

Governance

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◆		

Corporate governance

If we are to live up to our commitment to be a leading responsible business, we must be able to demonstrate that we operate the highest standards of corporate governance, with the interests of our stakeholders at the heart of our decision-making.

Robust and proportionate governance will not only provide the Board and its stakeholders with reassurance but is also critical to the successful delivery of a strategy that takes account of our wider societal purpose and the interests of all of our stakeholders.

Our aim within this report has been to consolidate our reporting on governance, providing context that explains how the Company's governance arrangements, and the Board's activities, have contributed to the delivery of our strategy. As a result, you will find reporting that may be found elsewhere in other companies' reports, including the section 172(i) Statement.

We have structured our Corporate Governance Report (see the navigation bars at the top of the pages) so that it aligns with the sections of the UK Corporate Governance Code, as these provide a useful basis for readers' navigation. Links between elements of this report and more detailed examples in the Strategic Report that seek to outline our approaches to themes within the Code are highlighted throughout.

Paul Manduca, Chair

◆ **1 Board leadership and Company purpose (section 172(i) Statement)**
▶ See pages 102 to 109

◆ **2 Role of the Board and its responsibilities**
▶ See pages 110 and 111

◆ **3 Board composition, succession and evaluation**
▶ See pages 112 to 119 and also the Nomination and Governance Committee Report on pages 136 to 139

◆ The UK Corporate Governance Code

The Corporate Governance Report on pages 102 to 119 explains how the Board leads the Company's approach to corporate governance, including an explanation of how the principles of the Financial Reporting Council's UK Corporate Governance Code (the Code) have been applied in practice.

Provision 19 of the Code requires that the chair should not remain in post beyond nine years from their date of appointment to the Board. Iain Cornish's tenure reached nine years in October 2020 but, following consultation with major shareholders the Board concluded that Iain should remain in post to oversee the handover to his successor. Paul Manduca was appointed as a Non-executive Director in January 2021 and, following regulatory approval, was appointed Chair on 14 May 2021. As stated in last year's Report of the Remuneration Committee, pension contribution rates for Executive Directors will align with the wider workforce by 1 January 2023 and until such time the Company will not meet the requirements of Provision 38 of the Code. The Board considers that the Company has complied with all of the other principles and provisions of the Code (available at: www.frc.co.uk) during 2021. Detailed reporting on remuneration, as required by the Code, can be found in the Directors' Remuneration Report.

◆ **4 Audit, risk and internal control**
▶ See the Audit Committee Report and Risk Committee Report on pages 120 to 135

◆ **5 Remuneration**
▶ See the Report of the Remuneration Committee on pages 140 to 163

Board of Directors



Paul Manduca NC
Chair of the Board

Date of appointment
Non-executive Director January 2021 and Chair May 2021.

Experience
Paul was chair of Prudential plc until 31 December 2020, a position he had held since July 2012, having joined the Board as senior independent director in October 2010.

Paul has also held a number of senior leadership roles in business and financial services, including founding CEO of Threadneedle Asset Management Limited, CEO of Deutsche Asset Management Europe, and director of Eagle Star and Allied Dunbar. Paul was chair of the Association of Investment Companies between 1991 and 1993, chair of CityUK's Leadership Council between 2015 and 2019 and has held executive and non-executive roles on a number of boards across a range of sectors, including Chair of Aon UK Limited and Senior Independent Director of WM Morrison Supermarkets Plc.

External appointments
Chairships of Templeton Emerging Markets Investment Trust plc, Majid Al Futtaim Trust and W.A.G Payment Solutions Plc.



Andrew Croft
Chief Executive

Date of appointment
Chief Executive January 2018.
Joined St. James's Place 1993 and appointed to the Board September 2004.

Experience
Andrew joined the Company in 1993 and was Chief Financial Officer from 2004 to 2017. Having trained as an accountant with Deloitte Haskins and Sells (now part of PricewaterhouseCoopers LLP) he then worked in the financial services sector. Since joining St. James's Place he has held a number of roles within the Finance department, assuming the role of Finance Director in 2002 and being appointed Chief Executive in January 2018. He is a Trustee of the St. James's Place Charitable Foundation.

External appointments
Lay member of the Audit and Risk Committee and Finance and Investment Committee of the Royal College of Surgeons of England.



Craig Gentle
Chief Financial Officer

Date of appointment
Chief Financial Officer January 2018.
Joined St. James's Place 2016 and appointed to the Board January 2018.

Experience
Craig joined the Company in 2016 as the Chief Risk Officer. Prior to this, Craig spent 22 years at PricewaterhouseCoopers LLP, 12 of which were as a Partner. During his time at PricewaterhouseCoopers LLP, Craig held a number of roles, including as a senior audit partner. Craig qualified as a Chartered Accountant in 1993.

External appointments
Member of the Board, Trustee and Honorary Treasurer for the Bristol Music Trust.



Ian Gascoigne
Managing Director

Date of appointment
Executive Director January 2003.
Joined St. James's Place 1991.

Experience
Ian is one of the founding members of the original management team and is now the Managing Director. He has worked in financial services since 1986 and has considerable experience in the advice space. He is also a Trustee of the St. James's Place Charitable Foundation and Chair of the Distribution Executive Committee.

External appointments
Member of the Strategic Advisory Board of Loughborough University School of Business and Economics.



Emma Griffin RK RM
Independent Non-executive Director

Date of appointment
Non-executive Director February 2020.
Chair of St. James's Place Unit Trust Group Limited.

Experience
Emma has previously been a non-executive director of AIMIA Inc and Enterra Holdings. From 2002 to 2013, Emma was a founding partner of the stockbroking firm Oriel Securities, which was sold to Stifel Corporation. In her early career Emma worked at HSBC James Capel and Schroders.

External appointments
Emma is currently a non-executive director of ED&F Man Holdings Ltd and SDCL Energy Efficiency Income Trust plc. She is also a non-executive director and chair of the Investment Committee and member of the Ethics, Governance and Nominations Committee of Industrial Alliance Financial Group, one of Canada's largest insurance and wealth management companies, listed on the TSX, and a non-executive director of the private investment companies Claridge Inc. and Solotech Inc.



Rosemary Hilary AC RK NM
Independent Non-executive Director

Date of appointment
Non-executive Director October 2019.
Chair of St. James's Place UK plc.

Experience
Rosemary was Chief Internal Auditor at TSB Bank from 2013 to 2016 and prior to that, from 1989 to 2013, she held a number of senior positions at the Financial Conduct Authority (formerly the Financial Services Authority) and the Bank of England. Rosemary is a Chartered Certified Accountant, FCCA. Rosemary was formerly a non-executive director and chair of the audit and risk committee of Record plc; non-executive director, chair of the risk and audit committee and member of the investment committee of the Pension Protection Fund; and trustee and member of the audit, risk and finance committee of Shelter, the homelessness charity.

External appointments
Since 2016, Rosemary has been a non-executive director and chair of the audit committee of Willis Ltd; and a non-executive director and chair of the risk committee of Vitality Life and Vitality Health. In 2021 she became a trustee of the Prince's Foundation and chair of its audit and risk committee.



John Hitchins AC RK
Independent Non-executive Director

Date of appointment
Non-executive Director November 2021.

Experience
John has extensive experience of the financial services industry gained through his career as a senior audit partner and his non-executive directorships. John spent 38 years with PricewaterhouseCoopers, specialising in financial services auditing and advisory services, before retiring in 2014. Since retiring from PricewaterhouseCoopers he has undertaken a number of non-executive director roles with financial services companies alongside a role as a senior adviser to the Financial Reporting Council.

External appointments
Non-executive director and chair of the audit committee of Aldermore Group PLC, Senior Independent non-executive director and chair of the audit committee of Societe Generale International Limited and Senior Adviser to the Financial Reporting Council.



Simon Jeffreys AC RK NC RM
Independent Non-executive Director

Date of appointment
Non-executive Director January 2014.
Chair of St. James's Place International plc.

Experience
Simon brings experience of the auditing world and financial services. He was a senior audit partner with PricewaterhouseCoopers LLP from 1986 to 2006 where he also led their Global Investment Management practice. Between 2006 and 2014, Simon was CFO and Chief Administrative Officer at Fidelity International and then CFO and Chief Operating Officer at the Wellcome Trust.

External appointments
Chair of AON UK Limited and Henderson International Income Trust plc and a non-executive director and chair of the Audit Committees of Templeton Emerging Markets Investment Trust plc and SimCorp A/S, a listed Danish financial services software company. Simon is also a non-executive director and chair of the Audit and Risk Committee of the Crown Prosecution Service.



Lesley-Ann Nash RK RM
Independent Non-executive Director

Date of appointment
Non-executive Director June 2020.
Non-executive Director responsible for Workforce Engagement.

Experience
Lesley-Ann has stepped down from her position as a director in the Cabinet Office of HM Government, where she spent six years leading a range of large-scale commercial and consumer programmes.

Lesley-Ann was a managing director at Morgan Stanley from 1998-2009, having previously worked at UBS and Midland Bank. She is a Fellow of the Chartered Institute of Management Accountants (CIMA). She was a trustee of the North London Hospice for nine years.

External appointments
Lesley-Ann is a non-executive director of Workspace Group PLC and London First.



Roger Yates AC RK NC RM
Senior Independent Non-executive Director (SID)

Date of appointment
Senior Independent Non-executive Director October 2018.
Non-executive Director January 2014.

Experience
Roger brings over 30 years of investment management experience. He started his career with GT Management Limited in 1981 and has subsequently held positions at Morgan Grenfell, Invesco and Henderson Group plc, where he was Chief Executive Officer. Most recently, he was chair of Electra Private Equity plc and a non-executive director of IG Holdings plc and JPMorgan Elect plc.

External appointments
Senior independent non-executive director of Mitie Group plc and non-executive director and chair of the remuneration committee of Jupiter Fund Management PLC and independent non-executive director of The Biotech Growth Trust plc.

Committee key

- AC Member of Audit Committee
- RK Member of Risk Committee
- NC Member of Nomination and Governance Committee
- RM Member of Remuneration Committee
- Denotes Chair of Committee

Full biographical details of each Director can be found on our corporate website at www.sjp.co.uk

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director to act in the way he or she considers, in good faith, would most likely promote the success of their company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the following factors:

- A** Likely consequences of any decisions in the long term;
- B** Interests of the company's employees;
- C** Need to foster the company's business relationships with suppliers, customers and others;
- D** Impact of the company's operations on the community and environment;
- E** Desirability of the company maintaining a reputation for high standards of business conduct; and
- F** Need to act fairly as between members of the company.

In discharging our section 172 duty we have regard to the factors set out above and also other factors which we consider relevant to the decisions being made. We are also clear that decisions may impact stakeholders in different ways and so the Directors aim to weigh up the impacts and make balanced decisions. We have set out below practical examples, including the effect on decisions taken during 2021. Whilst each of the factors presents important considerations, they may not always align and we acknowledge that not every decision we make will necessarily result in a positive outcome for all of our stakeholders.

Purpose and leadership

A focus on long-term success

Section 172 factor: **A**

Our purpose and values (see page 8) emphasise the long-term focus of the business. The Board's focus is on ensuring that the Company generates and preserves value over the long term for all of its stakeholders and the core of our strategy is the long-term relationship St. James's Place and the Partnership have with our clients, and this is what ultimately drives long-term value for shareholders and other stakeholders. The Company's purpose and values influence decision-making, with the processes followed supporting the Board's aim to make sure that decisions are consistent with strategic objectives and the long-term success of the Company. Our culture has been, and will continue to be, vital to the continued success of the Group and the Board recognises it has an essential role in setting an appropriate tone from the top, monitoring the business and seeking to protect it.

Our governance framework explained in more detail on pages 110 to 113 is designed to ensure that the Board, led by the Chair, is able to monitor the sustainability of the business model, performance against strategy and opportunities and threats as they arise. When reviewing performance against strategy, the Board looks to ensure it continues to align with the Group's culture and its commitment to being a leading responsible business, and delivers long-term success to St. James's Place and its stakeholders, by focusing on:

- providing entrepreneurial leadership and direction to the Group in setting out its strategic aims, visions and values and overseeing delivery against these, including approving major transactions and initiatives;

- monitoring financial performance and reporting and approving/recommending payments of dividends;
- setting the Company's risk appetite, assessing the principal risks facing the Company and ensuring that adequate controls are in place to manage risk effectively;
- ensuring that appropriate and effective succession planning arrangements and remuneration policies are in place;
- implementing and ensuring the effective operation of corporate governance procedures; and
- ensuring that good client outcomes are delivered through the combination of the Group's distinctive investment management approach and the provision of high-quality ongoing advice.

The strategy and performance against the strategy are discussed throughout the Chair's Report, Chief Executive's Report and Strategic Report, and a summary of significant topics considered by the Board during 2021 is set out on pages 106 to 109 below, together with details of how the Directors had regard for factors A. to F. in their considerations.

Reputation and standards of business conduct

Section 172 factor: **E**

Our business exists to support clients to plan, grow and protect their financial futures. Our ability to achieve this would be materially impacted if we were unable to demonstrate standards of business conduct that meet clients', society's (and regulators') expectations. Failure to maintain appropriate standards of conduct could inevitably lead to poor client outcomes, regulatory sanctions and/or adverse media coverage that could damage St. James's Place's reputation and the value placed on it by all of our stakeholders. Conduct

and reputation are prominent in our list of principal risks (see pages 90 to 92) and the Board looks to its Risk Committee to monitor these risks and provide an appropriate level of assurance to support the Board's decision-making. Our reputation is not only a product of our conduct and performance, but also the image we aim to project. With this in mind, the Board continues to monitor the brand and public relations activities to ensure they align with our purpose and long-term aims, and accurately depict our culture (see further information on page 8).

Our stakeholders

Section 172 factors: **B C D F**

The Group's principal stakeholders are covered in more detail on pages 9 to 14 in the Strategic Report. Whilst each stakeholder has different drivers and expectations, success for each is not mutually exclusive, as illustrated by the alignment between the interests of the Partnership, clients and employees when it comes to delivering successful client outcomes. We explain on pages 24 to 31 how successfully implementing our strategy will ensure the Company will continue to act in accordance with its purpose and values and achieve its vision. Successful implementation will also deliver against the expectations of all our stakeholders and we provide more detail on how we engage with each overleaf, together with an indication of where more detail can be found throughout this Annual Report.

Not all engagement is directly between stakeholders and the Board. Where engagement is not with the Board, the output informs business-level decisions made by management, an overview of which is fed back to the Board through regular reporting and focus on strategic topics.



Workforce engagement case study

How the Board's approach to workforce engagement has evolved

Baroness Wheatcroft was appointed our first Non-executive Director responsible for workforce engagement in 2019 and, working with management, established a workforce engagement committee to provide the primary engagement mechanism between employees and the Board. This committee's focus was structured around eight themes and utilised surveys, focus groups and directors' lunches as mechanisms via which to engage. The change in responsible Non-executive Director, following Baroness Wheatcroft's retirement, provided an ideal opportunity to review the effectiveness of our approach, particularly in light of the significant impact of the pandemic on the workforce and taking account of the experience gained in our first ever redundancy programme. The review concluded that whilst the existing committee had provided valuable insight there was an opportunity to enhance the approach to workforce engagement and establish a new employee-nominated panel to assist the new responsible Non-executive Director, Lesley-Ann Nash. The new Workforce Engagement Panel (the Panel) was set up with clear terms of reference and role specifications and its membership is composed of a diverse group of elected representatives from across the business. The role of the Panel is to:

- report meaningfully on employee engagement and outputs to the Board, Executive Board and in the Annual Report and Accounts; and
- assist the Board in understanding the views of the workforce and assessing how the desired cultural vision is permeating through the business, with the aim of helping to facilitate the Board's decision-making.

The diverse backgrounds and experience on the Panel meant that it was imperative that time was invested at the outset to ensure all members had a common understanding of how the Panel fitted into the Group's governance structure and particular emphasis was placed on its role in facilitating two-way engagement between the Board and the workforce to support the Board's decision-making. Many of the mechanisms already in place to support wider engagement continue to add benefit and highlight areas to concentrate upon but, whereas the previous committee had worked around pre-determined themes, the Panel's forward agenda is driven by topics identified by Panel members from their engagement with the business, together with those areas where the Board is keen to seek explicit insight. This includes areas of focus that arise from employee surveys. Consistent themes that emerged from the Panel's engagement in 2021 included flexible/hybrid working, remuneration and communications.

The Panel's activity is reported to the Board regularly and discussed in detail. The Board was particularly pleased to note that the themes identified in 2021 were also high on the priority list for the Executive Board, which would be considering each of them in the coming months. Part of Lesley-Ann's role as the responsible Non-executive Director is to also report back to the Panel on the Board's discussions, which she does at each meeting. Panel members are then charged with relaying and discussing the key areas of activity and focus with the workforce in their own areas. The engagement overseen by the Panel also provides management with valuable insight to support key decisions it makes.

It is via the Panel that the Remuneration Committee is able to engage with the workforce to explain how executive remuneration aligns with wider Company pay policy, and more details can be found on page 143.



Section 172(1) Statement continued

#1

Shareholders

We continue to maintain close relationships with institutional shareholders through direct dialogue and frequent meetings, and we also meet regularly with the Group's brokers who facilitate meetings with investors and their representatives. Regular dialogue is an important way of staying abreast of the views of investors, and periodic meetings with them provide an insight into the considerations that drive their views of us an organisation. Examples of how we engage are set out below.

How we engage with shareholders	Opportunity for engagement
Institutional shareholder roadshows	COVID-19 continued to have an impact on investor engagement during 2021. Where possible we arranged physical meetings with investors, but we maintained a virtual engagement programme around the full-year and half-year results. We also had a number of planned and ad-hoc engagement events with shareholders. Where appropriate we arrange investor conferences and capital markets days (addressing a wide range of strategic and operational topics). In 2021 we held a virtual capital markets day in May which focused on the sustainable growth of the Partnership, our investment in technology, our investment proposition and St. James's Place Asia. Together, these engagements provided the Directors with opportunities to gain insight into institutional shareholder views and expectations, and to address specific queries.
Investor studies	Whilst we did not commission any further studies in 2021, the findings of the investor study commissioned in 2018 and the insight from the studies carried out in relation to our brand review have provided valuable insight from existing and potential investors. We will continue to use investor studies to deliver data that provides the Board with an opportunity to assess in more detail its investor base, investor behaviour, drivers of share price performance and investors' perception of a number of key aspects of our business model.
Individual shareholder meetings	The Group's largest institutional investors continue to meet regularly with the Executive Directors and the Chair, providing an opportunity for them to raise specific queries. The Chair, Senior Independent Director and other Non-executive Directors are available for consultation with shareholders on request, and contact major shareholders at least annually to offer opportunities to meet. During 2021, the Chair and the Chair of the Remuneration Committee have met with a number of shareholders as part of regular engagement activity and in response to requests from investors to discuss specific matters of interest to them. The Chair also wrote to major shareholders following his appointment to introduce himself and he met with a number of shareholders, principally to listen to their views on SJP.
Direct correspondence with major shareholders	As suggested in the Code, the Chair, Senior Independent Director and Committee chairs seek engagement with major shareholders on significant matters as they arise. The Chair of the Remuneration Committee wrote to shareholders during the year to explain planned changes to the financial metrics for Executive Directors' annual bonuses from the 2022 performance year and subsequently met and/or corresponded with a number of shareholders who provided feedback (further information can be found in the Directors' Remuneration Report on page 142).
Annual General Meeting	Subject to the circumstances prevailing at the date of the meeting, all Directors will be available to meet with shareholders after the Company's Annual General Meeting which will be held on 19 May 2022, and of which further details are set out in the Notice of Annual General Meeting.

► Further information on shareholders in this Annual Report can be found on pages 13, 106 to 109 and 142

#2

The Partnership

Our communication and engagement with the Partnership has two dimensions: information that is delivered directly to advisers via our electronic weekly bulletin, special bulletins on key topics, and our intranet site; and face-to-face engagement activity led by St. James's Place management. The latter can range from individual meetings to regional and national conferences and our Annual Company Meeting. We also gain general and specific insight from the Partnership via surveys and regular consultation meetings where we seek the views of the Partnership on key topics. During 2021 we were delighted to be able to host our first physical Partner conferences since the Annual Company Meeting in January 2020.

► Further information on the Partnership in this Annual Report can be found on pages 6, 10, 17, 18, 24 to 31 and throughout the Responsible Business section on pages 105 to 109

#3

Employees

Although effective and timely engagement with employees has always been an integral part of St. James's Place's culture, we established our first formal workforce engagement committee in 2019 to support the Board's engagement with our employees. This committee and the key engagement forums it oversaw continued to provide valuable insight to the Board during 2021, but Lesley-Ann Nash's appointment as our designated Non-executive Director responsible for workforce engagement provided an appropriate juncture to review the effectiveness of the Board's chosen mechanism for workforce engagement. Our review concluded that there were opportunities to enhance the two-way engagement between the Board and our employees, and so in 2021 we made some changes and, in place of the previous workforce engagement committee, we established a panel of employee-nominated representatives to assist Lesley-Ann. The role of this panel and the tools available to support meaningful engagement were also revised and you can find details of how we engage with our workforce and the changes we have made in 2021 in the case study on page 103.

► Further information on employees in this Annual Report can be found on pages 1, 12, 17, 23, 25, 26 and throughout the Responsible Business section on pages 91, 103, 106 to 109, 129, 134, 139, 141 and 142

#4

Clients

Engagement with clients is largely driven through their ongoing relationship with their adviser, and this provides the primary means of sharing information with St. James's Place's clients. Regular client meetings provide an opportunity for clients to share their views and to ask any questions they may have. Our understanding of clients' interests is further enhanced via regular client surveys and targeted market research. Whilst no organisation likes to receive complaints, the Board and the Risk Committee regularly consider complaints reporting, which provides a further client lens.

► Further information on Clients in this Annual Report can be found on pages 6, 10, 11, 18, 22, 24, 25, 27, 28, 38, 40, 59, 89, 90 to 92, 103 to 109, 119, 126 to 129, 132 and 133

#5

Society

'Society' is represented by a number of groups, including government, regulators, suppliers and the wider community. Cultivating very strong and mutually beneficial relationships with these groups has ensured our values and aims are aligned and we seek to build and maintain long-term relationships with all groups, based on mutual trust. Proactive and constructive relationships with governments, regulators, suppliers and our local communities are achieved through a broad range of activities, from regular face-to-face meetings and calls, to involvement in targeted assessments and contribution to surveys and reviews.

► Further information on Society in this Annual Report can be found on pages 5 to 14, 17, 25, 30 and throughout the Responsible Business section on pages 105 to 109 and 119

Section 172(1) Statement continued

What the Board did in the year

Each year we provide an overview of the key areas of the Board's focus. This is incorporated within our section 172(1) statement which enables us to explain better how each topic aligns with our strategy and how stakeholder interests were taken into account in the Board's decision-making. The Board's activities are not limited to the formal Board meetings at which decisions are made. The Board's decision-making is supported by a much wider range of engagements with the business which include training, development and focus sessions, further details of which can be found under the planning and preparing and Directors' development sections later in the Corporate Governance Report. Although not an exhaustive list of the Board's activity in 2021, we have included below examples of significant topics that were considered.

Board topic	Stakeholder interests	How engaged	Outcomes/influence
<p>Operational excellence – 2021 represented the first year of our five-year plan to invest in operational excellence. Operational excellence is about leveraging technology to make it easier to do business, whether that be for clients, advisers, employees or third parties. During the year, the Board monitored the continuing rollout of the Salesforce CRM platform which is already being actively used by circa 90% of the Partnership as their primary CRM tool. Salesforce will not only make it easier for advisers to do business but will reduce costs and increase productivity by generating efficiencies throughout the client lifecycle. Another key element of our operational excellence strategy is the development of our digital client servicing platform which will assist Partners and clients, ensuring they have increased access to information and functionality in relation to their portfolios. In addition to supporting advisers and clients the business is also looking to support our employees through our automation and business improvement programmes which at the outset have focused on the identification of opportunities for process improvement.</p>	Shareholders, the Partnership, employees and clients	The focus of investment (both in terms of finance and resource) has been informed by engagement with and feedback received from the Partnership, clients and employees – both through informal interactions and via surveys and research. Pilots have been important exercises across all elements of the operational excellence programme and have helped guide the development of new functionality and systems and the design of user interfaces.	The insight gained from our engagement with advisers, employees and clients has helped us to prioritise both the areas chosen and the pace of investment. Feedback received throughout the year has helped us to learn how we can improve our communication during this and other significant programmes of work in the future. A key learning has been that we need to be mindful of the capacity for the business and the Partnership to digest change and this has helped us plan how the business plan for 2022 will address investment.
<p>Administration – The migration of our back-office administration systems to Bluedoor was a critical part of setting SJP up for the future. Having successfully completed the migration of our core UK business we are now positioned to leverage off the functionality that the system can provide. This involves refining existing processes, removing inefficiencies and manual intervention and introducing new functionality to support advisers. Whilst the Bluedoor migration enabled us to close down the legacy systems supporting our core UK business, several legacy systems remained in operation in our subsidiary businesses. In 2021 our Irish subsidiary St. James's Place International plc and Rowan Dartington both began investigating options to replace their existing core platforms. Both companies carried out independent tender processes which resulted in recommendations to the Board to approve migrations to SS&C's platforms.</p>	Shareholders, the Partnership, employees and clients	Our back-office administration has a direct impact on our Partners and clients and the Board receives both direct and indirect feedback on challenges that can arise. In 2021, the growth in volumes, coupled with smaller average case sizes inevitably had an impact but administration remained robust throughout the year. As much of the administration is carried out by our strategic partner SS&C it is important to work closely with them and during the year the Board met with representatives of SS&C, gaining greater insight not only into SS&C as an organisation but also the practicalities of working with SJP.	Feedback from Partners in particular emphasised to the Board the significant impact the administration has on the day-to-day work of Partners and the Board is clear that it should remain a key area of focus. Our engagement with SS&C provided the Board with assurance that both management and SS&C were committed to delivering the best outcomes for Partners and clients both now and into the future, focusing in particular on reducing the number of cases that are not processed correctly first time. It also helped provide the Board comfort that the teams of employees working with SS&C were culturally aligned to our own culture.

