on key risks facing Quilter for stakeholders 4. Supporting adherence to regulation and legislation 5. Providing advice to the business 6. Escalating material issues/risks	**Includes:** 1. Internal governance structures and processes 2. The setting of and adherence to risk appetite 3. The risk and control culture of the organisation 4. The integrity of dealings with customers, interactions with relevant markets 5. Key corporate events including the information being used to support key decisions 6. Lessons learned analysis following significant adverse events
Accountable: 1. CEO / CFO / COO 2. Executive Management 3. All employees	**Accountable:** 1. CRO 2. Risk Leadership Team 3. Risk Function	**Accountable:** 1. Chief Internal Auditor 2. Internal Audit Team

The system of governance will be reviewed on an annual basis, or whenever there is a material change in the business which requires a change to the system of governance as determined by the QIPL Board.

B3 Roles and duties of the Quilter and Quilter Investment Platform Limited Boards

Quilter is governed and managed as an integrated group. This enables the Quilter plc Board to discharge its legal and regulatory responsibilities whilst delivering the best for its customers.

The role of the **Quilter plc Board of Directors** in respect of QIPL is as follows:

- To oversee the long-term prosperity of Quilter by providing independent input, review and constructive challenge in relation to QIPL;
- To set the overall Business strategy for the Quilter Group which will be tested and challenged by the QIPL Board;
- To monitor the progress of QIPL in development and implementation of strategic plans and material policies;
- To set the overall Group risk appetite, which will be tested and challenged by the QIPL Board;
- To generally oversee QIPL to ensure maintenance of sound risk controls and governance systems, integrity of financial information, regulatory compliance and sound planning, performance and overall management, either directly or via delegation to its Committees;
- To agree annually the capital plan, which will include the allocation of capital to QIPL;
- To consider and, if thought fit, approve matters escalated to it, including those escalated from the QIPL Board; and
- Through its Corporate Governance and Nominations Committee, to approve the appointment of the Chairman of the QIPL Board.

Whilst strategy is set by the Quilter plc Board and reliance is placed on business boards to oversee delivery of the strategy, input from each business board is sought on the business level strategy. Each business board should promote strategic developments that put customers at the heart of the business and promote long-term sustainable value creation.

The roles and duties of the **QIPL Board** in respect of QIPL are as follows:

- To act independently in delivering the business strategy and objectives. Directors are expected to add real value to the business through their knowledge and experience of the business and have the ability to identify risks and provide robust challenge. The Quilter plc Board will place reliance on the assurance provided by the subsidiary board;
- To hold executives to account in respect of business performance, the identification and mitigation of key risks, regulatory responsibility and customer outcomes and to support the delivery of the business' strategy within the context of the overall Quilter strategy;
- Should the interests of Quilter and QIPL diverge, the Quilter plc Board is committed to being respectful of the QIPL Board and to working constructively with it to find appropriate solutions and to ensure that Quilter does not exert undue influence over the decision making of the Company; and
- To identify potential conflicts of interest with its parent and ensure that these are appropriately managed particularly if this is likely to impact the safety and soundness of the Company. With the exception of these areas the QIPL Board is expected to demonstrate an independent approach whilst supporting the execution of the agreed Group strategy.

B4 Quilter Investment Platform Limited Executive responsibility

The QIPL CEO is delegated responsibility by the QIPL Board, for the day-to-day management of the QIPL Business, operating within the authorities granted through the Quilter plc Group Governance Manual and the responsibilities articulated in the CEO of QIPL's Role Profile.

To assist the QIPL CEO in the discharge of those responsibilities, an Executive Management team has been appointed.

The Executive team meets on a monthly basis, and also holds weekly update calls.

The QIPL CEO is also assisted in the review and challenge of performance in the context of Risk Appetite as set by the QIPL Board (that is aligned to the Quilter plc risk appetite set by the Quilter plc Board) and to oversee, challenge and monitor the management of risk, including operational and regulatory risk, the adequacy of governance arrangements and the effectiveness of internal controls within QIPL by the Executive team in dedicated Risk Forums.

B5 Quilter Investment Platform Limited Board of Directors

The table below sets out members of the QIPL Board and their total number of directorships (including any Limited Liability Partnerships and trustee positions) as at 31 December 2022. Their date of joining or leaving the Board (where this took place during the year) is also shown.

Name	Role	Number of Directorships held within the Quilter Group	Number of Directorships held external to the Quilter Group
Steven Levin	Chief Executive		4
Louise Williams	Finance Director	4	-
Annette Barnes	Non-executive Director	2	2
John Gill	Non-executive Director	2	1
George Reid	Chairman and Non-executive Director	3	1

* Note: directorships in organisations which do not pursue predominantly commercial objectives, such as non-profit-making or charitable organisations, are excluded and directorships held within the same group (for external directorships) are counted as a single directorship.

