

# Governance

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## Corporate governance

As a responsible business, we must be able to demonstrate that we operate the highest standards of corporate governance, balancing the interests of all our stakeholders in 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(1) 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

### The UK Corporate Governance Code

The corporate governance report on pages 90 to 105 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.

The Board considers that the Company has complied with all of the principles and provisions of the Code (available at: [www.frc.org.uk](http://www.frc.org.uk)) during 2023.

### In this section

- |  |  |  |   |   |
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| <b>1</b><br><b>Board leadership and Company purpose (section 172(1) statement)</b><br>→ See pages 90 to 97 | <b>2</b><br><b>Role of the Board and its responsibilities</b><br>→ See pages 98 and 99 | <b>3</b><br><b>Board composition, succession and evaluation</b><br>→ See pages 100 to 105 and also the Report of the Group Nomination and Governance Committee on pages 125 to 128 | <b>4</b><br><b>Audit, risk and internal control</b><br>→ See the Report of the Group Audit Committee and the Report of the Group Risk Committee on pages 106 to 124 | <b>5</b><br><b>Remuneration</b><br>→ See the Report of the Group Remuneration Committee on pages 129 to 157 |
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1 2 3 4 5 Board leadership and Company purpose

# Board of Directors



**Paul Manduca** NC  
Chair of the Board

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

**Experience**  
Paul joined from Prudential plc, where he was chairman for eight and a half years.

Other previous appointments include the chairmanships of Aon UK Limited and JPM European Smaller Companies Investment Trust Plc. Paul was the senior independent director of WM Morrison Supermarkets Plc, a non-executive director of KazMunaiGas Exploration & Production and chairman of Henderson Diversified Income Limited. Prior to this, he served as founding CEO of Threadneedle Asset Management Limited, global CEO of Rothschild Asset Management, director of Eagle Star and Allied Dunbar, CEO, Europe of Deutsche Asset Management, chairman of Bridgewell Group plc and as a director of Henderson Smaller Companies Investment Trust plc.

**External appointments**  
Chairmanships of Majid Al Futtaim Trust and W.A.G. Payment Solutions Plc.



**Mark FitzPatrick**  
Chief Executive Officer

**Date of appointment**  
Chief Executive Officer December 2023.

**Experience**  
Mark started his career with Deloitte in Cape Town, becoming a Partner in 1997. He remained with Deloitte for 25 years building his industry focus in financial services in the UK, Europe and South Africa. He became Group Chief Financial Officer at Prudential plc in July 2017, before his role was broadened to include Chief Operating Officer responsibilities for the communications, legal, company secretarial and government relations functions. He was appointed interim Chief Executive Officer of Prudential plc in April 2022, standing down on 24 February 2023.

**External appointments**  
Mark is on the boards of the British Heart Foundation and the Scottish Mortgage Investment Trust, and chairs their Audit and Risk Committees.



**Emma Griffin** RK NC RM  
Independent Non-executive Director

**Date of appointment**  
Non-executive Director February 2020.

**Experience**  
Emma has previously been a non-executive director of EDF Man Holdings Limited, AIMIA Inc and Enterra Holdings. From 2002-2013, 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 SDCL Energy Efficiency Income Trust plc and N.M. Rothschild & Sons Limited. She is also a non-executive director and chair of the Investment Committee of Industrial Alliance Financial Group, one of Canada's largest insurance and wealth management companies, listed on the TSX. She is also a non-executive director of the private investment company Claridge and of one of its key holdings, Solotech.



**John Hitchins** AC RK NC  
Interim Senior 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 LLP, specialising in financial services auditing and advisory services, before retiring in 2014. Since retiring from PricewaterhouseCoopers LLP 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.



**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.



**Rosemary Hilary** AC RK NC RM  
Independent Non-executive Director

**Date of appointment**  
Non-executive Director October 2019.

**Experience**  
Rosemary was Chief Internal Auditor at TSB Bank from 2013 to 2016 and previously held senior positions at 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 and of the Pension Protection Fund, and a Trustee of Shelter.

**External appointments**  
Rosemary is 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 King's Foundation and chair of its Audit and Risk Committee. She joined the board of the Scottish Building Society in 2022.



**Lesley-Ann Nash** AC RK RM  
Independent Non-executive Director

**Date of appointment**  
Non-executive Director June 2020.

**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 and chair of the Remuneration Committee of Workspace Group plc, a non-executive director and chair of the Nominations and Remuneration Committee of Homes England and a non-executive director of BusinessLDN.

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

Full biographical details of each Director can be found on our corporate website at [www.sjp.co.uk](http://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 of our section 172 duty on decisions taken during 2023. 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 1) emphasise the long-term focus of the business. The Board's priority is to ensure that the Company generates and preserves value over the long term for all of its stakeholders. 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 (financial and non-financial) for shareholders and other stakeholders. The Company's purpose and values influence decision-making across the business, and processes support the Board's aim to make sure that decisions are consistent with strategic objectives and the long-term success of the Company. Our culture continues 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 both protect it and add value.

Our governance framework, explained in more detail on page 98, 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 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, vision 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 and emerging 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 Officer's report and Strategic Report, and examples of significant topics considered by the Board during 2023 are set out on pages 94 to 97, together with details of how the Directors had regard for factors A to F in their considerations. We have also taken the opportunity to review our governance framework during 2023 and have provided a high-level overview of this review on page 91.

## 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' and 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 79 to 81) and we seek to minimise the risk of harm to clients due to conduct issues through a robust control environment. The Board looks to the Group Risk Committee and the boards of its subsidiaries to monitor conduct risks and provide an appropriate level of assurance to support the Board's decision-making. Our reputation is best protected and improved by ensuring good client outcomes and avoiding conduct issues. Our reputation is also shaped by the image we project. With this in mind, the Board continues to monitor the Group's brand and public relations activities to ensure they align with our purpose and long-term aims, and accurately depict our culture.

### Our stakeholders

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

The Group's principal stakeholders are covered in more detail on pages 7 to 9 in the Strategic Report. Whilst each stakeholder has different motivations 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 18 to 23 how successfully implementing our strategy will ensure the Company will continue to act in accordance with its purpose and values and achieve its vision.

## Group governance review

When an organisation grows rapidly, it is very rare to see all aspects of it developing at equal pace. The success St. James's Place has achieved over the past 32 years has been possible because we have been effective at scaling up our operations; however, all businesses should step back from time to time and review their governance model to ensure it has kept pace with the wider business.

In 2023, the Group undertook a review of its governance model, recognising that our governance arrangements could be enhanced and rationalised to reflect our size, impact, and operating model. The Board was clear that the review should allow us to take stock and build in proportionate and pragmatic governance by design, with the resulting model allowing us to explain more clearly to our key stakeholders how we are organised, operate, oversee, and delegate in a way which reflects the size, complexity and impact of our business.

The review was carried out working with leading industry consultants and amongst the findings identified the following opportunities:

- ♦ Revisions to the corporate structure of the Group and the composition of the boards of our subsidiaries. These revisions will support the Board and management in overseeing the delivery of strategy, taking account of an evolving regulatory environment whilst also aligning more closely with corporate entity accountabilities. Changes will not only support the effective operation of the Group but will also support subsidiary boards in focusing on the requirements of the Consumer Duty, as it applies to them.
- ♦ Establishment of an enhanced delegation of authority framework that aligns with regulatory requirements (including SM&CR) and promotes clearer understanding by all across the organisation of the accountabilities and responsibilities of individuals and collective bodies.

The review, and recommended actions also emphasised that culture lies at the heart of robust and effective governance. Equally, governance is an important ally for culture, delivering valuable guide rails for safeguarding key aspects of a desirable culture and setting out for all to see what is not acceptable.

In July 2023 the Board approved the recommendations of the governance review, and will monitor implementation as it takes place.

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 and Accounts. Engagement with stakeholders is assessed on an ongoing basis and, where there is an indication that it is not delivering sufficient insight to support the Board's work, adjustments are made.

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.

## Section 172(1) statement continued

### Advisers

Communication and engagement with our advisers is delivered through a range of different approaches, from ongoing relationship management and development events to specific consultations. We utilise digital communication platforms but place great importance on face-to-face engagement through corporate-led or locally arranged events, including individual meetings, regional and national conferences and our Annual Company Meeting. The calendar of events and methods of engagement are under continual review as we seek to provide our communities with opportunities to network, share best practice and/or develop their skills and knowledge. The scale and diversity of our adviser base means that a blended approach to consultation provides us with a greater depth of engagement and insight. Consultations with specific cohorts in relation to key projects, workshops with advisers and their support staff, Partnership-wide surveys and an online engagement platform enable us to understand the views of our advisers at scale and measure sentiment over time. In early 2024, Mark FitzPatrick also formed a CEO Partnership Advisory Council which, amongst other things, will provide a sounding board and a means to help deepen his understanding of the business and the wider Partnership. The insight generated from Mark's interaction with the Council will provide a further reference point for the Board.

➔ **Further information on advisers in this Annual Report and Accounts can be found on pages 7, 8, 11, 12, 18-22, 61, 77, 80, 95, 123, 179 and throughout the our responsible business section on pages 24-49**

### Employees

Effective and timely engagement with employees has always been an integral part of St. James's Place's culture. In 2019 we established our first formal workforce engagement committee to support the Board's engagement with our employees; and in 2021, following a review, we established in its place a panel of employee-nominated representatives to assist our designated Non-executive Director responsible for workforce engagement. The role and function of this panel has continued to evolve and during 2023 there was a focus on the value created for both the Board and the Panel, with Lesley-Ann acting as a channel for two-way dialogue. The membership of the Panel has been streamlined and the meeting agendas refocused from the top down to stimulate more strategic and challenging discussions. Panel members are charged with relaying and discussing the key areas of activity and focus with the workforce in their areas of the business.

➔ **Further information on employees in this Annual Report and Accounts can be found on pages 7, 8, 18, 22, 80, 94, 96, 104, 105, 122, 127, 132, 133, 139, 148, 160, 183 and throughout the our responsible business section on pages 24-49**

### 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. To enable us to get closer to clients' views and understand their experiences and expectations we have established a client community. This client community enables us to seek client input to inform developments, explore clients' views on key topics, and test their understanding of key client-facing material or regulatory letters. Our understanding of clients' interests is further enhanced by regular client surveys and targeted market research. Whilst no organisation likes to receive complaints, the Board and the Group Risk Committee regularly consider complaints reporting, which provides a further client lens. The FCA's Consumer Duty now also requires boards to approve annually an assessment of whether their companies are delivering good outcomes for clients consistent with the Duty. Direct and indirect engagement with clients will provide valuable insight and evidence to support these assessments.

➔ **Further information on clients in this Annual Report and Accounts can be found on pages 4, 7-11, 14-23, 50-54, 77-79, 94, 95, 97, 104, 110, 114, 117, 118-124, 138, 139 and throughout the our responsible business section on pages 24-49**

### Society

St. James's Place has advisers, clients, shareholders and employees, but we also care deeply about the role we play in wider society. 'Society' can be defined broadly and includes government, regulators, suppliers, research and academic bodies, the third sector and consumer groups, as well as the wider communities in which we operate. Cultivating 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. It is important we have a voice on the issues in society where we can most constructively contribute, such as the value of advice to society. Amongst other things, this involves working with academic and research institutions, being as helpful as we can in supporting governments and regulators to achieve their policy goals, and engaging meaningfully with our suppliers and local communities. Our activities include proactive meetings, supporting policy initiatives, sharing our technical expertise to help solve societal problems, responding to consultations, and ultimately learning from and teaching the many stakeholders we engage with.

➔ **Further information on society in this Annual Report and Accounts can be found on pages 7, 9, 22, 97, 105, 139 and throughout the our responsible business section on pages 24-49**

### 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 in turn facilitate meetings with investors and their representatives. Regular dialogue is an important way of staying informed 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.