Board topic	Stakeholder interests	How engaged	Outcomes/influence
<p>Investment proposition and performance – Having considered the long-term strategy for investment management in 2020, this year the Board was able to closely monitor the progress being made in the delivery of this strategy. Our first Value Assessment Statement (VAS) in 2020 provided a good basis from which to monitor performance and the Board has subsequently kept a close eye on progress. For our Investment Management Approach (IMA) to deliver the right outcomes for clients we believe it is important to be clear on the value it creates for them. To support Partners and clients, we believe it is essential for us to simplify our investment offering and provide a compelling single SJP investment proposition that delivers the flexibility to support clients' needs as their plans or circumstances change.</p>	Shareholders, the Partnership, employees and clients	Our clients, the Partnership and fund managers provide us with regular feedback in a range of ways that help guide our focus on meeting client needs. The VAS also provides an important reference point for our stakeholders, including our regulators and helps to clarify client and adviser expectations. It also helps shape our reporting to enable clients and the Partnership to monitor and evaluate the performance of our funds.	Whilst the expectations of our clients and advisers helped to shape the planned future evolution of the IMA, the feedback we receive from stakeholders also delivers insight into shifts in client expectations and requirements, and provides a key indication that the changes we are making are having the desired impact. Progress during 2021 was positive and the feedback we have received has aligned with the indications that our 2021 VAS has given.
<p>Dividend – At the outset of the pandemic the Board made the difficult decision to withhold 11.22 pence of the 2019 final dividend, until such time as the financial and economic impact of COVID-19 became clearer. Whilst the pandemic was still ongoing, the Board continued to monitor the experience of the business and the Partnership to help it determine if the withheld dividend should continue to be retained.</p>	Shareholders, the Partnership and clients	Whilst we were able to ultimately pay shareholders the withheld dividend, the Board and management ensured that it maintained open and regular dialogue with stakeholders, in particular shareholders, throughout the year.	Engagement with regulators, shareholders and institutional investor bodies reinforced our aim to treat our stakeholders equitably and informed our decision to not pay bonuses or pay rises. As time elapsed and the impact of the pandemic on the Partnership and the business became clearer, the Board gained the confidence to pay the withheld amount as a further interim dividend during the first quarter of 2021.
<p>Responsible business (inc. net zero) – What it means to be a responsible business will differ between organisations but for SJP it means being committed to helping our clients and communities to create the futures they want. Being a responsible business is in our DNA and this has been evident since our founding days. But to be a leading responsible business, this commitment needs to be clear to the outside world and if we are to influence meaningful change, we need to be able to demonstrate our own credentials. In recent years we have openly recognised that the most significant influence we can have is via the management of the funds we oversee for our clients. This has led to our commitment to the UN Principles for Responsible Investment and our membership of the Net-Zero Asset Owner Alliance. However, we also acknowledge that what is perceived as being responsible is constantly evolving, and for SJP to be a leading responsible business into the future we need to have clear and credible plans in place.</p>	Shareholders, the Partnership, employees, clients and society	Year on year we have seen increased interest from all stakeholders in what many term environmental, social and governance (ESG) issues. During 2021 in addition to the direct feedback we have received, we have carried out engagement activities (including workshops and interviews) with advisers and employees. These enabled us to capture not only the views of our internal stakeholders but also those of our clients. We have also conducted external stakeholder interviews to identify leading practices and emerging trends. Our regulators and shareholders continue to provide valuable guidance on their expectations via direct engagement and the publication of their own statements.	There has been a clear shift in recent years in the expectations for businesses and society to demonstrate that they are committed to addressing today's biggest systemic issues, including climate change and social inequality. We have demonstrated our commitment in the past, but the engagement carried out in 2021 has provided the insight the Board required to commit to a strategy and a plan that met the expectations of our stakeholders. During 2021 the Board not only agreed this strategy but also approved further actions including our own net zero commitment. Further details on our commitment can be found on page 45 of the Responsible Business Report.

Section 172(1) Statement continued

What the Board did in the year continued

Board topic	Stakeholder interests	How engaged	Outcomes/influence
<p>The Partnership – The face-to-face financial advice that is provided to SJP’s clients is delivered exclusively by the Partnership, with whom we enjoy a symbiotic relationship. Supporting the Partnership is the key function of our business but as it has grown in size and matured over time, its needs have also developed. Partner businesses vary significantly in terms of scale, experience, focus and motivations and it is critical that SJP continues to evolve its approach to ensure that every Partner business receives the support necessary for it to continue to deliver best-in-class service to clients.</p>	Shareholders, the Partnership, employees and clients	The challenges we, like many businesses, have faced in the last couple of years have spotlighted areas that require the focus of the Board and management. Although not entirely driven by the impact of the pandemic, the impact that it had on our ‘high-touch’ relationship with our advisers helped to highlight the need to develop an agile and flexible approach to supporting them that takes account of their varied needs and requirements. Via surveys and direct engagement the Partnership has delivered insight that has informed our present and future support model.	The feedback and insight provided by Partners and employees assisted management in refining and, where necessary revising the support model with a view to delivering the business growth and quality of service provision required to achieve our strategic objectives. Directors’ own engagement with Partners and the results of formal engagement activities helped to provide the Board with assurance that the support model would meet the needs of the Partnership whilst also underpinning our medium- and long-term strategic objectives.
<p>Culture – As we acknowledged in last year’s report, culture is not something that stands still. Having articulated clearly our vision, purpose and values, SJP has focused on bringing our culture to life through visual representation and stories that demonstrate the values and behaviours that underpin our purpose and vision. Doing so enables us to ensure that these are role-modelled throughout the workforce, led by the Board and management and also means we are able to embed them within the ‘people journey’ at SJP. This has included widespread engagement with employees and the inclusion of the values within our ongoing employee review process. Whilst all constituents of the SJP community (Partners, employees and suppliers in particular) share many common values, each will have their own unique elements, particularly in the case of our 2,500+ Partner businesses.</p>	Shareholders, the Partnership, employees, clients and society	The Board receives regular updates on the ongoing culture programme established to support the embedding of the culture vision within the business and to determine the means for monitoring the evidence of our culture in action. Our workforce engagement activity has also provided important employee and cultural indicators, with Lesley-Ann Nash’s role as the nominated Non-executive Director for Workforce Engagement providing a window through which the Board can monitor first-hand culture in action. An update on workforce engagement activity in 2021 can be found on page 103.	2020 and 2021 have presented unprecedented challenges for businesses that have tested the strengths of cultures. Ongoing insight from management, coupled with ‘deep dive’ reviews have helped the Board to home in on what matters to our key stakeholders from a culture perspective. The Board also recognised the need to refresh our approach to workforce engagement, in part to help it to see and experience the culture first-hand. Although we appreciate the need to be sensitive to the cultures of individual Partner businesses, engaging with the Partnership in relation to SJP’s own culture helps not only to establish what should be expected from us, but also to understand whether their experiences align with our culture.

Board topic	Stakeholder interests	How engaged	Outcomes/influence
<p>Partner business financing – Supporting the Partnership to develop their businesses and facilitating the sale and purchase of businesses within the Partnership through the provision of finance has always been a core part of the Group’s business model. This ensures continuity of advice provision, which is directly in the interests of clients and the long-term sustainability of the Group. The Partnership is made up of over 2,500 businesses that vary in terms of scale and focus. As we have grown, so have many of these businesses and inevitably those Partners who have been with us the longest will contemplate their own retirement at some point. During 2021, the Board saw not only excellent identification and management of capacity to support Partner lending, but also improvements in the processes and disciplines in place to manage transactions. This has benefitted both Partners and SJP.</p>	Shareholders, the Partnership and clients	The importance of Partner lending is appreciated by our long-standing shareholders, but we continue to engage with shareholders to help them understand how fundamental it is to our business model. Continuous engagement with the Partnership also allows us to assess demand and trends in Partner businesses that may impact the future demand for lending. The development of our approach to Partner lending means that we are not only able to support regular lending but are able to establish longer-term plans for Partners in larger or more complex businesses where greater care is required to ensure continuity for clients and Partnership employees when ownership of those businesses is transferred.	Providing Partners with clearer messaging on the importance of succession planning and direct engagement with them on their own needs has assisted in the development of an approach to Partner lending and financing that is longer-term in nature and therefore provides assurance to the Board that the Partner lending plan is robust and aligned to our strategic objectives. It has also provided opportunities to develop our thinking on how we finance the needs of Partners, enabling them to engage with management at an early stage on the options available and to assess the risk and opportunities each pose.

The role of the Board and its responsibilities

Powers of Directors

The powers of the Directors are set out in the Company's Articles of Association (the Articles), prescribed by Special Resolutions of the Company and codified in UK company law. The Articles contain, for example, specific provisions and restrictions concerning the Company's power to borrow money. They also provide Directors with authority to allot unissued shares, up to pre-determined levels set and approved by shareholders in general meetings. The Articles can be amended by a special resolution of the members of the Company, and a copy can be found on the Company's website. Our shareholders have granted the Directors authority to make charitable donations, and further details on the donations made can be found on page 166.

At the 2021 Annual General Meeting (AGM), shareholders granted authority to the Directors for the purchase by the Company of its own shares, with such authority expiring at the end of the 2022 AGM, or 30 June 2022, whichever is the earlier. The Company did not purchase any of its own shares during 2021 but the Directors will propose the renewal of this authority at the 2022 AGM.

Further to the powers granted above, the Board maintains a full schedule of matters reserved to it together with a Group Management Responsibilities Map which sets out the senior manager functions, prescribed responsibilities and control functions within each subsidiary of the Group (as applicable). The Group Management Responsibilities Map includes, inter alia, terms of reference for the various Board Committees, a schedule of the Company's policies and detailed job descriptions for each of the Directors.

Division of responsibility

The job descriptions of each Director, including the Chair and Chief Executive, and the division of responsibilities between them are clearly defined and agreed by the Board. The responsibilities of each of the Directors and the role of Secretary are summarised below.

The Board	
<p>Leadership Chair</p> <p>Responsible for the leadership of the Board and its continuing effectiveness; and for ensuring that the Board is satisfied that the Group's purpose, values and strategy align with its culture and that communication between the Executive and Non-executive Directors, as well as with shareholders generally, is effective.</p>	<p>Independent oversight Senior Independent Non-executive Director</p> <p>Responsible for providing a sounding board for the Chair; for serving as an intermediary for the other Directors, when necessary; for leading the appraisal of the performance of the Chair; and for being available to shareholders as a point of contact if they have concerns which contact through normal channels has failed to resolve or for which such contact is inappropriate.</p>
<p>Chief Executive</p> <p>Responsible for the development and communication of the Group's strategy; for developing and achieving the business objectives; for leading and motivating an effective senior management team; and for ensuring an appropriate culture is adopted in the day-to-day management of the Group.</p>	<p>Independent Non-executive Directors</p> <p>Responsible for contributing to the entrepreneurial leadership of the Group, within a framework of prudent and effective controls. Non-executive Directors provide independence, impartiality, experience, specialist knowledge and other diverse personal skills and capabilities.</p>
<p>Chief Financial Officer</p> <p>Responsible for providing leadership and direction for, and oversight of, the financial, accounting, tax, capital, liquidity and unit pricing activities of the Group; and for maintaining effective investor relations.</p>	<p>Company Secretary</p> <p>Responsible for guiding the Board in meeting the requirements of relevant legislation and regulation and for ensuring that Board procedures are both followed and regularly reviewed.</p>
<p>The Chief Executive has appointed an executive committee (the Executive Board) to support him in fulfilling his responsibilities for developing strategy for the Board's approval, communicating and implementing the Group's business plan objectives, ensuring that the necessary resources are in place in order to achieve the strategy and those objectives, and managing the day-to-day operational activities of the Group. The Executive Board comprises the Executive Directors of the Board and other members of senior management.</p>	
<p>Directors have access to the advice of the Company Secretary at all times, as well as independent professional advice where needed, in order to assist them in carrying out their duties.</p>	

Planning and preparing

The Chair is responsible for setting the Board agenda together with the Chief Executive and the Company Secretary. The Group's strategy and business plan provide the basis for the forward Board agenda for the year and this is refined as key topics and strategic priorities emerge. The Board's forward agenda is co-ordinated with those of

its Committees to ensure that topics are given sufficient coverage in the most appropriate forums.

The Chairs of the various Committees and material subsidiaries report on their activity at Board meetings and liaise with the Chair to ensure items escalated from the Committees get sufficient time and focus on Board

meeting agendas. The Board and other key Director forums are explained in more detail below.

The work undertaken by the Board Committees is covered in more detail in the individual Committee reports.

▶ See pages 120 to 163

Scheduled Board meetings	Scheduled Board meetings follow an agreed format with the final agenda being set by the Chair, Chief Executive and Company Secretary by reference to the forward agenda and having considered key developments since the previous meeting. This approach ensures that coverage of the Board's key responsibilities is balanced against the need to focus on strategic priorities and address topical matters.
Ad-hoc Board meetings	From time to time, the Board is required to hold meetings outside of its planned schedule, to consider topics that require immediate attention or to approve Board appointments or transactions.
Non-executive Director performance updates	During the early weeks of the COVID-19 pandemic the Non-executive Directors scheduled weekly virtual meetings with members of the Executive Board to enable them to stay abreast of the business's response to the pandemic and to provide management with support and guidance where required. The frequency of these meetings reduced as operations returned to a more normal state, but meetings are held when topics arise that warrant an informal discussion or where the Chief Executive wants to provide an update on performance where the gaps between formal Board meetings are longer.
Board working dinners	In normal circumstances, the Board would regularly have working dinners on the nights before Board meetings to allow the Directors greater time to consider topics that warrant a more discursive approach. Additional internal and external participants are invited to the dinners to present on these topics.
Strategy meetings	Focused strategy meetings are held each year to enable the Board and management to reflect on, debate, refine and agree the Group's strategy.
Non-executive Director meetings	The independent Non-executive Directors meet privately with the Chair during the year, to consider matters arising from Board meetings. They also meet without the Chair to consider his performance.
Development sessions	Directors are provided with development sessions on specific topics during the year. Further details can be found on page 115.
Other meetings	The Board also appoints ad-hoc committees from time to time to manage procedural matters relating to decisions it has made.

Board composition, succession and evaluation

The Board and its committees have a combination of skills, experience and knowledge. Our succession plans aim to promote gender, social, ethnic and cognitive diversity.

Composition

As explained on page 139, embracing diversity is one of our core cultural values and in 2020 the Board established a Board Diversity Policy which aims to ensure that the Board composition features a range of perspectives, insights and the cognitive diversity needed for good decision-making. As well as embracing diversity being the 'right thing to do', businesses that do so reap benefits that include greater creativity and innovation, and a better understanding of stakeholder perspective, making the case compelling and one that cannot be ignored. The Board has made progress on issues such as gender and minority group representation. During the majority of 2021 the Board was meeting the targets set by the Hampton-Alexander and Parker Reviews, although the appointment of John Hitchens in November 2021 meant that the proportion of women on our Board fell below the 33% target set by the Hampton Alexander Review. As explained in more detail in the Nomination and Governance Committee Report, the Board will meet this target again from March 2022.

The benefit of diversity of thought is not achieved simply by meeting targets however, and the Board and Nomination and Governance Committee are clear that they have key roles in overseeing and supporting the drive for diversity at all levels of the organisation. Diversity based on demographic factors can be easier to demonstrate than the diversity of backgrounds and cognitive diversity which help to shape the multi-dimensional conversations and the debates we experience in Board meetings. The broad range of backgrounds and experiences, gained both within and outside the financial services sector, on our Board, supports wide-ranging conversations that reflect and recognise the interests of all of our stakeholders. Further information on inclusion and diversity can be found in the Nomination and Governance Committee Report on page 139.

Independence

The Board determined that the Chair was independent on appointment and believes that all of the Non-executive Directors continue to demonstrate their independence. When determining independence, the Board considers each individual against the criteria set out in the Code and also considers how they conduct themselves in Board meetings, including how they exercise judgement and independent thinking.

As mentioned earlier in the Report, Iain Cornish's tenure on the Board reached nine years in October 2020. Having consulted with major shareholders, the Board agreed that in order for Iain to oversee the initial phase of the Board's succession plans and to facilitate the recruitment of his successor it was appropriate to extend his appointment. Iain retired from the Board following the 2021 AGM and Paul Manduca was appointed Chair on 14 May 2021. The Board notes that Paul Manduca and Simon Jeffreys are both currently directors of Templeton Emerging Markets Investment Trust plc but it is satisfied that the common directorship does not impair either Directors' independence.

Further information can be found in the Nomination and Governance Committee Report on page 138 and 139

Gender



Tenure



Female 3
Male 7

0-3 years 6
4-7 years 2
8-9 years 2

Board and Committee structure and attendance

Our Non-executive Board Committees

There are four wholly Non-executive Committees of the Board. The Chair of the Board is a member of, and chairs, the Nomination and Governance Committee. All of the other members of these Committees are independent Non-executive Directors. Further information on these Committees can be found in their separate reports on pages 120 to 163.

 Audit Committee Chair: Simon Jeffreys Report on page 120	 Risk Committee Chair: Rosemary Hilary Report on page 129	 Nomination and Governance Committee Chair: Paul Manduca Report on page 136	 Remuneration Committee Chair: Roger Yates Report on page 140
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Attendance in 2021

Director	Board (total 8)	Audit (total 6)	Risk (total 5)	Nomination and Governance (total 5)	Remuneration (total 6)
Iain Cornish (retired 14 May 2021)	◆◆◆	—	—	◆◆	—
Andrew Croft (CEO)	◆◆◆◆◆◆◆◆	—	—	—	—
Ian Gascoigne	◆◆◆◆◆◆◆◆	—	—	—	—
Craig Gentle	◆◆◆◆◆◆◆◆	—	—	—	—
Emma Griffin	◆◆◆◆◆◆◆◆	—	◆◆◆◆◆	—	◆◆◆◆◆◆◆◆
Rosemary Hilary	◆◆◆◆◆◆◆◆	◆◆◆◆◆◆◆	◆◆◆◆◆◆◆ (Chair)	◆◆◆◆◆	—
John Hitchens (appointed 1 November 2021)	◆	—	—	—	—
Paul Manduca (Chair)	◆◆◆◆◆◆◆◆	—	—	◆◆◆◆◆◆◆ (Chair)	—
Baroness Morrissey DBE (stepped down 14 May 2021)	◆◆◆◆	—	◆◆	◆◆	◆◆◆◆
Simon Jeffreys	◆◆◆◆◆◆◆◆	◆◆◆◆◆◆◆ (Chair)	◆◆◆◆◆◆◆	—	◆◆◆◆◆◆◆◆
Lesley-Ann Nash	◆◆◆◆◆◆◆◆	◆◆◆◆◆◆◆	◆◆◆◆◆◆◆	—	—
Baroness Wheatcroft (retired 14 May 2021)	◆◆◆◆	—	◆◆	◆◆	◆◆◆◆
Roger Yates (SID)	◆◆◆◆◆◆◆◆	◆◆◆◆◆◆◆	◆◆◆◆◆◆◆	◆◆◆◆◆◆◆	◆◆◆◆◆◆◆◆ (Chair)

This table provides details of scheduled meetings held in the 2021 financial year and the attendance at each meeting of the members of each Board/Committee.

John Hitchens joined, and Lesley-Ann Nash stepped down from, the Audit Committee on 1 January 2022. John Hitchens joined the Board Risk Committee on 1 January 2022. Paul Manduca was appointed Chair of the Nomination and Governance Committee on 14 May 2021 and Simon Jeffreys rejoined the Nomination and Governance Committee on 1 January 2022. Lesley-Ann Nash joined the Remuneration Committee on 1 November 2022.

Other forums reporting to the Board

In addition to the wholly Non-executive Committees, the Board has also delegated specific responsibilities to three further Committees. The Board has also established a group to help advise and educate it in terms of technology. The terms of reference of the forums are regularly reviewed and are included in the Group Management Responsibilities Map.

Forum	Purpose
Defence Committee	Comprises the Chair, Senior Independent Director, Chief Executive and Chief Financial Officer and its purpose is to monitor dealing in the Company's shares with a view to being prepared in the event of a formal bid for ownership of the Company and to oversee engagement with activist investors.
Disclosure Committee	Comprises the Chief Executive and Chief Financial Officer and is responsible for identifying and determining matters to be disclosed to the market.
Share Scheme Committee	Comprises the Executive Directors and its purpose is to assist the Board in fulfilling its responsibilities for operating and administering executive, employee, adviser and restricted share plans.
Technology Advisory Group (TAG)	Chaired by the Chief Operations and Technology Officer, the TAG comprises a Non-executive Director, three members of the senior management team and independent advisers with technology and cyber expertise. The purpose of the TAG is to advise and educate the Board on technology and keep it abreast of latest developments that are relevant to the Group's strategy.

Directors' appointments

The Board has a responsibility to ensure that appropriate succession plans are in place for the Board, the Executive Board and senior management. Details of progress made in the year can be found in the Report of the Nomination and Governance Committee. A summary of key aspects of Directors' appointments are set out below:

Appointment, replacement and re-election of Directors	<p>The Articles permit Directors to appoint additional Directors and to fill casual vacancies. Any Directors appointed must stand for election at the first AGM following their appointment. All other Directors will stand for re-election at each AGM. Directors can be removed from office by an ordinary resolution of shareholders or in certain other circumstances as set out in the Articles.</p> <p>Before a Director is proposed for re-election by shareholders, the Chair considers whether his or her performance continues to be effective and whether he or she demonstrates commitment to the role. After careful consideration, the Chair is pleased to support the re-election of all Directors at the forthcoming AGM. Each Director brings significant skills to the Board as a result of their varied careers and we believe that this diversity is essential to the mix of skills and experience needed by the Board and its Committees in order to protect the interests of the Company's shareholders. As in previous years, the Board is recommending to shareholders that all the Directors retiring at the forthcoming AGM be re-elected, and further information can be found in the Notice of Meeting for the forthcoming AGM.</p>
Duration of appointments	<p>Non-executive Directors, other than the Chair, are appointed for a specified term and the Executive Directors have service contracts. Copies of the terms and conditions of appointment of all Directors are available for inspection at the registered office address and will be available for inspection at the Company's AGM.</p>
Terms of appointment	<p>The Executive Directors all have service contracts with the Company that provide for termination on 12 months' notice from either the Company or the Director (except in certain exceptional recruitment situations where a longer notice period from the Company may be set, provided it reduces to a maximum of 12 months within a specified time limit). Service contracts do not contain a fixed end date. The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover, except that provisions in the Company's share schemes may, in certain circumstances, cause share awards granted to employees under such schemes to vest on a takeover.</p>
Time commitments	<p>Non-executive Directors are expected to commit sufficient time to enable them to undertake their responsibilities and, as explained in the Report of the Nomination and Governance Committee, their capacity to fulfil their responsibilities is reviewed on an ongoing basis so that the Board can be satisfied that each Non-executive Director commits sufficient time to the business of the Company.</p> <p>Paul Manduca was appointed as Chair in May 2021 and devotes a significant proportion of his time to the role. In conjunction with the Senior Independent Director, he regularly assesses his commitments and continues to manage his portfolio of other activities to ensure that he has sufficient time to meet the requirements of the position. He currently also chairs Templeton Emerging Markets Investment Trust plc, Majid Al Futtaim Trust and W.A.G Payment Solutions Plc. He had a full attendance record at the Company's Board meetings in 2021 and also attended all Board Committee meetings in addition to spending a substantial amount of time engaging with the business outside formal Board and Committee meetings. Whilst Paul is the chair of three quoted company boards, the time that he is required to commit to his role on the investment company Templeton Emerging Markets Investment Trust plc is significantly lower than would be the case for a trading company. The Board is satisfied that he commits sufficient time to the business of the Company and will be able to do so throughout the remainder of his tenure.</p>
Conflicts of interest	<p>The Board has in place procedures for the management of conflicts of interest. In the event a Director becomes aware of an actual or potential conflict of interest, they must disclose this to the Board immediately. The Board then considers the potential conflict of interest based on its particular facts, and decides whether to authorise the existence of the potential conflict and/or impose conditions on such authorisation if it believes this to be in the best interests of the Company. Internal controls also exist to conduct regular checks to ensure that the Directors have disclosed material interests appropriately.</p> <p>Except as stated in the Directors' Remuneration Report, no Director has, or has had during the year under review, any material interest in any contract or arrangement with the Company or any of its subsidiaries.</p>
Directors' and officers' indemnity and insurance	<p>The Company has taken out insurance covering Directors and officers against liabilities they may incur in their capacity as Directors or officers of the Company and its subsidiaries. The Company has granted indemnities to all of its Directors in their capacities as Directors of the Company and, where applicable, subsidiary companies on terms consistent with the applicable statutory provisions. Qualifying third-party indemnity provisions for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year ended 31 December 2021, and remain in force at the date of this Report.</p>

Directors' development

Inductions for new Directors

An appropriate induction programme is designed to enable all new Directors to meet senior management, understand the business and future strategy, visit various office locations and speak directly to advisers and staff around the country, as well as being introduced to other key stakeholders. Induction plans are tailored to meet the specific requirements of incoming Directors. The case study on page 116 provides a high-level overview of John Hitchins' induction and explains how our experience during the COVID-19 pandemic has resulted in additional challenges but also benefits.

