

IFPR PUBLIC DISCLOSURES AS AT 31 DECEMBER 2022
QUILTER CHEVIOT LIMITED

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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 Cheviot Limited (QCL or the Company).

The IFPR includes a new framework for annual regulatory disclosures. Quilter Cheviot Limited 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 Quilter Cheviot Limited is required to make publicly available under the IFPR, covering the following key areas:

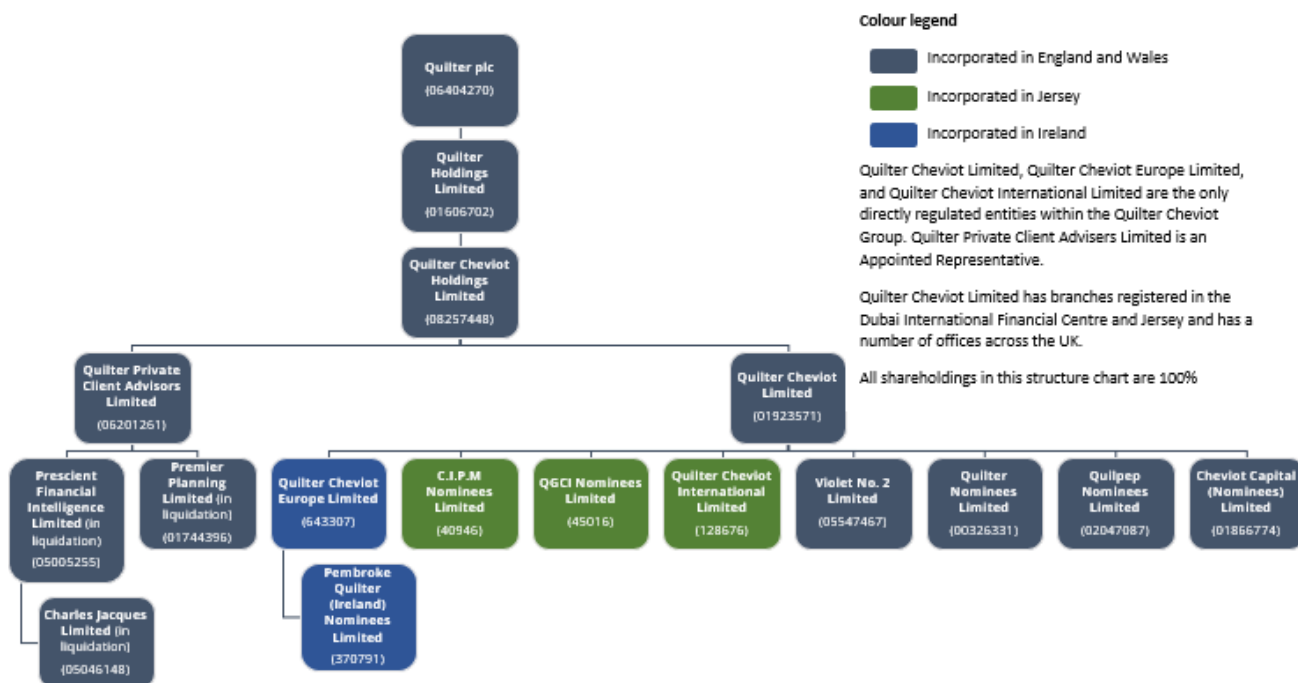
- Governance arrangements;
- Risk management objectives and policies;
- Own funds;
- Own funds regulatory requirements; and
- Remuneration policy and practices.

This disclosure has been prepared in line with the requirements of the IFPR legislation, to help Quilter Cheviot Limited's 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 Cheviot Limited Annual Report and Financial Statements.

A2 About Quilter Cheviot Limited

Quilter Cheviot Limited is a wholly owned subsidiary of Quilter Cheviot Holdings Limited, which is a wholly owned subsidiary of Quilter Holdings Limited, which is a wholly owned subsidiary of Quilter plc. Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Group with strategic and governance oversight.

