

# EVELYN PARTNERS GROUP LIMITED

## CORPORATE GOVERNANCE REPORT

for the year ended 31 December 2022

# Chair's Introduction



Chris Grigg - Chair

## Introduction

On behalf of the Board of Evelyn Partners, I am pleased to present the Corporate Governance Report for the year ended 31 December 2022. This report will provide an insight into our governance approach, a summary of the activities of the Board and its Committees, as well as an insight into the Board's decision-making process.

My fellow Board members and I understand the importance of a robust governance framework to secure the long-term success of the Company. I and my colleagues work closely with Gavin White, the Group Company Secretary, to ensure the Board is discharging its responsibilities in an effective manner.

## Compliance with the Wates Corporate Governance Principles 2018

As a large unlisted private company, the Group follows the Wates Corporate Governance Principles (the 'Wates Principles'). This report will explain how we have complied with these principles, details of which can be found in our compliance statement on page 9.

## Company culture and our purpose and values

You will be familiar with our purpose and values which have been set out in the Strategic Report. We believe the Board plays a crucial role in not only setting the Company's strategy, but also in influencing how our colleagues across the Group relate to our purpose and values.

As we navigate an ever-changing world of hybrid working, the Board understands even more acutely the need to monitor and maintain the Group's positive culture while we continue to adapt to the changing needs of our business and balance those with the needs of our colleagues.

We believe our shared optimism for the future and the relationships we continue to build, coupled with a governance framework that continues to evolve with the business, will ensure the success of the Group for years to come.

## Board evaluation

In March 2022, the Board and Committees received the findings from its latest Board evaluation exercise, facilitated by Lintstock.

I am pleased to note that the outcomes were generally positive with high scores received in relation to Board relationships, clarity of strategic decisions and meeting support which reinforces our belief that we are a well-supported strong leadership team.

More importantly perhaps, it has also highlighted areas in which we as a Board could improve. We remain committed to actioning the recommendations and during the year many of these have already been addressed. We will continue to discuss and implement the suggestions during 2023. Further details on the outcomes of the evaluation can be found in the Nominations Committee Report on pages 23 to 24.

## Stakeholder engagement

Stakeholder engagement continued to be at the forefront of the Board's priorities in 2022 when it came to making key decisions. In particular, at the annual strategy meeting in July, the impact of Board decisions and the Group's operations on all of our stakeholders were considered in great detail.

Our efforts and outcomes of these discussions can be found in our section 172 statement which is available on our website.

## Board priorities for 2023

Looking ahead to our priorities for 2023, we will focus on the following:

- Further deep dives into the different areas of the business as we consider how to develop them
- An enhanced focus on digital investment within the Group as we continue to support our digital hybrid brand, Bestinvest, and continue to integrate and modernise our Financial Services businesses
- Exploring ways in which we can enhance employee wellbeing, particularly by exploring how we can improve workplace wealth by assisting our employees in meeting their financial goals.

I look forward to working with my fellow Board members in 2023 and another successful year for Evelyn Partners.

Chris Grigg  
Chair

3 March 2023

# Board of Directors



**Chris Grigg**

Non-Executive Chair

**Tenure:**

1 year 7 months

**Key Skills and Experience:**

Over 20 years' experience in financial services and real estate

**Former roles:**

CEO, British Land plc; CEO, Barclays' Commercial Bank; Partner, Goldman Sachs



**Chris Woodhouse**

Group Chief Executive Officer

**Tenure:**

5 years 5 months

**Key Skills and Experience:**

Wide-ranging experience in Chief Executive roles across various industries

**Former roles:**

CEO, RAC; Senior Management roles at a number of national retail brands



**Andrew Baddeley**

Group Chief Financial Officer

**Tenure:**

4 years 6 months

**Key Skills and Experience:**

Extensive experience in financial services and insurance industries

**Former roles:**

Group CFO, TP ICAP plc; Group CFO, Brit Insurance; PwC, EY



**Carla Stent**

Independent Non-Executive Director

**Tenure:**

2 years 6 months

**Key Skills and Experience:**

Experienced Executive and Non-Executive Director in financial services sector and other industries as well as the charity sector

**Former roles:**

COO, Virgin Group; Deputy CFO, Barclays Bank



**Keith Jones**

Independent Non-Executive Director

**Tenure:**

2 years 6 months

**Key Skills and Experience:**

Experienced Executive, Non-Executive Director and senior adviser in financial services

**Former roles:**

CEO, Aviva Global Investors; Executive Director and Partner, James Capel & Co. and Lazard Brothers & Co.; CEO NPI Asset Management



**Kjersti Wiklund**

Independent Non-Executive Director

**Tenure:**

0 years 6 months

**Key Skills and Experience:**

Wide-ranging technological, operational and business experience across many sectors

**Former roles:**

Director, Vodafone; Deputy CEO and CTO, Kyivstar; COO, VimpelCom; Executive VP and CTO, Digi Telecommunications



**Elizabeth Chambers**

Independent Non-Executive Director

**Tenure:**

2 years 6 months

**Key Skills and Experience:**

Extensive marketing and Non-Executive experience across the globe and in various industries

**Former roles:**

CMO, Barclays, Barclaycard; CMO, Freshfields Bruckhaus Deringer LLP; Chief Strategy Product and Marketing Officer, Western Union



**David Cobb**

Non-Executive Director

**Tenure:**

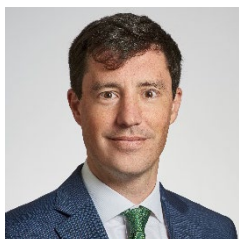
2 years 6 months

**Key Skills and Experience:**

In-depth knowledge of the Company and experience in Investment Management and Banking

**Former roles:**

Co-CEO, Smith & Williamson Group; CEO, Smith & Williamson LLP, Smith & Williamson Investment Services Limited and Smith & Williamson Financial Services Limited



**Peter Deming**

Non-Executive Director

**Tenure:**

2 years 6 months

**Key Skills and Experience:**

Representing Warburg Pincus' interest. In depth knowledge of financial services industry

**Former roles:**

Fixed Income Currency and Commodities Advisory Group, Goldman Sachs



**Chris Pell**

Non-Executive Director

**Tenure:**

2 years 6 months

**Key Skills and Experience:**

Representing Permira's interest. Comprehensive knowledge of financial services industry

**Former roles:**

Corporate Strategy Team, Barclays; Group COO Office, Barclays; LEK Consulting



**Philip Muelder**

Non-Executive Director

**Tenure:**

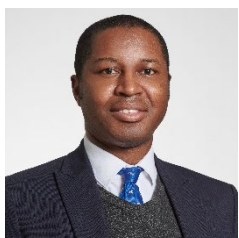
9 years 0 months

**Key Skills and Experience:**

Representing Permira's interest. Extensive knowledge of Bestinvest and the financial services industry

**Former roles:**

Non-Executive Director, Tilney Group; Strategy Consultant, Bain & Company



**Gavin White**

Group Company Secretary

**Tenure:**

1 year 7 months

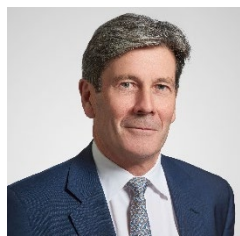
**Key Skills and Experience:**

Extensive governance knowledge within the financial and other industries

**Former roles:**

Senior Governance Roles, Centrica plc, Santander UK plc, HSBC Holdings plc, Lloyds Banking Group plc and Royal Dutch Shell plc

# Group Executive Committee



**Chris Woodhouse**

Group Chief Executive Officer

**Tenure:**

5 years 5 months

Chris joined as the Group Chief Executive Officer of Tilney Group in 2017 and was appointed as Group Chief Executive Officer following the merger with Smith & Williamson.