Continuing professional development

The Chair and Company Secretary ensure continuing professional development for all Directors, based on their individual requirements and this is achieved through a wide range of approaches:

Approach	Examples in 2021
Specific development sessions and training	<p>Specific development sessions and events have been provided for the Directors during the year and these have included further training on defining and measuring culture, responsible investing, the development of brand and new IT systems (including Salesforce). In December the Directors received an overview of the current cyber landscape and, supported by advisers, undertook a detailed review of cyber simulations carried out by management and the key learnings and actions arising therefrom. These sessions provide Directors with opportunities to engage with employees from departments across the business to augment their knowledge of the business, the marketplace and the regulatory environment. The Audit Committee also holds development sessions to support the Committee's understanding of topics relevant to it, including developments in corporate reporting and how these would impact St. James's Place.</p>
Visits to head office, other locations and service providers to meet with employees and members of the Partnership	<p>In 2021 the pandemic continued to restrict the opportunities for the Directors to visit offices and engage with the Partnership. Despite the challenges faced, the Directors were able to attend the first physical Partner conferences held since 2019 and other events that were hosted in regional offices. Virtual meetings continue to provide additional engagement opportunities for Directors with employees and Partners either on a one-to-one basis or as part of larger organised events.</p>
Attendance at subsidiary board meetings, executive committees and management forums	<p>During the year, the Non-executive Directors attended a number of meetings of the boards of subsidiary companies to gain further insight. They were also invited to attend Directors' lunches hosted by senior management as part of the workforce engagement programme.</p>
Attendance at seminars or other events which assist Directors in carrying out their duties	<p>Directors receive invitations from time to time to attend seminars and conferences that provide opportunities to network and enhance their knowledge and experience. In 2021, most of these events have continued to be held virtually and the number of events has increased, providing Directors with greater opportunity to further their knowledge.</p>

1 2 3 4 5 Board composition, succession and evaluation

Directors' induction case study

Induction programmes typically run for around three to six months for new Directors and are tailored to meet their individual needs based on their existing knowledge/experience and specific aspects relevant to the roles they will be taking up. The programmes are centred on three key elements which are summarised below, together with an outline of key adaptations for John Hitchens' induction:

Element	What the element provides	Examples for John Hitchens
Information and materials	Directors are provided with a comprehensive library of key documents covering the Group's history, constitution, governance framework, corporate reporting, policies, key business areas and much more. This helps Directors to build their knowledge of St. James's Place, highlights areas of further interest and provides a reference library to consult as and when appropriate.	Board/Committee papers and minutes for the previous 18 months were provided. Specific papers covering strategically important topics that have been considered by the Board were drawn out to support focus on material considerations by the Board. Information on key stakeholders, including engagement activity and survey results from employee and Partnership surveys, and also from shareholders and regulators was provided.
Individual meetings	Meetings are arranged with specific employees to explore in more detail significant aspects of the business and to provide the opportunity to build up relationships that will support the Directors going forward. Where a Director will be carrying out a role on a specific committee or subsidiary board, additional meetings and development sessions will be set up to support the Director's understanding of significant matters relevant to that role.	Meetings were set up with all Board Directors, members of the Executive Board and other key members of the management team. Meetings were set up with the chairs of material subsidiaries, such as St. James's Place International plc and St. James's Place UK plc. Given the significance of the life companies within the Group and noting John's role on the Audit Committee in particular, additional time was set aside with the Chief Actuary, key individuals involved with supporting the Audit Committee and the External Auditors.
Meeting attendance	Directors are invited to attend meetings of committees of the Board that they do not sit on, the boards of material subsidiaries and, where appropriate other corporate events and forums that will support their understanding of the Group. Attendance at these meetings provides an opportunity for Directors to observe the Group's governance in action and familiarise themselves with some of the key and emerging themes across the Group.	In addition to attending committees of the Board, new Directors are invited to attend those of material subsidiaries such as St. James's Place UK plc and St. James's Place Unit Trust Group Limited. Partner conferences and regional meetings enable first-hand experience of interaction with the Partnership and where possible opportunities to attend have been scheduled.

The COVID-19 pandemic has impacted induction programmes over the last couple of years meaning that many of the office visits and face-to-face meetings that would normally be planned have been replaced with virtual meetings. Whilst not ideal, it has made scheduling easier in some instances as travel to or between offices has not been required. The transition away from hard copy papers to a secure Board portal in recent years has also enabled us to build a comprehensive reference library for new Directors which not only supports their induction but can prove useful throughout their tenure.

2021 Board effectiveness review

Reflecting on the 2020 review

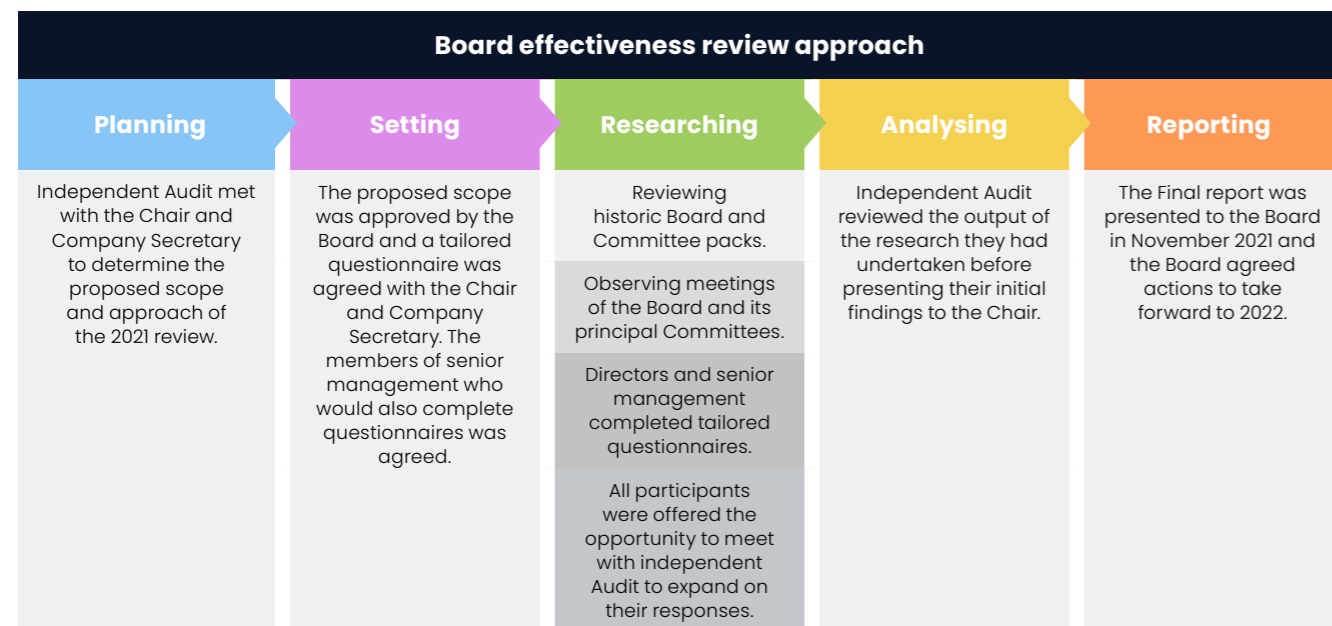
Although the Board was not required to carry out an externally facilitated review in 2020, the Board chose to appoint Russell Reynolds Associates to support it in carrying out its review. The review identified several actions which are summarised below, together with updates on the progress made in 2021.

Actions agreed	Update on progress
A number of topics were identified for greater consideration by the Board in 2021 and were added to the Board's agenda as appropriate.	The topics identified were built into the Board's forward agenda, either as part of substantial focused 'deep dive' discussions at the Board, or as part of the regular reporting received from the Executive Directors. The forward agenda remains under constant review and the Board will continue to closely monitor progress against the Group's 2025 Strategy and will commit time to prominent aspects, or those impacted by changes to the business' circumstances or the external environment.
The format and frequency of Board meetings would be kept under review and opportunities for further informal communication and team building would be sought.	The Board was delighted to be able to return to face-to-face meetings in 2021, which provided valuable opportunities to build upon relationships which, in many cases, had been forged virtually. The Board has undergone a lot of change during the previous couple of years, coinciding with the COVID-19 pandemic, and this had restricted opportunities to build up social capital. The Board calendar in 2021 was largely set when Paul Manduca took the Chair, but looking to 2022 and beyond, the focus and frequency of formal meetings and other engagement events (such as Non-executive Director meetings) has been reviewed and refocused. Virtual meetings remain an option available when appropriate and the experience during the pandemic has provided assurance that late changes in circumstances for individuals can be managed without undue disruption. Opportunities for shorter engagement touchpoints where there are longer gaps between meetings also remains a feature of the Board's calendar.
On the back of the appointment of three new Non-executive Directors in 2020 and the appointment of the Chair-designate, the Board recognised that its dynamics and culture would continue to evolve and would require focus and further reflection as 2021 progressed.	In addition to the anticipated changes in Board membership arising from the succession planning exercise carried out in 2019 and 2020, the Board also saw the unanticipated departure of Baroness Morrissey DBE. Further succession planning resulted in the appointment of John Hitchens towards the end of 2021. Paul Manduca was appointed Chair in May 2021 and has led the Board in considering how it best operates and the roles and membership of the Committees supporting the Board. Whilst a significant number of Non-executive Directors are relatively new to the Board and initially had limited time to meet face to face, there has been committed focus on ensuring the Board works well together and provides appropriate levels of challenge and support to management. The 2021 Board effectiveness review provided further insight on Board dynamics and culture.

1 2 3 4 5 Board composition, succession and evaluation

The 2021 review

In 2021 the Board was required to carry out an externally facilitated review and, following a formal selection process, appointed Independent Audit to carry out the review. Independent Audit has not provided services to the Board previously. When determining the scope of the review the Board was particularly mindful of the number of changes in Board membership in the last couple of years, the limited time the Board had been able to spend together because of COVID-19 restrictions and the short period in which the new Chair had been in situ. The scope of the 2021 Board effectiveness review took all of these factors into account and the Board agreed that, if it believed it was appropriate, it would consider carrying out a further externally facilitated review ahead of the third anniversary of this review. The process followed for the 2021 review and the key outcomes are summarised below:



Themes emerging

The 2021 review identified several themes that highlighted areas of strength (see below) and also areas for the Board to focus on going forward. Overall, the Board concluded that there were no significant areas for concern and the Board and its Committees were operating effectively, albeit there will always be opportunities for further improvement.

Board dynamics and relationships	The Directors agreed that the Board is well chaired and meetings provide for inclusive and open discussion and debate. Despite the relative newness of the Board there were already encouraging signs of cohesiveness, with Directors working together on a basis of trust and openness. The lifting of lockdown restrictions will increase the opportunities to meet face to face and allow for the building of relationships by engaging more in informal settings.
Strategy	Overall, the view was that the Board is good at setting strategic goals, contributing to strategic development and subsequently monitoring performance. The change in Chair had brought about an opportunity to clarify the Board's aims and objectives and Directors recognised that this had improved the degree to which the Board was able to contribute to strategy.
Directors duties and risks	The Board understands its collective and individual duties and Non-executive Directors are diligent at keeping on top of events. The Board is confident that it has the right leadership team in place and is satisfied with the level of oversight of risk and the amount and quality of information received to facilitate its work.

Areas for focus

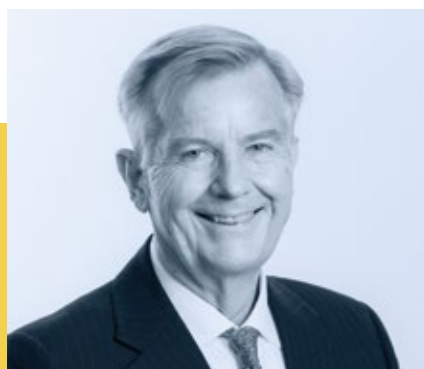
The areas identified for the Board to focus on in 2022 and beyond are summarised below, together with an overview of the action already taken:

Area of focus	Summary	Action taken
Focus on people	Both the organisation and wider society have experienced considerable change in recent years and it is important for the Board to ensure the business has the skills and the reward and recognition structure required to underpin the strategy.	Employees and recruitment will be the subject of a 'deep dive' for the Board in 2022 and the Board and its Risk and Remuneration Committees will continue to keep people and remuneration risks under close monitoring.
Macro trends	The Board should set aside time to focus on macro trends in wealth management and wider society to take account of the changing needs and expectations of clients. Examples include how technological developments might impact strategy and how ESG is factored into the Board's decision-making going forward.	The Board's recognition of the changing needs and expectations of clients, Partners and employees is reflected in a number of its key strategic initiatives and regular updates on the technology/digital journey have been built into the 2022 forward agenda. Led by the Technology Advisory Group, the Board has also scheduled a specific session in 2022 to consider emerging and disruptive technology. Subsequent to the completion of the 2021 review, the Board considered our Responsible Business strategy and plans which set out how ESG will be embedded in our strategy. The Board Risk Committee will also continue to consider emerging risks, including those emerging from broader societal shifts.
IT security/ cyber risk	The risks posed by IT security and cyber are constantly evolving at pace and it is important for the Board to ensure the topics remain areas for focus and vigilance.	In addition to the work of the Board Risk Committee, the Technology Advisory Group was established to support the Board in overseeing IT security and cyber. The Board will consider during 2022 if the support and insight it receives requires further enhancement.
Focus and impact	The visibility of the Board and its impact have been constrained during COVID and as its membership has changed. Whilst a good level of engagement has been maintained, the absence of direct contact has had an effect. However, as Non-executives and Executives begin to have more direct contact again there will be opportunities to consider how to work together for the benefit of the business focusing specifically on the key matters that contribute to the success of SJP.	The Board's forward agenda and development plans for 2022 will provide opportunities to increase visibility.
Culture	Culture has been a key focus for the Board in recent years and oversight of culture is an area which will be aided by spending more time in the business again.	Following the conclusion of the 2021 review, the Board received a full update on the progress made on embedding our culture vision during 2021, including the culture KPIs and dashboard, and the 2022 culture objectives. Regular reporting will provide the basis for ongoing oversight by the Board and will be built into the forward agenda

By order of the Board:

Paul Manduca, Chair
23 February 2022

Report of the Audit Committee



Simon Jeffreys

Audit Committee membership

Member and date joined Committee

SJ	Simon Jeffreys (Chair) 1 January 2014
RH	Rosemary Hilary 17 October 2019
JH	John Hitchins 1 January 2022
RY	Roger Yates 1 July 2014

Note: Lesley-Ann Nash was a member of the Audit Committee from 22 July 2020 to 1 January 2022.

The Audit Committee's terms of reference set out the Audit Committee's role and authority as Audit Committee for the Company and certain subsidiaries. They can be found on the corporate website at www.sjp.co.uk/about-us/corporate-governance.

Key objective of the Audit Committee

The Audit Committee's primary purpose is to oversee financial reporting, the internal and external audits and the Group's systems of internal control, and to provide guidance and advice on these areas to the Board and, where applicable, other boards and committees in the Group.

Regular attendees at meetings

Chair of the Board; Chief Financial Officer; Internal Audit Director; Executive Director – Finance (Chief Actuary); Chief Risk Officer; and Senior Statutory Auditor.

Dear Shareholder,

I am pleased to present the Audit Committee's report for the year ended 31 December 2021. The report provides insight into our work over the year, and details how we have discharged the responsibilities delegated to us by the Board. In addition, we also act as the Audit Committee for St. James's Place UK plc (SJPUK).

The Audit Committee fulfils a vital role in the Group's governance framework, providing valuable independent challenge and oversight across the Group's financial reporting, audit and internal control procedures.

In carrying out its remit, the Audit Committee paid particular attention to the BEIS consultation on Corporate and Audit Reform, actuarial assumption changes, the adequacy of engagement with third-party suppliers, and the Audit Quality Review carried out this year.

The 2020 year-end was the first annual audit conducted substantially remotely. The audit was a success and, as a result, the effective aspects of the 2020 year-end remote audit have been retained. It is however recognised that there is still very much a place for face-to-face working and the 2021 year-end audit was conducted, in a hybrid environment, with a blend of virtual and on-site working which was dependent on the continuing impact of COVID-19.

It is noted that the year ended 31 December 2021 is the first year of mandatory Task Force on Climate-related Financial Disclosures (TCFD) reporting, which the Group voluntarily reported on early in 2020.

Looking ahead to next year, the Audit Committee will be focusing on the results of the BEIS consultation, the implementation of the IFRS 17 Insurance Contracts standard, and Environmental, Social and Governance (ESG) developments.

Finally, following changes to the composition of the Audit Committee, I would like to thank Lesley-Ann Nash for her invaluable contribution during her time on the Audit Committee, and to welcome John Hitchins.

Simon Jeffreys

On behalf of the Audit Committee
23 February 2022

Operation and performance of the Audit Committee

The Chair of the Audit Committee discusses agendas and significant matters separately with the external auditor and the Internal Audit Director in advance of each meeting, with each of the six scheduled meetings focusing on the key topics set out in its forward work programme. In addition, the Audit Committee receives regular updates on developments in corporate reporting, external auditor independence, progress against the Internal Audit Plan, internal control, reports from the Money Laundering Reporting Officer, capital management, financial control breaches, fraud and whistleblowing activity, and key policies. Attendance by Audit Committee members at these meetings is shown on page 113. The Audit Committee also welcomed attendance from the Non-executive Directors appointed to the Board during the year, who attended Audit Committee meetings as part of their induction process; this included the new Chair of the Board. Private sessions were also held regularly with the Internal Audit Director and the external auditor, providing an opportunity for matters to be discussed in the absence of management.

Development sessions are held regularly to enhance further the Audit Committee's understanding of key and emerging topics, and to provide a platform for the Audit Committee to discuss and consider any impact on the Group. In 2021 these topics included the BEIS Consultation on Audit and Corporate Governance, anti-money laundering, cyber threat, assumption setting with a particular focus on persistency, IFRS 17 Insurance Contracts standard, Solvency II Quantitative Impact Study (QIS), and mass-lapse insurance. Audit Committee members also attended external briefings and technical updates, for example those given by the major accounting firms.

The Audit Committee evaluated its own performance and effectiveness over the course of the year and carried out an annual review of its terms of reference. The Audit Committee's effectiveness was also reviewed by the Board as part of its overall assessment of its own effectiveness (see pages 117 to 119). The Board and the Audit Committee remain satisfied that the Audit Committee operated effectively and has the experience and qualifications necessary to perform its role successfully, noting in particular that the Chair of the Audit Committee is a qualified accountant and former Senior Audit Partner, and that other members also have recent and relevant experience and expertise in the financial services sector.

The Audit Committee was responsible for carrying out the function required under the FCA's Disclosure and Transparency Rule DTR7.1.3R (Audit Committees) and complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 throughout the year ended 31 December 2021.

Matters considered during the year

The Audit Committee focused on a number of matters which can be grouped under four broad headings: corporate reporting, external audit, internal audit, and internal controls. The following sections illustrate the Audit Committee's activities during the year.

Corporate reporting

Corporate reporting activities form a large part of the Audit Committee's activities. The calendar starts at the May meeting with a review of the previous year-end, alongside the annual review of performance of the Audit Committee. This also provides an opportunity for review of the significant topics which are likely to emerge during the year, which leads closely into the half-year interim reporting process. As the Audit Committee approaches the end of the year the meetings provide opportunities to discuss outstanding technical points with management and the external auditor, and to start reviewing early drafts of sections of the Annual Report and Accounts. Formal Audit Committee meetings are supplemented during the year with informal working group meetings to review with management key messages for both the Annual Report and Accounts and Half Year Results, and to explore in more depth any complicated issues emerging. This forum provides the Audit Committee with clarity and understanding. The process concludes with an important meeting in February at which the final draft Annual Report and Accounts and year-end regulatory reports are reviewed in preparation for recommending them for approval to the Board. Because the Audit Committee also acts as the Audit Committee for the Group's main subsidiary, SJPUK, the Audit Committee also carries out this work specifically for that company.

Report of the Audit Committee continued

Matters considered during the year continued

Some highlights of the Audit Committee's work during the year, including the significant issues it considered relating to the Financial Statements, are included in the table below.

Key corporate reporting topics

Theme	What did the Audit Committee do?	What was the conclusion and impact?
Accounting judgements and actuarial assumptions	<ul style="list-style-type: none"> Persistency Assumption change – Management set out proposals for an update of the persistency assumptions for insurance bonds and pension business. The Audit Committee discussed the proposals, receiving confirmation from the external auditor that they had no concerns with the change of methodology. The Audit Committee challenged/were keen to know: <ul style="list-style-type: none"> – the reason for changing now; – how the proposed rates compared to experience, both recently and over time, and how they compared to those of other market participants; and – what the outlook might be for persistency, and whether there was any reason why it could be different to past experience in order to fully understand the reasoning for the changes. Solvency II Market Risk Capital Assessment change – The Audit Committee was briefed on revised approaches to the assessment of market risk capital, noting that the changes involved refinement based on enhanced use of data rather than a revised approach. Tax Asymmetry Modelling change – An additional refinement of the solvency capital assessment was proposed by management, to reflect the Tax Asymmetry effect (see Financial Review for further information), as experienced in recent years in both IFRS and solvency reporting. The Audit Committee challenged management on the degree to which the benefit emerging was realisable, as well as sensitivity to a range of scenarios, including the rate of unwind in rising markets. Accounting judgements – The Audit Committee reviewed papers prepared by management setting out the key accounting judgements, including the valuation of the operational readiness prepayment. Level 3 assets – Management set out the key judgements used in the valuations of the investment property portfolio and the level 3 investments in the St. James's Place Diversified Assets (FAIF) Unit Trust. The Audit Committee reviewed the key assumptions considered by the external experts, and the report provided by the external auditor on these matters. 	<ul style="list-style-type: none"> The Audit Committee noted that high persistency rates had been experienced for a number of years, and also that the proposed rates still reflected the range of possible outcomes beyond experience. As a result they agreed with management and approved the changes for Group reporting purposes and for recommendation to the SJPUK Board. The Audit Committee noted that because of the unit-linked business model the risk to meeting client liabilities is matched. However there remains a regulatory compliance risk and so the Audit Committee supported management in enhancing the assessment. The Audit Committee was further reassured by risk analysis undertaken as part of the ORSA process and was pleased that the change had been embedded in standard reporting processes by the year-end. In considering the valuation of the operational readiness prepayment, the Audit Committee considered the reasonableness of the assumptions underlying management's discounted cash flow analysis calculating the anticipated future cost savings that support the valuation of the asset. Based on the information provided, the Audit Committee was satisfied that the asset was not impaired as at the year end. Based on the information provided, the Audit Committee was satisfied with the valuations reported.

Theme	What did the Audit Committee do?	What was the conclusion and impact?
Accounting regulation and audit	<ul style="list-style-type: none"> There were no new accounting standards or significant new disclosure requirements for 2021. With the IFRS 17 Insurance Contracts standard deferred until 2023, management advised that plans were progressing and a project group had been established. The Audit Committee requested a development session in order to fully understand the impact to the Group in preparation for the adoption of IFRS 17. During 2021 the IFRS Interpretations Committee made a decision relating to the configuration and customisation costs in a cloud computing arrangement. During the second half of the year management conducted an exercise to assess the impact of the revised guidance. This resulted in a small adjustment to eliminate configuration costs that had previously been capitalised. Revised processes for separately identifying customisation costs of work on Salesforce and other cloud computing arrangements were reviewed by the Audit Committee. 	<ul style="list-style-type: none"> The Audit Committee was satisfied that the impact to the Group with regard to IFRS 17 would be limited. The Audit Committee noted that all new business and most of the past business was classified under IFRS 9 as investment business, with only a small legacy portfolio of insurance business. In addition it was noted that the Company had ceased writing insurance business in 2011. The Audit Committee challenged management on their judgements about how much of the previously capitalised work could be determined as customisation, but were impressed with the quantum of analysis of work orders and plans that were used to support the judgement. The external auditor was also able to reassure the Audit Committee with their knowledge of similar projects elsewhere. The resulting adjustment to the capitalised asset was a reduction of £5.1 million.
Final results and Annual Report	<ul style="list-style-type: none"> The Audit Committee reviewed and provided input into the periodic financial reporting, including the Half-Year Report and Accounts for 2021, the final results announcement, and the Group Annual Report and Accounts for 2021, including the viability and going concern statements. 	<ul style="list-style-type: none"> Following detailed deliberations, challenge and discussion on key aspects of the reports, the Audit Committee was satisfied with the periodic financial reports and recommended their approval to the Board.
Regulatory reporting	<ul style="list-style-type: none"> In addition to statutory reporting, the Audit Committee also reviewed the following regulatory reporting requirements: <ul style="list-style-type: none"> – Solvency II – Group Solvency and Financial Condition Report (SFCR), Group Regular Supervisory Reporting (RSR), St. James's Place UK plc RSR, and St. James's Place Investment Administration Limited Pillar 3 disclosure. – CASS – audit reports on St. James's Place Investment Administration Limited, St. James's Place Unit Trust Group Limited, Rowan Dartington & Co. Limited, and an exception report on St. James's Place Wealth Management plc. 	<ul style="list-style-type: none"> Management confirmed the specifics of the rules for Solvency II reporting and the Audit Committee was able to approve the publication of the 2021 year-end SFCR and the submission of the 2021 RSR to the regulator. The Audit Committee also reviewed and was satisfied with the CASS external audit reports.
Mass-Lapse Insurance	<ul style="list-style-type: none"> The Audit Committee considered the proposed accounting in relation to the new mass-lapse insurance arrangement. Noting the accounting treatment within expenses and other payables. 	<ul style="list-style-type: none"> The Audit Committee was satisfied with management's approach, noting that the accounting impact was relatively minor.

Report of the Audit Committee continued

Matters considered during the year continued

'Fair, balanced and understandable' opinion

The Board is required to provide its opinion on whether the Company's Annual Report and Accounts taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

To support the Board in providing its opinion, the Audit Committee carried out a formal review, taking account of investor feedback, commentary from the Financial Reporting Council's (FRC) annual review of corporate reporting, and management's own assessment. The Audit Committee assessed the quality of financial reporting through discussion with the external auditor, receiving presentations, and discussing key matters with senior financial management.

This process included considering each of the elements (fair, balanced, and understandable) on an individual basis to ensure our reporting was comprehensive in a clear and consistent way, and in compliance with accounting standards and regulatory and legal requirements. The external auditor also considered and confirmed agreement with the 'fair balanced and understandable statement' as part of the audit process.

Following its review, the Audit Committee advised the Board that the Company's Annual Report and Accounts for the year ended 31 December 2021 were fair, balanced and understandable.

External audit

Auditor activity and effectiveness

PwC were first appointed in 2009 and were reappointed as the Group's external auditor following a tender process in 2016. The Group will be required to change its audit firm no later than the 2027 audit. The Audit Committee is aware of the difficulty that some firms are experiencing in obtaining proposals for audit appointment given the current audit markets and audit independence standards. As a result, the Audit Committee has initiated discussions on the tender process with relevant firms.