B6 Recruitment and selection of members of the management body

In line with the 2018 UK Corporate Governance Code, the selection and recruitment of Directors is based on merit. Role profiles set out the skills, experience, competencies and knowledge required for the role (and regulatory and firm-specific responsibilities for regulated roles).

Prior to employment and regularly thereafter, background checks are conducted to ensure individuals are fit and proper.

In determining the composition of the management body, we aim to ensure that the individuals have the appropriate skills, experience and, as a whole, the right blend of skills and experience to carry out the responsibilities of the management body.

B7 Promoting Diversity on the management body

All members of the management body are subject to Quilter's Equality and Diversity Principles which are summarised in the Human Resources Policy as follows:

- Providing an environment where employees are safe and there is equality of opportunity is a key element in enabling our people to succeed and deliver the business strategy. Freedom of association is permitted if requested, which includes the right to join a trade union.
- Using our diversity and our relationships to learn from one another enables us to create one business that provides better opportunities for our people and better outcomes for our customers.

The Quilter Group aims to achieve diversity across all dimensions, , including, but not limited to age, gender, gender identity, sexual orientation, ethnicity, neurodiversity and socio-economic background.

The Human Resources function works with the Businesses to develop and assist in implementing action plans arising from employee surveys.

It is important that across Quilter Group there is an open and transparent environment where employees are able to raise issues openly.

Targets are set out in our inclusion and diversity action plan aims to:

- Modernise our culture and reputation as a responsible employer that attracts, develops, retains and full engages all the diverse talent across the organisation.
- Increase the representation of under-represented groups at all levels, including in Senior Leadership.
- Take an equity-based approach in order to bridge the gap between minority and majority groups by focusing on the differing needs of under-represented groups.

These goals will be delivered by our focuses on five priority areas:

- Investing in the next generation
- Improving data transparency and disclosure
- Embedding inclusive leadership
- Improving culture contribution
- Transforming our recruitment practices and processes

B8 Governance, Audit & Risk Committee

The purpose of the GARC of the QIPL Board is to assist the QIPL Board in the effective discharge of its oversight responsibilities for governance and risk management.

The delegated responsibilities of the GARC include:

- Reviewing and assessing the effectiveness of the risk management systems and controls of QIPL;
- Reviewing the major risk exposures of QIPL and the steps management has taken to monitor and control such exposures;
- Reviewing the risk exposure of QIPL in relation to the risk appetite of the QIPL Board and the risk capacity of QIPL and ensuring the risk appetite is aligned to risk appetite of the Quilter group as set by the Quilter plc Board;
- Monitoring the development of risk management policies and procedures generally and making appropriate recommendations to the QIPL Board;
- Reviewing the internal control and risk management systems;
- Monitoring and reviewing the effectiveness of the internal audit function, ensuring co-ordination between the internal and external audit functions and considering the findings of any internal investigation;
- Reporting to the QIPL Board on any matters within its Terms of Reference where it considers that action or improvement is needed and making recommendations as to the steps to be taken;
- Reviewing whistleblowing arrangements by which staff within QIPL may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for the proportionate and independent investigation of such matters and considering the major findings of internal investigations and management's response;
- Annually reviewing and making changes to the Terms of Reference of the Committee for recommendation to the QIPL Board; and
- Considering any other matters as requested by the QIPL Board.

The GARC met 11 times in 2022.

B9 Investment Oversight Committee

The purpose of the Investment Oversight Committee (IOC) of the QIPL Board is to assist the QIPL Board in the effective discharge of governance and oversight responsibilities in relation to the investment propositions of QIPL.

The delegated responsibilities of the IOC include:

- Overseeing the management and control of conflicts of interest related to the WealthSelect Managed Portfolio Service, as well as overseeing the performance, investment risk, and adherence to investment mandates including those pertaining to Environmental, Social and Governance (ESG) and/or sustainability objectives, ensuring that due regard is paid to customer expectations and outcomes.
- Overseeing the construction and on-going appropriateness of any default investment fund(s) and/or strategies offered by QIPL, including Investment Pathways.
- Monitor and review any material activities that impact on the wider investment proposition of QIPL.
- Receive the annual Assessment of Value Reports for the multi-asset portfolio solutions and sub-advised funds and consider any implications for the discharge of the Committee's duties under the Terms of Reference. Review, challenge and approval of the Assessment of Value Reports to be conducted by the Board of Quilter Investors.
- Reporting to the QIPL Board on any matters within its Terms of Reference where it considers that action or improvement is needed and making recommendations as to the steps to be taken.
- Annually reviewing and making changes to the Terms of Reference of the Committee for recommendation to the QIPL Board.
- Considering any other matters as requested by the QIPL Board.

The IOC met 3 times in 2022.

Section C. Risk Management Objectives and Policies

C1 Enterprise Risk Management framework

Quilter defines risk as the uncertainty that the Group faces in successfully delivering upon its strategies and objectives. This includes material internal and external events, acts or omissions that have the potential to threaten the success and survival of Quilter, or the interests of other stakeholders including customers, shareholders, employees and regulators.