Chris has previously held senior management roles at a number of national retail brands.

Chris is a Fellow of the Institute of Chartered Accountants and a Fellow of the Associate of Corporate Treasurers.



**Andrew Baddeley**

Group Chief Financial Officer

**Tenure:**

4 years 6 months

Andrew joined as the Group Chief Financial Officer of Tilney Group in 2018 and was appointed as Group Chief Financial Officer following the merger with Smith & Williamson.

Andrew was previously Group Chief Financial Officer at TP ICAP plc and held senior positions in the insurance industry, as well as spending 10 years with leading firms PwC and EY.

Andrew is a Fellow of the Institute of Chartered Accountants and a Chartered Tax Adviser.



**Andrew Wilkes**

Chief Professional Services Director

**Tenure:**

18 years 7 months

Andrew chairs the Professional Services Executive Committee and has overall responsibility across the assurance and business services, tax and advisory teams. Andrew was previously Head of Tax and was appointed as head of the firm's Professional Services business in July 2022.

Andrew is a Chartered Accountant, Chartered Tax Adviser, and a Member of the Chartered Institute for Securities & Investment (CISI).



**Benedetta Peto**

Group Chief People Officer

**Tenure:**

3 years 10 months

Benne has over 10 years' experience in financial services and has held number senior HR positions in her previous roles. Benne has overall responsibility for the 'people' pillar of the firm's corporate responsibility approach.

Benne is a member of the Chartered Institute of Personnel Development (CIPD).



**Charley Davies**

Group General Counsel

Tenure:

0 years 6 months

Charley is head of the firm's Group legal team.

Charley began her legal career at Clifford Chance and has previously held General Counsel and Company Secretary roles in a number of financial and insurance firms.



**John Bunch**

Chief Financial Services Director

Tenure:

2 years 6 months

John chairs the Financial Services Executive Committee and has overall responsibility for the firm's Financial Services business.

John has over 30 years' experience in financial services in the US and has previously held a number of COO and CEO roles.



**John Erskine**

Chief Investment Management Director

Tenure:

15 years 5 months

John has overall responsibility for the investment management business.

John was previously Managing Partner of the Financial Services division following roles as head of the investment management team in the firm's Bristol office and regional head of private clients.



**Mayank Prakash**

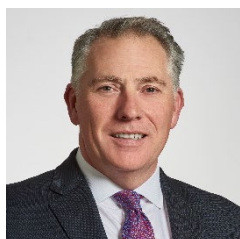
Group Chief Operations Officer

Tenure:

2 years 6 months

Mayank chairs the Change Portfolio Committee and is responsible for overseeing the operational activities of the group.

Mayank has numerous years of invaluable experience in leading transformation, technology, data, security and operations.



**Nathan Rodger**

Group Strategic Programmes Director

**Tenure:**

3 years 10 months

Nathan is responsible for the group's business transformation programmes.

Nathan has significant experience in managing change within financial services and wealth management, with over 20 years' experience in delivery of complex and time critical programmes.



**Philip Best**

Group Chief Risk Officer & Group Head of Compliance

**Tenure:**

4 years 10 months

Philip is responsible for overseeing the group's risk management and compliance strategy.

Philip has extensive experience in risk management in financial institutions and has previously worked as a consultant to banks on risk and compliance, as well as IT and operations.



**Simonetta Rigo**

Group Chief Marketing Officer

**Tenure:**

2 years 3 months

Simonetta is responsible for the Group's marketing strategy.

Simonetta has over 25 years' experience in senior marketing roles across global cross-border payments, banking, wealth management, health insurance and luxury travel industries.

Further details about our Board of Directors and Group Executive Committee Members can be found on our website at [www.evelyn.com](http://www.evelyn.com)



# Corporate Governance Report

## Governance framework

The Group's governance framework has continued its evolution following the merger and rebrand to Evelyn Partners. Board effectiveness is regularly reviewed and is subject to a robust evaluation process. Further improvements to strengthen the governance framework were embedded in 2022 and these continue to develop.

The Board recognises the importance of good corporate governance and works to ensure that the Group's governance arrangements deliver a well-run business which has at its heart its clients, and which recognises its responsibilities not only towards shareholders but also other stakeholders such as colleagues, the wider market and society.

## Our approach to governance

As an unquoted company, we are not required to comply with the Financial Reporting Council's (FRC) 2018 UK Corporate Governance Code.

We therefore follow the Wates Corporate Governance Principles (published by the FRC in December 2018), which provide a framework to help large unlisted private companies meet legal requirements while promoting long term success. In 2022, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied the Wates Principles as the standard against which we measure ourselves.

The Board believes that the Company already complies with best practice and with the spirit of the Wates Principles and has applied them throughout the year. The table in the next section sets out how this has been achieved with an explanation where any principle has not been adopted and why.

The Group's website contains further supporting information on the Wates Principles and Section 172.

## Reporting on the application of Wates Principles:

Principles and meaning	How do we engage
<p><b>1. Purpose and leadership</b></p> <p>An effective Board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose.</p>	<p>The Board has a commitment to develop and promote the purpose of the Company and ensure that its values, strategy and culture align with that purpose. Risk management arrangements form part of a strong governance culture. The Board has developed a strategy and business model to generate long-term sustainable value.</p> <p>Strategic Report, Our Purpose and Value</p> <ul style="list-style-type: none"> <li>The Board also believes that a strong culture, based on shared values and sense of purpose, is vital to the success of a business and underpins the way in which we work, connecting both our colleagues and our clients to our higher purpose.</li> </ul> <p>Section 172 Statement, available on our website</p> <ul style="list-style-type: none"> <li>Various decisions have been made by the Board demonstrating its commitment to generating long-term sustainable value for the Company including the merger, enhancing the governance framework and digital transformation</li> <li>The strategy is clearly articulated and approved by the Board and implemented by management.</li> </ul> <p>Corporate Responsibility Report, People, available on our website</p> <ul style="list-style-type: none"> <li>Following the merger of Tilney and Smith &amp; Williamson, we have developed a culture which is the 'best of both' businesses. We have done this through engagement with our colleagues.</li> </ul> <p>Corporate Governance Report, Board activities, pages 13 and 16</p> <ul style="list-style-type: none"> <li>The Board has oversight of the Group's conflicts of interest policy and considers changes to it</li> <li>The Board approves and monitors performance against the Group's whistleblowing policy.</li> </ul>
<p><b>2. Board composition</b></p> <p>Effective Board composition requires an effective chair and a balance of backgrounds, experience and knowledge, with</p>	<p>The Board reviews its composition, structure and effectiveness on a regular basis.</p> <p>Corporate Governance Report, Board role and Board activities, pages 13 to 16, Nominations Committee Report, pages 23 to 24.</p>