The FRC is the UK's independent regulator responsible for promoting transparency and integrity in business. Its responsibilities include the monitoring of audits of public interest entities. This monitoring is performed by the FRC's Audit Quality Review (AQR) team. The reviews of individual audit engagements are intended to contribute to safeguarding and promoting improvement in the overall quality of auditing in the UK. During the year, the AQR team carried out a review of PwC's audit of the Group's 2020 Annual Report and Accounts. The Audit Committee discussed the content of AQR, noting that there were no significant areas for improvement identified within the report, nor any material issues in relation to the Financial Statements. The AQR findings identified two areas of the audit that required limited improvements and one area of good practice. The Audit Committee Chair received a full copy of the findings and these were discussed with PwC during an Audit Committee meeting. In addition, the Audit Committee Chair had a follow-up meeting with the AQR team.

The Audit Committee noted the results of the FRC's review of PwC for the 2020/21 inspection cycle, and were pleased to observe that, when compared to the previous year, there was an uplift in the percentage of audits graded as 'good or needs limited improvement' from 65% to 80%. Many instances of good practice were noted by the FRC and the Audit Committee therefore considered that PwC currently provides a robust audit.

The Audit Committee welcomed improvements to the audit process which included the increased use of technology to make process enhancements, and that certain stages of the audit had been accelerated to remove additional pressure at key points. Following challenge from the Audit Committee, PwC provided assurance that they were making appropriate phasing arrangements for the transition of senior managers close to their seven-year tenure limits, and that a plan was in place to avoid unnecessary disruption.

As in previous years, PwC attended all Audit Committee meetings and met privately with the Audit Committee after each meeting. The Chair of the Audit Committee also regularly met with Andrew Moore, the Group's Senior Statutory Auditor, to receive updates on progress and discuss any private matters, including audit fees and the profitability of the audit, progress of the audit and the performance of the finance function.

To launch PwC's programme of work, the Audit Committee received and agreed their plan for the audit of the 2021 year-end. PwC then provided regular updates on their work, culminating in their overall final report and findings from the year-end audit and the review of the half-year results. The reports were discussed with PwC, and the Audit Committee concurred with management's response to the recommendations identified. The Audit Committee asked PwC to pay particular attention to capacity and reserves available to meet distributions to shareholders and the liquidity thereof, covenants attaching to any new loan agreements and changes in audit committee reporting arising from regulations or market practice, and was satisfied with the results of PwC's work and findings.

During the year, an internal evaluation was carried out to assess the independence, objectivity, and effectiveness of PwC and the effectiveness of the 31 December 2020 audit process, following the FRC's Guidance on Audit Committees. PwC's effectiveness was assessed in various ways, including: feedback from management involved in the audit; feedback from the Audit Committee; assessing audit quality and delivery against the audit plan; and interrogating client administration systems to ensure senior PwC team members did not hold any St. James's Place products.

The Audit Committee found that PwC demonstrated robust challenge and professional scepticism during the 2020 year-end process and that Andrew Moore had been highly visible and effective as the engagement partner for the Group. PwC continued to provide high-quality output to the Audit Committee, setting out clearly their approach, findings and recommendations. The Audit Committee discussed with PwC the results of their work and challenge of management, especially in relation to those matters on which the Audit Committee asked them to focus, for example the operational readiness prepayment and the valuation of the private equity and private credit assets in the Discretionary Assets Fund.

The Audit Committee agreed with management's view that PwC were effective in their role as external auditor. Following this evaluation, the Audit Committee recommended that the Board seek the reappointment of PwC as external auditor at the next Annual General Meeting (AGM).

The Audit Committee also reviewed the evaluation of Grant Thornton's performance, in relation to their role as auditors of St. James's Place International and contributing to the Group Audit by PwC, and were satisfied with their performance.

Finally, the Audit Committee was authorised by shareholders at the last AGM to determine the remuneration of the external auditor. As such, the Audit Committee considered and approved the 2021 audit fees. More information on the audit fees can be found in Note 5 to the IFRS Financial Statements.

Auditor independence and non-audit services

During 2021, the Audit Committee closely monitored the BEIS Consultation on Audit and Corporate Governance which had arisen as a result of the Competition and Markets Authority's audit market study, the Brydon Review on the quality and effectiveness of audit, and the Kingman Review of the FRC. In particular, the Audit Committee considered carefully the potential impacts of the consultation. The Audit Committee also monitored trends in financial reporting reflected in the annual reports of other companies.

The Audit Committee carried out its annual review of the Policy on Auditor Independence during the year. The review resulted in minor changes, with refinements made for clarity, particularly in relation to a move away from EU references.

During the year the Audit Committee considered proposals for all non-audit services as they arose and received updates at each meeting on fees incurred with PwC for all services.

The Audit Committee discussed and approved the non-audit work carried out by PwC during the year, which was limited to audit services relating to the corporate reporting, such as the review of the half-year results and validating capital contribution payments to St. James's Place Wealth Management plc. Full details of PwC's remuneration for 2021 are set out in Note 5 to the IFRS Financial Statements.

In their audit report to the Audit Committee, PwC confirmed that they remain independent of the Group and, having carried out its own assessment, the Audit Committee concluded that PwC remained independent and objective. The Policy on Auditor Independence, which includes the restrictions relating to non-audit services imposed by EU audit legislation, is available on the Group's website.

The Group's Senior Statutory Auditor will change from financial year-end 2022. The Audit Committee participated fully in the selection of the successor to Andrew Moore and have selected Gary Shaw.

Report of the Audit Committee continued

Matters considered during the year continued

Internal audit

The 2021 Internal Audit Plan (the Plan) was approved by the Audit Committee in November 2020. The planning process is based on two approaches to analysing risk. The first is a bottom-up risk assessment of the Group's audit universe, which methodically assesses the risks faced by each component of the business. The second is a top-down assessment of the key risks to the Group. The resulting Plan reflects both of these assessments, providing a blend of bottom-up core assurance activity with specific risk-targeted audits.

This plan, together with a risk-ranked watchlist, were reviewed and monitored throughout the year and all updates and changes to the Plan were specifically considered and approved by the Audit Committee.

The Plan addressed three key themes, shown below with examples of audits undertaken:

Theme	Description	Example audits undertaken
Clients and the Partnership	The Group's processes for ensuring appropriate client outcomes, overseeing the continued growth and expansion of the Partnership compliance with the Group's advice standards, and the effectiveness of the field management team in maintaining the required controls.	<ul style="list-style-type: none"> Oversight and monitoring of client outcomes Partner supervision Initial disclosure of fees and charges Recording of ongoing servicing Protection products and professional services Client tax reporting IMA fund mergers Portfolio bonds administration Policy Services Limited
Operational excellence	The robustness and effectiveness of the Group's core operational processes, the impact of continued growth and increased complexity, and the major change initiatives.	<ul style="list-style-type: none"> UT/ISA new business processes Administration centre quality framework Operational resilience Treasury Benefit realisation from projects Budget setting and monitoring
Regulation and reputation	The regulatory landscape, including significant recent and expected future changes, the importance of compliance across the Group's increasingly complex operations, and the key function of second-line monitoring.	<ul style="list-style-type: none"> UK corporate governance Senior Managers & Certification Regime Responsible business reporting Governance and oversight of data protection Own Risk and Solvency Assessment (ORSA) Process AMMS comparable market rates assessment Compliance assurance function Risk culture

The delivery of the Plan is the responsibility of the Internal Audit Director, who is accountable to the Audit Committee and who has regular one-to-one meetings with the Chair of the Audit Committee and the Chair of the Board. Each internal audit report is sent promptly to Audit Committee members and progress reports are discussed at each meeting to update the Audit Committee on progress against the Plan and any remedial actions allocated to management. The Audit Committee followed up and ensured management actions from internal audit reports were completed promptly, and that appropriate alternative controls were in place until those actions were completed.

Internal audit reports regularly to the Audit Committee on internal controls and has confirmed that overall internal controls are effective and there are no significant failings. Noting that certain controls require improvement, management has plans in place for further enhancements to the control framework in specific areas, with progress being monitored by internal audit and the Audit Committee. For example, work is underway to ensure the scalability of operational processes within the investment division and enhancements are being made to the process for evidencing the realisation of benefits from projects. In October 2021, the Audit Committee considered and approved the proposed 2022 Internal Audit Plan.

Deloitte LLP has continued to provide co-sourcing services for specialist expertise and market insight. Examples of services provided under this contract include subject matter experts such as IT and regulatory specialists, and additional resources to maintain and enhance the level of assurance provided to the Audit Committee. In advance of the end of the existing three-year co-source contract in December 2021, a competitive tender process was completed by internal audit and the Audit Committee Chair. From a strong shortlist of firms, Deloitte LLP was selected to continue as the preferred co-source provider for the next three years.

The effectiveness of the internal audit function was externally assessed in late 2019 by EY against the global standards set by the International Institute of Internal Auditors, the 2017 Code for Effective Internal Audit in Financial Services, and current best practice in our industry. The report concluded that the internal audit function remains effective and 'generally conformed' to the global standards across all aspects of performance. It highlighted the function's significant progress and suggested opportunities for enhancements, work on which is now substantially concluded. One recommendation remains open: to enhance the use of data analytics within audits. This remains a key priority for the team and is also being supported through co-source engagement.

An internal quality assessment was carried out and presented to the Audit Committee in May 2021. The Audit Committee concluded that internal audit is effective and meets the needs of the Group. The Audit Committee also reviewed and approved the Internal Audit Charter, which can be found on our website at: www.sjp.co.uk/about-us/corporate-governance.

Whistleblowing

The Board ensures that appropriate arrangements are in place to enable individuals to raise any concerns about illegal or improper behaviour connected to St. James's Place. The Chair of the Audit Committee is a key contact in the Whistleblowing Policy and is the whistleblowers' champion under the Senior Managers and Certification Regime. On behalf of the Board, the Audit Committee reviewed whistleblowing arrangements during the year and received regular updates on activity. Each case was considered when first reported and tracked through at each meeting until satisfactorily concluded. The Audit Committee established that each of the matters had been properly investigated and appropriate actions taken, that no resulting changes were required to the Group's procedures or systems of control, and that none of the matters was material to the financial position or results of the Group. Following review and challenge by the Audit Committee, the Annual Whistleblowing Report and the Whistleblowing Policy were considered by the Board in May 2021. The Board concluded that the whistleblowing arrangements were appropriate and consistently in force across the entire Group.

Internal controls

Systems of internal control

The Board has overall responsibility for ensuring that management maintains comprehensive systems of internal control for managing risk and for assessing their effectiveness. On behalf of the Board, the Audit Committee takes responsibility for assessing the effectiveness of the Group's risk management and internal control systems, covering all material controls including financial, operational and compliance controls for the Group and the individual entities. It does this by overseeing the continuous review of risk and control self-assessments, and by monitoring the effectiveness of the internal control model throughout the year through the quarterly updates provided by management to the Committee. The internal control systems are designed to identify, evaluate and manage the risk of failure to achieve business objectives within the stated risk appetite, rather than to eliminate the risk altogether. This provides reasonable but not absolute assurance against material misstatement or loss. St. James's Place plc is committed to operating within strong systems of internal control that enable business to be executed and risk taken without over-exposing the business to reputational damage or potential losses beyond risk appetite.

Specifically, in relation to the financial reporting processes, the main features of the internal control systems include: extensive documentation; operation and assessment of controls in key risk areas; monthly review and approval of all financial accounting data including data generated by our outsource providers; and formal review of financial information by senior management, for both individual companies and the consolidated Group. The Audit Committee is provided with updates on the operation of financial reporting controls throughout the year and each control is subject to an annual cycle of review and reapproval which culminates at the year-end.

Report of the Audit Committee continued

Matters considered during the year continued

In addition, the Audit Committee received, discussed and evaluated the quarterly updates on the results from the Group risk function on the effectiveness of the internal control model. These updates are underpinned by management risk and control assessments captured through the risk and internal controls platform, and provided the Audit Committee with holistic updates on management's view of the Group risk environment. In addition, the Audit Committee received and discussed the assessments of internal controls from the internal audit and Group risk functions to support its review of the internal control system, monitoring actions to ensure viable improvements were made by management.

Over the course of year, management have implemented a number of strategic initiatives to enhance existing controls technological upgrades which support the Partnership in advising clients remotely, specifically:

- the implementation of Salesforce as the primary CRM system for the Partnership improving the management of client documentation;
- operational and service excellence initiatives, including increasing the volumes and robustness of straight-through processing (STP) to ensure a more effective administration process; and
- a programme of activities focused on operational resilience which has provided further assurance on the robustness of our key control activities.

During the year an operational incident involving a third-party service provider was identified resulting from an individual's error at the third-party service provider. Whilst this did not result in client detriment, a comprehensive root cause investigation of the incident was commissioned and jointly overseen with the Risk Committee. Following the investigation, the third-party service

provider has implemented further mitigative control activities to prevent future incidents, and these are assessed as part of the regular monitoring programme.

These sources of assurance assist the Audit Committee in completing its annual review and enable the Audit Committee to attest on behalf of the Board that it has been able to properly review the effectiveness of St. James's Place's system of internal control in accordance with the 2014 FRC Guidance on risk management, internal control and related financial and business reporting. The Audit Committee did not identify any 'significant failings or weaknesses' and it has ensured that corrective action is taken on matters arising from the review. Internal audit and management control self-assessments identified areas where controls improvements should be made. For example, work is underway to ensure the ongoing scalability of operational processes within the investment division and enhancements are being made to the process for evidencing the realisation of benefits from projects. The Audit Committee continues to track progress on these items throughout the year to ensure actions are completed.

Bribery and fraud review

The Audit Committee monitors and receives regular reports from the Money Laundering Reporting Officer on the Group's policies, systems and controls to prevent bribery and fraud. During 2021, fraud update reports have been presented at each Committee meeting and a report covering fraud and bribery was presented to the Committee in May. It was determined that, overall, St. James's Place's controls are effective, appropriate policies and procedures are in place, and operational effectiveness of controls is evidenced.

The majority of attempted frauds against St. James's Place and its clients arise as a result of account takeover activities involving email hacking, email interception and postal interception of letters and forms. Fraud prevention controls to prevent the takeover of client accounts and fraudulent withdrawal of client funds

are reliant on manual controls performed by Partners and Partner support staff. Whilst most of them operate the required controls effectively, individual lapses do lead to losses. During the course of 2021, the Group has seen a small number of cases of attempted misrepresentation of well-known government bodies such as FCA and HMRC or services such as estate agents, to persuade clients to transfer their funds to them for 'safe-keeping' or other ostensibly legitimate purposes such as property transactions. Following review by the Audit Committee, the following actions have been undertaken to counteract these threats:

- in response to the increased levels of fraudulent activity, the St. James's Place social media team has successfully requested LinkedIn remove a number of profiles on the grounds of suspicious activities;
- monitoring of St. James's Place social media activity to detect attempted takeovers or suspicious activity, and detection and removal of cloned St. James's Place websites;
- enhancement of the identity verification checks by the call centre teams; and
- updated fraud prevention training and communications to Partners, Partner support staff and administration centre staff as well as clients in order to improve awareness of these risks and how to counteract them.

Report of the Risk Committee



Rosemary Hilary

Risk Committee membership

Member and date joined Committee

RH	Rosemary Hilary (Chair) 17 October 2019 and became Chair on 19 August 2020
EG	Emma Griffin 16 September 2020
JH	John Hitchins 1 January 2022
SJ	Simon Jeffreys 1 January 2014
LN	Lesley-Ann Nash 16 September 2020
RY	Roger Yates 1 January 2014

Note: Baroness Wheatcroft retired and Baroness Morrissey DBE stepped down as members of the Committee on 14 May 2021.

The Committee's terms of reference set out the Committee's role and authority and can be found on the corporate website at www.sjp.co.uk.

Key objective of the Risk Committee

The Committee's primary role is to provide guidance, advice and constructive challenge to relevant boards in relation to the Group's risk appetite and management of risk. The relevant boards are those of St. James's Place PLC and its wholly owned subsidiaries (together the SJP Group), including its regulated companies.

Regular attendees at meetings

The Chair, Chief Executive, Chief Financial Officer, Managing Director, Chief Operations and Technology Officer, Chief Risk Officer and Internal Audit Director are regular attendees. Subject-matter experts and other members of senior management are also invited to attend and present on specific topics throughout the year.

Dear Shareholder,

I am delighted to present to you my report as Chair of the Risk Committee (the Committee) and would like to open by taking this opportunity to thank all the current and retired Committee members for their continued contribution during the year. I also welcome John Hitchins who joined the Committee in January 2022.

Reflecting on 2021 as a whole, we have seen a significant reduction in the severe risk posed by the spread of COVID-19 that arose in 2020. Although there remains uncertainty as to the future impact of the virus, the successful vaccine rollout in the UK has encouragingly resulted in the lifting of lockdowns and many other restrictions. The future outlook appears more positive but caution remains due to the risk of emerging mutations of the virus which may be resistant to existing vaccines or reduce their effectiveness, together with periodic spikes in COVID-19 cases in those who are unvaccinated or as the effect of existing vaccines wears off.

Against this backdrop, the Group has continued to prioritise the health and welfare of its employees, advisers and other stakeholders, for instance through the continuation of flexible working policies and additional care and monitoring of those clients identified as vulnerable. This has brought into sharper focus the risks, and also opportunities, arising out of the social impact of the enforced changes on lifestyle and the working environment.

As the COP26 Summit in 2021 highlighted, climate change is a very real threat and the Group has recognised its own responsibilities to help tackle it by making pledges committing to being carbon positive in its operations by 2025, net zero in its supply chain by 2035, and net zero in its investments by 2050. Climate change represents just one aspect of what is often referred to as environmental, social and governance (ESG) considerations and the Group's commitment in this area is demonstrated in its aspiration to be a leading responsible business. In 2021 the Group established a Responsible Business division and appointed a Head of Environmental Strategy, which mark significant steps in the implementation of the actions required to achieve the Group's aims and meet the pledges we have made. We understand that being responsible

Report of the Risk Committee continued

presents both risks and opportunities and the Committee is playing a significant role in monitoring the governance and measurement of delivery against the Group's responsible business commitments. Perhaps the area where the Group can make the most impact is through its responsible investing proposition, which has been developing over a number of years and recognises the opportunity to maximise customer benefits through its active investment management approach.

A principal focus of the Committee has remained its monitoring and scrutiny of the Group's risk profile and operational resilience. During the year it considered the stress and scenario testing carried out as part of the Own Risk and Solvency Assessment (ORSA) in order to assess the risks to the Group's capital and liquidity which assisted in informing the Group's dividend decision. This analysis continued to confirm that the Group remains resilient to macro-economic shocks arising from the COVID-19 pandemic, movements in inflation and interest rates, and market constraints on the supply of goods and labour.

In addition to our continued monitoring of the potential risks posed by COVID-19, the Committee has undertaken a series of risk 'deep dives' supported by analysis from the business. Focused reports from senior executives have also contributed to the Committee's assessment of the Group's principal risks. Emphasis has continued to be placed on developing the risk management organisation and framework and enhancing the risk culture across the Group. A key aspect of this has been the increased emphasis we have given to the consideration and monitoring of new and emerging risks which, during 2021, has included 'deep dives' on climate change and responsible investing, cryptocurrency and changes in the competitive landscape.

The Group's risk and compliance functions sit under the executive leadership of Mark Sutton, the Group's Chief Risk Officer (CRO), and during the year I have worked closely with Mark to set the agenda of the Committee meetings and discuss key issues.

In 2022 the Committee will continue to probe and test the Group's risk profile to assess whether it remains within the Board's risk appetite, and to monitor emerging risks to ensure the Group is ready for the challenges which lie ahead.

Rosemary Hilary

On behalf of the Risk Committee
23 February 2022

Operation and performance of the Committee

The Committee comprises six independent Non-executive Directors. The Committee Chair regularly meets the CRO, the Chief Executive, the Chief Financial Officer and individual members of the Executive Board to discuss key risk topics. The Chair, in conjunction with the other Committee members and the CRO, establishes a rolling forward agenda, ensuring that the key responsibilities of the Committee are fulfilled, and that significant and emerging risks are considered at appropriate times.

The Committee also focused on its own performance and effectiveness during the year. As part of this, the Committee carried out an annual review of its terms of reference and concluded that it continued to discharge its responsibilities appropriately. The Committee's performance was also reviewed as part of a Board effectiveness review (see pages 117 to 119) and the Board remains satisfied with the Committee's effectiveness and that, taken together, the Committee has the experience and qualifications necessary to perform its role.

Oversight of risk

The Committee spends a significant proportion of its time receiving updates from the CRO and other key executives, who have direct access to the Chair should the need arise. The Committee also regularly considers progress on the Compliance Assurance Plan and assesses the adequacy of resources committed to its delivery. The Committee monitors the operation, performance, and resourcing levels of the risk and compliance function.

Oversight of the Risk Management Framework is key to the delivery of the responsibilities of the Committee. During 2021, the Group's principal risks and emerging risks were inevitably influenced by the ongoing impact of COVID-19. However, the progress and investment made in recent years meant that both the organisation and the Risk Management Framework were able to adapt to the changes in circumstances and continue to demonstrate resilience. During the year the CRO completed an organisational design review of the function, which is being strengthened by the move to a single function approach across the Group and the implementation of a comprehensive Target Operating Model. The increased use of technology and data analytics tools in areas such as risk reporting and anti-money laundering has also led to more effective operations.

Assessing the implementation of risk mitigation in the business is another area which the Committee reviews and challenges. Where risks crystallise,

the Committee reviews the circumstances and root causes, and then assesses the response of management. More details on the principal risks, the Risk Management Framework, risk appetite, and how risk is monitored and managed across the business can be found on pages 85 to 95. The Committee reviewed and commented on the Group's Risk Appetite Statement and, in its final form, recommended its approval to the Group Board.

Interactions with regulators

As most of the activity within the Group is regulated, the Committee considers all material interactions with the Group's principal regulators. It monitors progress against any actions. The Group's interactions are principally with the Prudential Regulation Authority, the Financial Conduct Authority, the Information Commissioner's Office, the Central Bank of Ireland, the Monetary Authority of Singapore, the Hong Kong Securities and Futures Commission and the Hong Kong Insurance Authority.

Activities during the year

On an ongoing basis the Committee receives regular reports on a number of areas, including:

- updates on material risks that have been prominent in the period since the previous meeting;
- reporting on key risk indicators;
- interactions with regulators and any actions required;
- an assessment of the impact and implementation of new regulations;
- business assurance reviews;
- the Group's Own Risk and Solvency Assessment, as well as similar assessments for certain of St. James's Place's regulated subsidiaries; and
- the latest view of emerging risks and any significant changes in the risk environment.

The Committee also approves the annual Compliance Assurance Plan.

Key matters considered during the year

The table below highlights some examples of where the Committee has provided review and challenge, alongside relevant conclusions. Examples are shown across the Group's ten risk areas.