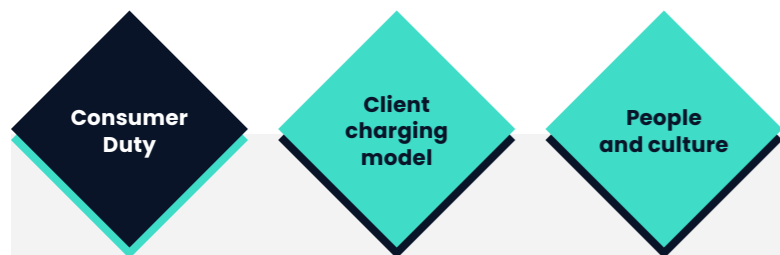
How we engage with shareholders	Opportunity for engagement
<b>Institutional shareholder roadshows and conferences</b>	2023 included a broad programme of in-person shareholder roadshows and investor conferences, supplemented by virtual engagement. We conducted roadshows in the UK and overseas specifically to give investors the opportunity to discuss our full-year and half-year results, but also scheduled others away from key reporting periods, to discuss a broader range of strategic and operational topics.  We attended conferences organised by brokers, again both in the UK and overseas, providing shareholders with further opportunity to engage with senior management via one-to-one and group meetings. We also had a number of ad-hoc engagement events with shareholders. Together, these engagements provided the Directors with opportunities to gain insight into institutional shareholder views and expectations, and to address specific queries.
<b>Investor feedback reports</b>	In addition to gathering feedback directly from institutional investors, we receive formal broker feedback reports following our investor roadshows, and ad-hoc intelligence and updates from brokers throughout the year. Together, these provide the Board with an opportunity to understand 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.
<b>Individual shareholder meetings</b>	The Group's largest institutional investors continue to meet regularly with the Executive Directors and the Chair, which provides 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 2023, the Chair 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 of the Group Remuneration Committee also corresponded and met with several shareholders who had elected to vote against the Directors' Remuneration Report at the 2023 AGM, to help the Board understand their reasons for doing so.
<b>Direct correspondence with major shareholders</b>	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 Group Remuneration Committee had written to shareholders during 2022 year to explain the proposed changes to the Remuneration Policy for Executive Directors, and subsequently met and/or corresponded with a number of shareholders who provided feedback in 2022 and 2023 ahead of the Annual General Meeting (AGM) (further information can be found in the Directors' Remuneration Report on page 130).
<b>Annual General Meeting</b>	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 15 May 2024 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 4, 6, 7, 9, 23, 50, 52, 57, 58, 66, 29, 81, 95, 97, 98, 102, 105, 130, 131, 149, 159-161 and 262**

## 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 the Board considered stakeholder interests in its decision-making. The Board’s activities are not limited to the formal Board meetings at which decisions are made. Board 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. Alongside regular reporting from management and the chairs of Committees and subsidiary boards, topics that the Board focused on in 2023 included Consumer Duty, our investment management approach, the competitive landscape, Partner business finance, our business in Asia, client administration, our client charging model, our approach to being a responsible business and our people and culture. Below we have given some examples of how of the Board’s activity in 2023 had regard to the duties under section 172.



#### Consumer Duty

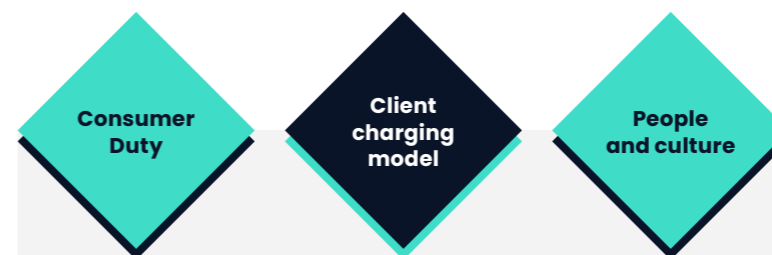
As we outlined last year, the Board recognised early the significance of the FCA’s Consumer Duty (the Duty) and approved in October 2022 a plan to ensure SJP was successful in implementing the Duty within the timeframes set by the FCA. The Duty is perhaps the most significant UK regulatory development of the last decade and, whilst we were confident our culture and practices were aligned with its spirit, it is important that we can evidence this. As a group made up of a number of financial services companies each with different roles, from advice to the manufacturing of products for retail customers, a significant amount of the associated distribution chain sits within the Group. This provides a strong basis for exerting control and providing the Board with assurance. Although the Company is not itself directly authorised and regulated, the role of its Board is to ensure that the overall proposition for our clients sees each of our subsidiaries acting in good faith for our clients, avoiding foreseeable harm to them and enabling and supporting them to pursue their financial goals.

The FCA communicated regularly with the industry on the Duty during 2023 and Directors attended some of the ‘in-person’ events. These sessions enabled the FCA to outline what its expectations meant for firms, as it began to assess the different approaches that were being taken to evidence that clients were receiving good outcomes. This, together with direct engagement with the FCA, provided a valuable point of engagement for the Board with an important stakeholder. Whilst we already have a range of ways of engaging with clients, further studies carried out via the Wisdom Council contributed to our assessment of client understanding.

Engaging with Partners, who act as intermediaries between SJP and clients, allowed us to capture their perspectives alongside client feedback that Partners themselves had received.

Since the Duty was announced, the FCA has been clear that organisational culture needs to drive positive consumer outcomes. Our focus on people and culture is set out on page 96 but in the context of the Consumer Duty implementation, the Board looked to employee surveys to gain valuable insight into SJP’s culture, exploring in particular how embedded our desired values and behaviours and client-centricity are at all levels of the organisation. The Board was pleased to see that employee understanding of expected values and behaviours was strong and that almost all employees felt their line managers exhibited them. The survey also helped isolate areas where there is still room for improvement and actions have been agreed as a result.

The Board, the boards of SJP’s subsidiary companies and the Board’s principal committees monitored closely the progress made in implementing the Duty, receiving regular reporting at Board meetings as well as input from the second and third lines of defence via the Group Risk Committee and Group Audit Committee. Whilst John Hitchins is our appointed Group Non-executive Director Consumer Duty Champion and stayed close to the implementation programme, the Board as a whole has embraced the Duty, challenging management to demonstrate how proposals put to it will lead to good client outcomes and do not present risk of client harm.



#### Client charging model

As Andrew Croft commented in the announcement made on 17 October 2023, we are confident that SJP offers its clients real value that helps individuals and families achieve financial wellbeing. But whilst we are confident that we can evidence this, what is ultimately important is what clients think. In 2023, the Board agreed changes to our charging structures that aim to ensure we have a sustainable and competitive charging platform for the long term, offering simplicity, comparability and a continued focus on value for clients. Whilst the Consumer Duty work may have provided a valuable catalyst for us to carry out the evaluation that ultimately led to the changes, the Board was able to draw upon insights from a wide range of stakeholders.

As explained on page 12, the demand for advice is increasing and we believe SJP provides access to services and products to meet that demand. However, if we are to capture the opportunity that exists, we need to be relevant to those seeking advice. It is increasingly evident that consumers are seeking simple comparability, and this has been reflected in regulatory trends too, as highlighted with the Assessment of Value and Consumer Duty regimes. We also cannot ignore media scrutiny and recognise that the onus is on us to ensure the value and cost of our offering are understood.

It was evident from the outset that any changes we made to our charging model would impact most, if not all, of our stakeholders, and the challenge for the Board was therefore to balance the interests of each of these stakeholders, ensuring all the while that the changes met the Consumer Duty rules. Although engagement with stakeholders contributed to the mandate for change, ongoing engagement during 2023 helped inform the finer details of the changes ultimately agreed by the Board. The Board also looked at the impact of implementing the changes, in particular the cost, time frame and the consequences that a significant transformation programme would have for the workforce and the Partnership.

Regular engagement with regulators was vital during the development of options, providing us with their interpretation of applicable regulations and also their consumer lens. Our Partners provide another important reference point when considering how changes could be received by clients and so we selected a group of Partners to help us to test the viability of options. Board workshops provided opportunities for the Board to explore the developing options and provide input, with updates on progress being provided at scheduled and additional Board meetings. Input was also sought from a number of our advisers who were able to assist us as we got closer to making a decision, helping us to anticipate the reactions of stakeholders that we could not obtain first hand, for example our shareholders and the media. Although media attention ahead of the Board reaching a decision impacted our ability to deliver the changes in the way we would have liked, the Board believes that the changes made take account of the interests of all of our stakeholders in providing a basis for sustainable growth and long-term success, which can only help to strengthen our brand and reputation. The Board will continue to ensure that the interests of stakeholders are taken into account as we implement the changes in 2024 and 2025.

Section 172(1) statement continued



People and culture

We remain confident that we have the right business model and strategy, but the success of both relies heavily on having the right people and culture. Recruiting, developing and retaining the talented people we need to deliver successful outcomes for our clients, Partners and other stakeholders is a priority for SJP. Recent events, including the pandemic and cost-of-living crisis, have demonstrated that we cannot take our people for granted and more than ever we need to understand who our employees are and what motivates them.

Over time the composition of our people will evolve in line with societal demographics, and this will inevitably create an element of generational shift in workforce culture. The availability of data and insight means organisations can no longer approach their people as homogeneous groups. Like many organisations, for many years our principal form of engagement had been a comprehensive employee survey carried out biennially. But given the importance of our people to our long-term success, it is critical that we have a more intimate understanding of their strengths and weaknesses, what motivates them and what is not acceptable to them so that we can ensure we have the right people strategies to recruit, develop and retain the expertise we need. This has resulted in us adapting how we engage with our employees in recent years.

As we explain on page 40, our Workforce Engagement Panel plays a vital part in employee engagement, together with the other means of engagement outlined on the same page. Lesley-Ann Nash updates the Board at each meeting on workforce engagement and during 2023 the Board has also heard regularly from our People Director, Amy Morton. The Board has considered and approved our people strategy and spent considerable time considering employee culture, both as part of our Consumer Duty work and as part of our ongoing focus on inclusion and belonging. The Group Risk Committee has also kept a keen eye on people risk, which we recognise as being one of our principal risks.

Strengthening our approach to engagement, together with the direct interaction Directors have had with the workforce, has provided insight that has been invaluable to the Board's work. The Board's role is to ensure our culture is aligned to our purpose, values and strategy and promotes integrity and openness whilst also valuing Inclusion and Diversity. Where evidence suggests that this is not the case the Board has acted to address the root cause. Our focus on culture during the year has influenced our consideration of compliance with the Consumer Duty and the succession planning for our new Chief Executive Officer. Ongoing insight from management, coupled with 'deep dive' reviews, has also helped the Board to home in on what matters to our stakeholders and this in turn informs us of their perception of our brand and reputation. It also enables us to identify areas where we need to be clearer on our expectations so that we protect the business from undesirable cultural drift.



Simplifying our client charging models

During 2023, we completed an internal evaluation of our charging structures and announced changes which will benefit all of our stakeholders in the long term.

As the UK's leading provider of advice-led wealth management, with £168.2 billion of funds under management and over 958,000 clients, we have a clear understanding of the growing need for trusted financial advice, and the critical value it provides for clients in delivering the support and expertise that they need to build their financial futures. Over more than 30 years, we and our Partner businesses have evolved to meet changing client expectations and developments in the industry and regulatory landscapes. In 2023 we saw a shift in the wealth management landscape, with the introduction of Consumer Duty cementing good client outcomes and value at the heart of our industry.

We treated the work required under Consumer Duty as an opportunity to continue to evaluate our business and ensure that we have a sustainable and competitive charging platform for the long term. Following an internal review, the Board decided to make some changes to our charging structure, which are planned to come into effect during the second half of 2025.

The changes create a revised charging structure for the vast majority of new investment bonds and pensions. From the second half of 2025, these will operate with an initial charge and ongoing charges applicable from the outset, and without any early withdrawal charges or gestation period, as is already the case with our unit trust and ISA business. In addition, charges across all our wrappers, which have historically been disclosed primarily on an all-inclusive basis, will be separated into component parts. Furthermore, we have rebalanced our charges so that they better reflect the value clients see across each element of our proposition.

The Board anticipates that the decision to change our charging structure will benefit our stakeholders as follows:

- ◆ **Clients** – In addition to benefiting from improved simplicity and therefore comparability, clients will see enhanced value from the changes we are making, with reduced overall ongoing charges for existing client investments across our core product wrappers.
- ◆ **Partners** – Making these changes will position SJP and the Partnership for long-term, sustainable success, with our charges continuing to compare favourably with competitor rates available in the marketplace, representing good value for the high-quality service that we provide alongside our Partners. This will support our brand and reputation in the marketplace, which will in turn benefit the Partnership.
- ◆ **Shareholders** – For shareholders, these changes will reduce complexity and improve market comparability, supporting our brand and reputation, and broadening SJP's appeal over time. This will set us up to maintain our market leadership over the long term, with an Underlying cash result that is aligned with the development of total Group funds under management.
- ◆ **Society** – These changes, which naturally involved engagement with our key regulators, address the evolution over time of an external environment that is increasingly seeking simple comparability of all advice, investment management and other services, on a component-by-component basis.