Principles and meaning	How do we engage
<p>individual directors having sufficient capacity to make a valuable contribution. The size of a Board should be guided by the scale and complexity of the company.</p>	<ul style="list-style-type: none"> <li>Board composition, succession planning, induction, training and effectiveness are reviewed by the Board and recommendations are considered by it from the Nominations Committee. The roles of the Chair and the Group Chief Executive Officer are clearly articulated and held by separate individuals</li> <li>The Nominations Committee, which has oversight of the Board appointment process, reviews the size of the Board and the balance of expertise, diversity and objectivity in recommending appointments to the Board. It also considers succession planning and makes recommendations to the Board</li> <li>The Board effectiveness evaluation is considered annually.</li> </ul> <p>Corporate Responsibility Report: inclusion and diversity, available on our website</p> <ul style="list-style-type: none"> <li>In the formation of the Board and Executive Committee, the Board has sought to improve gender diversity. In 2022 the Board approved a Board diversity policy which sets out the aspirational targets for gender and ethnic diversity on the Board as well as in senior management. The policy is available on our website. The Inclusion &amp; Diversity Committee is responsible for ensuring the development and delivery of the Group's diversity and inclusion agenda.</li> </ul>
<p><b>3. Director responsibilities</b></p> <p>The Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision making and independent challenge.</p>	<p>The Company has a well-established governance framework which supports decision making and independent challenge.</p> <p>Corporate Governance Report</p> <ul style="list-style-type: none"> <li>The Board has a list of matters reserved for its consideration and its Committees' terms of reference clarify their roles within the governance framework. Approval of key risk policies for the Group is considered by the Board and/or its Committees as per their own terms of reference</li> <li>The governance framework has been refreshed following the merger and its appropriateness is kept under review. Non-Executive Directors provide independent challenge in the decision-making process of the Board and its Committees</li> <li>Decisions on strategy, risk and control, regulatory and tax, finance and audit, governance, people and operations are considered by the Board and its Committees based on forward agenda planners. These have been developed by the Chair, Group Company Secretary and management to fulfil the requirements within the matters reserved for the Board and the terms of references of its Committees</li> <li>Internal controls and processes are regularly reviewed and monitored with gaps reported to the Risk and Audit Committee through the second and third lines of defence.</li> </ul>
<p><b>4. Opportunity and risk</b></p> <p>A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight to identify and mitigate risks.</p>	<p>Strategic opportunities are assessed by the Board against the Company's risk appetite and its long-term strategy and prospects.</p> <p>Strategic Report, Risk Management section</p> <ul style="list-style-type: none"> <li>A risk management framework was adopted for the combined business following the merger. Efforts are underway to enhance its risk management and compliance capabilities to facilitate risk awareness and further enhance the implementation and effectiveness of the framework</li> <li>The Board approves the risk appetite and has oversight over the performance of the business against the appetite and agreed controls</li> <li>Assessment of risk appetite is a key consideration when a new opportunity is being reviewed and forms part of the approval process. New products and services pass through the Product and Services Oversight Committee for review.</li> </ul> <p>Corporate Governance: The Board's role is on page 13, risk management and internal controls on pages 20 to 22.</p> <ul style="list-style-type: none"> <li>The Group operates under the Three Lines of Defence model with reports produced for consideration by the Risk and Audit Committee</li> </ul>

Principles and meaning	How do we engage
	<ul style="list-style-type: none"> <li>The Board has overall responsibility for the Group's system of internal control with oversight of controls delegated to the Risk and Audit Committee</li> <li>The Board considers the merits of each acquisition to determine if it would be within the Group's risk appetite, enhances the business prospects and is in the interest of all stakeholders.</li> </ul>
<p><b>5. Remuneration</b></p> <p>A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.</p>	<p>The Remuneration Committee approved the remuneration policy and structure which is aligned to the Company's long-term sustainable success.</p> <p>Corporate Responsibility Report, Remuneration section, available on our website</p> <ul style="list-style-type: none"> <li>The remuneration strategy is reviewed by the Remuneration Committee and is aimed at ensuring that it delivers against our remuneration principles and business objectives.</li> </ul> <p>Corporate Governance Report, Remuneration Committee on page 18</p> <ul style="list-style-type: none"> <li>The Remuneration Committee is a Board Committee comprising Non-Executive Directors only. It is responsible for oversight of remuneration and incentive packages for senior colleagues within the Group and the overall remuneration framework for employees including fixed and variable pay reviews.</li> </ul>
<p><b>6. Stakeholder relationships and engagement</b></p> <p>Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.</p>	<p>The Company is committed to creating and sustaining long-term value for its shareholders and other stakeholders.</p> <p>Section 172 Statement, available on our website, sets out the interaction and engagement with stakeholders.</p> <p>Strategic Report, the Board:</p> <ul style="list-style-type: none"> <li>believes in a strong culture, based on shared values and sense of purpose</li> <li>oversees client requirements, market practice and trends and the Company's response to it.</li> </ul> <p>Corporate Responsibility Report, available on our website. The Board:</p> <ul style="list-style-type: none"> <li>considers how we engage with colleagues in developing culture</li> <li>considers talent management and development</li> <li>promotes remuneration policies to attract and retain high performing colleagues</li> <li>ensures commitment towards promoting diversity and inclusion</li> <li>receives reports on the client care programme, seeking ethical and sustainable portfolios for clients</li> <li>has oversight of the anti-bribery policy</li> <li>has commitment towards ensuring that our business and supply chain are free from any slavery or human trafficking</li> <li>oversees the Company's investment in local communities</li> <li>receives ESG reports and ensures that there has been consistent emphasis on the required focus on the topic.</li> </ul>

## The Board

The Group has structured its governance arrangements such that the members of the Board of Evelyn Partners Group Limited are also directors of the majority of the main UK trading or regulated subsidiaries listed below (which together forms the 'Group Boards'). The Group Boards are supported by a number of Board Committees as explained in the following sections of the report.

The Group Boards and their Board Committees conduct their respective meetings on a concurrent basis.

Due to the size, complexity and scale of our business, some subsidiaries have their own Boards and Committees comprising Executive Directors and in the case of some, Non-Executive Directors as appropriate.

## Group Boards

Each Director of Evelyn Partners Group Limited is also a Director of:

- Bestinvest (Consultants) Limited
- Evelyn Partners Asset Management Limited
- Evelyn Partners Corporate Finance Limited
- Evelyn Partners Discretionary Investment Management Limited
- Evelyn Partners Financial Planning Limited
- Evelyn Partners Financial Services Limited
- Evelyn Partners Investment Management Services Limited
- Evelyn Partners Investment Services Limited
- Evelyn Partners Securities
- HFS Milbourne Financial Services Limited
- HW Financial Services Limited
- Index Fund Advisors Limited

- Tilney Asset Management Services Limited
- Tilney Discretionary Portfolio Management Limited.

The Directors are also members of the management Boards of:

- Evelyn Partners LLP
- Evelyn Partners Investment Management LLP.

## Board composition

As at the balance sheet date, the Board of the Company consisted of four Independent Non-Executive Directors, a Non-Executive Board Chair, four Group appointed Non-Executive Directors and two Executive Directors.

Will Samuel led the Board effectively as the Chair. He stepped down from the Board on 18 February 2022 having served as Chair since 27 January 2017 and having succeeded in delivering his responsibilities as the Chair.

Chris Grigg succeeded Will Samuel as Chair on 18 February 2022.

The roles of the Chair and the Group Chief Executive Officer are clearly articulated and held by separate individuals. Chris Grigg, as Chair, and Chris Woodhouse, Group Chief Executive Officer, have demonstrated a successful partnership in striking the right balance of power and effective decision-making.

Through the Nominations Committee, we ensure that we have the right composition of individuals on the Board, giving an appropriate balance of knowledge, skills, experience and perspectives. Our aim of ensuring orderly succession for Board positions is supported by continuous and proactive processes. We take into account our strategic priorities and the main trends and factors affecting the sustainability and success of the business. We oversee and regularly review the development of a diverse pipeline for succession.