Risk area	What did we do?	What were the conclusions?
Administration service	<p>Administration performance – The Committee received updates on the ongoing operational impact of the transition to remote working following the lockdown restrictions arising under COVID-19.</p> <p>It was reported that ongoing process changes and service enhancements had resulted in improved service delivery, quality of administration and reduction in error rates.</p> <p>A material operational incident involving a third-party service provider was identified during the year. The incident was caused by an individual's error and resulted in regulatory breaches and operational disruption. SJP commissioned a comprehensive investigation of the incident, which was overseen in conjunction with the Audit Committee.</p>	<p>The Committee was satisfied that the service level agreements (SLAs) continued to be met in all material respects by administration centres in the UK, Ireland and Mumbai, with our third-party administrators responding effectively to the challenges of remote working.</p> <p>Following the investigation, management worked closely with the third-party service provider to identify the necessary remediation, including on change management, supervision and incident response activity to ensure service quality and the robustness of their risk management and control systems going forward. When questioned by the Committee, confirmation was received that any direct impact on clients had been rectified without any long-term detriment being suffered.</p>

Report of the Risk Committee continued

Key matters considered during the year continued

Risk area	What did we do?	What were the conclusions?
Client proposition	<p>Investment risk landscape – The Committee considered a review of the evolution of risks within the investment proposition, including an outline of the development of the centralised investment risk management team to further enhance client outcomes through improved capability, service and efficiency.</p> <p>The Committee also received updates on planned changes to the Investment Management Approach (IMA) to ensure delivery of investment performance, and the progress being made in ensuring effective delivery of the changes.</p> <p>Third-party product risks – The Committee received an update from, and challenged the work of, the Third-Party Product Risk Group, the body accountable for all third-party providers on the St. James's Place panel. Updates were also provided on third-party tax-advantaged products.</p>	<p>The Committee challenged and was satisfied that the development and delivery of the new investment proposition strategy appropriately considered the need to meet client expectations.</p> <p>The Committee questioned and was satisfied that steps were being taken to ensure sufficient resource was in place to support the effective delivery of the plan to deliver changes to the IMA.</p> <p>The Committee was reassured that third-party providers were assessed thoroughly on introduction and throughout their duration on the St. James's Place panel, with appropriate action taken when required.</p>
Conduct	<p>Clients with vulnerable characteristics – The Committee reviewed a detailed presentation on the key measures and oversight in place across the business to support clients with vulnerable characteristics, noting how the global pandemic had acted as a catalyst in exposing vulnerabilities for some people. The importance of recognising circumstances that give rise to vulnerabilities at certain points in clients' lives was acknowledged as being fundamental to ensuring they were appropriately supported and protected. The Committee explored how additional training was being provided to advisers in this area to help to identify and protect clients.</p> <p>Complaints handling – The Committee received reports on the Group's complaints handling operations and data, which outlined the impact of circumstances arising throughout the year on complaint volumes and complaint handling processes. Circumstances included lockdowns and home working and the impact of increased business volumes.</p> <p>The Committee received reports on the oversight and management of Partners' outside business interests and a field risk team update on client servicing.</p>	<p>The Committee discussed the actions being taken in the business to enhance its approach to identifying and supporting vulnerable clients, including those unfamiliar with using, and meeting via, technology. Following on from discussions in 2020, the topic remained an area of key focus for the Committee in 2021 and it was reassured by the positive steps being taken.</p> <p>The Committee challenged whether sufficient resource was being applied to complaints handling, and was reassured that, with support of the client liaison team, complaint volumes were stabilising and processes were being enhanced to assist the operations in scaling up as the business continues to grow.</p> <p>The Committee noted that the number of Partners with outside higher risk business interests was very small in comparison to the number of Appointed Representatives. The depth and frequency of monitoring by the Field Risk team provided assurance that risks posed to clients and SJP's reputation were being well managed.</p>

Risk area	What did we do?	What were the conclusions?
Financial	<p>ORSA – The Committee took an active role throughout the year in the review and challenge of the Group's Own Risk and Solvency Assessment (ORSA). This included stress and scenario activity which supports assessment of financial resilience, liquidity and solvency ratios for the Group and UK and Irish insurance entities, as well as analysis and challenge of reverse stress testing.</p> <p>Capital management and liquidity – The Committee also reviewed the continuation of an agreed Liquidity and Solvency Buffer and Contingency Funding Plan for St. James's Place UK plc (SJPUK)), together with action plans to manage SJPUK's Solvency Ratio within its agreed Risk Appetite.</p>	<p>The Committee was involved in challenging the comprehensiveness and depth of stress and scenario testing; and was comfortable that the Group remained financially resilient, and able to remain within regulatory approved risk tolerances. The evolution of the Group's capital and liquidity management risk assessments was highlighted.</p> <p>The Committee supported the ongoing liquidity and solvency proposals and recommended them to the board of SJPUK.</p>
Outsourcing	<p>Outsourcing – The Committee reviewed the current material outsourcing processes in the Group, and a list of material relationships. This was supplemented by regular updates on key outsourced relationships, such as the Group's administration partners. The Committee probed into controls over data security at third-party suppliers.</p> <p>The Committee also considered progress with activity preparing for regulatory developments on outsourcing ahead of implementation in 2022. The operational resilience implications for the Group were also considered (see Security and Resilience on page 135).</p>	<p>The Committee recognises the importance of maintaining appropriate controls over outsourced activities and was comfortable with management's plans to continue to improve risk management in this area. The Committee further obtained confirmation that the controls in place were in line with the Group's Risk Appetite Statement. A tightening of controls in particular in relation to smaller suppliers was highlighted as an opportunity for future enhancement.</p> <p>The Committee was supportive of progress in relation to the development of an enhanced outsourcing and supplier management programme.</p>
Partner proposition	<p>Technology support – The Committee received regular reports on the implementation of Salesforce as it was rolled out to Partner businesses.</p> <p>Supervision of Partner businesses – The Committee received updates on the developments in the risk framework considering specifically the risks more relevant to larger practices.</p> <p>Partner engagement – More regular and structured engagement with the Partnership via surveys was implemented in 2021 and provided important and timely insight into Partner sentiment. Direct feedback and survey results indicated that some Partners were feeling more remote from SJP, potentially arising out of the lack of direct contact as a consequence of the lockdown restrictions and changes in working and engagement practices caused by COVID-19.</p>	<p>The Committee supported the strategy of implementing Salesforce to further support Partner businesses and to facilitate enhanced centralised evidence of client servicing. The Committee noted that overall feedback on the migration to Salesforce had been positive with adoption by Partner practices as their primary CRM exceeding initial targets.</p> <p>The Committee acknowledged that high levels of engagement and cultural alignment between St. James's Place and the Partnership is a key mitigant for a number of these risks. Through the emerging risk analysis, the Committee agreed that further work be undertaken to assess the cultural ties with the Partnership, in particular in the context of remote working.</p> <p>The Committee noted the action being taken to mitigate the issue including the reintroduction of face-to-face development and networking events for Partners, which were positively received.</p>

Report of the Risk Committee continued

Key matters considered during the year continued

Risk area	What did we do?	What were the conclusions?
People	<p>The Committee received updates on employee-related risks, including employee wellbeing, and the impact of remote working, absence and long-term sickness, and remuneration and bonus.</p> <p>The results of an internal survey indicated that the impact of our first formal redundancy programme in the first quarter of 2021, together with the lack of pay rises, bonuses and promotions, coupled with uncertainty over return-to-work COVID requirements, were having an impact.</p> <p>As part of the overall review of people risk, the Committee considered remuneration risks. The review supports the Remuneration Committee's consideration of the alignment of SJP Group's remuneration policies for Directors and employees with its strategy. It also provides assurance on compliance with existing and forthcoming regulatory requirements.</p>	<p>The value of resources made available to employees to manage their wellbeing during the pandemic was recognised and it was noted that the business intended to keep these in place going forward to promote individual wellbeing and help reduce employee absence.</p> <p>The Committee obtained assurance around the actions taken by management to ensure that appropriate measures were in place to support employees' wellbeing and provide positive engagement and communication across the Group both during lockdown and on their return to the office.</p> <p>The CRO attended meetings of the Remuneration Committee to provide input into the alignment of risk behaviours and the conduct and management of operational incidents to ensure reward and performance were reflected appropriately. The Committee's own activities supported the Remuneration Committee in reaching its conclusion that remuneration policies continued to mitigate potential conflicts of interest and did not encourage inappropriate risk-taking. The Committee also noted the findings of a compliance assurance review focusing on compliance with the various remuneration requirements applying to the Group's regulated entities where the actions identified were largely technical in nature and would be remediated relatively easily.</p>
Regulatory	<p>Regulatory change – The Committee reviewed and discussed the impact of upcoming regulatory change and management's response, for example, to the FCA and PRA consultation papers on operational resilience, outsourcing and the Investment Firms Prudential Regime (IFPR).</p> <p>Client money and client assets – The Committee reviewed and approved the CASS Annual Report for 2020.</p> <p>Regulator engagement – The Committee received reports on the more material topics of discussion with the Group's regulators, as well as progress reports on the actions taken to address matters raised by the regulators as part of ongoing supervision and wider industry communications.</p> <p>Business assurance and internal audit – The Committee received an update on the effectiveness of the controls in place across the Group, which emphasised that the increased volume of advice activity in 2021 had not impacted detrimentally on client outcomes.</p>	<p>The Committee probed and was satisfied with the progress against each of the areas outlined by management. Further information on operational resilience and outsourcing can be found under their specific headings in this report.</p> <p>The Committee assessed whether adequate progress had been made on items identified through the most recent CASS audit and gained assurance on the effectiveness of CASS controls and oversight.</p> <p>The Committee discussed and agreed the actions being taken to address both firm-specific and industry-wide themes identified by regulators.</p> <p>The Committee noted an effective rating from compliance assurance during the year, which had included reviews of higher risk products and more complex transactions such as defined benefit pension transfers. The Committee will continue to receive updates including further work on refining the grading structures and aged analyses of ongoing cases to ensure they remain appropriate and in line with the Group's risk appetite.</p>

Risk area	What did we do?	What were the conclusions?
Security and resilience	<p>Operational resilience – The Committee reviewed the Group's approach to business continuity and operational resilience and received updates on the Group's progress in response to the new FCA/PRA regulations which will take effect in March 2022.</p> <p>Data and cyber risks – The Committee was provided with an assessment of the Group's information and cyber security risks, and activities contributing to the cyber maturity programme.</p>	<p>The Committee was actively engaged in overseeing the activities to enhance operational resilience across the Group and approved a list of important business services which would be required to ensure continuity within acceptable limits in the event of a severe but plausible disruption. The Committee was satisfied that good progress had been made in readiness for the regulations coming into force, with the business being on track to meet the new requirements ahead of their coming into force.</p> <p>The Committee discussed the results of the testing and assurance activities over cyber security, including phishing exercises, reflecting the heightened activity in this area including due to COVID-19. It will continue to receive, review and challenge management information on cyber security on a frequent basis and conduct 'deep dives' as appropriate.</p> <p>The Committee received assurance that the Group's cyber security framework had developed in maturity and an increased level of engagement over this topic had heightened awareness of the risks.</p> <p>The Committee was also advised that simulation exercises were being carried out both at Executive Board and by the Board in support of the ongoing cyber security/business continuity programme, with learnings helping to further strengthen the Group's resilience and continuity planning. Further comfort was obtained through the focus of the Technology Advisory Group (TAG) on this area, and its input into the Committee via Simon Jeffreys, who is also a member of TAG.</p> <p>The Committee was also reassured by the increased support being given to the Partnership around data security through the piloting of the provision of configured technology software and hardware devices.</p>
Strategy, competition and brand	<p>Strategy impact – As part of the ongoing programme of deep dives on subsidiary businesses, the Committee received reports on the performance of St. James's Place International Limited (SJPI) and the Asia business. The review of SJPI highlighted the risks arising out of Brexit relating to financial promotions and non-Irish residency tax declarations, and the Committee considered the options available to address the risks posed.</p> <p>Emerging risks – The Committee considered regular updates on management's views on emerging risks, supported by a detailed horizon scanning exercise carried out with each member of Executive Board. The Committee also provided its views of emerging risks that should remain within its short- to medium-term focus.</p>	<p>The Committee was reassured by the actions being taken to mitigate the identified post-Brexit risks for SJPI, and the actions being taken to develop the business in Asia.</p> <p>The Committee was comfortable that suitable emerging risks had been identified and that appropriate focus was being placed on managing them where possible. The enhanced reporting and more granular assessment of these risks provided the basis for deeper debate on the potential implications for the Group, and the Committee recognised the importance of continuing to set appropriate time aside to consider emerging risks.</p>

Outlook

The Committee will continue its focus on ensuring the Group's key risks are appropriately managed so that St. James's Place remains resilient, with strong foundations for long-term success. Areas of focus will continue to include the adequacy of consideration of, and response to, emerging risks, as well as the actions taken to ensure ongoing operational resilience, including where critical activities take place via outsourced arrangements. Additionally, the liquidity and solvency of the regulated entities within the Group, and the strategy and ongoing implementation of the IMA aimed at improving client investment outcomes, will remain important topics of focus, along with developments to the cyber security programme.

Report of the Nomination and Governance Committee



Paul Manduca

Nomination and Governance Committee membership

Member and date joined Committee

PM Paul Manduca (Chair)
1 January 2021

RH Rosemary Hilary
22 July 2020

SJ Simon Jeffreys
1 January 2022

RY Roger Yates
8 October 2018

Note: Iain Cornish, Baroness Morrissey DBE and Baroness Wheatcroft were members of the Committee from 1 January to 14 May 2021. Simon Jeffreys was also a member of the Committee between December 2018 and July 2020.

The Committee's terms of reference set out the Committee's role and authority and can be found on the corporate website at www.sjp.co.uk.

Key objective of the Nomination and Governance Committee

The Committee has overall responsibility for planning Board and senior executive succession, leading the process for new appointments and ensuring that these appointments bring the required skills, experience and diversity to the Board. The Committee is also responsible for overseeing the Group's governance arrangements, taking into consideration the structure, size and composition of all its boards and committees to ensure they are made up of the right people with the necessary skills and experience to direct the Group in the successful execution of its strategy.

Regular attendees at meetings

The Chief Executive, Company Secretary and representatives of external consultants.

Dear Shareholder,

Having joined the Committee upon my appointment to the Board, I took over as Chair when Iain Cornish retired from the Board in May 2021. Under Iain's leadership, the Nomination and Governance Committee and the Board made significant progress in overseeing the Board's medium-term succession planning, in particular in addressing the need for diversity around the board table. Whilst the Board now has a number of fresh faces, we cannot rest on our laurels and need to make sure we have robust plans in place to manage future planned and unplanned changes in its composition. During the year a key focus has been on succession planning to ensure we have candidates in place when we come to selecting successors to the Chairs of our Audit and Remuneration Committees. During 2021 the Committee carried out a thorough search for candidates to further strengthen the Board and we recommended the appointment of John Hitchins to the Board in November. Following John's appointment the composition of each of the Board's principal committees was reviewed and I am delighted that Simon Jeffreys has agreed to rejoin the membership of this Committee.

We continue to keep a keen eye on Executive succession planning and the Chief Executive has provided the Committee with details of the short-term/emergency succession plans in place for Executive Board and other key management roles, together with an indication of the longer-term succession options for each role. As part of this, the Committee was keen to ensure that Ian Gascoigne's retirement from the Board in March 2022 did not present any particular succession challenges. Whilst Ian Gascoigne's absence will be felt across the organisation, we are fortunate to have a depth of experience across the Executive Board which has meant his executive responsibilities will be transitioned with minimal operational impact.

In last year's report we explained how we had established a Technology Advisory Group (TAG) to provide the Board with access to important cyber and technology skills and expertise. TAG has been up and running since March and the Board has benefitted from valuable insight into the status of the Group's own cyber and technology environment, as well as future threats and opportunities that may influence our strategy and/or business model.

Inclusion and diversity remains a key topic for the Committee and the Board and during the year we monitored progress against our inclusion and diversity strategy and stated public commitments. In line with many organisations, we have found that despite committing significant time and effort it is difficult to control the pace of change particularly when it comes to establishing a diverse pipeline for senior management. We are confident that our goals are achievable and we continue to make positive progress, albeit not as quickly as we may desire.

Our Group governance framework continues to evolve as we seek to maintain an appropriate, proportionate and sustainable governance model that takes account of the myriad of individual and collective requirements imposed by regulation and legislation on the Group, whilst also supporting the business to achieve its strategic aims. The Committee's responsibility for oversight in this area has been increasing in recent years and is now reflected in both the Committee's name and its terms of reference.

In accordance with the provisions of the UK Corporate Governance Code, an externally facilitated Board evaluation was required to be carried out in 2021. Having considered a number of potential providers, the Committee recommended to the Board the appointment of Independent Audit. The effectiveness review was carried out in the second half of the year and further details can be found in the Corporate Governance Report on pages 117 to 119.

Paul Manduca

On behalf of the Nomination and Governance Committee
23 February 2022

Activities during the year

Topic	Summary of activity	Find out more
Board composition	Taking account of the tenure of existing Board members and Baroness Morrissey's unplanned departure, the Committee remained focused on the longer-term succession planning for Non-executive Directors. The Committee considered the skills, experience and diversity required to ensure ongoing effectiveness, and following a thorough search recommended to the Board that John Hitchins be appointed a Non-executive Director.	See overleaf
Committee composition	In light of the appointment of John Hitchins, the composition of the Board's principal committees were each reviewed and changes were recommended to the Board.	See overleaf
Management succession	The Committee sought assurance that short-term succession plans were in place for members of the Executive Board and key personnel and also considered longer-term succession plans for each role.	See overleaf
Inclusion and diversity	The Committee continued to assess the progress made against the inclusion and diversity strategy during the year. The Committee also monitored progress against the commitments made and the impacts of significant events during the year, including the redundancies made earlier in the year.	See page 139
Subsidiary board membership	Following the recategorisation of St. James's Place UK plc (SJP UK) as a Category 2 firm by its lead regulator, the Prudential Regulation Authority, the Committee considered changes to the composition of SJP UK's board. In addition, the Committee endorsed recommendations on the appointment of non-executive directors to the boards of its material subsidiaries.	
Group governance	The Committee reviewed progress made in enhancing the Group's governance framework and planned future actions. In recognition of its increased focus on governance, the Committee name and terms of reference have been updated to reflect its wider responsibilities.	See page 139
Board effectiveness	The Committee addressed the actions that had been identified in the 2020 Board effectiveness review, and appointed Independent Audit to undertake the externally facilitated review for 2021.	See pages 139 and 117 to 119

Report of the Nomination and Governance Committee continued

Operation and performance of the Committee

The Committee currently comprises the Chair of the Board and three independent Non-executive Directors, who between them are also the chairs of the Nomination and Governance, Audit, Risk and Remuneration Committees and the Senior Independent Director. Membership of the Committee, alongside the Board's other Committees, was reviewed and revised in 2021 following changes to the overall Board composition and Simon Jeffreys rejoined the Committee with effect from 1 January 2022. The Committee's effectiveness has been reviewed by the Board as part of its overall assessment of its effectiveness (see pages 117 to 119) and it remains satisfied that, as a whole, the Committee has the experience and qualifications necessary to perform its role.

Board and Executive succession

The Committee has reported over the last couple of years on the considerable work undertaken to manage the succession of a number of Non-executive Directors who were reaching nine years' tenure on the Board. Unusually this resulted in five appointments in a relatively short space of time. It is not ideal to have so many changes in such a short space of time and so the Committee will, where possible, look to phase future appointments to reduce potential for disruption.

Whilst it is essential to have robust succession plans in place, it is also important for the Committee to be prepared for unforeseen changes, as was the case when Baroness Morrissey resigned to become chair of AJ Bell plc during 2021. Following the Annual General Meeting, where three Non-executive Directors stood down, the Committee reflected on the skills and experience it had lost and those it would need over the coming years. As the Chairs of our Audit and Remuneration Committees were nearing the nine-year tenure which the UK Corporate Governance Code uses as an indicator of independence, Russell Reynolds was engaged to support in the search for potential new Non-executive Directors. Russell Reynolds is a sponsor of the 30% Club and are accredited in the FTSE 350 category of the Enhanced Voluntary Code of Conduct for Executive Search Firms and in May they provided a diverse long-list of high-calibre candidates who could further strengthen the Board. Having taken account of the availability of candidates, a formal interview process was undertaken before other members of the Board were invited to meet the recommended candidate. In November, the Board announced the appointment of John Hitchins.

Our succession plan is a live instrument and will remain front and centre in the Committee's consciousness as it seeks to ensure the Board remains effective. We remain comfortable that the size, structure and composition of the Board remains appropriate, with succession plans for those Directors likely to retire in the next couple of years well advanced. Where we deem it necessary we will look to bring in additional Directors to address potential gaps that arise from a change in circumstances or the loss of one of our existing Board members.

Succession planning at the Executive and senior management levels remains a key focus of the Committee and during the year it sought assurance from the Chief Executive that short-term succession plans were in place for members of the Executive Board and key personnel in the event that emergency cover was required. In addition, the longer-term succession plans for each of those roles were considered and the Committee will continue to stay abreast of developments that could influence plans. When considering Ian Gascoigne's forthcoming retirement from the Board the Committee was comfortable that his executive responsibilities will be successfully transitioned to Executive Board colleagues and determined that it would not at the present time appoint a further Executive Director onto the Board.

Group governance

As a financial services Group, our governance structure is significantly influenced by the legal and regulatory frameworks within which we operate and the practicalities of how we choose to operate our business. The resulting complexity increases the importance of having a clear and demonstrable governance framework to support our key people and governance bodies in fulfilling their individual and collective responsibilities. In recent years, the Committee has taken a key role in overseeing the evolution of our governance framework as we have matured as an organisation and with this in mind it is appropriate to reflect the role the Committee has to play in relation to governance in its name and its terms of reference. During 2021, the Committee continued to monitor progress in establishing an appropriate, proportionate and sustainable governance model. A lot of progress has been made in recent years, but there has also been significant change both inside and outside the organisation that has had an influence. In 2022 the Committee will look to ensure that our governance framework remains appropriate, proportionate and sustainable as we look to the future.

As reported last year, a Technology Advisory Group (TAG) was established to help advise and educate the Board in terms of technology and during 2021 it held its first four meetings. The TAG was able to explore a wide range of topics during these meetings, providing valuable insight to the Board on the Group's current technology environment, technology innovation and disruption and the cyber security landscape. Whilst it is still relatively new, the TAG has gone some way to bridging a potential knowledge gap on the Board and in 2022 we will review its role relative to the Board and determine if there are aspects we need to develop further.

Inclusion and diversity

The Committee has continued to receive regular reports to enable it to closely monitor the implementation of the Group's Inclusion and Diversity Policy, our performance against our Inclusion and Diversity Strategy and the targets which have been factored into Executive team bonus performance criteria and Board KPIs. The Committee's report last year referred to the Committee and the Board's recognition that our inclusion and diversity journey had only just begun and whilst we have been pleased to see the significant efforts made, it is clear that investment in developing a diverse pipeline of future leaders will take time to come to fruition. We acknowledge that in the first few years of our strategy progress is unlikely to be linear, but we must also be quick to recognise where we can take further actions to keep our strategy on track. During 2021, the number of women in senior roles has increased to 24.4% but is behind the aspiration we have set ourselves. Progress in addressing our gender pay gap has also been slower than we would have hoped. Working with our inclusion and diversity team, the Executive Board has identified revised focus areas for 2022 that will broaden our opportunities to make progress against our targets. Further information on how the Inclusion and Diversity policy has been implemented can be found in the Responsible Business section of our Strategic Report on pages 55 to 57.

The Board Diversity Policy sets out our own commitment and provides an important part of the Board's succession plans, and the process for recruiting new Directors. The Board continues to meet the Parker Review target but the appointment of John Hitchins in November 2021 meant that the proportion of women on our Board fell below the 33% target set by the Hampton-Alexander Review. However, Ian Gascoigne's retirement from the Board on 31 March 2022 will mean we meet this target again. The size of our Board means that individual membership changes can have a material impact on the gender ratio, but the Board remains committed to ensuring social, ethnic and cognitive diversity is achieved through the identification of and active support for our talent pipeline.

Board effectiveness

The Committee has reviewed detailed analysis of the significant other commitments of existing and newly joined Non-executive Directors and how much time was spent on the Company's business and affairs. The Committee and the Board are satisfied that the Non-executive Directors are able to, and do, commit sufficient time and attention to the Company's business. In addition, the Committee reviewed and approved an assessment of the independence of each of the Non-executive Directors, concluding that each of the Non-executive Directors demonstrated that they remained independent in character and judgement. Further information on these conclusions can be found in the Notice of Meeting for the Company's 2022 AGM.

A number of potential board evaluation providers were considered by the Committee which ultimately decided to recommend to the Board that Independent Audit Limited be appointed to carry out the 2021 Board effectiveness review and provide support with reviews in 2022 and 2023. The actions in the 2020 Board effectiveness plan have also been largely completed and further details on this and the 2021 review are set out on pages 117 to 119. Further details on the training and development provided to Directors (including induction programmes) can also be found on page 115.

Report of the Remuneration Committee



Roger Yates

Remuneration Committee membership

Member and date joined Committee

RY Roger Yates (Chair)
1 January 2014

EG Emma Griffin
22 July 2020

SJ Simon Jeffreys
1 January 2014

LN Lesley-Ann Nash
1 January 2022

The Committee's terms of reference set out the Committee's role and authority. They can be found on the corporate website at www.sjp.co.uk.

Key objective of the Remuneration Committee

The Committee's primary purpose is to ensure that remuneration arrangements support the strategic aims of the business as well as the recruitment, motivation and retention of senior executives, whilst also complying with regulatory requirements.

Regular attendees at meetings

Chair, Chief Executive, Chief Financial Officer and Chief Risk Officer.

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2020 Directors' Remuneration Policy

Section 1 Chair's annual statement (unaudited)

Dear Shareholder,

On behalf of the Remuneration Committee (the Committee) and the Board, I am pleased to present the Directors' Remuneration Report for 2021 (the Report).

At the AGM held on 7 May 2020, shareholders approved the current Directors' Remuneration Policy (the Policy) with 94.7% of votes cast in favour. The current Policy continues to operate effectively and its strategic rationale (as set out in the Policy's objectives summarised on page 143) remains aligned with the Group's strategy. The targets set for Directors' annual bonuses (both financial and strategic) and the performance conditions attaching to PSP awards are also aligned with the strategy for the Company.

Last year we reported extensively in the Annual Report and Accounts on the significant impact of COVID-19 on society and our business. As we outline throughout our Annual Report and Accounts, the performance of the business and markets has been strong in 2021 and we do not believe there are any circumstances relating to the pandemic that would require us to make any adjustments to in-flight Performance Share Plan awards at the present time. We will continue to monitor all in-flight awards as they move towards vesting.

Performance and remuneration outcomes 2021

Whilst decisions we made to simplify our operations in 2021 resulted in a number of roles being lost across the business, this was not driven by an imperative to cut costs and we have continued to invest in the business. The strength and resilience of the business has meant that we have not had to draw upon government support during the pandemic and, whilst we withheld a proportion of our 2019 final dividend, we were able to pay the withheld amount to shareholders in 2021. We pride ourselves on being a Real Living Wage employer, extending our commitment to supporting some of our key suppliers during the pandemic to ensure employees working solely for SJP continued to receive the Real

Living Wage. Having made the difficult decision not to pay annual bonuses for 2020 or salary rises in 2021, we are delighted that we have now been able to reward the outstanding efforts of our workforce which have helped us to weather the COVID storm and deliver strong performance for all our stakeholders in 2021. During 2021 we were able to address well-earned promotions that had been deferred and our performance against our stated targets enabled us to not only reward employees with annual bonuses but also make pay rises in 2022.

The Committee has determined that 96.7% of the maximum annual bonus should be paid to the Executive Directors for 2021, reflecting the strong financial results for the year and the excellent performance in meeting or exceeding the strategic goals set by the Committee at the start of the year, which are fully explained in the Report. Fifty percent of the annual bonus is deferred into shares for three years.

The three years ending 2021 have been a period of strong absolute and relative performance, and Performance Share Plan (PSP) outcomes reflect this. Based on the three-year performance to the end of 2021, 93.4% of the Executive Directors' PSP awards granted in 2019 will vest in March 2022, as a result of relative Total Shareholder Return (TSR) being in the top quartile of the range set by the Committee, and Earnings Per Share (EPS) growth being towards the upper end of the range set by the Committee.

The Committee considered whether there was any requirement for downward discretionary adjustment of bonus or PSP outcomes. It concluded that the outcomes were a good reflection of the overall performance achieved by the Company and the value delivered for shareholders, over the one-year and three-year periods, and that the results have been achieved whilst maintaining effective risk controls. Therefore, the Committee decided that no downward discretionary adjustment was appropriate.

When determining the bonus and PSP outcomes for 2021, the Committee has taken account of the total target and maximum remuneration of the Executive Directors, which remains below the median level for financial services companies of our size.

Changes to the Board

As we reported in our 2020 Annual Report and Accounts, Iain Cornish and Baroness Wheatcroft retired from the Board at the 2021 Annual General Meeting. Baroness Morrissey DBE also stepped down at the AGM and, following receipt of regulatory approval, Paul Manduca was appointed as Chair of the Board on 14 May 2021. On 1 November 2021 we also welcomed John Hitchins onto the Board. On 27 January 2022 we confirmed that Ian Gascoigne will be retiring from the Board of Directors on 31 March 2022, but would remain an employee and further details of his new role with the Company are set out on page 159 of this Report. Details of the remuneration for all of the Directors serving throughout the year can be found later in the Report.