# 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 161.

At the 2023 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 2024 AGM, or 30 June 2024, whichever is the earlier. The Company did not purchase any of its own shares during 2023 but the Directors will propose the renewal of this authority at the 2024 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 includes the senior manager functions and management responsibilities held within each subsidiary of the Group (as applicable).

## Division of responsibility

The job descriptions of each Director, including the Chair and Chief Executive Officer, 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 Company Secretary are summarised below.

The Board	
<p><b>Leadership</b></p> <p><b>Chair</b></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><b>Chief Executive Officer</b></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><b>Chief Financial Officer</b></p> <p>Responsible for providing leadership and direction for, and oversight of, the financial, accounting, tax, capital and liquidity activities of the Group; and for maintaining effective investor relations.</p>	<p><b>Independent oversight</b></p> <p><b>Senior Independent Non-executive Director</b></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><b>Independent Non-executive Directors</b></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. In some cases Non-executive Directors take on additional oversight responsibilities, as is the case in relation to workforce engagement and championing the Consumer Duty.</p>

**Company Secretary**

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.

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.

The Chief Executive Officer has formed a committee of executives to support him in fulfilling the responsibilities delegated to him by the Board. The Group Executive Committee (GEC) comprises the Chief Executive Officer, Chief Financial Officer and other members of senior management.

## Planning and preparing

The Chair is responsible for setting the Board agenda together with the Chief Executive Officer and the Company Secretary. The Group's strategy and business plan provide a 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 coordinated 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 each Board meeting and liaise with the Chair to ensure items escalated 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 principal Committees appointed by the Board is covered in more detail in the individual Committee reports.

➔ See pages 106 to 157

<b>Scheduled Board meetings</b>	Scheduled Board meetings follow an agreed format with the final agenda being set by the Chair, Chief Executive Officer 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.
<b>Ad-hoc Board meetings</b>	From time to time, the Board is required to hold meetings outside its planned schedule, to consider topics that require immediate attention or to approve Board appointments or transactions.
<b>Non-executive Director performance updates</b>	Meetings are held on an ad-hoc basis, when topics arise that warrant an informal discussion or where the Chief Executive Officer wants to provide an update on topical issues where the gaps between formal Board meetings are longer.
<b>Board working dinners</b>	Board dinners provide valuable opportunities to deepen relationships, trust and rapport, and help the Board to develop greater unity, alignment and resilience. Dinners are usually held around Board meetings and allow for informal unstructured engagement, as well as the chance to meet and hear from other members of the management team or guests from outside the business.
<b>Strategy meetings</b>	A focused strategy meeting is usually held each year during the delivery periods in the strategy cycle to enable the Board and management to reflect on, debate and refine the existing Group's strategy. The Board is more closely and regularly involved when strategy is being set, meaning these meetings may not be required.
<b>Non-executive Director meetings</b>	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.
<b>Development sessions</b>	Directors are provided with development sessions on specific topics during the year, either to support their understanding of key facets of the business, or wider trends and developments that are influencing the Board's agenda. Further details can be found on page 103.
<b>Other meetings</b>	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

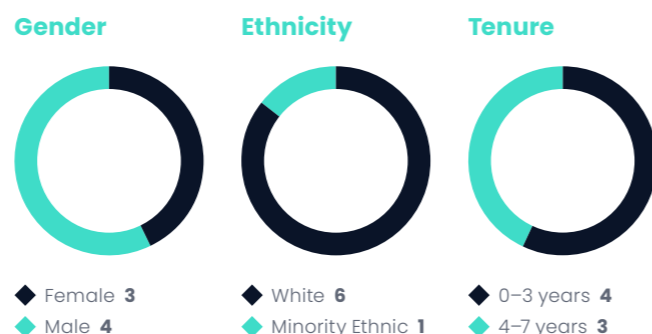
As explained on page 127, embracing diversity is one of our core cultural values and the Board diversity policy aims to consider diversity in the widest sense rather than focusing only on specific aspects of diversity, to ensure that the Board composition features a range of perspectives, insights and the cognitive diversity needed for good decision-making. The Board recognises that it is on a journey towards improving diversity.

The Board is clear that it has a key role in overseeing and supporting the drive for diversity at all levels of the organisation. The benefit of diversity of thought is not achieved simply by meeting targets, however, and the Board and Group Nomination and Governance Committee are cognisant that the underlying committees and subsidiary boards will broadly be reflective of the overall diversity across the Group. Each of those committees and boards will have smaller memberships (where individual changes could have material impacts on diversity ratios) and could require specific skills or experience which are vested in a smaller subset of existing Directors and managers. We are also aware that 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 on our Board, gained both within and outside the financial services sector, 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 127.

## 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. Notwithstanding the Board's determination that all of the Non-executive Directors are independent, it notes that Simon Jeffreys and Roger Yates served for short periods beyond the ninth anniversaries of their appointments to the Board, to facilitate an orderly handover of their responsibilities.





➔ Further information can be found in the Report of the Group Nomination and Governance Committee on page 125 to 128



## Board and Committee structure and attendance

### Our Non-executive Board Committees

The Board has appointed four principal Non-executive Committees. The Chair of the Board is a member of, and chairs, the Group 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 106 to 157.

 <b>Group Audit Committee</b> Chair: John Hitchens ➔ Report on page 106	 <b>Group Risk Committee</b> Chair: Rosemary Hilary ➔ Report on page 118	 <b>Group Nomination and Governance Committee</b> Chair: Paul Manduca ➔ Report on page 125	 <b>Group Remuneration Committee</b> Chair: Emma Griffin ➔ Report on page 129
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### Attendance in 2023

Director	Board (total 6)	Audit (total 6)	Risk (total 5)	Nomination and Governance (total 4)	Remuneration (total 4)
Dominic Burke (SID) <sup>1</sup>	◆◆◆◆◆◆	◆◆◆◆◆◇	◆◆◆◆◆◇	◆◆	◆◆
Andrew Croft (CEO) <sup>2</sup>	◆◆◆◆◆◆	-	-	-	-
Mark FitzPatrick (CEO) <sup>3</sup>	◆	-	-	-	-
Craig Gentle (CFO)	◆◆◆◆◆◆	-	-	-	-
Emma Griffin	◆◆◆◆◆◆	-	◆◆◆◆◆◆	◆◆	◆◆◆◆◆◆ (Chair post AGM)
Rosemary Hilary	◆◆◆◆◆◆	◆◆◆◆◆◆	◆◆◆◆◆◆ (Chair)	◆◆◆◆◆◆	◆◆◆◆◆◆
John Hitchens	◆◆◆◆◆◆	◆◆◆◆◆◆ (Chair post AGM)	◆◆◆◆◆◆	◆◆	-
Paul Manduca (Chair)	◆◆◆◆◆◆ (Chair)	-	-	◆◆◆◆◆◆ (Chair)	-
Simon Jeffreys <sup>4</sup>	◆◆	◆◆◆◆ (Chair pre AGM)	◆◆	◆◆	◆◆
Lesley-Ann Nash	◆◆◆◆◆◆	-	◆◆◆◆◆◆	-	◆◆◆◆◆◆
Roger Yates <sup>4</sup>	◆◆	◆◆◆◆	◆◆	◆◆	◆◆◆◆◆◆ (Chair pre AGM)

◆ Attendance ◇ Non-attendance

- 1 Stepped down 31 January 2024.
- 2 Stepped down 30 November 2023.
- 3 Appointed 1 October 2023.
- 4 Stepped down 18 May 2023.

This table provides details of scheduled meetings held in the 2023 financial year and the attendance at each meeting of the members of the Board and each Committee. Simon Jeffreys and Roger Yates stepped down from the Group Audit, Group Remuneration, Group Risk and Group Nomination and Governance Committees on 18 May 2024. Dominic Burke, Emma Griffin and John Hitchens joined the Group Nomination and Governance Committee on 18 May 2023. Dominic Burke also joined the Group Remuneration Committee on 18 May 2023. Dominic Burke stepped down from all of the Committees on 31 January 2024. Dominic Burke's absences as indicated in this table are attributable to pre-existing commitments at the date of appointment.

### Other forums reporting to the Board

In addition to the wholly Non-executive Director Committees, the Board has also delegated specific responsibilities to three further Committees. The terms of reference of these forums are regularly reviewed and are included in the Group Management Responsibilities Map.

Forum	Purpose
<b>Group Defence Committee</b>	Comprises the Chair, Senior Independent Director, Chief Executive Officer 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.
<b>Group Disclosure Committee</b>	Comprises the Executive Directors and is responsible for identifying matters to be disclosed to the market.
<b>Group Share Scheme Committee</b>	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.

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### Directors' appointments

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

<b>Appointment, replacement and re-election of Directors</b>	<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, knowledge 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 be re-elected, and further information can be found in the Notice of Meeting for the forthcoming AGM.</p>
<b>Duration of appointments</b>	<p>Non-executive Directors 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>
<b>Terms of appointment</b>	<p>The Executive Directors 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 shorter or 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>
<b>Time commitments</b>	<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 Group 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 Majid Al Futtaim Trust and W.A.G Payment Solutions Plc. He had a full attendance record at the Company's Board meetings in 2023 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 another quoted company board, 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>
<b>Conflicts of interest</b>	<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>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>
<b>Directors' and officers' indemnity and insurance</b>	<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 2023, and remain in force at the date of this report.</p>

### Directors' development

#### Inductions for new Directors

An appropriate induction and development 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 and aim to address development needs identified at appointment.

#### 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 2023
<b>Specific development sessions and training</b>	<p>Specific development sessions and events have been provided for the Directors during the year and these have included further training on current and future technology developments within the business, and climate transition planning. The sessions are led by a mixture of internal and external subject matter experts, as was the case with the November session on climate transition planning. The development 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 Group Audit Committee also holds development sessions to support the Committee's understanding of topics relevant to it, including developments in audit and corporate governance reform and how these would impact St. James's Place, which are outlined in the Group Audit Committee report on page 116.</p>
<b>Visits to head office, other locations and service providers to meet with employees and members of the Partnership</b>	<p>During 2023 Directors visited SJP offices both to attend Board and Committee meetings and as part of their ongoing engagement with management and employees. The Directors were also able to attend a number of conferences held for advisers.</p>
<b>Attendance at subsidiary board meetings, executive committees and management forums</b>	<p>Periodically, Non-executive Directors attend meetings of the boards of subsidiary companies to gain further insight. They are also invited to attend other management forums where appropriate and relevant.</p>
<b>Attendance at seminars or other events which assist Directors in carrying out their duties</b>	<p>Directors receive invitations from time to time to attend seminars and conferences that provide opportunities to network and enhance their knowledge and experience.</p>

#### Directors' induction

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 and 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:

Element	What the element provides
<b>Information and materials</b>	<p>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.</p>
<b>Individual meetings</b>	<p>Meetings are arranged with specific employees and the Board's advisers to explore in more detail aspects of the business and to provide the opportunity to build relationships that will support the Directors going forward. Where a Director will be carrying out a role on a specific board or committee, specific meetings and development sessions will be set up to support the Director's understanding of matters relevant to that role.</p>
<b>Meeting attendance</b>	<p>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 increase 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.</p>

Where possible, meetings are scheduled to take place in person at an SJP office location; however, in some instances the flexibility to convene meetings virtually has been beneficial. The transition 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.

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## 2023 Board effectiveness review

### Reflecting on the 2022 review

During 2021, the Board carried out an externally facilitated review, and following a formal selection process appointed Independent Audit to carry out the review. Independent Audit were also engaged to support the internal reviews carried out in 2022 and 2023. The 2022 review identified several areas of focus which are summarised below, together with updates on the progress made in 2023.