Changes to Board membership are set out in the Directors' Report on page 25.

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## Board's role and responsibilities

The role of the Board is to establish a clear strategy for the Group, to determine a risk appetite to support that strategy and to oversee an effective risk control framework. We understand our stakeholders to be:

- Our clients
- Our regulators and the governments of the countries in which we operate
- Our shareholders
- Our colleagues
- Our suppliers and counterparties
- The society and communities in which we operate.

The Board manages the affairs of the Company for the benefit of all stakeholders. This is best achieved by:

- Developing a business model and practices that are designed to maintain and enhance market integrity
- Encouraging a culture whereby long-term relationships are fostered with clients, suppliers and colleagues, who are treated fairly and are content with the service that they receive/provide
- Developing services and products designed for positive client outcomes that are attractive and provide fair treatment for both existing and new clients
- Establishing relevant and supportive relationships with our local communities (see Corporate Responsibility Report, available on our website)
- Developing practices which promote the interests of clients and mitigate the risk of reputational damage or financial loss in respect of the Group's assets or the assets that it manages or controls on behalf of clients
- Maintaining policies such as those relating to conflicts of interest and tax avoidance
- Developing policies in relation to its colleagues, including diversity and inclusion matters, remuneration and modern slavery that demonstrate that the Group deals fairly with its stakeholders.

The Board has a list of matters that are reserved for its decision, which cover the following areas:

- Strategy and business development
- Risk and control
- Regulatory and tax
- Finance and audit
- Legal and governance
- People
- Operations and IT.

## Board activities

The Chair, together with the Group Chief Executive Officer and Group Company Secretary, ensures that the Board has an appropriate schedule of matters for consideration, focused on the core areas listed above. This ensures the future success of the business and that the Company's culture is aligned with its purpose, values and strategy. In 2022, the Board received in-depth presentations on areas of focus and undertook a review of the overall strategy, including developing thoughts about the business priorities and new areas of growth. Meeting papers were distributed in a timely fashion ahead of meetings, allowing Board members sufficient time to read and constructively participate in meetings.

To ensure the most effective use of the time during Board meetings, Board Committees consider certain matters in more detail and make recommendations to the Board. Furthermore, the Chair holds informal preparatory discussions with Board members prior to each Board meeting. During the course of the year, separate sessions are also held with the Independent Non-Executive Directors.

Specialist insight from external advisers is sought when the Board considers certain important topics. The Board ensures regular contact with management and colleagues through several means. These include inviting relevant business and function heads to present to the Board or its Committees, permitting observers as part of individual senior managers' development plans and scheduling regular meetings for Committee Chairs to meet with relevant senior managers.

Throughout the year, Board members continued to have the opportunity to participate in training and development initiatives.

Further details of the Board activities in 2022 are set out in the next section.

## Summary of Board activities in 2022

The Board held eight scheduled meetings in 2022, including an annual Board Strategy Day to consider the Group's long-term strategy. Additional meetings are arranged as required and in 2022, the Board met a total of 14 times.

As part of its decision-making process, the Board considers the views of all stakeholders of the Company, whilst acting in the best interests of the Company and its members as a whole. Further detail on how the Board discharges its responsibilities is set out in the Section 172 Statement, as available on our website. An overview of our Board's activities in the year are below:

Theme	Action taken by the Board
Client outcomes	<ul style="list-style-type: none"> <li>● Reviewed, challenged and remained apprised of the performance of the business divisions and functions, strategic business opportunities, developments with client experience and the Company's integration programme</li> <li>● Ongoing consideration to continue development of Bestinvest, our online business, into a market-leading digital hybrid platform to support self-directed investors and serve them better</li> <li>● Approved new client money interest rate and counterparty bank risk proposals</li> <li>● Approved the Group's Consumer Duty implementation plan</li> <li>● Approved the appointment of Carla Stent as Consumer Duty Board Champion.</li> </ul>
Strategy and business development	<p>Overall strategy review:</p> <ul style="list-style-type: none"> <li>● Received regular updates from the Group Chief Executive Officer including overall strategy updates</li> <li>● Received regular marketing updates, client segmentation reports and performance of each of the Group's operating divisions</li> <li>● Held the Board Strategy Day on 7 July 2022 at which both management and external advisers supported the review of the existing business strategy by providing market insights complemented by strengths, weaknesses, opportunities and threats (SWOT) analysis undertaken by the Group Executive Committee. Inputs from the review are embedded in management's strategy plans and actions for 2023.</li> </ul> <p>Commercial strategies:</p> <ul style="list-style-type: none"> <li>● Approved a proposal to harmonise pricing and proposition in the Financial Services business</li> <li>● Considered the launch of the digital hybrid strategy in early 2022</li> <li>● Considered developing leading digital transformation propositions and differentiated services in line with our organic growth.</li> </ul> <p>Merger and acquisition activity:</p> <ul style="list-style-type: none"> <li>● Received regular updates on various initiatives related to the Group's strategic growth plans and supporting initiatives</li> <li>● Received updates on the development of the RIFA acquisitions.</li> </ul> <p>Rebranding:</p> <ul style="list-style-type: none"> <li>● Considered and approved the proposal including investment spend to rebrand the Company</li> <li>● Received regular updates on the rebranding exercise in the lead up to its announcement.</li> </ul> <p>Integration:</p> <ul style="list-style-type: none"> <li>● Following on from the merger in 2020, the Board has oversight of the rollout of the integration plan and how risks arising from the integration are being managed</li> <li>● The programme includes plans to obtain synergies from the merger, technology integration, and develop the purpose, values and culture for the combined business. Progress achieved is set out in the Chief Executive Officer's Review</li> <li>● Regular updates are provided to the Board on progress being made against each initiative.</li> </ul>

Theme	Action taken by the Board
Risk and compliance	<ul style="list-style-type: none"> <li>Considered Financial and Cyber Crime, suitability and integration risks including approval of risk appetite and oversight of programmes to accelerate controls enhancement and regulatory engagement</li> <li>Over the last year, the Group has continued to focus on consolidating and enhancing its risk management and compliance capabilities to facilitate risk awareness and further enhance the implementation and effectiveness of the risk management framework. The risk management framework is underpinned by policies, procedures and reporting, all of which have been enhanced over the course of the year and will continue to evolve to produce accurate and timely management information to meet the needs of the Group, as it seeks to deliver its strategic objectives</li> <li>Action was taken where needed if risks fell outside of the Group's risk appetites, which are defined at both the operational resilience and business-as-usual threshold levels, or where the need for remedial action was recognised in respect of any weaknesses identified in relation to mitigating controls.</li> </ul>
Regulatory and tax	<ul style="list-style-type: none"> <li>Approved the Group tax strategy</li> <li>Received reports on the Group's compliance with Client Assets Sourcebook (CASS) regulations from the CASS officer, together with his annual attestation.</li> </ul>
Finance and audit	<ul style="list-style-type: none"> <li>Received regular updates from the Group Chief Financial Officer on financial performance, management accounts, segmental performance, internal controls and regulatory capital requirements</li> <li>Reviewed the Group's regulatory capital resources and requirements, and approved increase in the capital of the Company</li> <li>Received regular updates in respect of CASS audits and related matters</li> <li>Received regular updates on performance against the 2022 budget and five-year business plan</li> <li>Approved the budget for 2023, and auditor appointment and fees</li> <li>Approved the Annual Report and Financial Statements 2021 and other year-end related matters. The Board also agreed the going concern and viability statements included within the Annual Report and Financial Statements 2021</li> <li>Reviewed, challenged and approved the ICARA, adequacy and effectiveness of stress-testing and capital management</li> <li>Reviewed and approved the distribution of two interim dividends in the year. The first interim dividend of £17.5 million was distributed and paid to the Company's sole shareholder on 7 July 2022. A second interim dividend of £20.0 million was distributed and paid to the Company's sole shareholder on 21 December 2022. The payment was made from the Company's distributable reserves based on the unaudited balance sheet of the Company. The Company has not declared a final dividend.</li> </ul>
Corporate social responsibility	<ul style="list-style-type: none"> <li>Received regular updates from the Corporate Responsibility Committee on the corporate social responsibility activities undertaken by the Group, including its stance on environmental social governance, which continues to be an area of increasing importance not only to the Board but society as a whole, see the Corporate Responsibility Report, available on our website. After September 2022 executive responsibility ESG passed to the GEC and the Board thereafter received updates from that committee</li> <li>Agreed to create a Board ESG Committee to further prioritise the Group's aspirations in this area. The inaugural meeting of the Committee will be in March 2023</li> <li>Approved the statement on slavery and human trafficking for the financial year ended 31 December 2021 in compliance with the Modern Slavery Act 2015. It is available on the Group's website.</li> </ul>