Remuneration for 2022

The Committee considered the overall remuneration arrangements for the Executive Directors in 2022 in accordance with the Policy and has decided to increase their base salaries for 2022 by 4%, which is in line with the overall increase of base salaries for the workforce. Despite this increase, the base salaries remain below market median for a company of our size both in Financial Services and General Industry.

The maximum annual bonus opportunity for 2022 will remain at the same level as 2021 in accordance with the approved Policy. Following consultation with large shareholders, the Committee has decided to change the financial performance metric in the annual bonus. This will replace the single metric used historically (operating profit measured on an Embedded Value basis) with a new scorecard of financial metrics which will provide a rounded and balanced view of financial performance, include metrics that management can more directly

Report of the Remuneration Committee continued

influence, and that help to drive future growth. Whilst the previous metric had the advantage that it takes account of the long-term nature of our business, it is a somewhat complex measure. The new scorecard also recognises aspects of long-term performance but using simpler, more familiar metrics. Shareholders consulted were supportive of the change. For further information on the annual bonus performance targets for 2022 please see pages 157 and 158.

At the Policy vote in 2020, shareholders approved maximum PSP award levels for Executive Directors of 250% of base salary. However, the Committee decided to apply a restrained approach in 2021, granting only 200% of base salary – below the Policy level. In 2022, the Committee has decided to now implement the maximum Policy award level of 250% of base salary. This award level will bridge part of the gap between our Executive Directors' total target remuneration and the market median, and it is in the context of strong Company performance.

Following a review of the fees paid to our Non-executive Directors, the Board has decided that, in keeping with norms in the wider financial services sector, it should disaggregate fees for committee responsibilities from the base fees paid to Non-executive Directors. The new fee structure has a lower base fee but with separate committee membership fees. Paying separate fees for committee membership, together with those paid to chairs of committees, the Senior Independent Director and the designated Non-executive Director for Workforce Engagement, will ensure that the total fees paid to individual directors better reflect their differing personal responsibilities. The Board also recognised the importance of being able to attract and retain Directors of the appropriate calibre given the increased workload, regulatory responsibilities and the size of the Group in recent years.

In accordance with the requirements and expectations of our Regulators, we have also appointed a number of non-executive directors to subsidiary boards in recent years, including some of the Directors of the Company. During 2021 the Board took the opportunity to review the fees paid to non-executive directors appointed to the boards of subsidiary companies to ensure those fees reflected the time commitment and responsibilities attaching to the roles. Where the Company's Non-executive Directors receive additional fees for their roles on subsidiaries, details can be found in the notes to the table on page 146. The revised fees for 2022 have been set taking account of current market rates and those relating to the Company are disclosed in more detail on page 160. The Committee has also reviewed the Board Chair's fee against current market rates and has determined that the Chair's fee would remain unchanged in 2022.

Our stakeholders

When considering remuneration, the Committee takes into account the experience and the expectations of our stakeholders. The Committee is regularly updated on the latest views of major shareholders and investor representative bodies, and on best practice. Any views expressed by shareholders have been considered by the Committee when reviewing the continuing appropriateness of the Policy and its application for remuneration in 2022.

The Committee understands the important and increasing focus on clear and transparent disclosure of performance targets and outcomes to demonstrate the alignment of remuneration and performance. The Committee has further strengthened the reporting of performance against targets set for 2021, as well as the performance criteria that has been set for 2022. The enhancements made have included clearer ESG targets. Before making the change to the annual bonus measures outlined

above, the Committee consulted with major shareholders and has met and corresponded with a number of shareholders to discuss their views. Views expressed by shareholders are discussed by the Committee and were taken into account when finalising the application of the Policy for remuneration in 2022. The 2022 Investment Association Principles of Remuneration, the 2022 ISS Voting Guidelines and the 2022 Glass Lewis Guidelines have also been taken into account.

During 2022, the Committee will review the Policy in preparation for the next triennial vote at the AGM in 2023. We shall consult with major shareholders on any material changes to the Policy, if such changes are proposed.

Lesley-Ann Nash joined the Committee in January 2022 and, as the designated Non-executive Directors for Workforce Engagement will be well placed to support the Committee's consideration of the interests and implications of remuneration policy on the wider workforce. In February 2022 the Chair of the Committee supported by the Committee's advisers, Alvarez and Marsal, met with the Workforce Engagement Panel to discuss how the remuneration for Executive Directors operates and how the underlying principles and structure align to that of the wider workforce. The meeting provided an opportunity for Panel members to raise questions on behalf of the wider workforce and provided information to help them to engage more widely with their colleagues. The intention is for regular engagement to take place in the future. The Group's Employee Reward Policy and Directors' Remuneration Policy are available to all employees and the overall reward structure is explained in broad terms. All employees share in a bonus scheme aligned to performance, with Executive Director pay awards being in line with the general approach for all employees.

Corporate governance developments and regulatory change

The Committee closely monitors developments in remuneration regulations from European and UK authorities, and has taken these into account when considering the continued appropriateness of the Policy, its application, and the disclosures provided in this Report. Of significant interest to the Committee during the year were the increased focus on the alignment between Executive remuneration targets and ESG/climate change measures and the implementation of the Investment Firms Prudential Regime (IFPR) which applies to regulated subsidiaries within the Group. Before confirming that the Policy and its operation were effective, the Committee assessed the Policy and remuneration practices against the six factors set out in Provision 40 of the UK Corporate Governance Code and examples against each factor are set out below.

Example	Factor(s)
The changes in the financial performance measures applying to the 2022 annual bonus are intended to help simplify an aspect that was considered overly complex by some shareholders.	Clarity and Simplicity
The changes made to the reporting of the strategic targets attaching to the annual bonus also help to highlight the importance of risk management and culture to the final outcomes as well as supporting understanding of the predictability of outcomes driven by financial performance.	Predictability, Risk and Alignment to Culture
When considering increases in base salaries for Executives, the Committee ensured that the percentage increase was consistent with that of the wider workforce.	Proportionality

Total shareholder return

The Company has sustained outstanding levels of return to shareholders. £100 invested in St. James's Place a decade ago was worth over £700 at the end of 2021, which is more than three times the rate of return for the FTSE All-Share Index.

Conclusion

The remuneration for 2021 reflects the resilience of the business and excellent performance. We believe the Policy continues to ensure close alignment of our Executive Directors with the best interests of our shareholders and other stakeholders, and supports the future growth and success of the Company.

I would like to thank shareholders for their continued support and encourage you to vote in favour of the resolution relating to the Directors' Remuneration Report for 2021, at the 2022 AGM.

Roger Yates

On behalf of the Remuneration Committee
23 February 2022

The objectives of the remuneration policy are:

- to support the retention of individuals with the experience and skills to drive the performance of the Company;
- to ensure remuneration is transparent and reflects the performance of the Group in the relevant year and the longer-term. Annual bonus and long-term incentive opportunities are therefore linked to the achievement of demanding performance targets; and
- to align pay with the strategic objectives of the Company and the interests of our shareholders whilst giving due regard to principles of best practice and relevant regulations.

A summary of the Remuneration Policy can be found on pages 161 to 163.

Report of the Remuneration Committee continued

Section 2

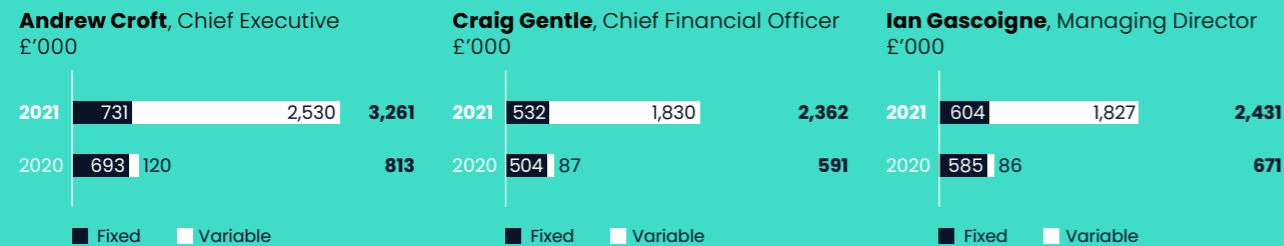
Remuneration at a glance and annual report on remuneration

Summary of Executive Directors' remuneration for the year

How were our Executive Directors rewarded?

The base salaries in the table and chart below for 2020 reflect a 20% reduction in their base salaries agreed by Directors for May, June and July 2020. These sums were instead paid to the St. James's Place Charitable Foundation.

Single figure remuneration for performance period ending 31 December 2021, compared with 2020



	2021		2020			2021		2020	
Base salary	568,218	537,049	410,865	388,327	Base salary	410,865	388,327	410,865	388,327
Benefits	49,145	48,329	38,987	38,358	Benefits	110,743	118,668	110,743	118,668
Pension	113,644	107,410	82,173	77,665	Pension	82,173	77,665	82,173	77,665
Other	2,863	178	2,875	–	Other	177	178	177	178
Annual bonus (cash) ²	411,958	–	297,877	–	Annual bonus (cash) ²	297,877	–	297,877	–
Annual bonus (deferred) ²	411,958	–	297,877	–	Annual bonus (deferred) ²	297,877	–	297,877	–
Total	1,557,786	692,966	1,130,654	504,350	Total	1,199,712	584,838	1,199,712	584,838
PSP vested ¹	1,702,967	119,712	1,231,359	86,560	PSP vested ¹	1,231,359	86,560	1,231,359	86,560

¹ The value of the PSP vested corresponds to the long-term incentives in the Total remuneration table on page 145.

² The annual bonus awards are in respect of performance during the years ending 2020 and 2021 respectively.

Linking remuneration to achievement of key business goals

		Weighting (maximum potential percentage points per item)	Outturn (actual points earned)	Percentage of base salary earned ¹
Annual bonus for 2021 (max 150% of base salary)	EEV operating profit	50%	50	75%
	Strategic and operational KPIs	50%	46.7	70%
	Total bonus opportunity	100%	96.7	145%
PSP (2019 award) (max 200% of base salary ¹)	Relative TSR	33.3%	33.3	66.7%
	EPS growth (including the unwind of the discount rate) in excess of RPI	33.3%	26.7	53.5%
	EPS growth (excluding the unwind of the discount rate) in excess of RPI	33.3%	33.3	66.7%
	Total PSP opportunity	100%	93.4	186.9%

¹ Base salary for PSP is the base salary at the time of grant. The value of the PSP vesting is also dependent on the amount of share price movement between grant and vesting.

Annual report on remuneration

This Directors' Remuneration Report, excluding the Directors' Remuneration Policy, will be put to an advisory shareholder vote at the 2022 AGM. This part of the Report explains the work of the Remuneration Committee, sets out how we implemented our Policy during 2021 and how we intend to implement our Policy in 2022. The information on pages 145 to 160 has been audited where indicated.

2.1 How the Remuneration Policy was applied in 2021

2.1.1 Remuneration payable in respect of performance in 2021 (audited)

Summary of total remuneration

The remuneration received by Executive Directors and Non-executive Directors in respect of the years ended 31 December 2021 and 2020 is set out below.

Executive Director		Base salary	Benefits	Annual bonus	Long-term incentives	Pension	Other	Total	Total fixed remuneration	Total variable remuneration
		£	£	£	£	£	£	£	£	£
Andrew Croft	2021	568,218	49,145	823,916	1,702,967	113,644	2,863	3,260,753	731,007	2,529,746
	2020	537,049	48,329	–	119,712	107,410	178	812,678	692,788	119,890
Craig Gentle	2021	410,865	38,987	595,754	1,231,359	82,173	2,875	2,362,013	532,025	1,829,988
	2020	388,327	38,358	–	86,560	77,665	–	590,910	504,350	86,560
Ian Gascoigne	2021	410,865	110,743	595,754	1,231,359	82,173	177	2,431,071	603,781	1,827,290
	2020	388,327	118,668	–	86,560	77,665	178	671,398	584,660	86,738

Non-executive Director		Fees	Benefits	Total
		£	£	£
Iain Cornish	2021	82,246	–	82,246
	2020	210,622	10,017	220,639
Emma Griffin	2021	104,650	1,942	106,592
	2020	88,632	1,192	89,824
Rosemary Hilary	2021	127,725	287	128,012
	2020	95,089	692	95,781
John Hitchins	2021	14,108	–	14,108
	2020	–	–	–
Simon Jeffreys	2021	114,392	1,217	115,609
	2020	102,339	1,291	103,630
Baroness Morrissey DBE	2021	31,402	–	31,402
	2020	80,418	–	80,418
Paul Manduca	2021	305,948	179	306,127
	2020	–	–	–
Lesley-Ann Nash	2021	84,650	1,571	86,221
	2020	49,379	–	49,379
Baroness Wheatcroft	2021	31,402	–	31,402
	2020	80,418	–	80,418
Roger Yates	2021	113,937	311	114,248
	2020	108,240	–	108,240

Benefits

Benefits for the Executive Directors comprise a company car or cash equivalent, fuel, private healthcare, life and critical illness cover, permanent health insurance, health screening and travel costs. For Ian Gascoigne, they also include a housing allowance to facilitate working across multiple locations (2021: £72,000). The amounts shown are generally the taxable amounts.

Benefits for Non-executive Directors are for the reimbursement of taxable travel expenses grossed up for any tax payable thereon.

Pension allowance

Pension contributions, being 20% of base salary, were capped by legislation and so a non-pensionable allowance was paid to the Executive Directors in full for Andrew Croft and Ian Gascoigne, and for the balance for Craig Gentle, who had a £4,000 contribution to the money purchase Group pension scheme. Consistent with the pensions contributions provided to the wider workforce, all Executive Directors appointed after the 2018 AGM receive a pension allowance of 10% of salary on joining, increasing to 12.5% after five years and 15% after 10 years of service. The pension

contributions for Executive Directors appointed prior to the 2018 AGM will be reduced to 15% of base salary by 1 January 2023. None of the Executive Directors participate in defined benefit pension schemes.

Annual bonus

As explained on page 162, half of the annual bonus is paid in cash, and the other half in the form of a conditional award of Company's shares, which are subject to forfeiture for three years under the terms of the Deferred Bonus Scheme.

Report of the Remuneration Committee continued

Long-term incentives

The value of the long-term incentives is the value of shares for the award where the performance period ends in the year, together with the value of the dividends that would have been received during the three-year performance period. The gross value of those dividends is £130,068 for Andrew Croft and £94,048 for Craig Gentle and Ian Gascoigne. The long-term incentive figures for 2021 have been calculated using the average of the Company's share price in the three-month period to 31 December 2021, being £15.66, as the actual vesting date of the PSP award is on 25 March 2022. The figures for 2020 have been updated from the three-month average figures used in last year's report (being £99,286 for Andrew Croft and £71,791 for Ian Gascoigne and Craig Gentle) to take into account the Company's share price on the date of vesting on 26 March 2021, being £12.62. The LTIP figure for 2021 in the table on the previous page includes the following: £575,993 for Andrew Croft; and £416,482 each for Ian Gascoigne and Craig Gentle, which are attributable to the movement in the share price between the grant date and the end of the performance period. This amounts to 33.82% of the vesting amount shown in the table. The LTIP figure for 2020 in the table on

the previous page includes the following: -£4,550 for Andrew Croft and -£3,290 each for Ian Gascoigne and Craig Gentle, which are attributable to the movement in the share price between the grant date and the end of the performance period. This amounts to -4.58% of the vesting amount shown in the table for Andrew Croft, Ian Gascoigne and Craig Gentle. These awards are subject to a two-year post-vesting holding period.

Other

These amounts relate to income received from the Share Incentive Plan and the Save As You Earn. For the Share Incentive Plan the value of the Matching shares (one for every ten Partnership shares) for Andrew Croft, Ian Gascoigne and Craig Gentle where 14 shares were purchased for each on 25 March 2021 at £12.67 and 25 shares were purchased by Andrew Croft and Ian Gascoigne on 25 March 2020 at £7.13. Employees making contributions to the Save As You Earn receive a 20% discount on shares under option. Andrew Croft started a savings contract in March 2021 with a discount of £2.34 per share for 1,148 shares under option. Craig Gentle started a savings contract in September 2021 with a discount of £3.20 per shares for 843 shares under option.

Waiver of base salary/fees

The Directors each agreed to a 20% reduction of base salaries/ fees for May, June and July 2020.

Iain Cornish waived his fee for chairing the Risk Committee in 2020 (£23,075).

Roger Yates waived his fee for chairing the board of St. James's Place Unit Trust Group Limited for the period he carried out that role in 2020 (to 4 May 2020).

Subsidiary board fees

Rosemary Hilary received £20,000 for chairing St. James's Place UK plc in 2021 and Emma Griffin received £20,000 for chairing St. James's Place Unit Trust Group Limited in 2021. Simon Jeffreys was appointed as chair of St. James's Place International plc on 1 September and received a fee of £6,667 for the four months to 31 December 2021.

Payments to past Directors or for loss of office

No payments were made to past Directors or for loss of office during the year ended 31 December 2021.

2.1.2 Summary of total annual bonus for 2021 performance

The performance conditions and weightings which applied to the annual bonus and the resulting payout were as follows:

Measure	Weighting (percentage of salary)	Weighting (percentage of maximum)	Threshold (EEV operating profit) (20% payable)	Maximum value (100% payable)	Actual	Payout (percentage of salary)	Payout (percentage of maximum total bonus)
Financial (EEV operating profit)	75%	50%	£845m	£929m	£1,545.4m	75%	50%
Strategic	75%	50%	Assessment by the Committee of the performance of the Executive Directors			70%	46.7%
Total payout						145%	96.7%

Annual bonus strategic targets performance assessment

As described in other parts of the Annual Report and Accounts, the Company delivered strong performance in 2021 for each of our key stakeholders: shareholders; clients; the Partnership; employees; and society. The Committee considered these groups when setting the strategic targets for 2021, together with other objectives set out in the 2021 business plan. In serving our clients well, developing our employees and the Partnership for the future and striving to improve the effectiveness of our organisation, the Company will be well placed to meet our long-term business objectives, and create additional value for our shareholders. The Company also focuses on the importance of safe and sustainable growth through prudent management of risk and the highest standards of regulatory compliance, maintaining constructive relationships with regulators.

The Committee set the Executive Directors a range of business priorities which align to the six business priorities underpinning our annual business plan. Each category is equally weighted and is made up of a number of objectives. Underlying performance against each of the priorities was monitored against quantitative and qualitative measures to help support the Committee's determination of the overall success against objectives and we have included details of the measures and outcomes for the objectives opposite.

The Committee recognised that a high proportion of the business priorities had been achieved and that nearly all of the major business plan objectives had been satisfactorily completed. The Committee continues to believe that the financial and strategic performance elements of the annual bonus should be equally weighted, particularly as the strategic measures are important drivers of future performance and a number ultimately impact the Group's financial performance (e.g. Net manpower growth). The category entitled 'Our culture and being a leading responsible business' is made up entirely of 'ESG' targets. However, other factors throughout the objectives also recognise our aim to be a leading responsible business.

Business priority (scorecard weighting – total 75%)	Measure/target	Outcome
Build community (12.5%)		
Net manpower growth	Growth of adviser base in line with plan	5% growth achieved
Successful delivery of key Partner events	Deliver Annual Company Meeting and key Partner events with feedback indicating events have met or exceeded expectations.	Virtual Annual Company Meeting and range of Partner conferences delivered 96% of respondents said they met or exceeded expectations
Partner sentiment	Achieve strong overall scores based on a basket of criteria in Partner engagement survey	Overall scores improved on the prior year, with improved ratings received in relation to SJP's overall proposition and investment management proposition
Employee engagement	Achieve strong employee engagement score (stretch goal of 85%)	Engagement score of 83%, close to stretch goal
Partner retention	Achieve strong retention	Retention rate in excess of 95%
Employee retention	Employee regretted attrition rate	Regretted attrition rate broadly in line with expectations
Making it easier to do business (12.5%)		
Quality of administration	Improve by 1%	Achieved as at December 2021
Salesforce adoption	% of Partnership using Salesforce as their primary CRM tool (60%)	89% using Salesforce as primary CRM tool
Legacy system removal	Remove dependency on legacy CRM system	Completed migration from legacy systems
Operational Excellence Programme	Programme delivery in line with plan	Delivery on track
Digital client proposition	On track to deliver minimum viable product in Q1 2022	Beta version live and on track to deliver in Q1 2022
Online Wealth Account	Values updated by 8am on 80% of working days	Vast majority of our business via core systems successfully loaded by 8am on 81% of working days in December
Continued financial strength (12.5%)		
Streamlining of the business	Deliver simplification in line with plans	Restructuring exercise delivered in line with projected costs with impact on the business effectively managed
Partner business loans	Maximum external lending facility capacity for Partner business loans	External facilities resulted in a contribution to cash resources for the year end ended 31 December 2021
Capital usage	Group capital managed within risk appetite	Achieved
Clean Share Class	Implement Clean Share Classes	Achieved
Regulator relationship	Maintain continued constructive relationship with PRA and FCA	Relationships broadly positive
Deliver value to Partners and clients through our investment proposition (12.5%)		
Partner and client sentiment toward Investment proposition	Maintain and improve sentiment based on a basket of measures drawn from client health checks and Partner surveys	Achieved, improvement in sentiment evident in results across basket of measures (positive sentiment increased 7% vs 2020)
Value Assessment Ratings	Improvement in the number of green and amber rated funds in Value Assessment Statement	Achieved. More than 40% of our funds have seen an improvement in their overall performance rating due to achieving their objectives and/or outperforming their benchmark during the assessment period.
Fund changes	Successful delivery of planned fund changes	Fund changes in 2021 successfully delivered and on track for plan to July 2022
Responsible Investment	Ensure that Fund managers are UNPRI signatories	100% achievement

Report of the Remuneration Committee continued

Business priority (scorecard weighting – total 75%)	Measure/target	Outcome
Our culture and being a leading responsible business (12.5%)		
Culture	Embedding the updated Culture Vision	Achieved, embedded in consciousness of workforce and built into Personal Development Review process. 89% of employees now understand what the culture and values mean to them. 82% of employees have discussed culture with a senior leader or line manager
Gender diversity	Increase representation of females in senior roles (equivalent to Head of Division or more senior) (goal at 25%)	Achieved 24.4% as at 31 December 2021, an increase of 1.1% in 2021
Charitable fundraising	Support St. James's Place Charitable Foundation to raise £8 million	£8 million raised during 2021
Responsible Business Strategy	Adopt Responsible Business Strategy	Achieved. Responsible Business Strategy approved and adopted
Group Governance	Complete Phase 2 of Group Governance Plan	Ongoing enhancement of governance processes to support the PLC Board, subsidiary boards and Senior Managers delivered. Further information can be found in the Report of the Nomination and Governance Committee
Environment	Adopt environmental goal and strategy	Achieved – target to be climate positive in our operations by 2025, net zero in our supply chain by 2035, net zero in our Partnership by 2035 and net zero in our investments by 2050.
Responsible Investment	Establishment and adoption of Net Zero Asset Owner Alliance goal and strategy	Achieved – target to reduce the carbon emissions of our investment portfolios by 25% by 2025.
Build and protect our brand and reputation (12.5%)		
Media sentiment	Maintain media sentiment toward SJP	Sentiment remained consistently strong during 2021 with the average monthly media sentiment score being 95%
Brand review	Complete market research on existing brand and potential new visual identities	Completed and new visual identity chosen
Digital Marketing	Roll out digital marketing strategy	Progress made and roll-out planned for 2022
Client complaints	Achieve low levels of complaints, relative to volume of clients	Complaint volumes reduced to 0.4% as a proportion of clients (2020: 0.5%)
Internal Audit, risk and regulation	Based on broadening/deepening regulatory relationships, no regulatory sanctions and internal audit/compliance reports	Achieved, relationships with regulators broadened in 2021. The internal controls were effective at keeping the Group within the Board's stated risk appetite. There were no regulatory sanctions in the year. See Report of the Audit Committee on page 126 for more information.

2.1.3 Long-term incentive awards (audited)

Vesting of Performance Share Plan (PSP) awards

On 31 December 2021, the awards made on 25 March 2019 under the PSP reached the end of their three-year performance period. These will vest on 25 March 2022, being the third anniversary of the date of grant. The vested shares for Executive Directors are subject to a two-year post-vesting holding period (other than to sell shares to settle tax on vesting or exercise). The performance conditions which applied to the 2019 PSP awards, and the actual performance achieved against these conditions, are set out in the tables below:

Performance hurdle	TSR relative to the FTSE 51 to 1501		Average annual adjusted EPS growth (including the unwind of the discount rate) in excess of RPI2		Average annual adjusted EPS growth (excluding the unwind of the discount rate) in excess of RPI3	
	Performance required	Percentage of one-third of award vesting	Performance required	Percentage of one-third of award vesting	Performance required	Percentage of one-third of award vesting
Below threshold	Below median	0%	Below 5%	0%	Below 5%	0%
Threshold	Median	25%	At least 5%	25%	At least 5%	25%
Stretch or above	Upper quartile or above	100%	16% or above	100%	16% or above	100%
Actual achieved	20 out of 78 companies	100%	13.1%	80.2%	18.8%	100%

- 1 FTSE 51-150 index excluding investment trusts and companies in the FTSE oil, gas and mining sectors.
- 2 The first EPS performance condition is calculated by reference to the post-tax EEV operating profit (on a fully diluted per share basis). This measure excludes the direct impact of stock market fluctuations and changes in economic assumptions on the final year's performance.
- 3 The second EPS performance condition is calculated by reference to an adjusted post-tax EEV operating profit, which strips out the unwind of the discount rate. This adjustment is intended to remove indirect impacts of stock market fluctuations and economic assumptions from all years, thus removing any impact from the opening value of in-force business and the risk-free rate in the final year's performance.
- 4 Straight-line vesting occurs between threshold and maximum vesting.
- 5 No discretion was exercised by the Committee to override the outcome referred to above.