Area of focus	Update on progress
<b>People and culture</b>	At each scheduled meeting the Board receives updates on our people from both the Chief Executive Officer and the nominated Non-executive Director for Workforce Engagement. In 2023 the Board focused on how to ensure value is being created for both the Board and the Workforce Engagement Panel and our employees. In the second half of 2023 the focus of the Panel shifted to allow for more strategic discussions and effective challenge by streamlining the Panel membership, absorbing early career representation, directing the meeting agenda from the top down and reducing the length of the Panel meetings while increasing their frequency. During 2023 our People Director also regularly presented to the Board on culture, employees and recruitment. The Group Risk Committee considers people risks regularly and this includes remuneration and wellbeing as specific areas of focus. As part of its ongoing monitoring of emerging risks it frequently receives updates on aspects that impact people, including recruitment and retention.
<b>Big trends and external environment</b>	This is an area that is prominent on the wish lists of most organisations, which recognise that, whilst the pace of change has never been faster, it is also unlikely to be slower in the future than it is today. It is therefore crucial that the Board continues to expand its horizons if it is to anticipate how macro changes and more volatile external environments will impact SJP's business model in the future. Inviting experts to meet with the Board to share their perspectives on topics such as developments in technology and climate transition provided valuable insight in 2023. Opportunities for Directors have not been limited to Board engagements, with Directors also attending Technology Advisory Group meetings where external specialists and internal experts focus on emerging technology trends and SJP's own roadmap.
<b>Investment performance and client outcomes</b>	Throughout 2023 the Board received regular investment performance updates and also received an in-depth session on the Group's investment management approach. The introduction of the Consumer Duty has heightened the focus on consumer outcomes, a material aspect of which is the performance of their portfolios. As reported earlier in this report, the Board monitored closely the implementation of the Consumer Duty, which highlighted opportunities where improvements could help ensure the investment proposition delivered demonstrable value to clients. Whilst it is the board of our subsidiary, St. James's Place Unit Trust Group Limited, which is responsible for approving SJP's Value Assessment Statement report, the Board received regular updates on progress and also reviewed the final draft prior to its publication.
<b>Succession</b>	As part of the project to identify and appoint Mark FitzPatrick as Andrew Croft's successor as Chief Executive Officer, the Board received regular verbal updates from Paul Manduca on the Group Nomination and Governance Committee's progress. The Group Nomination and Governance Committee also received updates on the Group governance review, a component of which looked at the composition of boards and committees across the Group. Succession planning plays an important part in our governance framework as it ensures we have the depth and breadth of expertise available to support strong governance in operation. Further information can be found in the Group Nomination and Governance Report on page 126 and 127.

### The 2023 review

Although the Board was not required to carry out an externally facilitated review in 2023, the Board chose to appoint Independent Audit to provide support in carrying out its review. The aim of the 2023 review was to review the role of the Board and the effectiveness of individual committees. Independent Audit was provided an opportunity to comment on the outline of the review set out on the following page.

### Themes emerging

The 2023 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.

<b>Chairing</b>	The Board is well chaired and is well positioned to exert greater influence and drive rigour in decision-making. All committees are felt to benefit from strong chairing, with the Chairs of the Group Audit and Remuneration Committees having settled well into their new positions.
<b>Board governance</b>	The Company Secretary has supported the transition since Paul Manduca was appointed Chair of the Board with a formalisation of board governance.
<b>The Board's contribution</b>	The Board has provided a platform for challenge, where Directors have been able to raise their perspectives constructively. Disagreement has been handled in a collegiate way resulting in the Board making informed decisions.

### Areas for focus

The areas identified for the Board to focus on in 2024 and beyond are summarised below, together with an overview of action already taken.

Area of focus	Summary
<b>Board environment</b>	2023 was a year of change for St. James's Place with the appointment of our new Chief Executive Officer and the introduction of a new pricing structure. With change comes opportunity and in 2024 the Board will focus on further strengthening the bonds between the Non-executive and the Executive Directors. The Chair and Chief Executive Officer plan to build into the Board's activities opportunities to strengthen existing and form new relationships, allowing individuals to get to know each other by spending time together both formally and informally around Board meetings, one-on-one and as a group.
<b>Board composition</b>	The Board recognises that, with the increasing burdens on Directors, particularly in financial services, it is important to ensure the Board has sufficient depth and breadth of experience. The process of appointing a new Senior Independent Director is well underway and, once appointed, the Board will focus on whether further appointments would benefit the Board. This will be led by the Group Nomination and Governance Committee and will take account of its ongoing succession planning. As the regulatory focus and demands on individual subsidiary companies have increased, this will also form an important part of the Board's considerations.
<b>Decision-making</b>	It is during times of change that boards learn the most about themselves. 2023 was a year of change for St. James's Place and, reflecting on the Board's role in that change, it identified opportunities to work with management to further improve the efficiency and timeliness of decision-making, whilst maintaining an environment that promotes constructive challenge and open debate. The appointment of a new Chief Executive Officer will provide a helpful catalyst as he brings a fresh eye, seeing the process from both the management and Board perspective. The Board has also reviewed its forward agenda for 2024 to ensure scheduled deep dives place Non-executive Directors in the best positions from which to challenge.
<b>Stakeholder relationship</b>	In 2024 the Board will focus on strengthening its relationships with all of its stakeholders including shareholders, advisers, employees, clients, the Regulator and society as a whole. Key to this will be the effective capture of insight on the views of each stakeholder group, which can only be achieved through the building of strong relationships with open communication.

By order of the Board:

**Paul Manduca**, Chair  
27 February 2024

# Report of the Group Audit Committee



**John Hitchins**

## Group Audit Committee membership

Members and date joined Committee

**John Hitchins**  
(Chair from 18 May 2023)  
1 January 2022

**Rosemary Hilary**  
17 October 2019

**Lesley-Ann Nash<sup>1</sup>**  
31 January 2024

<sup>1</sup> Interim member.

Note: Simon Jeffreys was a member/Chair of the Committee from 1 January 2014 to 18 May 2023, Roger Yates was a member of the Committee from 1 July 2014 to 18 May 2023, and Dominic Burke was a member of the Committee from 1 November 2022 to 21 January 2024.

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

## Key objective of the Committee

The 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; Group CEO; Chair of the SJPUK Board; Chief Financial Officer; Chief Risk Officer; Internal Audit Director; Chief Actuary; Director, Financial Reporting; and Senior Statutory Auditor.

## Dear Shareholder,

In my first financial year as Chair, I am pleased to present the Committee's report for the year ended 31 December 2023. The report provides insight into our work over the year, and details how we have discharged the responsibilities delegated to us by the Board. On behalf of the Committee, I would like to thank my predecessor, Simon Jeffreys, for his valuable service as Committee Chair.

The 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.

The Committee continues to be conscious of the environment we are reporting in and is comfortable that appropriate procedures are in place to ensure this has been taken into account as part of the year-end process, which included consideration of the accounting judgements and actuarial assumptions.

In recognising the importance of the UK Corporate Governance Code (the Code), the Committee responded to the Financial Reporting Council (FRC)'s Code consultation in September 2023 by providing feedback on the proposed revisions. Whilst the decision from the FRC in November was to limit the update with more targeted and proportionate revisions, management continued to develop aspects of the original proposals which it believes the Group would benefit from. The new Code was published in January 2024 and was in line with the November announcement.

The FRC selected the Group's FY22 Annual Report and Accounts for review as part of its standard corporate reporting quality review process. The FRC queried how the Group had classified the sale proceeds from the disposal of

Partner loans within the Investment segment of the Consolidated Statement of Cash Flows. We had judged that our treatment was consistent with the requirements of IAS 7 for the classification of the disposal of long-term assets, given that the transaction to dispose of a large portfolio of Partner loans was different in nature to the more routine activity of advance and repayment of loans which are classified as Operating cash flows. However, the FRC determined that the IAS 8 requirement for consistent application of accounting policies should be considered a priority and as a consequence within the FY23 Annual Report and Accounts we have reclassified the sale proceeds from "Investing" to "Operating" activities.

The review of the FY22 Annual Report and Accounts by the FRC does not provide any additional assurance regarding the report's accuracy and the FRC does not accept any liability in relation to its review. The Committee thanks the FRC for its cooperation, and its contribution towards our continual efforts to improve the quality of our Annual Report and Accounts.

Looking ahead to next year, the Committee will be monitoring the project to review historic ongoing servicing activity and assessing the development of the Ongoing Service Evidence provision. The Committee will also be closely monitoring the implementation of the significant project in progress to implement the charge changes announced during 2023. As always the Committee will continue to monitor for future developments in relation to accounting regulation; and will continue to receive regular progress updates from management on applying the revisions to the Code prior to the relevant application dates.

Finally, following changes to the composition of the Committee, I would like to thank Dominic Burke for his time on the Committee and welcome Lesley-Ann Nash as an interim member of the Committee.

**John Hitchins**, On behalf of the Group Audit Committee

27 February 2024

## Operation and performance of the Audit Committee

The Chair of the Committee discussed agendas and significant matters separately with the external auditors and the Internal Audit Director in advance of each of the six scheduled meetings, focusing on the key topics set out in its forward work programme. Attendance by Committee members at these meetings is shown on page 101. The Committee also welcomed attendance from other Non-executive Directors, who attended Committee meetings as part of their ongoing development. Private sessions were held regularly with the Internal Audit Director and the external auditors, providing an opportunity for matters to be discussed in the absence of management.

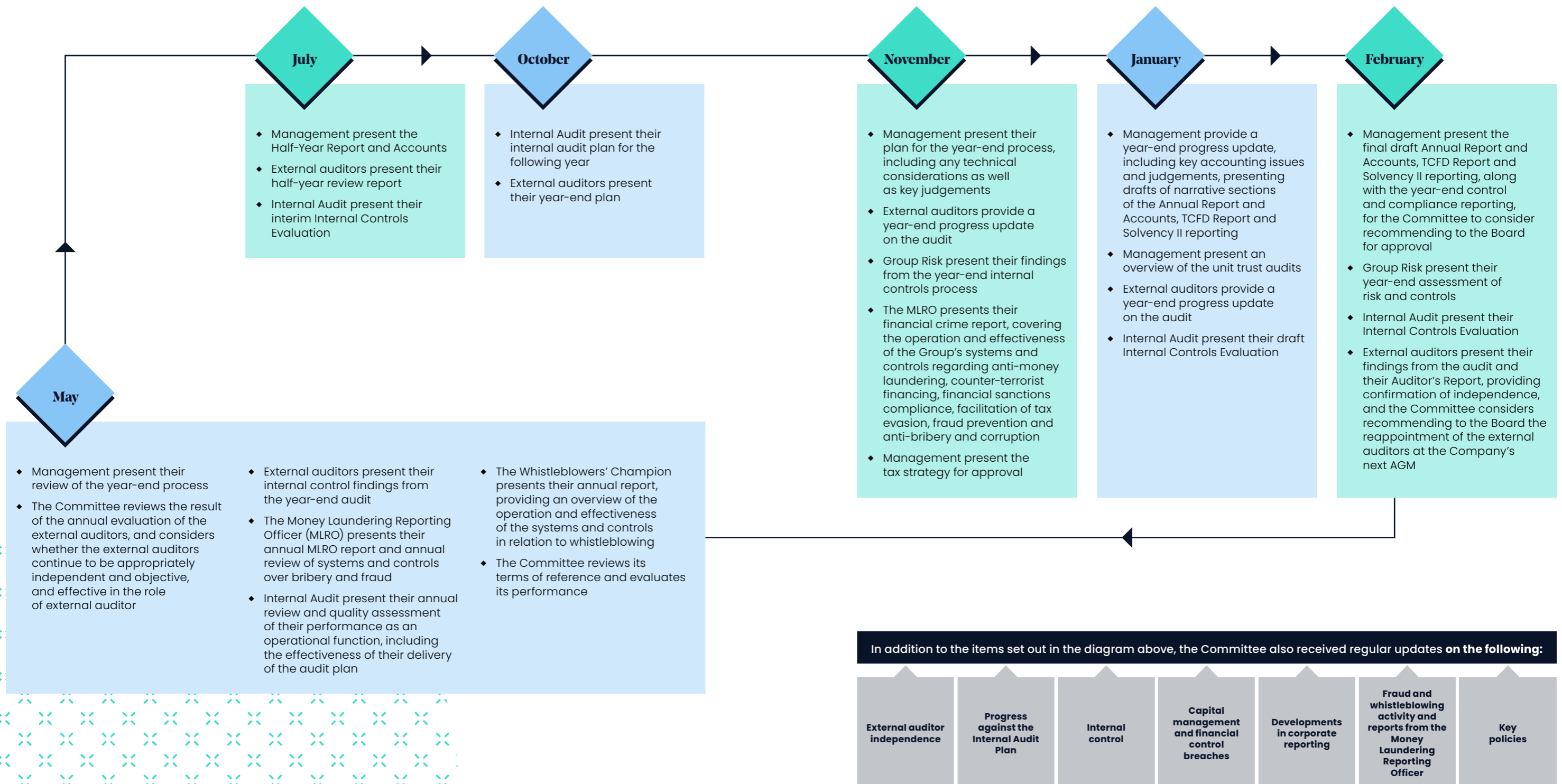
Development sessions are held regularly to further enhance the Committee's understanding of key and emerging topics and to provide a platform for the Committee to discuss and consider any impact on the Group. During 2023 these sessions focused on the Group charging structure changes and financial crime. Committee members also attended external briefings and technical updates, for example those given by the major accounting firms.