The Group structure as at 31 December 2022 is shown below:



Quilter Cheviot Limited is a UK-based private client investment manager providing discretionary and advisory investment management services to private clients, pension funds, trustees and charities. The key focus of the firm is on fee-paying investment management with discretionary mandates within the high net worth sector of the UK, Ireland and Jersey markets (with a branch in Dubai, United Arab Emirates). Quilter Cheviot’s business is generated through referrals from existing clients, financial advisers and legal and accountancy firms and, at 31 December 2022, the firm had approximately £25.5 billion of assets under management.

A3 Name and contact details of the supervisory authority

Quilter Cheviot Limited is supervised 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 Quilter Cheviot Limited 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 Quilter Cheviot Limited were held by the immediate parent company throughout the reporting period.

A6 Frequency of disclosure

Quilter Cheviot Limited's 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 Investment Firms Prudential Regime ("IFPR") which was effective from 1 January 2022.

Quilter Cheviot Limited 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 IFPR disclosure report is published on the Quilter Cheviot Limited website (www.quiltercheviot.com).

A8 Reporting currency

Quilter Cheviot Limited 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 Quilter Cheviot Limited have been subject to external verification. These disclosures explain how the Quilter Cheviot 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 Quilter Cheviot Limited or for any other purpose than that for which the disclosure is intended.

Section B. Governance Arrangements

B1 Quilter Cheviot Limited Board and Committees

As a subsidiary of Quilter plc, Quilter Cheviot Limited is subject to the delegated authorities given by Quilter plc under the Quilter plc Group Governance Manual.

The Quilter plc Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

The Quilter plc Board has adopted an Enterprise Risk Management framework that applies to the entire Quilter Group and has been adopted by Quilter Cheviot Limited. At the core of this is the Three Lines of Defence model to risk management and internal controls.

The Quilter Cheviot Limited Board has delegated responsibility to the Chief Executive Officer (CEO) for the day-to-day management of Quilter Cheviot Limited. To assist the CEO in the discharge of these responsibilities an Executive Management team has been appointed. This team forms the Quilter Cheviot Limited Executive Committee (see section B4).

To assist the Quilter Cheviot Limited Board the Governance, Audit and Risk Committee has been delegated the oversight responsibilities for governance, audit and risk management (see section B8).

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 is set out 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 Risk Origination, Ownership and Management Business Operations | Second Line of Defence Risk Oversight, Challenge and Advice Risk and Compliance Functions | Third Line of Defence 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: <ol style="list-style-type: none"> Setting Risk Management Strategy Setting and delivering tone at the top Implementation and ownership of policies Implementation and monitoring of risk appetite and risk limits Ongoing management of risks Implementation of compliant and risk-aware operating practices Conducting performance management | Includes: <ol style="list-style-type: none"> Delivering a clear and well communicated, business-wide risk framework Providing control and monitoring systems Producing second line risk opinions on key risks facing Quilter for stakeholders Supporting adherence to regulation and legislation Providing advice to the business Escalating material issues/risks | Includes: <ol style="list-style-type: none"> Internal governance structures and processes The setting of and adherence to risk appetite The risk and control culture of the organisation The integrity of dealings with customers, interactions with relevant markets Key corporate events including the information being used to support key decisions Lessons learned analysis following significant adverse events |
| Accountable: <ol style="list-style-type: none"> CEO / CFO / COO Executive Management All employees | Accountable: <ol style="list-style-type: none"> CRO Risk Leadership Team Risk Function | Accountable: <ol style="list-style-type: none"> Chief Internal Auditor Internal Audit Team |

B3 Roles and duties of the Quilter and Quilter Cheviot 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 in respect of Quilter Cheviot Limited is as follows:

- To oversee the long-term prosperity of Quilter by providing independent input, review and constructive challenge in relation to Quilter Cheviot Limited;

- To set the overall business strategy for the Quilter Group which will be tested and challenged by the Quilter Cheviot Limited Board;
- To monitor the progress of Quilter Cheviot Limited 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 Quilter Cheviot Limited Board;
- To generally oversee Quilter Cheviot Limited 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 annually agree the capital plan, which will include the allocation of capital to Quilter Cheviot Limited;
- To consider and, if thought fit, approve matters escalated to it, including those escalated from the Quilter Cheviot Limited Board; and
- Through its Board Corporate Governance and Nominations Committee, approve the appointment of the Chair of the Quilter Cheviot Limited 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.