Theme	Action taken by the Board
Legal and governance	<ul style="list-style-type: none"> <li>● Received updates from the Group General Counsel on legal matters as well as developments in law and from the Company Secretary regarding corporate governance that affects the business and recommended best practices as appropriate. Directors are periodically reminded of their responsibilities both in law and from a regulatory perspective</li> <li>● Received regular updates on revisions to senior management function (SMF) responsibilities, including workshop training on SMF reasonable steps and also approved new SMF appointments as appropriate</li> <li>● Approved restructuring and liquidation of several group entities as part of the legal entity rationalisation programme</li> <li>● Approved the appointment of one new Independent Non-Executive Director</li> <li>● Approved the revised governance model for the Group, resulting in the restructuring of various Board's Committees and the creation of two new Board Committees, being the Board ESG Committee and the Board Digitalisation Forum</li> <li>● The Board has an oversight of the Group policies framework and approved policies which are not delegated elsewhere</li> <li>● Approved any changes to directors' conflicts of interest</li> <li>● In March 2022, the Board received the outcomes of the internal Board evaluation exercise facilitated by Lintstock.</li> </ul>
People and culture	<ul style="list-style-type: none"> <li>● Received regular updates from the Group's Chief People Officer on human resources matters</li> <li>● Considered Succession Planning across all key control and support functions</li> <li>● Kept apprised of employee well-being during integration post-merger</li> <li>● Supported management in its engagement with employees through colleague Pulse</li> <li>● Considered the adequacy of Gender Pay Gap policy and other remuneration policies with oversight from Remuneration Committee</li> <li>● Received regular reports on whistleblowing instances and recommendations from Risk and Oversight Committee</li> <li>● Supported the move to 45 Gresham Street, London providing 'Smart Working' facilities to our colleagues and designed to the highest standards of environmental sustainability</li> <li>● Received regular updates on the new senior management hires.</li> </ul>
Operations and IT	<ul style="list-style-type: none"> <li>● Received regular updates on change portfolio initiatives including update on integration programmes, client advisor and digitisation and custody migration</li> <li>● Received updates in relation to IT and cyber security resilience testing</li> <li>● Following the collapse of SunGard data centres in the UK, approved a proposal to move certain services to the Cloud.</li> </ul>



## The Board Committees

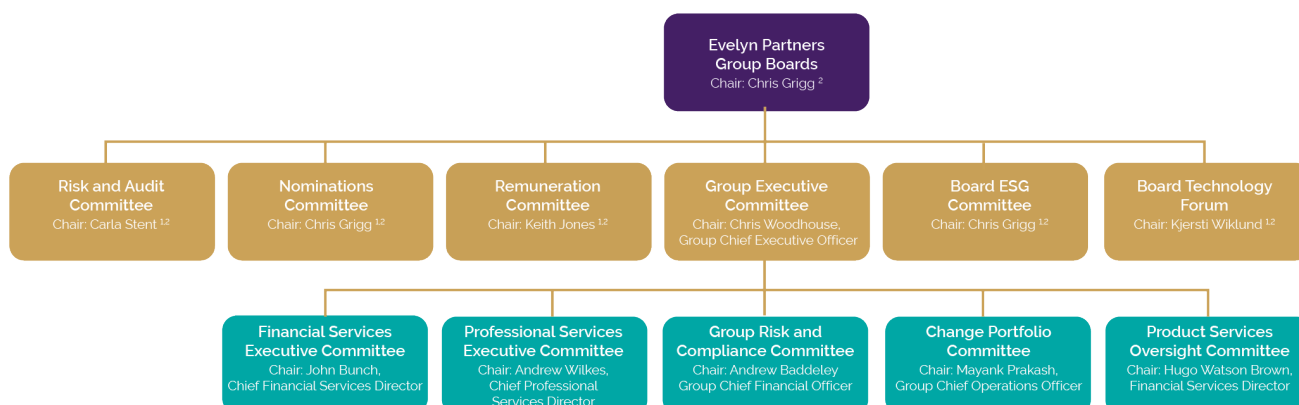
The Board delegates certain responsibilities to Board Committees to help discharge its duties. The Board Committees play an essential role in supporting the Board, giving focused oversight of key areas and aspects of the business. The Board Committees are in turn supported by various executive and management Committees as set out in the diagram below. While the Board retains overall responsibility, a sub-Committee structure allows more time for closer scrutiny by Board Committees prior to any consideration required by the Board.

The role and responsibilities of the Board and Board Committees, including sub-Committees, are set out in formal Terms of Reference to ensure there are clear lines of accountability and responsibility to support effective decision-making across the organisation. These are reviewed at least annually as part of the review of the corporate governance framework.

During the year, the Corporate Responsibility Committee (CRC) was disbanded and replaced with the Board ESG Committee, as part of the firm's continued commitment to its ESG journey. Additionally, a new Board Digitalisation Forum was created, which will focus on the firm's digitalisation progress.

Except for the Group Executive Committee and its sub-Committees, all Committees comprise Non-Executive Directors only. The Board Chair is also the Chair of the Nomination Committee and the Board ESG Committee; all other principal Board Committees, except the Group Executive Committee, are chaired by Non-Executive Directors who have particular skills or interests in the activities of those Committees. The Chairs of each of the Board Committees provide a report to the Board on their activities.

The governance structure encompassing the Board, its principal Board Committees and the sub-Committees is set out in the diagram below.



1. Independent Non-Executive Director (INED).

2. Represents Non-Executive Directors' (NED) participation on the Board and respective Board Committees.

### Nomination Committee

Details are set out in the Nominations Committee Report on pages 23 to 24.

### Risk and Audit Committee

Details are set out in the Risk and Audit Committee Report on pages 20 to 22.