The 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 Committee's effectiveness was also reviewed by the Board as part of the overall assessment of its effectiveness (see pages 104 to 105). The Board and the Committee remain satisfied that the Committee operated effectively and that, as a whole, the Committee members have the experience and qualifications necessary, noting in particular that the Chair of the 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. With regard to the Audit Committees and the External Audit: Minimum Standard published by the FRC in May 2023, the Committee is content that it meets the relevant responsibilities set out in the Standard as demonstrated by this report.

The 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 2023.

## Report of the Group Audit Committee continued

The Committee's activities are centred on a rolling cycle of key areas of focus and events as summarised in this timeline:



# Report of the Group Audit Committee continued

## Matters considered during the year

The 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 Committee's activities during the year.

### Corporate reporting

Formal Committee meetings, covering the activities set out on pages 108 and 109, are supplemented during the year with informal discussion sessions 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 Committee members with an opportunity to gain further clarity and understanding.

Some highlights of the 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

Significant issues considered	How these were addressed by the Committee
<p><b>Accounting judgements and actuarial assumptions</b></p> <p>Following the elevated client complaints experienced during 2023, on 27 February 2024 the Group made the decision to review the sub-population of clients that has been charged for ongoing advice services since the start of 2018 but where the evidence of delivery falls below an acceptable standard.</p> <p>Management judged that this was an adjusting post balance sheet event and has recognised a provision for the costs this review of £426 million at 31 December 2023.</p> <p>In light of the uncertainties that exist in relation to the provision, it is considered to be a critical accounting estimate.</p> <p>In July 2023, SJP announced a reduction to its ongoing product charges for onshore bonds and pensions after the tenth anniversary.</p> <p>In October 2023, SJP announced planned changes to ongoing charging structures across the Group, including those written in its life insurance entities, SJPUK and SJPI. The changes are applicable to in-force business after the later of exit from the early withdrawal period or 1 July 2025.</p> <p>The projected monthly cash flows used in the year-end 2023 Solvency II and EEV results reflect both these changes.</p> <p>As part of the year end exercise management provided a paper to the Committee setting out the key accounting judgements and actuarial assumptions.</p>	<p>The Committee sought to understand the calculation of the provision and the key estimates within it.</p> <p>In relation to the provision, the Committee challenged management on:</p> <ul style="list-style-type: none"> <li>The adequacy of the provision, and</li> <li>Compliance with the disclosure requirements of IAS 37, particularly including consideration of the sensitivities.</li> </ul> <p>The Committee concurred that it was appropriate to recognise an adjusting post balance sheet event in relation to the costs for the announced review. It was satisfied with the approach that management had taken, the judgements made in respect of the key assumptions and the level of disclosure provided in the notes to the financial statements.</p> <p>The Committee noted management's assumptions in relation to the treatment of cash flows for Solvency II and EEV. As both have been the subject of market announcements, the Committee was in agreement with the approach taken.</p> <p>The Committee was satisfied with the judgements made, in particular with the impairment reviews of the operational readiness prepayment, partner loans and goodwill, given the prevailing macro-economic conditions.</p>

Other matters considered	How these were addressed by the Committee
<p><b>Accounting regulation and audit</b></p> <p>The Group implemented IFRS 17 Insurance Contracts during the year.</p>	<p>The Committee have been appraised of the implementation at various points over recent years, leading up to the initial adoption of IFRS 17 in the Interim accounts and then on a full year basis at 31 December 2023.</p> <p>The Committee observed that the impacts were relatively small and broadly in line with their expectations.</p> <p>Following enquiry of the external auditor they were satisfied that the disclosures were in line with the requirements of the standards, in particular for first time adoption.</p>
<p><b>Final results and Annual Report and Accounts</b></p> <p>The Committee reviewed and provided input into the periodic financial reporting, including the half-year Report and accounts and full-year accounts for 2023, including the final results announcement, and the Group Annual Report and Accounts for 2023, including the viability and going concern statements.</p>	<p>Following detailed deliberations, challenge and discussion on key aspects of the reports, the Committee was satisfied with the periodic financial reports and recommended their approval to the Board.</p>
<p><b>Regulatory reporting</b></p> <p>In addition to statutory reporting, the Committee also reviewed the following regulatory reporting requirements:</p> <p><b>Solvency II</b> – Group Solvency and Financial Condition Report (SFCR)</p> <p><b>Client Asset Sourcebook (CASS)</b> – reasonable assurance reports on St. James's Place Investment Administration Limited, St. James's Place Unit Trust Group Limited and Rowan Dartington &amp; Co. Limited, and a limited assurance report on St. James's Place Wealth Management plc</p> <p><b>Task Force on Climate-Related Financial Disclosures (TCFD)</b> – which encompassed the Group, St. James's Place UK plc &amp; St. James's Place Unit Trust Group Limited</p>	<p>Management confirmed the specifics of the rules for Solvency II reporting. In particular it noted that following the Prudential Regulation Authority (PRA)'s announcement, the requirement for SJPUK to prepare a Regular Supervisory Report (RSR) requirement had been removed, and the calibration of the risk margin calculation had been revised, both effective from 31 December 2023.</p> <p>The Committee reviewed the 2023 year-end SFCR and approved its submission to the PRA.</p> <p>The Committee reviewed and was satisfied with the CASS external audit reports.</p> <p>The Committee noted the validation exercise on the content of the TCFD report, and was satisfied and recommended its approval to the respective boards.</p>

### '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 Committee carried out a formal review, taking account of investor feedback, commentary from the FRC's annual review of corporate reporting, and management's own assessment. The 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 Committee advised the Board that the Company's Annual Report and Accounts for the year ended 31 December 2023 were fair, balanced and understandable.

# Report of the Group Audit Committee continued

## Matters considered during the year continued

### External audit

#### Audit tender

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 Committee has continued with discussions regarding the next tender process, taking into account the need to expand market diversity whilst maintaining audit independence standards. Planning for this has begun with a view to completing a competitive tender process by 2026, well ahead of the FY27 audit cycle and allowing for a smooth transition between audit firms in order to mitigate risk for stakeholders. The FRC's Audit Committees and the External Audit: Minimum Standard sets out the FRC's expectations and guidelines regarding the tendering for external audit and will be used to support the process.

#### Auditor activity

To launch PwC's programme of work, the Committee received and agreed their plan for the audit of the 2023 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 Committee concurred with management's response to the recommendations identified.

As in previous years, PwC attended all Committee meetings and the Chair of the Committee also regularly met with Gary Shaw, the Group's Senior Statutory Auditor (appointed since May 2022), to receive updates on progress and discuss any private matters.

The Committee also asked PwC to pay particular attention to the assessment of the Ongoing Service Evidence provision and its associated judgements, as well as to the implementation of IFRS 17 and was satisfied with the results of PwC's work and findings.

#### Auditor independence, objectivity and effectiveness

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 2022 audit process. The effectiveness of PwC and the external audit process were assessed in various ways, including: feedback from management involved in the audit; feedback from the Committee; assessing audit quality including a discussion with PwC of how they had addressed any risks to audit quality that they had identified; delivery against the audit plan; and interrogating client administration systems to ensure senior PwC audit team members did not hold any St. James's Place products.

**Audit quality indicators (AQIs) were discussed and introduced to the audit plan for the first time this year. The AQIs were tailored to the audit to provide quantitative and qualitative metrics regarding the audit process. They are intended to be long-term measures that are reported over multiple year-ends to enable trends to be identified, reported and discussed with further action and analysis being undertaken as required.**

In their audit report to the Committee, PwC confirmed that they remain independent of the Group. Management presented to the Committee the results of its assessment of PwC's independence and objectivity, as part of the annual evaluation of the external auditor covering six key areas: level of audit and non-audit fees including audit fee benchmarking; review of services against the policy on auditor independence to confirm adherence; PwC's policies and processes for maintaining independence which were confirmed via a letter of independence following PwC's own independence assessment, and additionally management interrogated client administration systems and the Company's share register to ensure that none of the senior management team involved in the audit held any SJP products or shares; threats to independence and safeguards PwC have applied which were communicated via PwC's letter of independence, employment of former PwC employees, and rotation of key audit personnel. Having reviewed and discussed the results, the Committee was in agreement with management's assessment and concluded that PwC remained independent and objective.

The Committee carried out its annual review of the policy on auditor independence with the review resulting in minor changes. During 2024 the Committee will monitor for any potential developments in relation to the Ethical Standard consultation.

The Committee also noted the results of the FRC's review of PwC for the 2022/23 inspection cycle, and were pleased to observe that, when compared to the previous year, PwC maintained their percentage of audits graded as 'good or limited improvements required' at c.80%. The continued investment into improvements to audit quality and instances of good practice were noted by the FRC, and the Committee therefore considered that PwC currently provides a robust audit.

The Committee found that PwC demonstrated robust challenge and professional scepticism during the 2023 year-end process and that Gary Shaw had been highly visible and effective as the engagement partner for the Group. PwC continued to provide high-quality output to the Committee, setting out clearly their approach, findings and recommendations. The Committee discussed with PwC the results of their work and challenge of management. The Committee noted in particular the challenges raised in relation to the assessment of the Ongoing Service Evidence provision and the disclosures required. The Committee also noted the discussion and challenge to management in relation to the Going Concern disclosures in a year when there was considerable complexity and change.

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

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

Finally, the Committee was authorised by shareholders at the last AGM to determine the remuneration of the external auditor. As such, the Committee considered and approved the 2023 audit fees. More information on the audit fees can be found in Note 5 to the Financial Statements.

#### Non-audit services

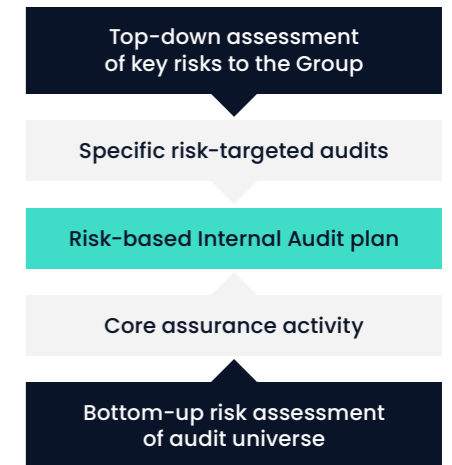
During the year the Committee considered proposals for all non-audit services as they arose and received updates at each meeting on fees incurred with PwC for all services. The Committee discussed and approved the non-audit work carried out by PwC, which was limited to audit services relating to the corporate reporting, such as the review of the half-year results, as this work aligned closely with the audit work. A copy of the Policy on Auditor Independence can be found on our website at [www.sjp.co.uk/shareholders/about-us/corporate-governance](http://www.sjp.co.uk/shareholders/about-us/corporate-governance) and more information on non-audit fees can be found in Note 5 to the Financial Statements.

## Internal audit

The 2023 Internal Audit Plan (the Plan) was approved by the Committee in October 2022. 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, was reviewed and monitored throughout the year and all updates and changes to the Plan were specifically considered and approved by the Committee.

### Internal Audit planning process



## Report of the Group Audit Committee continued

### Matters considered during the year continued

The key themes addressed by the Plan are summarised below, with examples of audits undertaken:

Theme	Description	Example audits undertaken
<b>Clients and the Partnership</b>	The Group's processes for ensuring good client outcomes, including implementation of the Consumer Duty, 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"> <li>Operational fund manager oversight processes</li> <li>SJP client app IT controls</li> <li>Administration of self-invested personal pensions</li> <li>FCA Consumer Duty programme report</li> <li>Business Assurance operations</li> <li>Client transfer processes</li> <li>Interactions with bereaved clients</li> <li>Marketing Operations</li> </ul>
<b>Operational excellence</b>	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"> <li>Business continuity</li> <li>Security incident and event management</li> <li>Testing processes</li> <li>User access management</li> <li>Network architecture</li> <li>Data strategy approach</li> <li>Payroll</li> <li>Change management</li> </ul>
<b>Regulation and reputation</b>	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"> <li>Regulatory returns</li> <li>Third-party management and oversight</li> <li>Improvements to the Appointed Representatives Regime</li> <li>Partner security mandate implementation</li> <li>FUM, flows and retention reporting</li> <li>Slavery and human trafficking policy</li> <li>Climate transition plan development</li> <li>Social media controls</li> </ul>

The delivery of the Plan is the responsibility of the Internal Audit Director, who is accountable to the Committee and who has regular one-to-one meetings with the Committee Chair and the Chair of the Board. The Committee Chair Designate attended the one-to-ones between the Committee Chair and the Internal Audit Director from the start of 2023, to ensure a smooth transition on assuming the role of Committee Chair. In addition, the Committee Chair and other Non-Executive Directors met with members of the Internal Audit team during the year to provide input into the scoping of relevant audits.