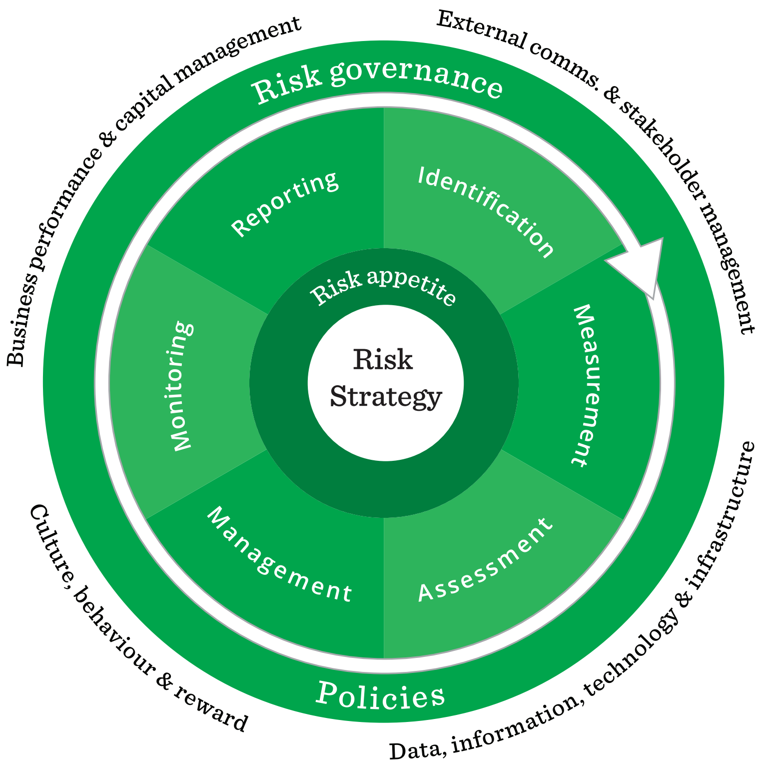
The Enterprise Risk Management Policy sets out the minimum standards in relation to implementing and maintaining an adequate and effective Enterprise Risk Management Framework which, alongside other policies, contributes to the system of internal control as set out within the Group Governance Manual (GGM).

The Enterprise Risk Management Framework is embedded across Quilter and encompasses a number of elements to help the firm manage its risk exposure.

The ERM framework:

- Ensure Quilter's risk management approach is consistent across the business;
- Aligns Quilter's strategy, capital, processes, people, technology and knowledge in order to evaluate and manage opportunities and uncertainties in a structured and disciplined manner; and
- Ensures the risks Quilter faces as a business are understood and continually managed within risk appetite, as well as supporting consideration of capital implications when making strategic and operational decisions.

The core elements of the ERM framework are illustrated below:



C2 Key risk management framework components

Strategic Risk Appetite Principles

Risk appetite is the amount of risk Quilter is willing to take on in the pursuit of its strategic priorities and is defined by the Quilter Board. Culturally, it sets the tone regarding Quilter's attitude towards risk taking. Risk appetite also plays a central role in informing decision making across Quilter, protecting and enhancing the return on capital invested.

Risk appetites are developed for material risks to which Quilter is exposed through qualitative statements and quantitative risk appetite measures. This approach is applied consistently across the Group.

To support the strategic decision-making process, Quilter applies risk preferences which provide guidelines for striking the appropriate balance of risk and reward when setting its business strategy.

A set of Strategic Risk Appetite Principles (SRAPs) has been set by the Quilter Board. These principles, set out below, provide the top-of-the-house guidance on our attitude toward key areas of risk for Quilter and support the ongoing management and oversight of risk, and are supported by a series of more granular risk appetite statements, measures, policies and standards.

Customer	*Liquidity*	*Capital*	*Control Environment*
"Quilter will enable the delivery of good customer outcomes"	"Quilter will ensure that it has sufficient liquidity to meet its financial and funding obligations"	"Quilter will hold or have access to sufficient capital to maintain its own capital needs"	"Quilter will at all times operate a robust control environment"

Policies supporting the system of internal control

The Quilter plc Board bears ultimate responsibility for risk management, including setting risk appetite and approving policies across Quilter. Their responsibility is to ensure the proper functioning of Quilter's risk management activities and set the 'tone at the top' with respect to risk management.

The GGM together with the Quilter Policy suite forms an integral part of Quilter's governance and ERM framework, ensuring an appropriate system of internal control, including financial, operational and compliance areas.

The purpose of the Quilter Policy suite is to ensure appropriate controls are in place in relation to the key risks Quilter faces through:

- Establishing the principles by which Quilter oversees and manages key risks and processes within Quilter; and
- Providing clear ownership, responsibilities and minimum requirements for the management of risks, including the Group's risk appetite for the risk.