In the rare occasion where the interests of Quilter and its subsidiary diverge, the Quilter plc Board is committed to being respectful of the Quilter Cheviot Limited Board and to working constructively with it to find appropriate solutions and to ensure that Quilter does not exert undue influence over the decisions of the subsidiary.

The roles and duties of the Quilter Cheviot Limited Board are as follows:

- To act independently in delivering the business-level 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-level strategy within the context of the overall Quilter strategy; and
- To identify potential conflicts of interest with the parent and ensure that these are appropriately managed, particularly if this is likely to impact the safety and soundness of the subsidiary. With the exception of these areas the Quilter Cheviot Limited Board is expected to demonstrate an independent approach whilst supporting the execution of the agreed Quilter strategy.

B4 Quilter Cheviot Limited Executive responsibility

The Quilter Cheviot Limited Chief Executive Officer (CEO) has delegated responsibility, from the Board, for the day-to-day management of Quilter Cheviot Limited, subject to the Schedule of Matters Reserved to the Board, the authorities granted through the Quilter plc Group Governance Manual and the responsibilities articulated in the CEO Role Profile.

To assist the CEO in the discharge of those responsibilities an Executive Management team has been appointed. This team forms the QC Executive Committee. The Executive Committee meets formally on a monthly basis with additional regular calls at least once a week.

The Operational Risk Forum, consisting of certain members of the Executive Committee, assists the CEO in the review and challenge of risk appetite performance as set by the Quilter Cheviot Limited Board (that is aligned to the Quilter plc risk appetite set by the Quilter plc Board). The Operational Risk Forum also provides oversight,

challenge and monitoring of the management of risk, including operational and regulatory risk, the adequacy of governance arrangements and the effectiveness of internal controls.

In addition, the Client Outcomes Forum also has representation of the Executive Committee. The Client Outcomes Forum is responsible for the oversight and governance of the delivery of good client experience and outcomes and reviewing client related risks and controls across the business.

B5 Quilter Cheviot Limited Board of Directors

The table below sets out members of the Quilter Cheviot Limited 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 external directorships held* | Number of directorships held within the Quilter Group |
|--|------------------------------------|--|---|
| Ian Buckley | Chairman | 0 | 1 |
| Rosie Harris (resigned on 30 April 2022)** | Independent Non-Executive Director | 1 | 2 |
| Philip Tew | Independent Non-Executive Director | 1 | 1 |
| Paul Barnacle | Director | 0 | 10 |
| Andrew McGlone | Director | 0 | 4 |

* 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.

** Number of directorships as at the date of resignation from the Quilter Cheviot Limited Board

B6 Recruitment and selection of members of the management body

The Quilter Cheviot Limited Human Resources Policy requires decisions on recruitment (and other aspects of people management) to be objective and 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).

Through background and reference checking we ensure individuals are of good repute and are financially sound.

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 gender, ethnicity, socio-economic background, LGBTI+, age and disability or other characteristics as appropriate.

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.

B8 Governance, Audit and Risk Committee

The Governance, Audit and Risk Committee is a standing committee of the Quilter Cheviot Limited Board. Its purpose is to assist the Quilter Cheviot Limited Board in the effective discharge of its oversight responsibilities for governance, audit and risk management.