Each internal audit report is sent promptly to Committee members and progress reports are discussed at each meeting to update the Committee on progress against the Plan and any remedial actions allocated to management. During the year, the Committee followed up to ensure that management actions from Internal Audit reports were being completed, and that alternative controls were in place until those actions were completed. In October 2023, the Committee considered and approved the proposed 2024 Internal Audit Plan.

The internal audit function reports regularly to the Committee on internal controls. This includes an annual Internal Controls Evaluation which draws together findings from internal audits over the course of the year to provide input to the Committee's own assessment of the effectiveness of the internal control framework. In its recent evaluation, Internal Audit confirmed that its work throughout the year continued to evidence that the Group's controls keep it within the Board's stated risk appetite.

Management has plans in place for further enhancements to the control framework in specific areas where internal audit has identified that controls require improvement, with progress being monitored by internal audit and the Committee. For example, work is underway to further enhance the controls around oversight of third-party fund managers and to automate the assessments of Appointed Representatives required by the FCA's Improvements to the Appointed Representatives Regime.

Following a competitive tender process completed in late 2021, Deloitte LLP continues 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 Committee.

The effectiveness of the internal audit function is externally assessed every five years, 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 most recent assessment, carried out by EY in late 2019, 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, with the exception of ongoing work to continue to enhance the use of data analytics. During 2023, data analytics have been employed in many audits, including analysis of travel and consultancy spending and an audit of payroll. This remains a key priority for the team and continues to be supported through co-source engagement.

An internal quality assessment was carried out and presented to the Committee in May 2023. The Committee concluded that internal audit is effective and meets the needs of the Group. During 2024, the Committee will oversee an external effectiveness assessment in line with the five-yearly cycle.

Internal audit processes were updated during the year to reflect the FCA's Consumer Duty, in particular emphasising the consideration within all audits of controls to ensure the delivery of good outcomes for clients. The Internal Audit Charter, which can be found on our website at [www.sjp.co.uk/about-us/corporate-governance](http://www.sjp.co.uk/about-us/corporate-governance), was also updated to reflect this and was reviewed and approved by the Committee.

#### 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 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 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 Committee established that each of the matters had been properly investigated and appropriate actions taken, including any resulting changes 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 Committee, the Annual Whistleblowing Report and the whistleblowing policy were considered by the Board in July 2023. The Board concluded that the whistleblowing arrangements were appropriate and consistently in force across the entire Group.

## Report of the Group Audit Committee continued

### Matters considered during the year continued

#### 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 the systems' operation.

On behalf of the Board, the 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 its individual entities. It does this by:

- ♦ overseeing the continuous review of risk and control self-assessments (RCSAs); and
- ♦ monitoring the effectiveness of the internal control model throughout the year through the quarterly updates provided by management to the Committee.

The Committee, in conjunction with the Group Risk Committee, seeks assurance that the Group operates within a framework of prudent, effective and proportionate controls that facilitate the timely identification, assessment and mitigation of risks. The controls are designed to manage each inherent risk down to an acceptable level of residual risk which is within tolerance of our stated risk appetite, rather than aiming to eliminate the risk altogether. This approach allows us to recognise that effective risk management can also include potential benefits and enables us to make informed decisions within a strong control environment, letting us develop opportunities that result in positive business outcomes whilst operating within our risk appetite.

Specifically, in relation to the financial reporting processes, the main features of the internal control systems include:

- ♦ 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;
- ♦ formal review of financial information by senior management, for both individual companies and the consolidated Group; and
- ♦ extensive documentation of key processes, procedures and applicable key controls associated with financial reporting.

The 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.

Further, the Committee receives, discusses and evaluates quarterly internal control reports from the Group Risk function on the effectiveness of the internal control model. 2023 saw notable enhancements to the Group's strategic approach to risk management and the internal control environment. At the core of this is a new risk management system which allows for superior recording, analysis, reporting and monitoring of risks and controls. The Group Risk function has also developed in-house St.-James's-Place-specific risk and controls training to develop and augment understanding and awareness for all employees. Enhancements have extended to an enriched RCSA process this year, with strategic developments including a multi-level review and attestation across the organisation, ensuring responsibility and accountability are clearly articulated and understood, with the tone from the top setting expectations for all divisions. An overhaul of our risk event and incident management processes that support our internal control environment has commenced, with further developments due in 2024 to ensure best practice elements and a standardised approach is adopted across the Group.

Internal controls were also reviewed in 2023 as part of the Consumer Duty workstream. Changes were made where appropriate to ensure the control environment evidences focus on client outcomes and accurately reflects the higher and clearer standards of consumer protection expected by the new regulation. This work, which will continually evolve, will continue in 2024 to ensure the requirements are embedded together with a review of closed book products and their associated controls.

Throughout the year the Committee has monitored and considered developments to drive forward UK corporate governance reform, including the UK government's plans for legislation, and the FRC's consultation on updating the UK Corporate Governance Code. The Committee supports the intention of both the FRC and the government to ensure any changes to corporate governance requirements are proportionate, do not reduce UK competitiveness and avoid duplication. The Committee will carefully consider the requirements of the update to the Corporate Governance Code published in January 2024 and continue to review management's plans for implementing the requirements. We recognise the need to broaden our internal controls testing regime and are considering plans to how to expand our capability.

The Committee also receives and discusses the assessments of internal controls from the Internal Audit function, to support its review of the internal control system. Actions identified through internal audits, compliance monitoring reviews, and the RCSA process via internal control updates are monitored, to ensure suitable improvements are made.

As referenced in our previous report, Salesforce was being embedded as the primary client relationship management (CRM) system for the Partnership. It is now helping to improve the management of client documentation and serving as the primary source of evidence of ongoing service provided to clients by Partners, as well as being the key source of information to maintain centralised oversight. The rollout of Salesforce has enabled the introduction of additional controls, enhanced monitoring, and improved data availability and timeliness regarding client servicing. As a result, we are in a position to identify clients who have not received an appropriate ongoing service and have initiated communications and a process to switch off and refund ongoing advice charges for those clients who have not been serviced within an acceptable period of time.

Overall the Committee is satisfied that the Group's internal control and risk management framework comprises adequate arrangements, actions and mitigating controls. The Committee recognises that to support the continuing growth and increasing complexity of the Group, there is a need to invest in improving and strengthening the Group's risk culture and the risk management and internal control systems.

These sources of assurance assist the Committee in completing its annual review and enable it 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 Committee did not identify any significant control failings or weaknesses that remain unmitigated and it has ensured that corrective action is being taken on matters arising from the review. RCSAs identified areas in which management are making control improvements. The Committee continues to track progress on these items throughout the year to ensure actions are completed.

### Bribery and fraud review

The 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 2023, fraud update reports were presented at each Committee meeting and a comprehensive annual 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 fraud attempts against St. James's Place and its clients arise as a result of client account takeover activities involving email hacking and email interception. 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 operate the required controls effectively, individual lapses do lead to losses, of which we saw a small number in 2023. The Group has seen an increase in cases whereby a Partner or Partner practice is cloned online, with the intention of deceiving clients into making investments with profiles that adopt the genuine Partner's details. The following actions have been undertaken to counteract these threats:

- ♦ fraud prevention training and awareness webinars with Partners, Partner support staff and employees to improve awareness of these risks and how to counteract them;
- ♦ 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; and
- ♦ communications to Partners, Partner support staff and clients via a 'one-pager' document to increase awareness of how to protect themselves from a range of investment scams.

# Report of the Group Risk Committee



**Rosemary Hilary**

## Group Risk Committee membership

Members and date joined Committee

### Rosemary Hilary (Chair)

17 October 2019 and became Chair on 19 August 2020

### Emma Griffin

22 July 2020

### John Hitchins

1 January 2022

### Lesley-Ann Nash

16 September 2020

Note: Dominic Burke was a member of the Committee from 1 November 2022 to 31 January 2024.

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/about-us/corporate-governance](http://www.sjp.co.uk/about-us/corporate-governance).

## Key objective of the 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 (the Company) and its wholly owned subsidiaries (together the SJP Group), which include its regulated companies.

## Regular attendees at meetings

Chair of the Board, Chief Executive Officer, Chief Operations and Technology Officer, Chief Risk Officer, Chief Actuary 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 pleased to present this report to you as Chair of the Committee and would like to take this opportunity to thank all the members for their contribution during the year. Simon Jeffreys and Roger Yates ceased to be members of the Committee following their retirement as Directors of the Company at the AGM in May 2023 and Dominic Burke stepped down from the Committee and the Company on 31 January 2024.

Throughout 2023, a key area of the Committee's focus was on risks associated with changes that have affected the Group including the Financial Conduct Authority (FCA)'s Consumer Duty regime, changes to the client charging models and continued macroeconomic and geopolitical uncertainty. The Committee has also considered risks related to key areas such as delivery of change, data, operational resilience, management of outsourcing and other third and fourth parties, cyber risks and the Group's decision to undertake a comprehensive review to analyse and assess historic client servicing records since 2018.

The Committee has monitored the macroeconomic situation, in particular in relation to changing inflation and interest rates and the cost-of-living crisis. In light of these challenges which impact our clients, the Group endeavours to continue to support them through the provision of sound financial advice, to assist in building their financial confidence and resilience.

The continued economic and political uncertainty have increased the likelihood of clients finding themselves in vulnerable circumstances and therefore the Committee continued to focus on the Group's approach to identifying and supporting such clients, including through our approach to the Consumer Duty programme.

The Committee has also monitored the progress made towards our responsible business ambitions. In particular the Committee considered the key risk areas of investing responsibly, climate change and Inclusion and Diversity. More details on our Responsible Business Framework can be found on pages 24 to 49.

Prior to the implementation of Consumer Duty in July 2023 the Group conducted a rigorous assessment of its implications for a wide range of elements across the business. The Committee reviewed and challenged the Group's approach to ensuring compliance with the Duty and monitored progress of the implementation plan ahead of the July 2023 deadline. Since then, the Committee reviewed the compliance of the new client charging models and continues to monitor the embedding of Consumer Duty in order to identify and mitigate any foreseeable harm for clients.

The Committee has continued to oversee and scrutinise the Group's risk profile and operational resilience. During the year it reviewed the policy and framework approach adopted by the Group to assess whether its important business services remained operationally resilient and were prepared for operational disruptions, in order to minimise client harm. The Committee also considered the stress and scenario testing conducted as part of the own risk and solvency assessment (ORSA) in order to assess the risks to the Group's capital and liquidity. This analysis continued to confirm that the Group remains resilient to macroeconomic shocks arising from continued supply chain pressures, the conflict in Ukraine, changes in inflation and interest rates and volatile financial markets. It also assisted in informing the Group's dividend decisions. Focused reports from senior executives have contributed to the Committee's evaluation of the Group's principal risks.

During the year, the Committee continued its focus on strategic and emerging risks. A series of 'deep dives' was held with senior executives supported by analysis from the business to develop enhanced understanding of how risks to the Group's strategy were evolving and where risk management activities should be prioritised. Specifically, these 'deep dives' included strategic risks associated with changes to the Group's charging model and emerging risks relating to blackouts due to energy shortages, artificial intelligence, macroeconomic factors and sustainability disclosures.

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 2024 the Committee will continue to probe and evaluate the Group's risk profile to assess whether it remains within the Board's risk appetite, and to monitor emerging risks to evaluate whether the Group is ready for the challenges which lie ahead.