### Remuneration Committee

The Committee comprises Non-Executive Directors and its Chair is an Independent Non-Executive Director. The responsibilities delegated by the Board to the Committee include oversight of remuneration and incentive packages for senior colleagues within the Group. It also ensures that the remuneration policies and practices comply with the appropriate regulatory guidelines and codes of practice and are designed to foster and support the Group's strategy, prudent risk management, culture and behaviours and take into account the long-term interests of all stakeholders. It considers changes to the Group's remuneration policy, any significant widening of the gender pay gap, any proposal to introduce a new equity incentive plan and significant changes to the equity incentive arrangements of Board members. The Committee approves the remuneration and incentive packages for the Executive Directors and the members of the Group Executive Committee. It has oversight of the controls in place to ensure that risk and compliance concerns are reflected in the remuneration of individuals.

### ESG Committee

This is a new committee that has been established in the first quarter of 2023 to provide dedicated Board oversight of ESG strategy.

### Group Executive Committee and its sub-Committees

The Group Executive Committee, the membership of which is drawn from senior colleagues across the Group, is responsible for managing the business and delivering the execution of our strategy. This Committee is chaired by the Group Chief

Executive Officer. It meets weekly to consider ad hoc matters and monthly to consider a more scheduled range of topics.

The Group Executive Committee, in its oversight of the businesses within the Group, has the following executive and management sub-Committees which report into it. These sub-Committees comprise key senior managers and colleagues from various business functions who are responsible for the day-to-day running of the business and other operational and compliance matters and implementing the strategies that the Board has set.

- Group Risk and Compliance Committee: oversees the Group's risk management and compliance requirements
- Product and Services Oversight Committee: oversees the product governance requirements of MiFID II
- Change Portfolio Committee: monitors large change projects across the Group. It provides challenge and oversight of change activity. This includes the prioritisation, planning, execution and governance of in-scope projects and change activity
- Financial Services Executive Committee: provides a unified focus to the Financial Services business. It is responsible for overseeing the overall functioning and governance of the core Financial Services business in order to enhance client outcomes and ongoing business development. This Committee is further supported by several other sub-Committees such as the Risk Operational and Oversight Committee, Investment Process Committee, the Investment Oversight Committee, the Financial Planning Process Committee and the Financial Planning Oversight Committee and various working groups
- Professional Services Executive Committee: oversees the overall functioning and governance of the core Professional Services business to enhance client outcomes and ongoing business development.

### Corporate Responsibility

Details are set out in the Corporate Responsibility Report, available on our website.

## Board and Committee membership and attendance record<sup>1</sup>

Position	Member	Group Boards	Risk and Audit Committee	Nominations Committee	Remuneration Committee
Chair	Chris Grigg <sup>2</sup>	14/14	6/7	4/4	10/10
	Will Samuel <sup>3</sup>	3/3	3/3	4/4	3/3
Executive Directors	Andrew Baddeley	14/14	N/A	N/A	N/A
	Chris Woodhouse	14/14	N/A	N/A	N/A
Independent Non-Executive Directors	Elizabeth Chambers	14/14	5/7	4/4	7/10
	Keith Jones <sup>4</sup>	12/14	7/7	4/4	10/10
	Bill McNabb <sup>5</sup>	7/14	N/A	N/A	N/A
	Carla Stent <sup>6</sup>	13/14	7/7	4/4	9/10
	Kjersti Wiklund <sup>7</sup>	5/5	N/A	N/A	N/A
Non-Executive Directors	David Cobb	14/14	N/A	N/A	N/A
	Peter Deming	13/14	7/7	4/4	10/10
	Philip Muelder	11/14	N/A	4/4	6/10
	Christopher Pell	14/14	7/7	4/4	10/10

1. The table shows attendance at the meetings, held during the year, of the Group Boards and those Committees which comprises NEDs. The Board ESG Committee and the Board Digitalisation Forum were formed during the year and will have their respective inaugural meetings in 2023.
2. Chris Grigg is Chair of the Nominations Committee.
3. Will Samuel stepped down from the Board on 18 February 2022.
4. Keith Jones is the Chair of the Remuneration Committee.
5. Bill McNabb stepped down from the Board on 18 November 2022.
6. Carla Stent is the Chair of the Risk and Audit Committee.
7. Kjersti Wiklund was appointed to the Board on 9 September 2022.

# Risk and Audit Committee Report



**Carla Stent** - Chair of the Risk and Audit Committee

## The Chair's statement

I am pleased to once again present my report to you as the Chair of the Risk and Audit Committee. 2022 continued to be an eventful time for the Company with the core business continuing to integrate against the backdrop of the war in the Ukraine, market and political volatility and rising inflation and interest rates. Despite these headwinds, it remains an exciting time for the Company as we continue to build on the achievements following the merger.

During 2022, the Committee considered risks relating to the Group's strategy, IT and cloud technology, change management, cyber and data security, fraud management and the digital technology platform upgrades to Bestinvest. We also reviewed the control environment with respect to IT controls, operational resilience, financial crime, cyber, investment suitability, implementation of Russian-related sanctions and change programme processes as well as the assessment of the appropriateness of internal controls and reporting. A significant amount of time was spent overseeing the implementation of the Consumer Duty regulation and the enhancements of associated controls around file standards.

## Membership and attendance

Details of Committee membership and their attendance is set out on page 19.

The Group Chief Financial Officer, the Group General Counsel, the Group Chief Risk and Compliance Officer, the Group Finance Director, the Group Chief Operating Officer and the Group Chief Executive Officer were all in attendance at the Committee meetings, as were representatives from the Group's external and internal auditors, who also met with the Committee members before some meetings without management present.

## Role and responsibilities of the Committee

The Committee has responsibility for oversight of a number of audit and risk matters, which are set out in its terms of reference and include:

- Review the enterprise-wide risk profile through the Three Lines of Defence governance model
- Provide advice, oversight and challenge to embed and maintain a supportive risk culture
- Review the risk framework and recommend it to the Board for approval
- Review and approve the key risk type and risk activity frameworks identified in the risk framework
- Review and approve the internal capital and risk assessment (ICARA) process
- Review the capability to identify and manage new risks and risk types
- Receive an assessment of the strategic risk
- Receive biannual updates, and ad-hoc updates as appropriate, from the Client Assets Sourcebook (CASS) team
- Oversee and challenge the day-to-day risk management actions and oversight arrangements and adherence to risk frameworks and policies
- Review the integrity of the financial statements of the Company and any formal announcements relating to its financial performance, including significant financial reporting judgements
- Ensure the effectiveness of internal financial controls
- Evaluate the external auditors including their independence and objectivity, as well as agreeing the audit scope and effectiveness of the audit process in respect of the statutory audit of the annual financial statements
- Ensure the effectiveness of the internal audit function
- Review the whistleblowing arrangements
- Receive regular updates from the audit and risk committee of key subsidiaries.

## Governance

The Committee is supported by an executive committee called the 'Group Risk and Compliance Committee' which is chaired by Andrew Baddeley, Group Chief Financial Officer and attended by key colleagues from various business functions including risk, compliance and CASS. This executive committee monitors the risk management framework to ensure that adequate systems and controls are in place and that the businesses operate in accordance with all relevant legal and regulatory requirements. It also ensures the management of key risks against appetite group-wide and reports on deviations and material issues across the Group.

## Overview of the year

### Risk management framework

The Group operates a Three Lines of Defence model to support the risk management framework which is detailed in the Strategic Report.

Group level key risks, together with associated key risk indicators and risk appetites for each, have been agreed within the risk management policy and framework, reflecting the risk to the Group's business and delivery of its strategy. Key risks are agreed by the Board and monitored by the Group Risk and Compliance Committee, which reports to the Risk and Audit Committee on any key risk that sits outside of risk appetite and recommends actions to bring them back within tolerance.