The delegated responsibilities of the Governance, Audit and Risk Committee include:

- Monitoring the integrity of the financial statements of the Quilter Cheviot Group;
- Reviewing arrangements for regulatory financial reporting;
- Reviewing and assessing the effectiveness of the risk management systems and internal controls of the Quilter Cheviot Group;
- Reviewing the major risk exposures of Quilter Cheviot Group and the steps management has taken to monitor and control such exposures;
- Reviewing the risk exposure of the Quilter Cheviot Group in relation to the risk appetite of the Quilter Cheviot Limited Board, the risk capacity of Quilter Cheviot Group and ensuring 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 Quilter Cheviot Limited Board;
- Monitoring and reviewing the effectiveness, independence and objectivity of the internal audit function in respect of the Quilter Cheviot Group and ensuring co-ordination between the internal and external audit functions and considering the findings of any internal investigation;
- Overseeing the Quilter Cheviot Group's relationship with the external auditors and assess the effectiveness of the external audit process;
- Reviewing and monitor on behalf of Quilter Cheviot Limited Board the material regulatory changes which impact the governance arrangements within the Quilter Cheviot Group;
- Overseeing the operation of whistleblowing arrangements by which staff within the Quilter Cheviot Group 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 consider the major findings of internal investigations and management's response;
- Overseeing developments and prospective changes in the regulatory environment that relate to Compliance and Financial Crime functions;
- Annually reviewing and making changes to the terms of reference of the Committee for recommendation to the Quilter Cheviot Limited Board;
- Reporting to the Quilter Cheviot Limited 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; and
- Considering any other matters as requested by the Quilter Cheviot Limited Board.

The Governance, Audit and Risk Committee met nine times during 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 plc 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 plc 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 "Quilter will enable the delivery of good customer outcomes" | Liquidity "Quilter will ensure that it has sufficient liquidity to meet its financial and funding obligations" | Capital "Quilter will hold or have access to sufficient capital to maintain its own capital needs" | Control Environment "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 plc 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 Quilter Cheviot Limited's risk profile and risk management arrangements is undertaken by the Governance, Audit and Risk Committee, with relevant matters also being considered by the Board. The Operational Risk Forum is the primary management committee overseeing the risk profile of Quilter Cheviot Limited. This forum is chaired by the Quilter Cheviot CFO/COO, with representation from across the business and reports to the Quilter Cheviot Limited Executive Committee.

On a quarterly basis, the Quilter Cheviot Limited CRO formally reports the second line perspective on the risk profile of the firm, performance against risk appetite and 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 and/or non-financial impact in excess of a defined threshold are reported via the Group's risk system, with appropriate root cause analysis conducted on material events.

C3 Internal Capital Adequacy and Risk Assessment

Under the IFPR regime, which was implemented on 1 January 2022, UK investment firms authorised under the UK Markets in Financial Instruments Directive (MiFID) are required to produce an Internal Capital Adequacy and Risk Assessment (ICARA).

The 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 Quilter Cheviot Limited:

- 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, it 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 Risk of harm and uncertainties / Principal risks

In line with Quilter Cheviot Limited's strategic aim to increase AuM within the UK market, and enhance its position as one of the premier providers of personalised asset management service for private clients in the aforementioned market, it is believed the key risks that materially affect the firm's appetite are:

- revenue risk - the risk that the revenues received from fees, commission and interest are lower than anticipated; and
- operational risk - the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. A detailed Risk Appetite statement which justifies the low-risk appetite on both risks was included in Quilter Cheviot Limited's Inputs to the Quilter Group Consolidated ICARA document.

C5 Adequacy of risk management arrangements

Quilter Cheviot Limited has an ongoing process for identifying, evaluating, and managing the principal risks that it faces. The Quilter Cheviot Limited Board reviews these risk assessments over the course of the year. The Quilter Cheviot Limited 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.

C6 Risk addressed by Own Funds Requirement

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

- Risk of harm to clients from incorrect investment management or poor execution, for example, risk of non-adherence to investment mandate.
- Risk of harm to clients due to errors in the safeguarding and administration of assets, for example, risk of outages in the firm's systems that cause disruption to the continuity of the firm's services.
- Risk of harm to clients 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 clients or the firm 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.