**Rosemary Hilary**, Chair of the Group Risk Committee  
27 February 2024

## Report of the Group Risk Committee continued

### Operation and performance of the Committee

The Committee Chair regularly meets the CRO, the Chief Executive Officer, the Chief Financial Officer and individual members of the Group Executive Committee 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's performance was reviewed by the Board as part of the overall assessment of its effectiveness (see pages 104 to 105). The Board remains satisfied that the Committee operated effectively and that, as a whole, the Committee members have the experience and qualifications necessary. The Committee's annual review of its terms of reference concluded that it continued to discharge its responsibilities appropriately.

### 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 considered progress on and approved the Compliance Monitoring Plan. The Committee sought assurance on the operation, performance and resourcing levels of the risk and compliance functions.

Oversight of the risk management framework is key to the delivery of the responsibilities of the Committee. During 2023, the Group's principal risks and emerging risks evolved with the changing regulatory, macroeconomic and geopolitical situation. The Group uses technology and data analytics tools and implemented the Riskconnect platform to support areas such as risk reporting to ensure it operates effectively.

Assessing risk mitigation is another area which the Committee reviews and challenges. Where risks crystallise, the Committee reviews the circumstances, root causes and response of management. More details on the principal risks, how risk is monitored and managed across the business, the risk management framework and the risk appetite can be found on pages 74 to 84. 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: the Prudential Regulation Authority (PRA), the Financial Conduct Authority (FCA), the Information Commissioner's Office, the Central Bank of Ireland, the Monetary Authority of Singapore, the Hong Kong Securities and Futures Commission, the Hong Kong Insurance Authority and the Dubai Financial Services Authority; and monitors progress of any actions required.

### Activities during the year

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

- ◆ reporting on the Group's principal risk areas;
- ◆ 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, including progress updates on the implementation of and ongoing compliance with the Consumer Duty;
- ◆ 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;
- ◆ the latest view of emerging risks and any significant changes in the risk environment;
- ◆ the oversight of Appointed Representatives; and
- ◆ examples of client complaints and reports on clients in vulnerable circumstances.

### Key matters considered during the year

The table below highlights some examples of where the Committee has provided review and challenge and the corresponding conclusions which were reached, across the Group's nine risk areas.

Risk area	What did we do?	What were the conclusions?
<b>Client proposition</b>	<p><b>Investment risk landscape</b> – The Committee received an update on the evolution of the centralised Investment Risk Management team, which monitors investment risk-taking across SJP's appointed fund managers, which in turn contributes to continued positive client outcomes.</p> <p><b>Consumer Duty</b> – The Committee received regular reports monitoring the progress of the implementation plan and scrutinised the approach taken by the Group to assess whether the Duty's principles had been considered appropriately. The Consumer Duty regulation sets significantly higher standards for consumer protection across financial services and has required the Group to undertake a robust and challenging review of all its client-focused activities. The Committee has challenged risks which could inadvertently lead to client harm to assess whether they have been sufficiently mitigated, including levels of consumer understanding and value of advice. Additionally, the Committee reviewed how key elements such as value assessments and distribution arrangements for third-party products would be implemented and embedded.</p> <p>The Committee also oversaw the implementation of Consumer Duty for its regulated subsidiaries and reviewed the Group's risk management framework and risk appetite statement to assess whether they were fully aligned with the Duty.</p> <p><b>Client charging models</b> – In line with the principles of Consumer Duty, the Committee reviewed the risks associated with the changes that were made to the Group's client charging model. The Committee undertook a 'deep dive' review of the different elements of the changes, and the specific consequences they could have on all stakeholders and the affected regulated subsidiaries within the Group.</p>	<p>The Committee was encouraged by the increasing capabilities of the Investment Risk Management team. It noted how sustainability risk was assessed using the Responsible Investment team's in-depth analysis. The Committee challenged how technology solutions could assist the team to achieve their objectives and good client outcomes.</p> <p>The Committee recognised both the challenge and opportunities presented by Consumer Duty to assess the Group's business model and increase focus on achieving good client outcomes. The Committee challenged actions that were being taken to provide more consistent, centralised evidence for the provision of ongoing advice provided to clients by the Partnership, supported by the continued development of the Salesforce CRM platform, and assessed whether actions being taken to develop the Group's culture reflected the Duty's principles. The challenges presented by the review necessitated it to focus on the Group's compliance with the Duty and recognise that certain practices would develop over time. The Committee will continue to monitor the progress of ongoing compliance and review conclusions from testing whether clients are achieving good outcomes.</p> <p>In challenging the proposals for changing the client charging model, the Committee was satisfied that the proposed model had assessed the risks associated with it and that adequate mitigating actions were being taken to align the proposed changes with the principles of the Duty and achieve good client outcomes.</p>
<b>Conduct</b>	<p><b>Clients in vulnerable circumstances</b> – The Committee reviewed the Group's approach to supporting clients in vulnerable circumstances. Progress included the appointment of an SJP Vulnerability Champion who supported the Media team to increase awareness and education on how to recognise and support clients with characteristics of vulnerability. Additionally, our online resources were refreshed and made available to the Group and its wider community.</p> <p><b>Complaints handling</b> – The Committee received reports on the Group's complaints handling operations which showed increased complaints from clients via a claims management company, predominantly in relation to historic ongoing servicing. The Committee expects high standards in relation to the provision of ongoing advice and challenged the Group to ensure that firstly this was the case and that secondly evidential records were able to demonstrate it. The Committee also received reports on key data and analysis regarding trends such as the effect of volatile market conditions and the cost-of-living crisis.</p> <p><b>Supervision of Partner businesses</b> – The Committee received an update on the risk transformation programme which improved how risks in certain areas of the Partnership were identified, assessed, managed and monitored. The Committee also received an update on the oversight and management of Partners' non-SJP business interests.</p>	<p>The Committee discussed the actions being taken to continuously develop the approach to identifying and supporting clients in vulnerable circumstances and it was assured that enhancements made continued to increase awareness and assist with evolving a culture to facilitate clients being supported in this complex area. The Committee will monitor the enhancements being made to capture data in respect of clients in vulnerable circumstances.</p> <p>The Committee challenged whether sufficient resource was being made available to manage the increasing number of complaints in a timely manner. The working practices of the team were adapted in response to the increased volumes and additional resource was brought on board. However, we recognise that increases in resource have continued to lag behind the increases in complaint volumes. As such, the Committee will continue in 2024 to monitor the volume of complaints and the Group's strategy to manage them, including the adequacy of resource and developing trends.</p> <p>The Committee carefully scrutinised the actions being taken to minimise and mitigate client detriment through enhanced focus on improving the evidencing of client servicing using the Salesforce CRM platform and the availability of vulnerable client information.</p> <p>The Committee challenged the depth and frequency of monitoring by the Field Risk team of risks posed to client outcomes, and was encouraged by the positive developments to manage these. The Committee reviewed the supervision of Partner businesses to assess its compliance with the FCA's Improvements to the Appointed Representatives Regime (IARR).</p>

## Report of the Group Risk Committee continued

### Key matters considered during the year continued

Risk area	What did we do?	What were the conclusions?
<b>Financial</b>	<p><b>ORSA</b> – The Committee reviewed and challenged the Group’s own risk and solvency assessment (ORSA) process throughout the year. This included detailed stress and scenario testing activity which supports the assessment of financial resilience indicators such as liquidity and solvency ratios for the Group and the UK and Irish insurance entities, as well as analysis and challenge of reverse stress testing.</p> <p><b>Liquidity risk management</b> – The Committee reviewed the approach to corporate liquidity risk management for the Group and St. James’s Place UK plc (SJPUK), including contingency funding, which aims to avoid foreseeable risk to clients and the Group. The Committee noted that the assets of SJPUK remained sufficiently liquid and that liquidity risks were closely monitored.</p>	<p>The Committee actively challenged the comprehensiveness and depth of stress and scenario tests including those relating to current topical stresses. It was comfortable that: risks within the Group remained at an acceptable level; the Group was adequately capitalised to deliver its strategy; and the Group would remain solvent in stressed situations. Following scrutiny by the Committee, the ORSA was developed to give early insight into the quantification of specific material risk developments, including the changes made to the client charging structure.</p> <p>The Committee supported the Group’s approach to liquidity risk management and contingency funding for the Group and SJPUK.</p>
<b>Partner proposition</b>	<p><b>Partner remuneration</b> – The Committee received an update on the Group’s approach to Partner remuneration, which provides a consistent method for remunerating Partners for the advice they provide and the potential risks posed by the model. The Committee also noted how the model is being continually developed to maintain alignment with good client outcomes.</p> <p><b>Technology support</b> – The Committee received regular reports on the high levels of adoption of cyber security solutions which were mandated for Partner practices by the Group, and noted the continued implementation of Salesforce by Partner businesses.</p>	<p>The Committee challenged the approach used to assess that Partners always provide and sufficiently evidence client servicing. The Committee was encouraged by developments being made to strengthen controls which will provide enhanced ability to assess that clients consistently receive value for the advice charges they pay. The Committee also assessed the Group’s response to situations where evidence could not be found that clients were receiving adequate ongoing servicing, and challenged the remedial actions being taken to enhance client outcomes.</p> <p>The Committee closely scrutinised and challenged the progress of the project to mandate that Partner practices adopt the Group’s cyber security solutions.</p>
<b>People</b>	<p>The Committee received updates on people risks, which highlighted the challenge of managing significant and complex change across the business and the corresponding need to focus on culture, engagement and wellbeing. Progress had been made against the objectives to embed the culture vision and to place increased focus on employee engagement, wellbeing and psychological safety, including via both face-to-face training and digital content. Additionally, culture was being reviewed to assess whether the Consumer Duty principles were embedded throughout the employee lifecycle.</p> <p>As part of the overall review of people risk, the Committee considered remuneration risks. The review of such risks supports the Group Remuneration Committee’s consideration of how best to align the 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 Committee recognised that further actions were required to enhance employee culture, engagement and wellbeing and that these included: improving support tools; recognising high performance; and continuing to embed a diverse and inclusive culture.</p> <p>The Committee supported the actions taken to embed measures to ensure the continued compliance of our remuneration policies and practices with regulatory requirements.</p> <p>The CRO attended meetings of the Group Remuneration Committee to provide a view of risk culture and of the conduct and management of operational incidents in order to ensure reward and performance were reflected appropriately. The Committee’s own activities supported the Group Remuneration Committee in reaching its conclusion that remuneration policies continue to mitigate potential conflicts of interest and do not encourage inappropriate risk-taking.</p>

Risk area	What did we do?	What were the conclusions?
<b>Regulatory</b>	<p><b>Regulatory change</b> – The Committee reviewed and discussed the impact and implementation of regulatory changes such as Consumer Duty and IARR, and management’s responses to them. The Committee provided oversight of and reviewed the controls in place to assess the Group’s compliance with its regulatory obligations.</p> <p><b>Client money and client assets</b> – The Committee reviewed and approved the Client Asset Sourcebook (CASS) Annual Report for 2022, which provided assurance that core operational controls remained robust.</p> <p><b>Regulator engagement</b> – 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><b>Business assurance</b> – The Committee received an update on the effectiveness of the controls in place to provide assurance that advice provided to clients is of a high standard and supports advisers to achieve good client outcomes. The Committee noted the developments made in respect of providing assurance over ongoing advice and the increased volumes of cases being reviewed.</p> <p><b>Supervision of Appointed Representatives</b> – In relation to IARR, the Committee reviewed St. James’s Place Wealth Management plc’s (SJPWM) as principal, annual Self-Assessment report which highlighted the work conducted to complete the new annual firm reviews.</p>	<p>The Committee probed and received updates on each area and continues to monitor closely the Group’s compliance with regulatory requirements and the progress made against each area of regulatory change.</p> <p>The Committee was comfortable with the rigorous approach taken in relation to CASS controls and oversight, and the processes used to enhance future outcomes where items were identified for improvement. These included the control reviews conducted during the year which provide assurance on continued compliance with the CASS regime.</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 that the business assurance function continued to demonstrate that it played a valuable role in helping to assess the quality of advice and associated documentation and the optimal approach for higher risk products. The Committee assessed the process to provide assurance for the quality of documentation that supports the provision of ongoing advice and noted that actions had been taken to develop an automated risk-based methodology for the selection of cases for review, which was assisted by the utilisation of the Salesforce CRM platform.</p> <p>The Committee recommended enhancements to the Appointed Representatives Self-Assessment of Compliance report before it was approved by the board of SJPWM.</p>
<b>Security and resilience</b>	<p><b>Operational resilience</b> – The Committee reviewed how the Group’s approach to operational resilience and compliance with the FCA and PRA requirements had progressed, including the annual self-assessment and review of the policy and framework which set out the processes used to assess whether the Group remains operationally resilient.</p> <p><b>Cyber risks</b> – The Committee received regular updates on cyber risks, including the changing threat levels and corresponding mitigation actions taken to protect clients, the Partnership and the wider Group. The Committee reviewed the Group’s objective to implement a base level of cyber security through either self-accreditation to the Cyber Essentials Plus (CE+) scheme or accreditation through subscribing to the Group’s own ‘Device as a Service’ (DaaS) proposition.</p>	<p>The Committee was satisfied with the operation of the policy framework and its compliance with the regulations. The Committee receive regular assurance on the resilience of our important business services and important support services which confirmed that appropriate preventative action is taken to address any vulnerabilities identified.</p> <p>The Committee discussed the main cyber risks and was reassured by the controls in place and the enhancements which were continually being made to improve them in light of evolving threats from ransomware attacks, artificial intelligence and potential vulnerabilities in the supply chain.</p> <p>The Committee challenged whether the implementation timeline was ambitious enough but was encouraged by the robustness of the approach and the high numbers of Partner practices that were self-accredited to CE+ or accredited through the use of our DaaS offer.</p>