Risk identification, measurement and assessment

Risks to the delivery of Quilter's strategy and the Business Plan are identified through the annual strategy development and business planning processes.

The Risk and Control Self-Assessment (RCSA) process supports management in identifying and assessing the business's exposure to the key operational risks arising from business processes, people, systems and external events and to manage those risks appropriately. Where controls are considered to be inadequate or ineffective, management actions are agreed to improve the level of control and to manage those risks appropriately.

Risk management and monitoring

Risks are owned and managed on a day-to-day basis by first line risk owners. The second line Risk function provides oversight and challenge to support the first line in managing risks.

Risk mitigation strategy planning is performed for some risks to ensure that risk mitigation plans are effective. An example of risk mitigation planning is the development of business continuity plans, which are defined at a functional level.

Corporate insurance is in place to mitigate some high impact, low frequency risks.

Quilter is a long-term business and as such monitors emerging risks which are less certain in terms of timescales and impact.

The emerging risk profile is subject to regular review by management committees and the Quilter Board. The identification of these risks contributes to Quilter's stress and scenario testing, which feeds into its strategic planning process and informs its capital calculations.

Scenario testing and modelling

Scenario testing is performed to assess the impact of plausible but severe events in order to support management in developing plans to manage such events and to test Quilter's financial resilience relative to its financial risk appetite. The outcomes and management actions identified through our scenario processes are actively used in business planning and in managing the business.

The scenario framework focuses on considering scenarios under the following headings:

- Macro scenarios: Potential events which could cause a significant impact to the delivery of Quilter's Business Plan;
- Reverse stress testing: Potential extreme events which could cause Quilter's Business Plan to become unviable; and
- Operational risk scenarios: Potential operational events which could lead to operational disruption and financial losses.

Risk reporting and escalation

Ongoing oversight of QIPL's risk profile and risk management arrangements is undertaken by the GARC, with relevant matters also being considered by the QIPL Board. The Quilter Platform Executive Risk Forum is the primary management committee overseeing the risk profile of the firm. The forum is chaired by the Quilter Platform Chief Executive Officer, with representation from across QIPL. On a quarterly basis, the Quilter Platform Chief Risk Officer formally reports the second line perspective on the risk profile of the firm, performance against risk appetite and gives a second line perspective on the effectiveness of management responses. Regular monitoring and reporting of risks enable continuous review and challenge of risks and mitigating actions.

Risk events with a financial impact over £5,000 and risk events which have a significant non-financial impact, such as impacts on customers and regulatory breaches, are recorded by the function within which the risk event arose.

First line management escalates risk events in line with the risk event escalation protocol which is defined by the Risk function.

Risk events remain open until any management actions to manage the impacts or address the events have been performed.

C3 Internal Capital Adequacy and Risk Assessment

The Internal Capital Adequacy and Risk Assessment (ICARA) process covers the internal systems and controls that a firm must operate to identify and manage potential material harms that may arise from the operation of its business, and to ensure that its operations can be wound down in an orderly manner.

The purpose of the ICARA process is to demonstrate that QIPL:

- Has in place appropriate systems and controls to identify, monitor and reduce material potential harms.
- Identifies all material harms that could result from:
  - the ongoing operation of the Business (the going concern assessment); and
  - the winding-down of the Business (the wind-down assessment).
- Where material potential harms remain after implementation of systems and controls, assesses whether to retain additional own funds to mitigate the harms and/or to retain additional liquid assets to mitigate the harms.
- Assesses and monitors the adequacy of own funds and liquid assets, including on a forward-looking basis.
- Uses stress testing to identify whether the Business has sufficient own funds and liquid assets.
- Identifies recovery actions that could be taken to avoid a breach of own funds and liquid asset threshold requirements or to restore compliance with threshold requirements.
- Identifies steps and resources that would be required to ensure an orderly wind-down of the Business.

C4 Adequacy of risk management arrangements

QIPL has an ongoing process for identifying, evaluating, and managing the principal risks that it faces. The QIPL Board reviews these risk assessments over the course of the year. The QIPL Board acknowledges its responsibility for establishing and maintaining Quilter's system of internal control, and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risks to which the Company is exposed. The Board confirms the adequacy of the risk management systems to Company's risk profile and strategy.

C5 Potential harms covered by the own funds requirement

The Own funds requirement is designed to provide for the risk of harms to customers and the Company which could arise due to certain operational risks. This includes the following:

- Risk of harm to customers from incorrect investment management or poor execution, for example, risk of non-adherence to investment mandates.

- Risk of harm to customers due to errors in the safeguarding and administration of assets, for example, risk of outages in the Company's systems that cause disruption to the continuity of the Company's services.
- Risk of harm to customers due to errors in the management of client money, for example, risk of failure to comply with the provisions of client money and asset requirements.
- Risk of harm to customers or the Company due to trading or dealing errors.