C7 Concentration risk

Counterparty Concentration Risk is the of excessive exposure to, a single counterparty or group of related counterparties, resulting in the potential for a negative impact on earnings or capital and/or reduced solvency for Quilter Cheviot Limited and possible harm to its clients. To mitigate this risk, Quilter Cheviot Limited will only place cash in bank deposits or money market funds with counterparties with a minimum long-term rating of A- or better from Standard & Poor's (or equivalent). Any alternative approaches must be approved by an appropriate Group governance forum. Additionally, Quilter Cheviot Limited performs appropriate due diligence when introducing new credit risk counterparties and must get approval from the appropriate Group governance forums. Due diligence of existing material credit risk counterparties is performed on an annual basis and the detail of the review is proportionate to the level of credit risk.

For market counterparties, a list of approved brokers is held by Risk. Any requests to add brokers to the list must be approved by the Head of Risk and Compliance then approved by the Client Money & Counterparty Forum. Counterparties are assessed on a regular basis. On an annual basis, the execution policy and order execution arrangements must be reviewed. The Dealing function will monitor counterparty exposure post trade. The current exposure limit for all counterparties is GBP15m, however a GBP20m exception has been agreed for one counterparty due to their high RSP facilitation. Transmitted orders to Pershing Securities fall outside of the internal exposure limits. This is risk accepted under the single broker model and it is noted that when acting as Settlement Agent only, Pershing accepts no Credit or Market risk exposure in relation to any Market Counterparty or Client that the correspondent trades with or trades on behalf of. Pershing do not set counterparty limits, but exposure is tracked daily.

Client money limits are set to ensure appropriate levels of diversification are achieved:

- A limit of no greater than GBP 330,000,000 to be placed with any one PRA (Prudential Regulation Authority) regulated bank.
- A limit of no greater than 40% of the total pool to be placed within fixed term deposit accounts with a notice period of 30 days or less (i.e., notice period is never more than 30 days).
- Client money is not deposited with third parties within the Quilter group structure.

C8 Liquidity risk

Liquidity is the amount of firm cash available at any given time to meet future funding requirements. Liquidity risk is the risk that the firm is unable to meet its funding obligations in a timely manner. Failure to adequately manage liquidity risk can be costly and could also lead to insolvency.

Client cash is segregated from firm's resources and held in trust status accounts; therefore, it is not included as part of the liquidity risk assessment.

Liquidity is managed 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.

Quilter Cheviot Limited maintains and manages its liquidity requirements according to its business needs within the overall Group Liquidity Risk Framework that includes a Group Liquidity Risk Policy, Group Liquidity Risk

Standard and 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 Quilter Cheviot Limited has liquidity to cover its minimum liquidity requirement, with an appropriate buffer set in line with the Group Risk Appetite Statement. It is considered prudent to hold at a minimum £42.6 million of liquid cash at all times, in order to facilitate the settlement of market commitments. Cash flow forecasts are performed for a rolling 12-month period to monitor the availability of cash. Should available liquid cash drop below £63.9 million, a level at 150% of the minimum £42.6m of liquid cash, it is escalated to senior management as approaching an early warning.

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. 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.

| 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 | 109,308 | |
| 3 | COMMON EQUITY TIER 1 CAPITAL | 109,308 | |
| 4 | Fully paid up capital instruments | 76,391 | |
| 5 | Share premium | - | |
| 6 | Retained earnings | 49,572 | |
| 7 | Accumulated other comprehensive income | - | |
| 8 | Other reserves | 18,448 | |
| 9 | Adjustments to CET1 due to prudential filters | - | |
| 10 | Other funds | - | |
| 11 | (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | (35,103) | |
| 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.