Therefore, the total percentage of the 2019 PSP awards vesting was 93.4%, which resulted in the following awards to the Executive Directors:

Director	Total number of shares granted	Percentage of awards vesting	Number of shares vesting	Value of shares vesting (£)
Andrew Croft	107,537	93.41%	100,454	1,572,899
Craig Gentle	77,757	93.41%	72,635	1,137,312
Ian Gascoigne	77,757	93.41%	72,635	1,137,312

- 1 As these awards will not actually vest until 25 March 2022, a deemed share price is used to calculate the value of shares vesting for the purposes of this Report. This is taken as the three-month average to 31 December 2021 being £15.66.

Granting of PSP awards in 2021

Details of PSP awards (at nil-cost option) granted to the Executive Directors in 2021 are set out in the table below:

Director	Type of award	Basis of award granted	Average share price at date of grant	Number of SJP shares over which award was granted ¹	Face value of award (£'000)	Percentage of face value that would vest at threshold performance
Andrew Croft	Nil-cost option	200% of salary of £568,218	£12.67	89,695	1,136	25%
Craig Gentle	Nil-cost option	200% of salary of £410,865	£12.67	64,856	822	25%
Ian Gascoigne	Nil-cost option	200% of salary of £410,865	£12.67	64,856	822	25%

- 1 The number of shares awarded was calculated based on the average share price over a period of three days prior to the date of grant on 25 March 2021, being £12.67 per share. The face value of the award figure is calculated by multiplying the number of shares awarded by the average share price figure of £12.67.

- 2 PSP awards are structured as nil-cost options and there is therefore no exercise price payable on exercise. Dividend equivalents accrue to the Executive Directors between the date of grant and exercise of the award (up to a maximum of six years from date of grant), but are released only to the extent that awards vest. Awards in 2021 were based on the achievement of two equally weighted metrics: (a) Average annual adjusted EPS growth, based on EEV, in excess of CPI, with the scale starting at CPI+5% and extending to CPI+12%; and (b) TSR performance relative to a composite benchmark of FTSE 51 to 150, excluding investment trusts and companies in the oil, gas and mining sectors. For each performance metric a threshold and stretch level of performance is set. At threshold, 25% of the relevant element vests, rising on a straight-line basis to 100% for attainment of levels of performance between threshold and maximum targets. These awards also have a post-vesting holding period of two years from the vesting date.

Report of the Remuneration Committee continued

2.1.4 Share awards (audited)

The tables below set out details of share awards that have been granted to individuals who were Executive Directors during 2021 and which had yet to vest or be exercised at some point during the year. The performance periods for all share awards run for a period of three years, ending on 31 December of the year immediately preceding the vesting date.

Performance Share Plan awards outstanding

Director	Date of grant	Market price at grant	Shares originally awarded	Face value (£) ¹	Shares vested	Vesting date	Remaining unexercised at 31 December 2021
Andrew Croft	25 March 2019	£9.92	107,537	1,066,767	–	25 March 2022	107,537
	25 March 2020	£7.13	159,387	1,136,429	–	25 March 2023	159,387
	25 March 2021	£12.67	89,695	1,136,436	–	25 March 2024	89,695
Craig Gentle	25 March 2019	£9.92	77,757	771,349	–	25 March 2022	77,757
	25 March 2020	£7.13	115,249	821,725	–	25 March 2023	115,249
	25 March 2021	£12.67	64,856	821,726	–	25 March 2024	64,856
Ian Gascoigne	24 March 2016	£9.10	73,874	672,253	63,063	24 March 2019	63,063
	27 March 2017	£10.57	71,405	754,751	44,912	27 March 2020	44,912
	25 March 2019	£9.92	77,757	771,349	–	25 March 2022	77,757
	25 March 2020	£7.13	115,249	821,725	–	25 March 2023	115,249
	25 March 2021	£12.67	64,856	821,726	–	25 March 2024	64,856

¹ The face value of the award figure is calculated by multiplying the number of shares awarded by the market price at grant (the average share price figure over a period of three days prior to the date of grant).

Deferred Bonus Scheme – shares held during 2021

The table below sets out details of the awards held by the Executive Directors under the deferred element of the annual bonus scheme during 2021:

Director	Balance at 1 January 2021	Released in year ¹	Awarded in year ²	Balance at 31 December 2021 ³	Vesting date
Andrew Croft	23,930	23,930	–	–	26 March 2021
	24,806	–	–	24,806	25 March 2022
	15,346	–	–	15,346	25 March 2023
Craig Gentle	23,930	23,930	–	–	26 March 2021
	17,936	–	–	17,936	25 March 2022
	11,096	–	–	11,096	25 March 2023
Ian Gascoigne	23,930	23,930	–	–	26 March 2021
	17,936	–	–	17,936	25 March 2022
	11,096	–	–	11,096	25 March 2023

¹ These deferred share awards were awarded on 26 March 2018 and were equal in value to 50% of the Director's 2017 total annual bonus.

² Bonuses were not paid to any employees for 2020 and therefore no deferred share awards were awarded.

³ Outstanding awards at the year end relate to deferred shares awarded in 2019 and 2020 which were earned in 2018 and 2019 respectively. The share price used to calculate the 2019 award was £10.04 and that for the 2020 award was £10.11.

Further details of the deferred element of the annual bonus scheme are set out on page 162. Dividends accrue to the Executive Directors during the three-year period while the shares are subject to forfeiture, and details of these dividends are set out on page 162.

Save As You Earn (SAYE) share option scheme – shares held during 2021

Details of the options held by the Directors in 2021 under the SAYE scheme and any movements during the year are as follows:

Director	Options held at 1 January 2021	Granted in year	Lapsed in year	Exercised in year	Options held at 31 December 2021	Exercise price	Dates from which exercisable
Andrew Croft	987	–	–	987	–	£9.11	01 May 2021 to 31 October 2021
	–	1,148	–	–	1,148	£9.40	01 May 2024 to 31 October 2024
Craig Gentle	–	843	–	–	843	£12.81	01 November 2024 to 30 April 2025
Ian Gascoigne	1,167	–	–	–	1,167	£7.71	01 May 2022 to 31 October 2022
	–	221	–	–	221	£8.13	01 May 2023 to 31 October 2023

At 31 December 2021 the mid-market price for the Company's shares was £16.84. The range of prices between 1 January 2021 and 31 December 2021 was between £11.43 and £16.95.

Share Incentive Plan – shares held during 2021

The table below sets out details of the awards held by the Directors under the Share Incentive Plan during 2021:

Director	Balance at 1 January 2021	Partnership shares allocated in year ¹	Matching shares allocated in year ²	Dividend shares allocated in year ³	Balance at 31 December 2021	Holding period (matching shares)
Andrew Croft	188	–	–	–	188	24 March 2017 to 24 March 2020
	181	–	–	–	181	29 March 2018 to 29 March 2021
	192	–	–	–	192	25 March 2019 to 25 March 2022
	277	–	–	–	277	25 March 2020 to 25 March 2023
	–	142	14	–	156	25 March 2021 to 25 March 2024
Craig Gentle	188	–	–	–	188	24 March 2017 to 24 March 2020
	192	–	–	–	192	25 March 2019 to 25 March 2022
	–	142	14	–	156	25 March 2021 to 25 March 2024
Ian Gascoigne	502	–	–	–	502	28 March 2011 to 28 March 2014
	210	–	–	–	210	26 March 2014 to 26 March 2017
	167	–	–	–	167	26 March 2015 to 26 March 2018
	174	–	–	–	174	24 March 2016 to 24 March 2019
	188	–	–	–	188	24 March 2017 to 24 March 2020
	181	–	–	–	181	29 March 2018 to 29 March 2021
	192	–	–	–	192	25 March 2019 to 25 March 2022
	277	–	–	–	277	25 March 2020 to 25 March 2023
	–	142	14	–	156	25 March 2021 to 25 March 2024

¹ Partnership shares are shares awarded in return for an investment of between £10 and £1,800. Partnership shares were awarded to Andrew Croft, Craig Gentle and Ian Gascoigne on 25 March 2021 at a price of £12.67 per share, in return for £1,800 being deducted from pre-tax salary.

² For every ten Partnership shares acquired, the Company awards one matching share. Matching shares were also awarded on 25 March 2021 in relation to the Partnership shares mentioned above.

³ The Partnership, dividend and matching shares will be held by an employee benefit trust on behalf of the Director. The matching and dividend shares must be held for a minimum period of three years from the date of the award.

Between 1 January 2022 and 23 February 2022 there were no exercises or other dealings in the Company's share awards by the Directors.

Report of the Remuneration Committee continued

2.1.5 Shareholding requirements and Directors' share interests (audited)

Shareholding requirements

As from 2018, the Executive Directors were required to build up a shareholding equivalent to 200% of salary in Company shares. As from 2020, the Chief Executive was required to build up a shareholding equivalent to 300% of salary in the Company shares. All of the Executive Directors have already exceeded the shareholding requirements (as shown in the table below). Whilst our Policy aims to broadly align with market expectations, in practice, the longest-serving Executive Directors continue to maintain shareholdings that far exceed the stated Policy. This demonstrates their commitment to the long-term success of the Company and upholding the values that underpin our culture (see page 8 for further details on our values).

Director	Shares held at 1 January 2021	Shares held at 31 December 2021	Percentage of base salary held in SJP shares as at 31 December 2021 ¹
Andrew Croft	719,547	725,133	2,093%
Craig Gentle	59,390	81,998	280%
Ian Gascoigne	749,802	452,360	1,798%
Iain Cornish	6,500	N/A	
Emma Griffin	-	2,070	
Rosemary Hilary	-	-	
John Hitchins	-	-	
Simon Jeffreys	18,364	18,364	
Paul Manduca	-	10,000	
Baroness Morrissey DBE	-	N/A	
Lesley-Ann Nash	-	-	
Baroness Wheatcroft	2,500	N/A	
Roger Yates	50,000 ⁶	50,000 ⁶	

1 Calculated using the mid-market price at 31 December 2021 of £16.84 and the base salary as at 31 December 2021. The overall percentage of base salary excludes the shares that would need to be sold to meet the notional tax and employee National Insurance Contributions on bonus share awards that remained in their periods of deferral.

2 The interests of the Executive Directors set out above include Deferred Bonus Scheme (DBS) awards held in trust for the Directors, details of which are set out on page 150. The interests of the Executive Directors also include awards under the Share Incentive Plan, details of which are set out on page 151.

3 The Company's register of Directors' interests contains full details of Directors' shareholdings and any share awards under the Company's various share schemes.

4 Disclosure of the Directors' interests in share awards is given on pages 150 and 151 and also in Note 25 – Related Party Transactions.

5 Iain Cornish and Baroness Wheatcroft retired from the Board and Baroness Morrissey DBE stepped down from the Board on 14 May 2021.

6 Due to an administrative error, purchases of a total of 20,000 shares by Roger Yates in 2018, which had received the appropriate authorisation required under the Company's Insider Dealing Policy, were not announced to the stock exchange and notified to the FCA in accordance with the requirements of Disclosure & Transparency Rule DTR3. These shares were also not reflected in the Directors' Remuneration Reports in the year's ended 31 December 2018, 2019 and 2020.

Between 1 January 2022 and 23 February 2022 there were no transactions in the Company's shares by the Directors.

Executive Directors' shareholdings and outstanding share awards

Executive Director	Beneficially owned at 31 December 2021 ¹	Outstanding PSP awards (performance conditions) ²	SAYE options (no performance conditions) ³	Outstanding DBS awards (no performance conditions) ⁴	SIP shares (no performance conditions) ⁵
Andrew Croft	725,133	356,619	1,148	40,152	994
Craig Gentle	81,998	257,862	843	29,032	536
Ian Gascoigne	452,360	365,837	1,388	29,032	2,047

1 Beneficially owned shares include those DBS awards and SIP shares set out in columns (4) and (5) above.

2 Details of the PSP awards (including options that are unvested and those that are vested but have not been exercised) are set out on page 150.

3 Details of the SAYE options (including options that are vested but have not been exercised) are set on page 151.

4 Details of DBS awards are set out on page 150.

5 Details of the SIP shares are set out on page 151.

2.1.6 Dilution (unaudited)

Dilution limits agreed by shareholders at the time of shareholder approval of the various long-term incentive schemes allow for up to 10% of share capital in ten years to be used for grants to employees and members of the St. James's Place Partnership under all share schemes (i.e. both the employee and Partner share schemes), and up to 5% of share capital in ten years to be used for grants to employees under discretionary schemes.

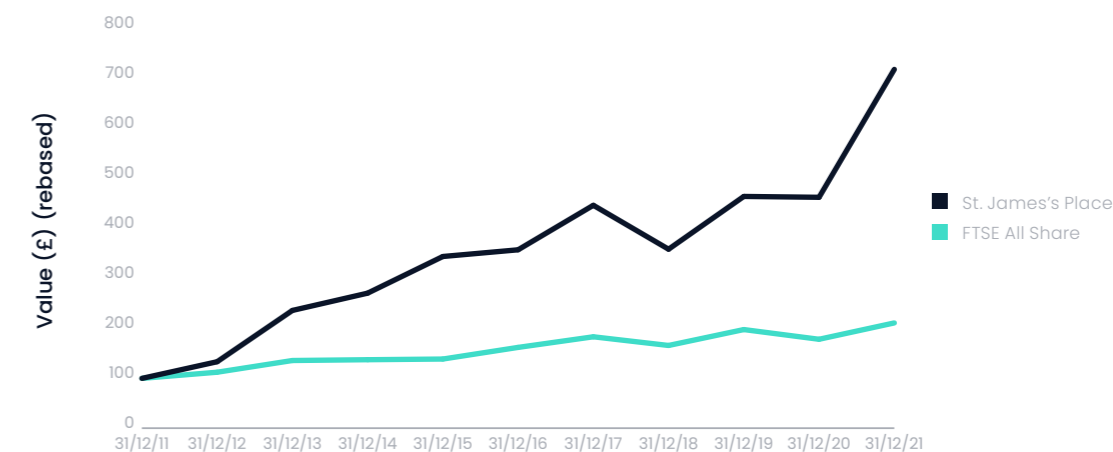
The table below sets out, as at 31 December 2021, the number of new ordinary shares in the Company which have been issued, or are capable of being issued (subject to the satisfaction of any applicable performance conditions), as a result of options or awards granted under the various long-term incentive schemes operated by the Company in the ten years prior to 31 December 2021.

Share scheme	Number of new ordinary shares of 15 pence each	Percentage of total issued share capital as at 31 December 2021
SAYE schemes	4,264,908	0.79%
Executive share schemes	14,393,837	2.66%
Partners' share schemes	14,860,667	2.75%
Total	33,519,412	6.20%

In addition, as at 31 December 2021, the Group's Employee Share Trust held 1,235,743 shares in the Company which were acquired to meet awards made under the PSP, Deferred Bonus Scheme and Restricted Share Plan. The number of shares in the Company held in the Share Incentive Plan Trust as at 31 December 2021 was 438,382.

2.1.7 Total shareholder return performance and CEO pay over the same period (unaudited)

The graph below shows a comparison of the Company's TSR performance against the FTSE All-Share Index over the last ten financial years. The Company considers this to be the most appropriate comparative index, given the broad nature of the index and the companies within it.



This graph shows the value, by 31 December 2021, of £100 invested in St. James's Place on 31 December 2011, compared with the value of £100 invested in the FTSE All Share Index on the same date. The other points plotted are the values at intervening financial year ends.

Report of the Remuneration Committee continued

The table below shows the total remuneration figure for the Chief Executive over the last ten financial years. The total remuneration figure includes the annual bonus and long-term incentive awards which vested based on performance in those years (and ending in that year for PSP scheme awards).

	Year ending 31 December									
	David Bellamy					Andrew Croft				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Total remuneration (£)	2,410,380	3,362,651	3,646,514	3,115,230	2,631,667	2,458,020	1,886,774	1,421,729	812,678	3,260,753
Annual bonus (% of maximum)	46%	98%	95%	93.3%	96.67%	96.67%	62%	37.5%	0%	96.7%
LTIP vesting (% of maximum)	87%	95%	96%	100%	100%	87.94%	85.3%	62.9%	9%	93.4%

- The deemed value of the PSP award in the table above for 2021 is £1,702,967. This value reflects an increase of £5.74 in the St. James's Place share price over the vesting period of 57.78% (the share price of the PSP award on the date of grant was £9.924 and the deemed share price on the date of vesting was £15.66, calculated as set out in the note below).
- As the actual vesting date for the PSP (performance period ending 31 December 2021) is not until 25 March 2022, a deemed value has been used. This is the average of the Company's share price in the three-month period to 31 December 2021, being £15.66. The 2020 figure for total remuneration has been updated by substituting the three-month average figure used to calculate the value of long-term incentive awards in last year's Report by a revised figure based on the Company's share price on the date of vesting on 26 March 2021, being £12.62.

2.1.8 Percentage change in remuneration of all Directors and employees (unaudited)

As the Company has no employees, the table below shows the percentage change in the salary/fee, benefits and annual bonus for each Director against all UK employees of the Group for the year between 31 December 2019 and 31 December 2020 and the year between 31 December 2020 and 31 December 2021.

Remuneration element	Average employee (% change)	Executive Directors (% change)			
		A Croft	I Gascoigne	C Gentle	
Salary/fee ³	2021	–	5.8	5.8	5.8
	2020	5.0	(2.2)	(2.2)	(2.2)
Benefits ¹	2021	5.6	1.7	(6.7)	1.6
	2020	3.1	–	(0.4)	(6.1)
Bonus	2021	–	–	–	–
	2020	(100)	(100)	(100)	(100)

Remuneration element	Average employee (% change)	Non-executive Directors (% change) ²										
		I Cornish	E Griffin ⁵	R Hilary ⁶	J Hitchens	S Jeffreys	P Manduca	Baroness Morrissey DBE ⁵	L-A Nash ⁵	Baroness Wheatcroft	R Yates	
Salary/fee ^{3&4}	2021	–	(61.0)	18.1	34.3	–	11.8	–	(61.0)	71.4	(61.0)	5.3
	2020	5.0	(2.2)	– ⁴	686.2	–	14.5	–	–	–	20.1	13.5
Benefits ¹	2021	5.6	(100)	62.9	(58.5)	–	(5.7)	–	–	–	–	–
	2020	3.1	(53.5)	–	–	–	(34.2)	–	–	–	(100)	–
Bonus	2021	–	–	–	–	–	–	–	–	–	–	–
	2020	(100)	–	–	–	–	–	–	–	–	–	–

1 See the Benefits note on page 145 for further details on the benefits for Directors.

2 The base fee for Non-executive Directors was increased by 26.4% for 2020 following a review carried out in 2019.

3 The change in the salary for average employees is higher than the average salary increase of the workforce referred to in the Chair's annual statements in prior years due to salary increases in respect of promotions and role changes being taken into account.

4 The Directors in office at the time each agreed to a 20% reduction of base salaries/ fees for May, June and July 2020. The reduction is reflected in both the changes in 2020 and 2021.

5 Emma Griffin, Baroness Morrissey DBE and Lesley-Ann Nash were all appointed during 2020. Paul Manduca and John Hitchens were appointed in 2021. Baroness Morrissey DBE resigned in 2021.

6 The significant increase in Rosemary Hilary's fee in 2020 is due to her having not served a full year in 2019. Rosemary Hilary was also appointed as chair of the Risk Committee on 19 August 2020.

2.1.9 Relative importance of spend on pay (unaudited)

The following table sets out the percentage change in profit, dividends and overall spend on pay in the year ending 31 December 2021, compared to the year ending 31 December 2020.

	2021	2020	Percentage change
	£'Million	£'Million	
IFRS profit after tax ¹	287.6	262.0	+10%
EEV operating profit before tax ¹	1,545.4	919.0	+68%
Dividends	280.8	206.8	+36%
Employee remuneration costs	262.9	193.2	+36%

1 IFRS profit after tax has been presented to enable comparison between different companies, as it is a measure defined by International Financial Reporting Standards. EEV operating profit before tax is an alternative performance measure (for further details see the Glossary of Alternative Performance Measures on page 260), which has been presented as it is the financial performance measure upon which bonuses are based. Further information about these measures is set out in the Financial Review on pages 66 to 85.

2.1.10 CEO pay ratio (unaudited)

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2021	Option A	87:1	56:1	31:1
2020	Option A	25:1	16:1	10:1
2019	Option A	45:1	28:1	17:1
2018	Option C	62:1	42:1	21:1

	CEO pay	P25 pay	P50 pay	P75 pay
	£	£	£	£
Salary	568,218	27,161	38,000	60,000
Total pay	3,260,753	37,317	58,307	104,252

For 2021, we have chosen to calculate the CEO pay ratio using Option A, which requires us to calculate the pay and benefits for all UK employees, using the same methodology as is used to calculate the CEO's 'single figure', which provides a more accurate comparison between the CEO and the workforce. This enabled us to identify the three individuals at the 25th, 50th and 75th percentiles (known as P25, P50 and P75, respectively) as at 31 December 2021, and their pay figures are then used to calculate the ratio. We have chosen this option as it uses the most statistically accurate methodology.

In 2020 the CEO pay ratio was significantly influenced by both COVID-19 and business and market performance which resulted in it falling significantly, principally as a result of the material fall in the variable pay awards. As reported above, the excellent performance delivered in 2021, and overall in the last three years, has meant that Executive Directors' 2021 annual bonuses and the LTIP awards vesting in 2022 are close to their maximum values. All employees participate in an annual bonus scheme but variable pay makes up a significantly larger proportion of the Chief Executive's total pay than is the case for the wider workforce. Whilst the average bonus levels across the workforce will increase in years of strong performance, the absolute value of the CEO's remuneration will also increase in these years resulting in an increase in the CEO pay ratio.

The median ratio is consistent with our pay, reward and progression policies for employees which relate pay levels to performance and market benchmarks. In 2021, 77.6% of our Chief Executive's total remuneration was delivered through variable pay schemes. These are directly linked to the Company's performance as well as share price movements over the longer-term. Whilst none of the three employees identified at the 25th, 50th and 75th percentiles are eligible to receive PSP Awards, all three received a bonus within the year and are invited to participate in the SIP and SAYE on the same terms as the Chief Executive.

Report of the Remuneration Committee continued

2.2. Remuneration Committee (unaudited)

2.2.1 Role, activities and performance of the Committee

The Committee's primary purpose is to ensure that there is a clear link between reward and performance and that the Policy structure and levels of remuneration for both Executive Directors (EDs) and Material Risk Takers (identified in accordance with relevant PRA and FCA requirements) are appropriate. In particular, the Committee reviews the list of those employees who are considered to be Material Risk Takers and monitors compliance with the Group's remuneration policies, as they apply to that population. When determining the appropriateness of remuneration the Committee pays particular attention to the remuneration paid to the wider workforce (in particular Director pay ratios and relative importance of spend) and the overall competitiveness of packages when compared to peers. The key responsibilities of the Committee are set out in its terms of reference, which can be found on the Company's website www.sjp.co.uk.

The Committee's key areas of activity during the year included:

Topic	Summary of activity	Find out more
Annual bonus objectives and new awards	The Committee considered and set the strategic objectives for 2021 and, upon the recommendation of the Executives, agreed that no annual bonus awards would be made for 2020.	See pages 146 to 148
PSP awards and vestings	Determining the grants and performance conditions for PSP awards to be made to Directors, senior management and Material Risk Takers. The Committee also considered whether there were any circumstances which warranted the application of malus or clawback provisions, or the exercise of discretion permitted under scheme rules.	See page 149
Assessing risk	Assessing the alignment of the Group's remuneration policies with risk appetite and regulatory requirements, and seeking assurance from the Chief Risk Officer, and relevant management from across the business, that the remuneration outcomes were in line with the policies, were appropriate, and did not warrant discretionary changes.	
Financial Services Regulation	The Group's remuneration policies and practices are required to meet regulatory requirements that apply to certain group subsidiaries. In addition, industry best practice drives the expectations of a range of stakeholders, including our Regulators. During the year, the Committee has considered adherence to existing requirements and the implications of the new Investment Firms Prudential Regulations (IFPR). The Committee has also considered the approach to remuneration for individuals in Control functions and is responsible for setting the methodology for determining Material Risk Takers and for agreeing the list of Material Risk Takers.	
Remuneration Advisers	Carrying out a formal tender process as part of a review of the Committee's advisers, resulting in the reappointment of Alvarez and Marsal.	See opposite
Regulatory developments and feedback from investors	Regular updates were received from the Company Secretary and the Committee's remuneration advisers on regulatory developments, investor guidelines and feedback from investor meetings. These were taken into account by the Committee when determining remuneration outcomes and the application of the Policy for future periods.	

The Committee's effectiveness was reviewed by the Board as part of its overall assessment of its effectiveness (see pages 117 to 119) and the Board remains satisfied that, as a whole, the Committee has the experience and qualifications necessary to successfully perform its role.

2.2.2 Committee membership and attendance in 2021

This is set out on page 113. No Director was present when their own remuneration was considered or agreed.

2.2.3 Advisers to the Committee

As reported last year the consultants advising the Committee left Aon and joined Alvarez and Marsal (A&M) in 2020 and the Committee decided to engage A&M in the short-term with a view to reviewing their appointment in 2021. The Committee subsequently carried out a formal tender process and invited six firms, all of whom were signatories to the Remuneration Consultants' Code of Conduct, to submit formal proposals. From those proposals the Committee short-listed three firms that presented to the Committee in October following which it was agreed to reappoint A&M. A&M are signatories to the Remuneration Consultants' Code of Conduct, which requires their advice to be impartial, and they have confirmed their compliance with the Code to the Committee. The services that A&M provide to the Committee include but are not limited to: the provision of benchmarking data; guidance on forthcoming changes to and application of remuneration related legislation and regulation as it applies to the Group and insight on current market practices.

The total fees paid to A&M for the advice provided to the Committee during the year was £68,138 (excluding VAT). Fees are charged on a 'time spent' basis.

2.2.4 Voting at the 2021 Annual General Meeting

The votes cast at the 2021 Annual General Meeting, held on 14 May 2021, in respect of the resolution on the Directors' Remuneration Report and at the 2020 Annual General Meeting, held on 7 May 2020, in respect of the resolution on the Directors' Remuneration Policy are summarised below.