Quilter has a suite of policies and standards in place which provide the business requirements for the identification, measurement, management, monitoring and reporting of risks. These include the Operational Risk Policy, Customer Policy, Business Continuity and Crisis Management Policy, Information Technology Policy and Information Security Policy.

C6 Concentration risk

Concentration risk within QIPL primarily resides with the credit exposures that exist with financial institutions where QIPL hold investments of shareholder funds. Concentration risk represents a significant single exposure to one financial institution and is one of the key component parts of Credit Risk within the business that is identified, monitored and mitigated through the Credit Risk Framework. Details of the framework are contained within Section C5.

With the exception of its bank deposits, the Company has no further significant concentration of credit risk.

The contribution of individual customers to the Company's total revenue is not significant and therefore earnings concentration is not considered to be a material risk to the Company.

C7 Liquidity risk

Liquidity risk is the risk that there are insufficient assets or that assets cannot be realised in order to settle financial obligations as they fall due or that market conditions preclude the ability of the firm to trade in illiquid assets in order to maintain its asset/liability matching (ALM) profile.

The Company manages liquidity on a daily basis through:

- Maintaining adequate high-quality liquid assets and banking facilities, the level of which is informed through appropriate liquidity stress testing;
- Continuously monitoring forecast and actual cash flows; and
- Monitoring a number of key risk indicators to help in the identification of a liquidity stress.

The Company maintains and manages its local liquidity requirements according to its business needs within the overall Group Liquidity Risk Framework that includes the Group Liquidity Risk Policy and the Group Liquidity Risk Appetite Statement. The framework is applied consistently across all businesses in the Group to identify, manage, measure, monitor and report on all liquidity risks that have a material impact on liquidity levels. This framework considers both short-term liquidity and cash management considerations and longer-term funding risk considerations.

Liquidity is monitored centrally by Group Treasury, with management actions taken at a business level to ensure each Company has liquidity to cover its minimum liquidity requirement, with an appropriate buffer set in line with the Group Risk Appetite Statement.

The Group maintains contingency funding arrangements to provide liquidity support to businesses in the event of severe liquidity stresses that are greater than their risk appetite. Contingency Funding Plans are in place for each individual business in order to set out the approach and management actions that would be taken should liquidity levels fall below minimum liquidity requirements. The plans undergo an annual review and testing cycle to ensure they are fit for purpose and can be relied upon during a liquidity stress.

Section D. Own Funds

D1 Composition of Regulatory Own Funds

The firm's own funds are exclusively CET1 capital. As at 31 December 2022 and during the year, the firm complied with all externally imposed capital requirements set out in IFPR. Tier 1 capital consisted of fully issued ordinary shares, satisfying all the criteria for a Tier 1 instrument as outlined in IFPR, and audited reserves.

Table OF1

Composition of regulatory own funds			
	Item	**Amount (GBP thousands)**	**Source based on reference numbers/ letters of the balance sheet in the audited financial statements**
1	**Own funds**		
2	**Tier 1 capital**	**89,570**	
3	**Common equity tier 1 capital**	**89,570**	
4	Fully paid-up capital instruments	66,430	Note 14
5	Share premium	-	
6	Retained earnings	43,356	"Retained Earnings"
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-) Total deductions from common equity tier 1	(20,216)	Note 11 and note 16
19	CET1: Other capital elements, deductions and adjustments	-	
20	**Additional tier 1 capital**	-	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) Total deductions from additional tier 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25	**Tier 2 capital**	-	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) Total deductions from tier 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

D2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows a reconciliation of own funds to balance sheet in the audited financial statements, broken down by asset and liabilities classes respectively.

Table OF2

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements (GBP thousands)				
		a	b	c
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross- reference to template OF1**
		As at period end	**As at period end**	
Assets - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Contract costs	3,570		Item 11 - deduction of 'contract cost' intangible asset.
3	Deferred tax assets	2,877		Item 11 - deduction of 'deferred tax' intangible asset.
3	Other receivables	12,332	12,332	
4	Cash and cash equivalents	106,583	106,583	
5	**Total Assets**	**125,362**	118,915	
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Current tax payable	2,985	2,985	
2	Other payables	12,592	26,360	Item 11 - deduction of 2022 unaudited profits.
3	**Total Liabilities**	**15,577**	29,345	
Shareholders' Equity				
1	Share capital	66,430	66,430	Item 4 - Fully paid-up capital instruments
2	Retained earnings	43,356	23,140	Item 6 - Retained earnings. Unaudited profit is deducted when calculating 'own funds'
3	**Total Shareholders' equity**	**109,786**	89,570	Item 11 - Deductions from IFRS net assets are in respect of intangible assets and unaudited net profit.

D3 *Main features of own instruments issued by the firm*

The table below provides information of the CET, AT1 and Tier 2 instruments issued by the firm. There were no changes since last financial year.