### Internal control and financial reporting

The Board has overall responsibility for the Group's system of internal control. The Chair of the Risk and Audit Committee is responsible for the internal audit function and is supported by the Head of Internal Audit and the Group Chief Risk Officer.

Services of the co-source internal audit partner, BDO LLP, are utilised alongside those of the in-house team. Audit reports from a rolling programme of work are received and reviewed

by the Group Risk and Compliance Committee, the Risk and Audit Committee and any other relevant Committees as appropriate.

The Group's system of internal financial control includes restrictions on payment authorisations and execution and, where appropriate and possible, duties are segregated. The annual budgeting, forecasting and monthly management reporting system, which applies throughout the Group, enables trends to be evaluated and variances to be acted upon. The Group Executive Committee received monthly financial information on results and other performance data and the Board reviewed financial and performance data at each of its formal meetings.

The Committee approved a policy governance framework to implement minimum standards for policies across the Group.

Any system of internal control, however, is designed to manage, rather than eliminate the risk of failure to achieve business objectives and client outcomes. In establishing and reviewing the system of internal controls, the Directors consider the nature and extent of relevant risks, the likelihood of a loss being incurred and costs of control.

## Summary of key Committee activities in 2022:

Theme	Action taken by the Committee
Risk oversight	<ul style="list-style-type: none"> <li>Received regular updates from Group Chief Risk Compliance Officer and Group General Counsel to consider key risk, compliance and financial crime matters including emerging risks and recommending appropriate actions to the Board and downstream functions</li> <li>Received updates from the Chief Investment Management Director on Investment Suitability and Oversight and the Risk Budget</li> <li>Considered regular updates from the Group Chief Risk Officer regarding compliance monitoring plan, KRIs and risk environment</li> <li>Monitored the adequacy of the Group's whistleblowing policy and investigated any whistleblowing cases during the year.</li> </ul>
Regulatory and tax	<ul style="list-style-type: none"> <li>Received detailed reports on the Group's compliance with relevant regulations and on the interactions with the Group's regulators</li> <li>Received regular updates from the CASS auditors and the Group's CASS officer on CASS matters including engagement with the FCA</li> <li>Considered the Group's taxation status report and its tax strategy. The Group's Tax strategy has been made publicly available on our website. The strategy sets out the Group's governance in relation to tax compliance, risk management, attitude to arranging our tax affairs, and our relationship with the tax authorities. The Group's tax risk appetite is considered to be low.</li> </ul>
Audit matters	<p>Internal Audit</p> <ul style="list-style-type: none"> <li>Received regular reports from the internal auditors (supported by BDO LLP under a co-sourced model). A number of internal audits were carried out during the year in accordance with a plan approved by the Committee. The Committee monitored progress against the implementation of the recommended actions, and reviewed management's responses to any matters of significance raised during the audit reviews. Where appropriate, past due audit actions were followed up</li> </ul>

Theme	Action taken by the Committee
	<ul style="list-style-type: none"> <li>External Audit: Mazars LLP continue to act as our external auditors. Mazars confirmed that they were independent and able to express an objective opinion on the financial statements for the year ended 31 December 2022.</li> </ul>
Finance matters	<ul style="list-style-type: none"> <li>Critical accounting judgements and key sources of estimation uncertainty made in the preparation of the Annual Report and Financial Statements (for further information, see note 4 to the Consolidated Financial Statements) were considered and agreed by the Committee, including:                             <ul style="list-style-type: none"> <li>Revenue recognition</li> <li>Capitalised costs of obtaining client contracts</li> <li>Impairment of goodwill</li> <li>Business combinations</li> <li>Useful lives of intangible assets</li> <li>Defined benefit pension schemes</li> <li>Share-based payments</li> <li>Accrued income</li> <li>Investment in subsidiaries</li> <li>Separately identified operating costs (previously 'exceptional items')</li> <li>Fair value of financial instruments</li> <li>PS revenue and work in progress provision</li> </ul> </li> <li>Reviewed and agreed the going concern and viability statements, together with the work carried out as a whole to prepare the Annual Report and Financial Statements 2022. Considering the Annual Report and Financial Statements 2022 were fair, balanced and understandable and provided the information necessary for shareholders to assess the Group and Company's performance, business model and strategy, the Committee recommended to the Board the approval of the Annual Report and Financial Statements 2022</li> <li>Recommended to the Board, the approval of the ICARA 2022.</li> </ul>
Operations and IT	<ul style="list-style-type: none"> <li>Received regular updates from the Chief Operating Officer on material change programmes including custody consolidation for the UK and internationally, upgrades to key systems and platforms and updates on IT controls and cyber security.</li> </ul>

### Terms of Reference

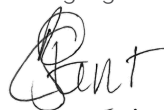
The Terms of Reference and membership are regularly reviewed by the Committee to make sure they continue to be appropriate.

### Consumer Duty and Whistleblowing Champion

The Board have appointed me both the Consumer Duty Champion and the Whistleblowing Champion. A considerable amount of work has been undertaken to prepare our Consumer Duty implementation plan and the firm is now in the execution phase of this work. Whistleblowing training and awareness campaigns were held during the year. No whistleblowing cases were raised in the year under review.

### Looking forward

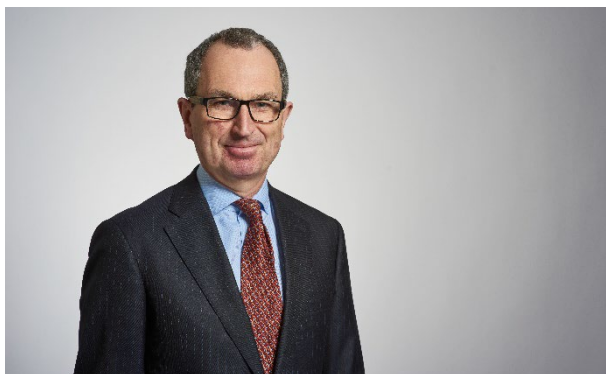
During the coming financial year, the Committee will continue to focus on the risk and prudential risk matters facing the Group, with a particular focus on people, ongoing technology platform changes, cyber, fraud, financial crime and evidence of investment suitability practices. Consumer Duty will remain a key area of focus together with file standards and IT controls as well as people-related risks including attrition, wellbeing, capability and capacity to deliver our strategic priorities, and the evolving regulatory landscape that impacts our business.



**Carla Stent**  
Chair of the Risk and Audit Committee

3 March 2023

# Nominations Committee Report



**Chris Grigg** - Chair of the Nominations Committee

## The Chair's statement

It is my pleasure to present to you my second Chair's report on the Nominations Committee's activities during the financial year.

2022 proved to be a busy year for the Committee in which we considered matters relating to succession for the Company and its subsidiaries, approved policies on Board Diversity and Board Director Suitability, Induction & Training. These activities were in support of the long-term success of the Group and its strategic priorities.

## Membership and attendance

Details of Committee membership and their attendance is set out on page 19.

## Role and responsibilities of the Committee

The primary responsibilities of the Committee include to:

- Review the Board's structure, size and composition, including independence, diversity, knowledge, skills and experience of its members
- Consider succession planning for Directors and senior executives of the Company and its subsidiaries
- Identify and nominate candidates to fill Board vacancies as they arise
- Assess its performance and oversee the performance evaluation process for the Board and its Committees
- Consider the annual reappointment of Directors having regard to their performance and ability to contribute to the Board
- Oversee the induction of new Directors and ongoing training needs for the Board and individual Directors
- Oversee the adequacy of the governance arrangements in place.