| 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 | Intangible assets | 1,779 | | |
| 2 | Fixed assets | 4,260 | | |
| 3 | Investment in subsidiaries | 29,345 | | |
| 4 | Accrued income | 40,378 | | |
| 5 | Prepayments | 1,596 | | |
| 6 | Deferred tax assets | 4,348 | | |
| 7 | Loans and advances | 38,000 | | |
| 8 | Other receivables | 20,015 | | |
| 9 | Trade receivables | 23,794 | | |
| 10 | Cash and cash equivalents | 58,006 | | |
| 11 | Total Assets | 221,521 | | |
| Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements | | | | |
| 1 | Accruals | 22,221 | | |
| 2 | Lease liabilities | 3,488 | | |
| 3 | Deferred tax liabilities | 424 | | |
| 4 | Current tax liabilities | 15,846 | | |
| 5 | Provisions | 2,898 | | |
| 6 | Other payables | 9,796 | | |
| 7 | Trade payables | 22,437 | | |
| 8 | Total Liabilities | 77,110 | | |
| Shareholders' Equity | | | | |
| 1 | Share capital | 76,391 | | Item 4 - Fully paid up capital instruments |
| 2 | Retained earnings | 49,572 | | Item 6 - Retained earnings |
| 3 | Other reserves | 18,448 | | Item 8 – Other reserves |
| 4 | Total Shareholders' equity | 144,411 | (35,103) | Item 11 - (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 |

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.

| 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) | 76,391 |
| Nominal amount of instrument | 76,391 |
| Issue price | £1 |
| Accounting classification | Called up share capital |
| Original date of issuance | 18 June 1985 |
| 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 increase effective 1 May 2020.

Section E. Own Funds Requirement

E1 Overview

The minimum level of own funds that Quilter Cheviot Limited 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)

| GBP thousands | As at 31 December 2022 |
|---------------------------------------|------------------------|
| Permanent minimum capital requirement | 150 |
| Fixed overheads requirement | 28,190 |
| K-factor requirement | 21,507 |
| Own funds requirement | 28,190 |

E2 Permanent minimum capital requirement

The permanent capital requirement is based on the activities undertaken by the entity. For entities such as Quilter Cheviot Limited which hold client money or client assets in the course of MiFID business and do not have permission to deal on own account, it is £150,000.

E3 K-factor and Fixed overhead requirements

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

| Item | Amount in GBP thousands | |
|-----------------------------|--|--------|
| K-factor requirement | (a) Sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement | 21,453 |
| | (b) Sum of the K-COH requirement and the K-DTF requirement | 54 |
| | (c) Sum of the K-NPR requirement, the K-CMG requirement, the K-TCD requirement and the K-CON requirement | - |
| Fixed overheads requirement | 28,190 | |

K- AUM (Assets Under Management) estimates the risk of harm to clients from incorrect management or poor execution, calculated as 0.02% of AUM. K-AUM is based on rolling monthly average of last 15 months' AUM measured on last business day of each month end (excluding the last three months).

K- ASA (Assets Safeguarded and Administered) gauges the risk of harm to customers due to errors in the safeguarding and administration of assets, calculated as 0.04% of ASA. K-ASA is based on the rolling daily average of last 9 months ASA measured at the end of each business day (excluding the last three months).

K-CMH (Client Money Held) evaluates the risk of harm to customers due to errors in the management of client money, calculated as 0.4% of CMH. K-CMH is based on a rolling daily average of total daily CMH for last 9 months (excluding the last 3 months), split between segregated and non-segregated. Quilter Cheviot Limited only has segregated client money.

K-DTF (Daily Trading Flow) captures the operational risk relating to the value of trading activity, calculated as 0.1% for cash trades/0.01% for derivatives. K-DTF is based on a rolling daily average of total value of DTF for each business day for last 9 months (excluding the last three months); split between cash trades and derivatives.