Table OF3

Own funds: main features of own instruments issued by the firm	
Public or private placement	Private
Instrument type	Ordinary share
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	66,430
Nominal amount of instrument	66,430
Issue price	£1
Accounting classification	Called up share capital
Original date of issuance	22 November 1982*
Perpetual or dated	Perpetual

* There have been a number of changes in capital since the original date of issuance, with the most recent change a share capital reduction effective 9 April 2021.

Section E. Own Funds Requirement

E1 *Overview*

The minimum level of own funds that QIPL must hold is referred to as the own funds requirement (OFR). The OFR was determined as the highest of:

- Permanent minimum capital requirement (PMR)
- Fixed overheads requirement (FOR)
- K-factor requirement (KFR)

	Quilter Investment Platform Limited at 31 December 2022 (GBP thousands)
Permanent minimum capital requirement	150
Fixed overheads requirement	16,702
K-factor requirement	14,930
Own funds requirement	16,702

E2 *Permanent minimum capital requirement*

The permanent minimum capital requirement is based on the activities undertaken by the entity. For entities, such as QIPL, which hold client money or client assets in the course of MiFID business and do not have permission to deal on own account, the permanent minimum capital requirement is £150k.

E3 *K-factor and Fixed overhead requirements*

The Company calculates the following k-factors, relevant to its business and permissions:

- K-AUM – calculated as 0.02% of the Company's average AUM. The average is calculated using the AUM on the last business day on each of the previous 15 months. The 3 most recent monthly values are excluded, and the arithmetic mean is calculated using the remaining 12 monthly values;
- K-CMH – calculated as 0.4% of the Company's average CMH held in its segregated bank accounts. The average is calculated using the CMH at the end of each business day over the previous 9 months. The daily values for the most recent 3 months are excluded and the arithmetic mean is calculated using the daily values for the remaining 6 months;

- K-ASA – calculated as 0.04% of the Company's average ASA. The average is calculated using the ASA at the end of each business day over the previous 9 months. The daily values for the most recent 3 months are excluded and the arithmetic mean is calculated using the daily values for the remaining 6 months; and
- K-DTF – calculated as 0.1% of the Company's average DTF attributable to cash trades. The average is calculated using the DTF throughout each business day in each of the previous 9 months. The daily values for the most recent 3 months are excluded and the arithmetic mean is calculated using the daily values for the remaining 6 months.

The fixed overheads requirement (FOR) of a MIFIDPRU investment firm is an amount equal to one quarter of the firm's relevant expenditure incurred during the preceding year. Relevant expenditure is the expenditure disclosed in the most recent set of audited financial statements, adjusted to deduct non-recurring costs such as discretionary and transformational development spend. Where there is a material change to projected relevant expenditure during the year, the Company will recalculate FOR based on projected relevant expenditure. In the case of an increase, the firm will substitute the projection into the calculation. In the case of a decrease, the firm will only do so after asking permission from the FCA.

The table below shows the K-factor requirement, broken down into three groupings, and the amount of fixed overheads requirement.

Table OFR1

Item		Amount in GBP thousands
K-factor requirement	(a) Sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement	14,827
	(b) Sum of the K-COH requirement and the K-DTF requirement	103
	(c) Sum of the K-NPR requirement, the K-CMG requirement, the K-TCD requirement and the K-CON requirement	-
Fixed overheads requirement		16,702

E4 Approach to assessing the adequacy of own funds

In order to meet the overall financial adequacy rule, the company maintains own funds in excess of the own funds threshold requirement (OFTR). The OFTR is determined as the highest of:

- Own funds requirement
- Own funds to address risks from ongoing activities
- Own fund necessary for orderly wind-down
- Transitional own funds requirement

The own funds to address risks from ongoing activities is determined as the amount of own funds required to mitigate the risk of harm to customers, the firm, and the market.

The own funds necessary for orderly wind-down is determined through the review of the company's wind-down plan. The wind-down plan sets out the operational plan for orderly wind-down of the company in the event of the company's business plan becoming unviable due to a severe stress event.

The transitional own funds requirement is determined based on the capital requirement under the previous regulatory regime, including individual capital guidance previously provided by the FCA.

Section F. Remuneration Policy and Practices

F1 Introduction

The following disclosure explains how QIPL complies with the remuneration requirements under the IFPR as set out in the MIFIDPRU Remuneration Code.

The Company is categorised as a not significant non-SNI MIFIDPRU investment firm and consequently applies the requirements of IFPR in a way that is proportionate to its size, nature and complexity.

Under the MIFIDPRU Remuneration Code, certain rules apply to the remuneration policy and practices of staff whose professional activities have a material impact on the risk profile of the Firm or the assets it manages. These staff are referred to as Material Risk Takers (MRT's).

F2 Remuneration Policy

Quilter's approach to remuneration is governed by the Quilter plc Remuneration Policy which applies to all staff. The Policy has been designed to discourage risk taking outside of Quilter's risk appetite, to support the Company's business strategy, objectives and values and to align the interests of employees, shareholders and customers.