	2021 Directors' Remuneration Report vote	Percentage of votes cast	2020 Directors' Remuneration Policy vote	Percentage of votes cast
Votes for	454,434,677	99.62%	421,389,944	94.71%
Votes against	1,744,941	0.38%	23,526,651	5.29%
Total votes cast	456,179,618		444,916,595	
Total votes withheld	36,400		63,572	

2.3. Implementation of the Remuneration Policy in 2021 (unaudited)

2.3.1 2022 salary

The base salaries of the Executive Directors are being increased in 2022. The current salaries as at 1 March 2021 and from 1 March 2022 are as follows. These percentage increases are in line with the average increase levels for other employees of the Company:

Executive Director	Salary from March 2021 £	Salary from March 2022 £	Percentage increase
Andrew Croft	568,218	590,947	4%
Craig Gentle	410,865	427,300	4%
Ian Gascoigne ¹	410,865	427,300	4%

¹ Ian Gascoigne will retire as a Director and from the Board on 31 March 2022.

Report of the Remuneration Committee continued

2.3.2 Annual bonus for 2022

The Executive Directors' maximum bonus opportunity for 2022 is the same as for 2021 being 150% of salary. Half of the annual bonus will be determined by a scorecard of financial performance metrics, and half by key strategic targets. Malus and clawback provisions apply to both cash and deferred elements of the bonus.

Financial objectives

The scorecard of financial performance metrics is intended to:

- Provide a rounded and balanced view of financial performance;
- Include targets that management can directly influence;
- Include a target relating to future growth; and
- Recognise current year profitability.

Metrics	Scorecard weighting – total 75%	Alignment with strategy
Underlying cash result	15%	Recognises annual cash profitability, which is an important driver of dividends, and future investment in the business.
Net Funds Under Management flows	30%	Reflects both new business and client retention, and is a driver of sustained profit growth.
Annual costs	30%	Keeping cost growth below the rate of growth in revenues is a key determinant of profit growth.

Strategic objectives

For 2022, the Committee has again set the Executive Directors a range of business priorities which align to the six business priorities underpinning our annual business plan. Each priority is equally weighted and is made up of a number of objectives with a mix of quantitative and qualitative measures. Set out below are details of the measures for the objectives. As was the case in 2021, the priority titled 'Our culture and being a leading responsible business' is made up entirely of ESG targets. However, other factors throughout the objectives may to some extent recognise our aim to be a leading responsible business.

Business priority (scorecard weighting – total 75%)	
Build Community (12.5%) <ul style="list-style-type: none"> • Net manpower growth • Employee Learning & Development • Partner sentiment • Employee engagement 	Deliver value to Partners and clients through our investment proposition (12.5%) <ul style="list-style-type: none"> • Value Assessment Ratings • Delivery of Fund changes • Operational Excellence • Responsible Investment
Making it easier to do business (12.5%) <ul style="list-style-type: none"> • Administration performance • Salesforce adoption • Digital client proposition • Client adoption of digital literature • Operational efficiency 	Our culture and being a leading responsible business (12.5%) <ul style="list-style-type: none"> • Responsible Business strategy • Net Zero commitments • Digital propositions strategy • Community impact • Inclusion and diversity
Continued financial strength (12.5%) <ul style="list-style-type: none"> • Partner Lending • Capital usage • Regulator relationship 	Build and protect our brand and reputation (12.5%) <ul style="list-style-type: none"> • Client sentiment • Brand • Digital Marketing • Value of Advice • Cyber security • Client complaints • Internal Audit, risk and regulation

2.3.3 Performance Share Plan awards for 2021

The Executive Directors will each receive a PSP award in 2022 of 250% of salary (2020: 200%). These awards will be subject to a relative TSR performance condition for one-third of the award and earnings per share growth targets for two-thirds of the award as follows:

Performance level hurdle	TSR relative to the FTSE 51 to 150 ¹		Average annual adjusted EPS growth in excess of CPI ²	
	Performance required	Percentage of one third of award vesting	Performance required	Percentage of two thirds of award vesting
Below threshold	Below median	0%	Below 5%	0%
Threshold	Median	25%	At least 5%	25%
Stretch or above	Upper quartile or above	100%	12% or above	100%

¹ FTSE 51 to 150, excluding investment trusts and companies in the FTSE oil, gas and mining sectors.

² The EPS performance condition is calculated by reference to the post-tax EEV operating profit (on a fully diluted per share basis). This measure includes the direct impact of stock market fluctuations and changes in economic assumptions on the final year's performance.

³ Straight-line vesting occurs between threshold and maximum vesting.

⁴ Awards are subject to a three-year performance period. Vested shares cannot normally be sold for a further two years other than to the extent necessary to settle tax on vesting or exercise.

⁵ Malus and clawback provisions apply.

2.3.4 Shareholding requirement

The Chief Executive is required to build and maintain a shareholding equivalent to 300% of salary in the Company's shares. For other Executive Directors, the shareholding requirement is 200% of salary.

2.3.5 Duration of contracts

The Board of the Company is proposing that each of the Executive Directors be re-elected at the Company's forthcoming AGM. Although the Executive Directors' services contracts do not have fixed end dates they may be terminated with twelve months' notice from either the Company or from the Executive Director.

2.3.6 Retiring Director

As we announced in January 2022, Ian Gascoigne has decided to retire from the Board effective 31 March 2022.

Following his retirement from the Board, Mr Gascoigne is continuing as an employee of the Company. He will provide advice and support to the business and members of the St. James's Place Partnership, continue as a Trustee of the St. James's Place Charitable Foundation and continue to attend and support the Investment Executive and the Brand and Reputation Committee. This will enable the Company to continue to benefit from Mr Gascoigne's considerable experience in financial services including his 30 years with the Group.

In this new role, Mr Gascoigne will receive a total remuneration package of £225,000 per annum which includes basic salary and the monetary value of any Company fringe benefits. He will cease to be eligible for annual bonus, long-term incentive (Performance Share Plan (PSP)) awards or pension allowance.

Mr Gascoigne remains eligible for an annual bonus in respect of the 2021 financial year, subject to the usual performance conditions under the bonus plan; half of the bonus will be deferred into shares in accordance with the Policy. He will not receive a PSP grant in 2022.

In accordance with the relevant plan rules, he will retain the deferred bonuses he holds which are 17,936 shares (in respect of the 2018 Deferred Bonus Scheme Award) and 11,096 shares (in respect of the 2019 Deferred Bonus Scheme Award) and a number of shares to be determined (in respect of the 2021 Deferred Bonus Scheme Award). He will also retain (in accordance with the plan rules) the PSP awards he holds which are 72,635 shares (in respect of the 2019 PSP Award), 115,249 shares (in respect of the 2020 PSP Award) and 64,856 shares (in respect of the 2021 PSP Award). The PSP awards remain subject to existing vesting dates, performance conditions and post-vesting holding requirements. In line with the Directors' Remuneration Policy, Ian will be required to maintain a shareholding equivalent to 200% of his base salary at the date he steps down from the Board for the first year post-cessation; and 100% of his base salary at the date he steps down for the second year post-cessation.

Report of the Remuneration Committee continued

2.3.7 Fees for the Board Chair and Non-executive Directors for 2022

The fees for the Board Chair and Non-executive Directors for 2022 and 2021 are as set out below. SJP aims to provide competitive recognition and reward for all employees that reflects the nature of individual roles and enables us to attract and retain the best talent. Similarly, providing adequate compensation to all Board members is essential if the Board is to be able to recruit and retain high-calibre Directors and maintain effective succession plans for all Board roles. During 2021 the Board reviewed the fees paid to our Non-executive Directors on the Board, noting in particular the shift away from all-inclusive fees across the wider financial services sector, towards setting fees in line with individual responsibilities. The Board believes that setting fees in line with responsibilities will ensure that the fees paid to individual directors better reflect their differing responsibilities and time commitments and will also recognise the impact on specific Committees and roles of increased workload, regulatory responsibilities and the size of the Group.

Commencing 1 January 2022, the Board has determined that the base fee for Non-executive Directors should reduce to £76,000 (2021: £84,650). The fees for Committee Chairs have increased to £25,000 (£23,075) and separate fees will be paid to Committee members (other than Committee Chairs) to reflect their additional responsibilities and time commitments (£5,000 for the Nomination and Governance Committee and £10,000 for each of the Audit, Risk and Remuneration Committees). The Board also recognised that the fee for the Senior Independent Director did not reflect the additional time commitments and responsibilities of the role. Similarly, the responsibilities and time commitments of the Designated Non-executive Director for Workforce Engagement should be recognised. The Board has therefore decided to increase the Senior Independent Director's Fee to £15,000 per annum (2021: £6,212) and also introduce a fee of £15,000 for the Designated Non-executive Director for Workforce Engagement. Alongside the Board's review of Non-executive Director fees, the Committee also reviewed the fee for the Chair of the Board and decided that it would not be increased in 2022. When setting the fees paid to our Non-executive Directors and the Chair for 2022, the Board and Remuneration Committee sought to ensure that they were commensurate with those for financial services companies of comparable size.

	Fees from 1 January to 31 December 2021	Fees from 1 January to 31 December 2022	Percentage increase from 2021
	£	£	
Chair ¹	375,000	375,000	0%
Base fee ²	84,650	76,000	-10.2%
Committee Chair (excluding Nomination and Governance Committee)	23,075	25,000	8.3%
Audit, Risk and Remuneration Committee Member (per Committee membership)	–	10,000	N/A
Nomination and Governance Committee Member	–	5,000	N/A
Senior Independent Director	6,212	15,000	241%
Designated Non-Executive Director for Workforce Engagement	–	15,000	N/A

¹ The Chair's fee increased on the appointment of a new Chair on 14 May 2021 (previously £221,707).

² For the year ended 31 December 2021 the base fee for Non-executive Directors also covered membership of board committees. From 1 January 2022 Non-executive Directors will receive a lower base fee and a separate fee for each Committee membership.

This Report was approved by the Board of Directors and signed on its behalf by:

Roger Yates, Chair of the Remuneration Committee
23 February 2022

Section 3

Summary of the 2020 Directors' Remuneration Policy

The following table summarises each element of the Policy, explaining how each element operates and links to corporate strategy.

A copy of the approved Policy can be found on the Company's website: www.sjp.co.uk.

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Base salary	To provide the core reward for the role. Sufficient level to recruit and retain individuals of the necessary calibre, taking into account the required skills, experience, demands and complexity of the role.	Normally reviewed annually from 1 March, taking into account: role, experience and performance of the individual; Company performance; external economic conditions; average changes in broader workforce salary; and periodic benchmarking for each role against similar UK listed companies. Percentage increases will normally be capped at the level of increases for the Company's wider employee population. Increase may be higher in exceptional circumstances, such as a change in role and/or a significant change in responsibility or role size. Where new appointees have been given a starting salary below mid-market level, increases above those granted to the wider workforce (in percentage terms) may be awarded, subject to individual performance and development in the role.	Whilst there are no performance targets attached to the payment of base salary, performance is considered in the annual salary review process alongside those factors outlined under 'Operation'.
Pension	Helps recruit and retain Executives. Provides a discrete element of the package to contribute to retirement income	Provide either defined contribution to a pension scheme or an equivalent cash amount via non-pensionable allowance if the Executive is affected by HMRC limits. The maximum pension level for Executive Directors who joined the Board before the 2018 AGM is currently 20% of base salary. This will be reduced to 15% of base salary by 1 January 2023. This brings it into line with the pension allowance for long-serving employees in the wider workforce. For any Executive Directors joining the Board after the 2018 AGM, the pension allowances are aligned to that of the wider workforce, which is currently an employer contribution of 10% of salary on joining, which increases with service up to a maximum of 15%. In response to changes in legislation or similar developments, the Company may amend the form of an Executive Director's pension arrangements.	N/A
Other benefits	Operate competitive benefits to help recruit, retain and support the wellbeing of employees.	Including but not limited to: <ul style="list-style-type: none"> • Company car (or salary supplement in lieu); • Private medical insurance; • Life cover/Death in service cover; • Critical illness; • Relocation assistance where necessary; and • Use of a driver for business purposes. Executive Directors are eligible to participate in any all-employee share plan (e.g. SIP and SAYE) operated by the Company on the same terms as other eligible employees. The maximum level of participation is subject to limits imposed by HMRC (or a lower cap set by the Company). Any reasonable business expenses (including tax thereon) may be reimbursed.	N/A

Report of the Remuneration Committee continued

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Annual bonus	<p>Rewards the achievements of annual financial and strategic business plan targets and delivery of key, non-financial objectives.</p> <p>Deferred element aids retention, encourages long-term shareholding, discourages excessive risk taking and aligns with shareholders' interests.</p> <p>Performance metrics reflect the key performance drivers of the annual business plan, achievement of which will reflect performance in line with the Group's strategy.</p>	<p>Maximum opportunity for the Executive Directors is 150% of base salary.</p> <p>Performance below threshold on a scorecard element results in zero payout on that element. Payouts are on a scale from 20% to 100% of the maximum opportunity for performance between threshold and maximum.</p> <p>50% of any bonus payable is paid in cash and the remaining 50% deferred into SJP shares, the vesting of which is normally subject to a three-year continuous service requirement but not further performance conditions.</p> <p>Dividends in the form of shares accrue on the deferred shares and are paid to the Executive Directors during the three-year deferral period.</p> <p>All bonus payments are at the discretion of the Committee. The Committee has the discretion to override formulaic bonus outcomes, where necessary, under both financial and non-financial performance metrics, to take account of overall performance.</p> <p>The Company Malus and Clawback Policy applies.</p>	<p>Performance measures, targets and weightings are reviewed annually and set in line with the annual business plan.</p> <p>Performance is measured over one year. At least half of the bonus is based on financial measures, reflecting the key priorities of the business for the relevant year. Up to half of the annual bonus can be based on the achievement of key non-financial objectives set at the start of the year.</p> <p>Actual measures and weightings may change from year to year to reflect the business priorities at that time.</p> <p>Details of performance criteria and targets set for the year under review and performance against them are provided in the Annual Report on Remuneration.</p>
Performance Share Plan	<p>Supports long-term retention.</p> <p>Focuses the Executive on longer-term corporate performance and objectives.</p> <p>Aligns interests to those of shareholders.</p>	<p>Awards may be granted annually, up to 250% of salary as at date of grant. The Committee intends to use this maximum capacity prudently. Awards in 2020 for existing Executive Directors will not exceed 200% of base salary.</p> <p>Vesting is usually on the third anniversary of the date of grant, dependent on the achievement of stretching performance conditions measured over a period of three financial years.</p> <p>Executive Directors are required to retain vested PSP shares, net of tax, for a further period of two years.</p> <p>Dividend equivalents may accrue, in the form of shares, on awards made between the date of grant and the end of the two-year post-vesting holding period. These dividend equivalents will be released only to the extent that awards vest.</p> <p>The Committee has the discretion to override formulaic vesting outcomes, where necessary, to take account of overall performance.</p> <p>The Committee has the discretion, in exceptional circumstances, to grant and/or settle an award in cash.</p> <p>The Company Malus and Clawback Policy applies.</p>	<p>Awards vest to the extent of achievement of the following performance metrics:</p> <p>EPS growth based on EEV adjusted profit; and</p> <p>Relative TSR performance.</p> <p>The Committee may choose different measures, and weightings between them, if it deems it appropriate, taking into account the strategic objectives of the Company.</p> <p>For each performance metric, a threshold and stretch level of performance is set. At threshold, 25% of the relevant element vests, rising on a straight-line basis to 100% for performance between threshold and maximum.</p>

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Minimum shareholding requirements	To ensure alignment of the long-term interests of Executive Directors and shareholders.	<p>Executives are required to build and maintain a minimum shareholding equivalent to 300% of base salary for the Chief Executive and 200% of base salary for other Executives, to be achieved normally within five years of appointment.</p> <p>Until the threshold is reached, at least 50% of vested shares from the PSP and other share awards (less tax liability) must be retained.</p>	N/A
Post-cessation shareholding requirements	To ensure continued alignment of the long-term interests of Executive Directors and shareholders post-cessation.	<p>Executives are required to maintain a shareholding equivalent to the in-employment shareholding requirement immediately prior to departure (or the actual share and award holding on departure, if lower) for the first year post-cessation; and 50% of the holding for the second year post-cessation.</p> <p>There are appropriate arrangements in place to ensure enforceability.</p>	N/A
Non-executive Directors' fees	To attract high quality, experienced Non-executive Directors.	<p>The Chair of the Board is paid an all-inclusive annual fee which is reviewed periodically by the Committee.</p> <p>All Non-executive Directors receive a basic annual fee for carrying out their duties, together with additional fees being paid in respect of Board Committee Chairship and, where appropriate, membership, and other responsibilities, with fee levels reviewed periodically by the Board. They may also be paid additional fees in the event of exceptional levels of additional time being required. PLC Board Directors who are also members of subsidiary Boards of the Company, may receive fees in respect of their duties on the subsidiary Boards.</p> <p>Any reasonable business expenses (including tax thereon if applicable) may be reimbursed.</p> <p>There is no prescribed maximum individual fee level or annual increase. Reviews take into account market data for similar non-executive roles in other companies of a similar size, complexity and/or business to St. James's Place as well as the time commitment of its Non-executive Directors. The policy is to pay up to the mid-market level based on similar time commitments of chair and non-executives in comparable companies.</p>	Neither the Chair nor the Non-executive Directors are eligible for any performance-related remuneration.

Directors' Report

The Directors present their Report together with the audited Consolidated Financial Statements of the Group for the year ended 31 December 2021. This Report has been prepared in accordance with requirements outlined within The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and, together with the Strategic Report, forms the management report as required under the UK Financial Conduct Authority's (FCA) Disclosure and Transparency Rule DTR4.1. Certain information that fulfils the requirements of the Directors' Report can be found elsewhere in this document and is referred to below. This information is incorporated into this Directors' Report by reference.

Information disclosed in accordance with the requirements of the sections of the FCA's Listing Rule LR9.8 (Annual Financial Report) and Disclosure and Transparency Rule DTR7 (Corporate Governance) that are applicable can be found in the following sections:

Disclosure	Location
Details of long-term incentive schemes	Directors' Remuneration Report
Contracts of significance	This Directors' Report
Shareholder waivers of dividends	This Directors' Report
Shareholder waivers of future dividends	This Directors' Report
Directors' interests in the Company's shares	Directors' Remuneration Report
Major shareholders' interests	This Directors' Report
Authority to purchase own shares	Corporate Governance Report
Internal controls	Report of the Audit Committee

As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report:

- future business developments (throughout the Strategic Report);
- risk management on pages 86 to 95;
- details of branches operated by the Company on page 237; and
- the Group's impact on the environment, including those disclosures required regarding greenhouse gas emissions, on pages 43 to 47.

Status of Company

The Company is registered as a public limited company under the Companies Act 2006. For details of the Company's subsidiaries and overseas branches, please see Note 23 to the Financial Statements on pages 237 to 239.

Going concern

In conjunction with its assessment of longer-term viability as set out on pages 93 to 95, the Board concluded that it remained appropriate to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements as it believes the Group will continue to be in business, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations for a period of at least 12 months from the date of approval of the Group Financial Statements.

Share capital

Structure of the Company's capital

As at 31 December 2021, the Company's issued and fully paid-up share capital was 540,530,529 ordinary shares of 15 pence each. All ordinary shares are quoted on the London Stock Exchange, and can be held in uncertificated form via CREST. All shares have equal rights to dividends and to participate in a distribution on winding up. Details of the movement in the issued share capital during the year are provided in Note 20 to the Financial Statements on page 230.

Voting rights

At any General Meeting, on a show of hands, each member who is present in person has one vote and every proxy present who has been duly appointed by a member entitled to vote on a resolution has one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share of which he or she is the holder.

Restrictions on voting rights

If any shareholder has been sent a notice by the Company under section 793 of the Companies Act 2006 and has failed to supply the relevant information for a period of 14 days, then the shareholder may not (for so long as the default continues) be entitled to attend or vote either personally or by proxy at a shareholders' meeting, or to exercise any other right conferred by membership in relation to shareholders' meetings.

If those default shares represent at least 0.25% of their class, any dividend payable in respect of the shares will be withheld by the Company and (subject to certain limited exceptions) no transfer, other than an excepted transfer, of any shares held by the member in certificated form will be registered.

Articles of Association

The full rights and obligations attaching to the ordinary shares of the Company are set out in the Articles. Holders of ordinary shares are entitled to: receive the Company's Reports and Accounts; attend, speak and exercise voting rights; and appoint proxies to attend General Meetings.

Restrictions on share transfers

There are restrictions on share transfers, all of which are set out in the Articles. Restrictions include transfers made in favour of more than four joint holders and transfers held in certificated form. Directors may decline to recognise a transfer, unless it is in respect of only one class of share and lodged (and duly stamped) with the Transfer Office. The Directors may also refuse to register any transfer of shares held in certificated form which are not fully paid. Directors

may also choose to decline requests for share transfers from a US Person (as defined under Regulation S of the United States Securities Act 1933) that would cause the aggregate number of beneficial owners of issued shares who are US Persons to exceed 70.

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine in respect of any class of shares.

The Company is not aware of any agreements between shareholders that restrict the transfer of shares or voting rights attached to the shares.

The interests of the Directors, and any persons closely associated, in the issued share capital of the Company are shown on page 152.

Substantial shareholders

Information provided to the Company by substantial shareholders pursuant to the DTR is published via a Regulatory Information Service.

As at 23 February 2022, the Company had been notified of the following interests disclosed to the Company under DTR5:

Shareholder	Holding at 31 Dec 2021	Percentage held at 31 Dec 2021 ¹	Holding at 23 Feb 2022	Percentage held at 23 Feb 2022 ¹
BlackRock, Inc.	34,169,141	6.36%	34,169,141	6.36%
RBC	21,377,117	3.95%	21,652,140	4.00%

¹ Percentage provided was correct at the date of notification.

Results and dividends

The Financial Review on pages 66 to 85 sets out the consolidated results for the year.

An interim dividend of 11.55 pence per share, which equates to £62.4 million, was paid on 24 September 2021 in respect of the year ended 31 December 2021. No interim dividend was paid during 2020 in respect of the year ended 31 December 2020. On 24 March 2021 the proportion of the dividend withheld from the 2019 final dividend was reinstated as a further 2019 interim dividend, and was paid to shareholders on the register on 5 March 2021.

The Directors also recommend that shareholders approve a final dividend of 40.41 pence per share, which equates to £218.4 million, in respect

of the year ended 31 December 2021, to be paid on 27 May 2022 to shareholders on the register at close of business on 29 April 2022. A final dividend of 38.49 pence per share, which equated to £207.2 million, was paid on 21 May 2021 to shareholders on the register at the close of business on 16 April 2021, in respect of the year ended 31 December 2020.

Details of the Dividend Reinvestment Plan (DRIP) are set out on page 258.

Our people

Details of the Company's approach to maintaining an appropriately skilled and diverse workforce, including recruitment practices, development opportunities, employee engagement and equal opportunities can be found in the Our Responsible Business section on pages 32 to 61.

The Workforce Engagement section of the Corporate Governance Report (page 103) summarises how the Board has engaged with employees. This engagement, and the presence of a designated Non-executive Director on the Board, ensures that the Board is able to take account of the interests of employees in its discussions and when making decisions. Engagement during 2021 contributed to the Board's consideration of key strategic topics and the determination of policies affecting the workforce and helped to inform future decision-making around flexible working and our strategy regarding employee awards.

Directors' Report continued

Fostering business relationships

Engagement with the Board's key stakeholders, including suppliers and clients, is summarised in the Corporate Governance Report on pages 103 to 109. In many cases the Group's primary point of engagement with these stakeholders is through the business, where regular dialogue is maintained. Focus on strategic topics and regular reporting from management enables the Board to establish a clear view of business relationships with these stakeholders and has provided important context in its deliberations and decision-making. Further details are set out in the Section 172(1) Statement on pages 106 to 109.

Significant contracts and change of control

The Company has a number of contractual arrangements which it considers essential to the business of the Company. Specifically, these are committed loan facilities from a number of banks and arrangements with fund managers and third-party providers of administrative services.

A change of control of the Company may cause some agreements to which the Company is a party to alter or terminate. These include bank facility agreements, securitisation arrangements and employee share plans.

The Group had committed facilities totalling £504 million as at 23 February 2022 which contain clauses which require lender consent for any change of control. In addition, the Group guarantees the obligations of loans made to Partners in connection with facilities agreed with various lenders totalling £401 million in aggregate. Should consent not be given, a change of control would trigger mandatory repayment of the said facilities.

The Group also had committed securitisation facilities totalling £224 million which contain clauses which require lender consent for any change of control. Should such consent not be given, a change of control would trigger early amortisation of the facilities.

All the Company's employee share plans contain provisions relating to a change of control. Outstanding awards and options may vest and become exercisable on a change of control, subject where appropriate to the satisfaction of any performance conditions at that time and pro-rating of awards.

Financial instruments

An indication of the Group's use of financial instruments can be found in Note 17 to the Financial Statements on pages 216 to 227.

Directors and Directors' indemnities

Details of the Directors of the Company at the date of this Report and during the year ended 31 December 2021 can be found in the Corporate Governance Report on pages 100 and 101. Details of the indemnity provisions in place for the Directors, including qualifying third-party indemnity provisions, can be found on page 114.

Political and charitable donations

It is the Group's policy not to make any donations to political parties within the definitions set out in the Political Parties, Elections and Referendums Act 2000 and sections 362 to 379 of the Companies Act 2006. During the year we have donated £3.8 million to the St. James's Place Charitable Foundation, more details of which can be found on pages 51 and 52.

Annual General Meeting

The Company plans to hold its Annual General Meeting on Thursday 19 May 2022. Full details of the meeting, including location, time and the resolutions to be put to shareholders at the meeting, are included in a separate Notice of Annual General Meeting, which is available on our website.

Important events since the financial year-end

Details of important events affecting the Group since 31 December 2021 can be found in the Chief Executive's Report on pages 16 to 19.

Disclosure of information to auditors

Each of the Directors, at the date of approval of this report, confirms that:

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

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

On behalf of the Board:

Andrew Croft, Chief Executive

Craig Gentle, Chief Financial Officer
23 February 2022

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Accounts 2021 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, 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 company and of the profit or loss of the group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Directors' confirmations

The Directors consider that the Annual Report and Accounts 2021 and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors on pages 100 and 101 confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group;

- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the group and company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

By order of the Board:

Jonathan Dale, Company Secretary
23 February 2022