## Governance

During the year, the governance underpinning the Nominations Committee was revised to replace an executive and management Committee called the 'Appointments Committee' with the Group Executive Committee. The Group Executive Committee reports any material matters as appropriate and recommends executive succession plans to the Nominations Committee in order to allow it to deliver its responsibilities efficiently.

## Overview of the year

During 2022, the focus of the Committee's work was to:

- Oversee Board changes and continue to strengthen the senior management succession pipeline
- Lead the process for new Director appointments to the Board
- Review the collective skills, knowledge and experience of the Board, taking into account independence and diversity to inform succession plans
- Consider arrangements relating to Directors including Directors' interests, time commitment, terms of employment and that they remain appropriate.

## Succession planning

The Committee leads the process for identification, nomination and recommendation of candidates for appointments to the Board and senior management function holders on the Board. It also ensures plans are in place for orderly succession to both the Board and such senior management positions. In doing so, it follows a rigorous and transparent process as set out in the Board Director suitability, induction & training policy designed to make sure the appointments are based on merit and objective criteria, and, in line with the Board diversity policy, they promote diversity in its broadest sense to complement and strengthen the overall Board and its Committees' skills, knowledge and experience.

As part of the Board appointments process, the Committee takes account of legal and regulatory requirements. The Board retains responsibility for and approves final decisions on these matters.

## Appointments to the Board

In 2022, the Committee undertook a search supported by Russell Reynolds resulting in its recommendation to the Board to appoint Kjersti Wiklund as an Independent Non-Executive Director (NED).

## Terms of Reference

The Terms of Reference and membership are regularly reviewed by the Committee to make sure they continue to be appropriate and are approved by the Group Boards at least once a year.

## Looking forward

Following recent changes to the Board as described in the Strategic Report under Board Changes, the Board undertook an evaluation of the operation of the Board and Board Committees in early 2022 after not having been undertaken in 2021. This was designed to allow Board members to transition and for the new Board processes to be established, giving more meaningful observations for the ongoing operational effectiveness of the Board.

The Board Evaluation was facilitated by Lintstock. The key findings of the report included:

- Increasing Board focus and meeting management (especially on strategy)
- Building understanding with deep dives supporting the Board's knowledge (examples being Board Strategy Day, Consumer Duty, Cyber, IT Controls)
- Building cohesion through topical dinners, lunches with colleagues and top talent and spending time on strategy

(examples being the Board Strategy Day dinner with the GEC and external speaker and breakfast with top talent). In response to this finding, the 2023 meeting schedule accommodates a Board dinner in each meeting cycle which can be tailored as necessary

- Enhancing composition through appointing a NED with digital/technology talent. This was delivered through the appointment of Kjersti Wiklund.

The Committee will continue to review the appropriateness of the Board structure and composition and oversee the implementation of the agreed actions arising from the external Board review. Key areas of focus going forward will be the Board skills matrix, Board and executive succession planning, workforce engagement, wellbeing and overall talent management.



**Chris Grigg**  
Chair of the Nominations Committee

3 March 2023



# Directors' Report

The Directors present their Annual Report on the affairs of the Group and the Company, together with the audited Consolidated Financial Statements for the year ended 31 December 2022.

## Registered company number

The Company's registered number is 08741768.

## Business review and activities

The principal activities of the Company are set out in the Strategic Report. The information that fulfils the Companies Act 2006 requirements of the business review is included in the Strategic Report. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. Details of the principal risks and uncertainties are included in the Strategic Report on pages 27 to 34.

## Corporate governance statement

The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 9 to 19. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

## Results and dividends

The consolidated results for the year are shown in the Consolidated Financial Statements.

The Directors do not recommend a payment of a final dividend in respect of the financial year ended 31 December 2022. During the year, the Company distributed dividends of £37.5 million (2021: £32.9 million).

## Directors

The Directors who served throughout the year under review and up to the point of signing the financial statements are listed below, unless mentioned otherwise.

- A Baddeley
- E Chambers
- D Cobb
- P Deming
- C Grigg
- K Jones

- W McNabb (resigned 18 November 2022)
- P Muelder
- C Pell
- W Samuel (resigned 18 February 2022)
- C Stent
- K Wiklund (appointed 9 September 2022)
- C Woodhouse

## Capital structure

Details of changes in the Company's share capital during the year are given in notes to the Consolidated Financial Statements.

## Substantial shareholdings

At the balance sheet date, Violin Debtco Guernsey Limited owned 100% of the ordinary share capital of the Company.

## Indemnity and insurance

The Directors have been covered by liability insurance throughout the year and the policy of insurance remains in force.

## Financial instruments and risk management

Information on the Group's financial instruments and management of financial risk are disclosed in notes to the Consolidated Financial Statements.

## Corporate responsibility

The Directors are committed to minimising the environmental impact of the Group's operations and to delivering continuous improvement of its environmental performance. See the Corporate Responsibility Report on our website for details of the total greenhouse gas emissions data.

During the year, it was agreed to disband the Corporate Responsibility Committee (CRC) with responsibility passing to the Group Executive Committee (GEC). The GEC have dedicated monthly meetings on ESG. Furthermore, ESG is reported to the new Board ESG Committee on a quarterly basis.

The Group is a supporter of the Task Force for Climate-Related Disclosures (TCFD) and Climate-Related Financial Disclosures are included in the Corporate Responsibility Report, available on our website.

## Employees

The Directors ensure that the Group's policies are consistent with its strategic objectives and are designed with the long-term success of the Company. The Group attracts and retains the most talented and committed people through maintaining employee engagement. This is achieved through a combination of effective communication, consultation and employee share ownership. Further detail is set out in the Section 172 Statement and Corporate Responsibility Report, both of which are available on our website.

The Directors are committed to equality of employment, access and quality of service for disabled people. The Group complies with the UK Equality Act 2010 throughout its business operations. Policies are in place to accommodate existing and prospective employees with disabilities giving full and fair consideration to their particular aptitudes and abilities, and for continuing the employment of employees who have become disabled by arranging appropriate training and making reasonable adjustments in the workplace.

## Information included in the Strategic Report

The Strategic Report contains matters, otherwise required to be disclosed in the Directors' Report, which are considered by directors of key strategic importance to the Company. Specifically, details on how the Board engages with colleagues, suppliers and other stakeholders during the year is set out in the Section 172 Statement, available on our website.

## Political donations

No political donations were made during the year (2021: £nil).

## Post balance sheet events

Details of post-balance sheet events are set out in notes to the Consolidated Financial Statements.

## Future developments

Future developments of the Group are discussed in our Strategic Report.

## Going concern

Details of the Group's business activities, performance and position, together with the risks it faces and other factors likely to affect its future development, are set out in the Strategic Report. Further information can also be found in the notes to the Consolidated Financial Statements.

The Directors have considered the Group's prospects and viability for a period of at least 12 months from the date the Consolidated Financial Statements are approved and have concluded that the Group has adequate financial resources over that period and, accordingly, the Directors continue to adopt a going concern basis for the preparation of the Consolidated Financial Statements.

## Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

# Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements 2022, and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

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

They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, and Corporate Governance Report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Responsibility statement of the Directors in respect of the Annual Report and Financial Statements

We confirm that to the best of our knowledge:

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

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

On behalf of the Board on 3 March 2023:



**Gavin White**  
Group Company Secretary

Evelyn Partners Group Limited  
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