The Policy has been developed based on a number of key principles. These are:

- Remuneration must reinforce wider people management practices, and only reward results which support Quilter's culture and values;
- Remuneration must align to the business drivers, corporate vision and strategic priorities of the Group and its component businesses, as disclosed to shareholders from time to time;
- remuneration plans and policies must align the interests of executives with those of shareholders by rewarding delivery of the chosen strategy and sustained performance against agreed financial goals that create long-term shareholder value;
- There must be a robust quantitative and qualitative approach to reflecting risk metrics and risk management, including consideration of ESG factors, in the outcome of remuneration plans;
- Total remuneration must be justifiable and affordable in relation to the performance attained;
- The determination and communication of all remuneration plans must be simple, clear and transparent for employees and shareholders; and
- The design and implementation of remuneration policies and practices must be gender neutral and consistent with and encourage the principles of equality, inclusion and diversity.

F3 Remuneration governance

The Remuneration Policy is overseen across Quilter by the Quilter plc Remuneration Committee. The Committee is appointed by the Quilter plc Board and consists of Non-executive Directors of Quilter, which enables it to exercise independent competent judgement in remuneration matters in the context of managing risk, value and capital in line with shareholders' expectations as well as ensuring Quilter's compliance with the relevant regulatory remuneration requirements.

The role of the Committee is to set the over-arching principles and parameters of remuneration policy, to exercise oversight of the implementation of the Remuneration Policy and to consider and approve remuneration arrangements for the Chair, the Executive Directors of the Company and other senior executives including MRTs.

To help it meet its obligations, the Committee is supported by independent external advisers, as well as the Quilter Board Risk Committee regarding the consideration of risk in remuneration decisions as appropriate. The Committee met 11 times in 2022.

F4 Material Risk Taker identification

The Firm has identified its MRTs in line with the requirements of the MIFIDPRU Remuneration Code. The types of staff the Firm has identified as MRTs include members of the management body and senior management as well as staff responsible for business units carrying out regulated activities, control functions, anti-money laundering, material risks within the Firm, information technology, information security and outsourcing of critical functions as well as staff with the authority to approve or veto new products. In addition, the Firm has identified staff managing material assets under management and developed its own additional criteria to capture staff members who provide assurance on conduct risk or who are in sufficiently senior positions that they can create material conduct risk, and staff with managerial responsibility for the Complaints function.

F5 Components of remuneration

Remuneration is made up of fixed pay which includes base pay, pension, employee benefits and non-discretionary allowances (such as shift or overtime allowance) and variable pay which includes short- and long-term performance related variable pay and, by exception, non-standard variable pay (guarantees, buy-out awards, retention awards and severance pay). All staff are eligible to receive variable pay; Non-executive Directors are not eligible to receive variable pay. Fixed compensation is set at a market competitive level enabling a fully flexible variable remuneration policy including the ability to pay no variable pay where appropriate.

Short-term incentives

Short-term incentive awards are structured to incentivise the achievement of annual financial and non-financial performance objectives. For the main Quilter scheme, senior executive outcomes are derived from a balanced scorecard of key financial metrics including Group and business unit profit and net flow targets derived from the business plan and non-financial metrics covering risk, customer, strategic and personal performance (including responsible business, inclusion and diversity and culture measures). The scorecard metrics are set, along with weightings and targets, by the Remuneration Committee at the beginning of each performance year.

For other staff in the main scheme, bonus pool funding is determined based on the same balanced scorecard of Group financial and non-financial metrics. Allocations to individuals are made on the basis of performance against personal objectives including risk management and conduct behaviours and reflect business unit performance where appropriate. Control function staff are assessed against role specific performance objectives which are substantially independent of the financial performance of the business.

Awards are subject to the Company's deferral policy, with up to 50% of the award deferred for awards above the deferral threshold. The deferred portion is awarded in Quilter plc shares and vests over three years on an annual pro-rata basis.

Guaranteed variable remuneration is paid only in exceptional circumstances, is limited to the first year of service and made only in the context of a new hire. Severance payments do not reward failure and reflect the individual's performance overtime.

Long-term incentives

Long-term incentive awards are intended to align senior management and shareholder interests and support the creation of long-term, sustainable shareholder value. Some members of senior management (excluding the Chief Risk Officer) may receive an award in the form of nil-cost options in Quilter plc shares, subject to three-year performance conditions, which currently are: Earnings Per Share (EPS) growth, relative Total Shareholder Return (TSR), operating margin and Environmental, Social and Governance (ESG) measures. The vesting period is three years from the date of grant with a two-year post-vesting minimum retention period, during which the vested shares are subject to clawback. The extent to which the award vests depends on the achievement of the performance conditions and may be between 0-100% of the award.

Other senior management may receive an award of Quilter Restricted Stock Units (RSU's). The award of RSUs is subject to an assessment prior to grant and during the vesting period to validate that there have been no conduct issues or breaches of Quilter risk management policies. The vesting period is three years from the date of grant and the vested shares are subject to clawback for a further period of two years from the vesting date.

