

Quilter plc Annual General Meeting 2022 Shareholder Questions and Answers

Updated 10 May 2022

Shareholder Questions and Answers

As explained in our Notice of General Meeting, in addition to asking questions at the Annual General Meeting itself, shareholders were invited to submit questions in writing to the Company Secretary, Patrick Gonsalves, in advance of the meeting.

Set out below are answers to questions received before 10 May 2022:

Q1: To approve the Remuneration Policy: In reviewing the remuneration policy, the benchmarking is not disclosed. There is also no disclosure if remuneration consultants are used. There is a large amount of discretion from the remuneration committee on STIs and LTIs. Finally, the approach towards maximum pay and on target performance pay is not clearly articulated.

- As detailed in respect of base salaries on page 120 of the Annual Report, the Board Remuneration Committee (Remco) take into account a range of factors when determining pay levels including performance, skills and experience, scope and complexity of the role, internal and external relativity, as well as wider macro business and economic factors. The Remco – supported by its independent adviser – undertook a detailed benchmarking exercise as part of the Policy review to inform the current package levels, taking into consideration the factors noted above including an assessment of Quilter’s executive remuneration opportunity relative to other UK listed wealth managers and firms of a similar size and nature.
- The Remco is supported by an external remuneration consultant. As detailed on page 145 of the report, the Committee was supported by Alvarez and Marsal for the first three months of 2021 and then by Deloitte, who assisted with the Policy design, benchmarking and other considerations during the year.
- The Policy framework for the STIP and LTIP is set out on pages on 122 and 123 of the report, with the scorecards for 2022 outlined on pages 137 and 139. It is normal market practice for the Remco to have some discretion regarding the operation of incentive plans, as outlined on page 125 of the report. The Committee will always act reasonably and fairly in the interests of all stakeholders if it exercises discretion, and the details will be disclosed fully in the Remuneration Report. Any adjustments to an award typically have the effect of reducing award outcomes.
- The Policy requires “robust and stretching performance targets which reward exceptional performance” (page 119), with the STIP designed to “align remuneration with performance against financial and non-financial business plan targets and personal goals” (page 122) and the LTIP designed to “incentivise and reward Executive Directors for achieving superior long-term business performance that creates shareholder value and maximises sustainable shareholder returns”. The Remco determines the incentive targets each year based on multiple factors, including inputs from the Company’s business plan (which is overseen by the Board), prior year outcomes and external data. On-target performance will generate outcomes equal to 50% of maximum opportunity, with the calibration of targets between threshold (minimum performance), on-target and maximum determined to ensure that above

target or maximum outcomes are only paid if justified by the outperformance of stretching targets.

Q2: To authorise political donations by the Company and its subsidiaries: There are no criteria as to which organisations qualify as political organisations and there is also no reason for the political donation size. Can you provide disclosure in terms of the size and terms of the political donation?

Political donations and expenditure

Our Board has again elected to put a precautionary resolution for the Authorisation of Political Donations and Expenditure to shareholder vote at the 2022 AGM.

At each of the 2021, 2020 and 2019 AGM's the equivalent resolution received support of 82.1%, 84.5% and 75.52% respectively. You will be aware that this resolution is widely put forward by UK listed companies, the primary reason why Quilter continues to seek this precautionary authority is summarised below:

- Under the UK Companies Act it is illegal for UK public companies to make political donations without prior authorisation from their shareholders.
- Should UK public companies make such donations, they would be in breach of Section 366 Companies Act 2006. This is a breach of civil law and the directors of a company in breach would be personally liable to make good to the Company the amount of the unauthorised donation with interest (charged at 8% p.a.) and to compensate the company for any loss or damage sustained by it.
- The sum of Political donations made by Quilter is required to be disclosed in our Annual Report. Quilter has had an authority to make political donations since its listing in June 2018. The sums disclosed in the annual report for each year since listing are as follows:
 - Political donations in 2018 – Nil
 - Political donations in 2019 – Nil
 - Political donations in 2020 – Nil
 - Political donations in 2021 – Nil
- Quilter's budget for political donations in 2022 is zero. Quilter has a clear policy not to make political donations and no executive or employee therefore is authorised to do so.
- The definition of a political donation (under the UK Companies Act) is widely drawn, and we seek to protect ourselves from inadvertent/mistaken breaches. Historic examples of the types of situation that could lead to accidental breaches are set out on page 9 of the 2022 Notice of Meeting.
- This resolution is put forward to protect the Company and the directors from the remote risk of breaches arising with the disproportionate time and effort and potential sanctions (including personal liability for the directors and reputational damage) that would arise.
- There is a full explanation of Quilter's approach to political donations in our Notice of Meeting - [notice-of-agm-2022.pdf \(quilter.com\)](https://www.quilter.com/notice-of-agm-2022.pdf).