The fixed overheads requirement ("FOR") of a MIFIDPRU investment firm is an amount equal to one quarter of the firm's relevant expenditure during the preceding year. Where there is a material change to projected relevant expenditure during the year, a firm must immediately recalculate its FOR, based on its projected relevant expenditure. In the case of an increase, the firm should substitute the calculation. In the case of a decrease, the firm should only do so after asking permission from the FCA.

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

Introduction

The following disclosure explains how Quilter Cheviot Limited ('QC') complies with the remuneration requirements under the Investment Firms Prudential Regime ('IFPR') as set out in the MIFIDPRU Remuneration Code.

Quilter Cheviot Limited 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 ('MRTs').

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.

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 plc Board Risk Committee regarding the consideration of risk in remuneration decisions as appropriate. The Committee met 11 times in 2022.

MRT 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.

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.

For Investment Managers and other front office staff, the incentive pool is derived from Quilter Cheviot pre-bonus profit and distributed based on individual performance against a balanced scorecard of financial and non-financial metrics covering profitability, incremental revenue from new business, quality of business, team performance and corporate contribution. Outcomes are subject to a compliance adjuster which can reduce awards by up to 100%.

Awards are subject to the Company's deferral policy, with 40% 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 over time.

- **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 EPS growth, relative TSR, operating margin and 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 depend 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 ('RSUs'). 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.

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.

Quantitative disclosures

22 MRTs were identified for 2022 of which 3 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.

| FY2022 (figures in GBP thousands) | Senior Management | Other MRTs | Other Staff | All Staff |
|--|--------------------------|-------------------|--------------------|------------------|
| Fixed remuneration | 2,589 | 1,464 | 40,486 | 44,539 |
| Variable remuneration | 2,995 | 1,426 | 22,072 | 26,493 |
| Total remuneration | 5,584 | 2,891 | 62,558 | 71,032 |

| | | |
|--------------------------------|---|---|
| Guaranteed variable pay | 0 | 0 |
| - Number of recipients | 0 | 0 |
| Severance pay | | |
| - Number of recipients | | |

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

Appendix 1: Glossary of abbreviations and definitions

| Term | Definition |
|-------------|---|
| The Company | Quilter Cheviot Limited |
| AuM | Assets under Management |
| CET1 | Common equity tier 1 capital |
| FCA | Financial Conduct Authority |
| FOR | Fixed Overhead Requirement |
| ICARA | Internal Capital Adequacy and Risk Assessment |
| IFPR | Investment Firms Prudential Regime |
| K-ASA | K factor requirement based on assets safeguarded and administered |
| K-AUM | K factor requirement based on assets under management |
| K-CMG | K factor requirement based on clearing margin given |
| K-CMH | K factor requirement based on client money held |
| K-COH | K factor requirement based on client orders handled |
| K-CON | K factor requirement based on concentration risk |
| K-DTF | K factor requirement based on daily trading flow |
| K-NPR | K factor requirement based on net position risk |
| K-TCD | K factor requirement based on trading counterparty default |
| KFR | Total K factor requirement |
| LATR | Liquid assets threshold requirement |
| MiFID | Markets in Financial Instruments Directive |
| MIFIDPRU | FCA Prudential sourcebook for MiFID investment firms |
| MRTs | Material Risk Takers: Staff whose professional activities have a material impact on the risk profile of Quilter Cheviot Limited |
| Non-SNI | Non-small and non-interconnected investment firm |
| OFAR | Overall financial adequacy rule |
| OFR | Own funds requirement |
| OFTR | Own funds threshold requirement |
| PMR | Permanent minimum capital requirement |
| Quilter | Quilter plc Group |
| RemCo | Quilter Remuneration Committee |

Appendix 2: Disclaimer

This report may contain certain forward-looking statements with respect to Quilter Cheviot Limited 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 Quilter Cheviot Limited's control including amongst other things, international and global economic and business conditions, geopolitical events, climate change, the implications and economic impact of a global 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, Quilter Cheviot Limited'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.

Quilter Cheviot Limited 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.