F6 Risk adjustment

In determining risk-based adjustments to remuneration, the Remuneration Committee considers all material current and future risks, as well as the effectiveness of risk management in the business and the risk culture, informed by an annual risk review undertaken by the Group CRO and shared with the Board Risk Committee and the Remuneration Committee.

The factors considered in determining whether ex-post risk adjustment is warranted, and the quantum and nature of the adjustment, include the driver and impact of the risk event, management action before and after the risk event and where responsibility for the risk event lies.

Consideration of ex-ante risk adjustment is centred on the Board approved Strategic Risk Appetite Principle (SRAP) measures, which reflect the material risks to which the Company is exposed: customer, liquidity, capital, and control environment. SRAP measures reported as outside appetite for a material part of the performance year would trigger consideration of ex-ante risk adjustment, whilst the Board Risk and Remuneration Committees may also consider the broader risk profile of the business and whether an ex-ante adjustment may be warranted notwithstanding the SRAP indicators.

In applying risk adjustment to pool outcomes, the Remuneration Committee assesses the extent to which current risks at both business unit and Group level have been reflected in the financial and non-financial performance measures and if it deems that such risks, or the potential impact of future risks that are not yet crystallised, are not sufficiently reflected in the performance measures, it has discretion to apply further risk-based adjustments.

Risk-based adjustments to individual outcomes may be applied by the Remuneration Committee through the operation of in-year adjustments, malus or clawback.

The Committee may apply malus and/or clawback to share-related awards if, in its opinion, any of the following circumstances apply:

- The results or accounts or consolidated accounts of any company, business or undertaking in which the participant worked or works or for which he/she was or is directly or indirectly responsible are found to have been materially incorrect or misleading;
- Any company, business or undertaking in which the participant worked or works or for which he was or is directly or indirectly responsible is found to have made a loss out of business written, due in whole or in part, to a failure to observe risk management policies in effect at that time;
- The participant has committed an act of gross misconduct, or it is discovered that the participant's employment could have been summarily terminated;
- The participant has acted in a way which has damaged, or is likely to damage, the reputation of the Company or any Group member, or has brought, or is likely to bring, the Company or any Group member into disrepute in any way;
- An event or events is likely to occur or has occurred that the Committee decides constitutes the corporate failure of the Company and/or any other Group company;
- Any other circumstances similar in nature to those described above which the Committee considers justifies the application of malus;
- Any other circumstance set out in a separate document that is expressed to apply to any particular participant; and
- In the reasonable opinion of the Committee, the individual should not have received or be entitled to receive an award.

Additional provisions apply to individuals identified as MRTs:

- The participant participated in or was responsible for conduct that resulted in significant losses for the Company and/or for any company, business or undertaking in which he/she worked;
- The failure of the participant to meet appropriate standards of fitness and propriety, in accordance with any regulatory rules or principles, internal policies or reasonable expectations as determined by the Committee in its absolute discretion; and

- The Company or any company, business or undertaking in which the participant worked or works or which he/she was or is directly responsible has suffered a material downturn in its financial performance which the Committee considers to justify the application of malus or clawback.

Clawback provisions also apply to the cash element of short-term incentive awards made to MRTs for a period of three years from grant and to all awards of non-standard variable pay.

F7 Quantitative disclosures

20 MRTs were identified for 2022 of which 3 MRTs were Non-executive Directors. The aggregate quantitative information on remuneration shown below relates to the performance year ending 31 December 2022.

Fixed remuneration includes base pay, employee benefits, pension and non-discretionary allowances received between 1 January 2022 and 31 December 2022. Variable remuneration includes 2022 annual incentive awards made in March 2023, and the full value of variable pay awards made during 2022. The highest severance payment made to an MRT was £79,029.

PY2022 (GBP thousands)	Senior Management	Other MRTs	Other Staff	All Staff
Fixed remuneration	2,596	1,642	22,845	27,083
Variable remuneration	4,340	1,343	3,831	9,514
Total remuneration	**6,936**	**2,985**	**26,676**	**36,597**

To prevent the individual identification of an MRT, severance pay, and guaranteed variable pay data has not been disclosed.

Appendix 1: Disclaimer

This report may contain certain forward-looking statements with respect to QIPL plans and its current goals and expectations relating to its future financial condition, performance, and results.

By their nature, all forward looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond QIPL control including amongst other things, international and global economic and business conditions, the implications and economic impact of the COVID 19 pandemic, the implications and economic impact of market related risks such as fluctuations in interest rates and exchange rates, the impact of the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, QIPL's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward looking statements.

QIPL undertakes no obligation to update the forward-looking statements contained in this report or any other forward-looking statements it may make.

Nothing in this report should be construed as a profit forecast.

Nothing in this report shall constitute an offer to sell or the solicitation of an offer to buy any securities.