## Report of the Group Risk Committee continued

### Key matters considered during the year continued

Risk area	What did we do?	What were the conclusions?
<b>Strategy, competition and brand</b>	<b>Strategy impact</b> – As part of the ongoing assessment of the Group’s progress towards achieving its strategy, the Committee reviewed the different risks faced by the business in meeting its stated goals. In particular the Committee conducted in-depth assessments of the changes to the client charging model and their impact on risks affecting the strategy. More details can be found on pages 18 to 23.	The Committee was reassured by the actions and developments evidenced to mitigate the identified risks to delivering the strategy, which included the changes to the client charging model.
	The Committee also received reports on the risks faced by St. James’s Place International plc (SJPi) and the Asia business.	The Committee was satisfied that emerging risks had been appropriately identified and were being monitored and managed accordingly. Reporting of these risks continues to be enhanced to facilitate rigorous debate on the potential implications for the Group. Appropriate time is set aside to allow consideration and challenge of emerging risks, including ‘deep dives’ and updates on specific areas such as artificial intelligence.
	<b>Emerging risks</b> – The Committee considered regular updates on management’s views of emerging risks and ‘deep dive’ risk reviews during the year. In 2023, the reviews centred on risks associated with artificial intelligence, energy ‘blackouts’ and environmental, social and governance (ESG) disclosures.	The Committee scrutinised the approach being taken in relation to climate transition planning and the heightened expectations in respect of both gender and ethnic diversity in the workforce.
	<b>Responsible business</b> – The Committee received an update on the Group’s progress towards its responsible business ambitions and reviewed the risks associated with the plan to achieve this strategic priority. The Committee noted the increasing importance of incorporating climate risks into wider business objectives.	
<b>Third parties</b>	<b>Administration performance</b> – The Committee reviewed the risks to the provision of administration services to Partners and clients. It was reported that the overall risk environment remained stable and focus would be on further digitising administration processes and enhancing the service provided to clients and Partners by our third-party administrators and centres to ensure the risk remained at an acceptable level.	The Committee was satisfied that the risks affecting the administration service provided to Partners and other stakeholders were being managed appropriately, including enhancements to governance and oversight and reductions in the average time taken to close incidents.
	<b>Outsourcing</b> – The Committee received an update on the Group’s outsourcer and supplier management approach including how the outsourcer and supplier management policy had been embedded to maintain continued compliance with the regulations regarding oversight of outsourcing.	The Committee was provided with regular reporting which included information on outsourcing and supplier management developments. The Committee was encouraged by the progress made with developing data collection processes and a management database to provide a single source for that data. The Committee monitors adherence to the policy on a regular basis.
	The Committee also reviewed the Group’s arrangements for managing cyber security risk across its material outsourcers, and the third and fourth parties to whom they sub-contract.	The Committee recognises the importance of maintaining appropriate controls over outsourced activities and was encouraged by the improvements made in managing cyber risk throughout the supply chain.

### 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 the long-term success of the Group, its clients and the wider SJP community. Particular emphasis will be placed on monitoring compliance with the Consumer Duty principles and assessing how they are embedded into culture throughout the SJP community to ensure the Group consistently delivers positive client outcomes. Further areas of focus will include monitoring the programme to deliver the changes to charging structures announced in October 2023, continuing to assess the risk impact of the Group’s decision to undertake a comprehensive review to analyse and assess historic client servicing records since 2018, assessing the adequacy of our response to emerging risks and the actions taken to ensure ongoing operational resilience and the Group’s oversight of Appointed Representatives. The liquidity and solvency of the regulated entities within the Group will of course also remain important topics of focus along with the principles supporting our approach to product oversight and governance, which ensure our products and services continue to meet the needs of clients and the Partnership.

## Report of the Group Nomination and Governance Committee



Paul Manduca

### Dear Shareholder,

During 2023 we saw further changes to the membership of the Board, starting with the planned retirements of Simon Jeffreys and Roger Yates. The Committee was also made aware of Andrew Croft’s intention to retire from his position as Chief Executive Officer and, in line with succession plans, it worked with Russell Reynolds Associates to successfully identify and appoint Mark FitzPatrick as his successor. The Committee also commenced the search for a new Senior Independent Director, ahead of Dominic Burke’s stepping down on 31 January 2024. It is still early days for Mark, but the Committee will be keen to hear his thoughts around executive succession planning and key roles in due course.

As the governance landscape evolves, so do the role and make-up of boards and committees. Many of the key attributes of a successful board have remained unchanged but organisations are increasingly recognising the challenges associated with having to balance the need for depth of experience with access to specialist knowledge in a growing number of areas. Organisations have also become acutely aware of the value of diversity in every sense and this adds yet a further lens. Alongside diversity, there has been greater emphasis placed on independence and all of these factors point to the importance of having robust and continuous succession plans.

### Group Nomination and Governance Committee membership

Members and date joined Committee

**Paul Manduca (Chair)**  
1 January 2021

**Emma Griffin**  
18 May 2023

**Rosemary Hilary**  
22 July 2020

**John Hitchens**  
18 May 2023

Note: Dominic Burke was a member of the Committee from 18 May 2023 to 31 January 2024.

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/about-us/corporate-governance](http://www.sjp.co.uk/about-us/corporate-governance).

### Key objective of the 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, knowledge, 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, knowledge and experience to direct the Group in the successful execution of its strategy.

### Regular attendees at meetings

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

## Report of the Group Nomination and Governance Committee continued

Whilst the Board as a whole has a keen interest in Inclusion and Diversity (I&D), the Committee continues to be a focal point for monitoring progress and considering policy change. During the year we reviewed the Group's Inclusion and Diversity Policy and our own Board Diversity Policy and continued to monitor progress against our I&D strategy and stated public commitments. For the first time this year we are reporting against the new Listing Rules relating to board diversity, and this information can be found on page 128.

Alongside the Committee's 'nomination' responsibilities sits its oversight of governance across the Group. Building on the work that the Committee has overseen in recent years, a comprehensive review of the Group's governance framework was carried out in 2023, focusing in particular on governance at subsidiary level. Changes that have been agreed by the Committee include strengthening the body of independent Non-executive Directors on subsidiaries, whilst also looking to leverage the expertise around the plc Board table by increasing the overall non-executive presence on subsidiary boards.

Although we were not required to carry out an externally facilitated Board evaluation in 2023, having last had one in 2021, we opted to carry out an internal evaluation with the support 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 90 to 105.

I look forward to reporting on further progress as we continue our work in 2024.

**Paul Manduca**, On behalf of the Group Nomination and Governance Committee

27 February 2024

### Activities during the year

Topic	Summary of activity	Find out more
<b>Board composition</b>	The Committee remained focused on the longer-term succession planning for Non-executive Directors but also took action to address the impact of unforeseen changes.	See overleaf
<b>Committee and subsidiary board compositions</b>	The composition of the Board's principal committees and subsidiaries is kept under regular review and changes were made during the year to ensure an appropriate balance of membership.	See overleaf
<b>Management succession</b>	The Committee identified and recommended to the Board the appointment of Mark FitzPatrick as Andrew Croft's successor as Chief Executive Officer. The Committee continues to monitor the plans for members of the Group Executive Committee and key personnel.	See overleaf
<b>Inclusion and diversity</b>	The Committee continued to assess the progress made against the I&D strategy and SJP's commitments. The Board Diversity Policy and the Group's Inclusion and Diversity Policy have also been reviewed.	See page 127
<b>Group governance</b>	The Committee continued to monitor developments that impacted the Group's governance framework and the overall operation of Group governance.	See overleaf
<b>Board effectiveness</b>	The Committee kept under review the progress made against the actions identified in the 2022 Board effectiveness review and agreed the scope of the 2023 exercise.	See pages 128 and 104 to 105

### Operation and performance of the Committee

During 2023 the Committee comprised the Chair of the Board and four independent Non-executive Directors, who between them were also the Chairs of the Group 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 in 2023 and following the departure of Simon Jeffreys and Roger Yates at the AGM in May, Dominic Burke, Emma Griffin and John Hitchins joined the Committee. The Committee's effectiveness was considered as part of the Board's overall assessment of its effectiveness (see pages 104 to 105). The Board remains satisfied that, as a whole, the Committee has the experience and qualifications necessary.

### Board succession and Committee composition

The Committee has reported over the last few 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. Simon Jeffreys and Roger Yates were the last of these Directors and stepped down from their Board positions at the conclusion of the AGM in 2023. Following their departures, the Committee recommended that Dominic Burke be appointed as the Senior Independent Director, alongside changes to the chairs and composition of the Board's committees. When making these recommendations, the Committee noted the responsibilities attaching to each role and ensured that those put forward had the necessary experience to fulfil the roles effectively.

Longer-term succession planning is an ongoing exercise and remains at the forefront of the Committee's consciousness and activities, but it also has a key role to play when unforeseen events result in changes to the Board. In November 2023 we announced that, following only a short time with SJP, Dominic Burke would step down from the Board. A change in Dominic's circumstances meant that he would no longer be able to commit the time required to the Board of St. James's Place plc and the Committee was required to accelerate existing plans to recruit further Directors and begin the search for a new Senior Independent Director. We remain comfortable that the size, structure and composition of the Board is appropriate but we also recognise that the demands on boards have increased, especially in the financial services sector. Against this backdrop it is important that boards are able to absorb unplanned changes and we will continue to monitor the make-up and workload of the Board, addressing any potential gaps we identify.

### Executive succession

The selection of a new Chief Executive Officer or Chair is amongst the most significant responsibilities of a nomination committee and this is no different at SJP. When the Committee began to prepare for the search for Andrew Croft's successor as Chief Executive Officer, the Committee chose to appoint Russell Reynolds Associates (RRA). RRA is a sponsor of the 30% Club and is accredited in the FTSE 350 of the Enhanced Voluntary Code of Conduct for Executive Search Firms. RRA provided the Committee with access to the networks and expertise required to establish the appropriate success criteria and then identify and evaluate internal and external candidates for the role. Once the success criteria had been approved by the Committee, RRA undertook research and presented to the Committee a long-list of external candidates to consider alongside internal candidates. The long-list was refined and the remaining candidates were assessed by RRA against the success profile, involving psychometric testing where appropriate. From the short-list of candidates, Mark FitzPatrick was identified by the Committee as the outstanding candidate and, as a result of the Chair's past relationship with Mark, it was agreed that Dominic Burke in his capacity as Senior

Independent Director should take a prominent role in the interview process. Mark met all members of the Committee, as well as the other Directors on the Board, and the Committee agreed that Mark FitzPatrick was the preferred candidate to succeed Andrew Croft. Mark joined the Board on 1 October 2023 and, following receipt of the requisite regulatory approvals, succeeded Andrew as Chief Executive Officer on 1 December 2023.

When making their recommendation, the Committee recognised the value that a fresh perspective could bring, but also was extremely mindful of the importance of retaining aspects of our culture that have been so integral to our success. The Committee remains clear that having the right people is critical to our long-term success and will continue to support Mark and his team to enable them to identify talent and manage succession, enabling the business to attract, develop and retain the right people.

### Group governance

The complexity of governance within the financial services sector has increased significantly in recent years, not least as a result of developments in regulation and an increase in the demands of other stakeholders (e.g. for additional reporting). This has inevitably led to the establishment of a number of procedures and other mechanisms that make up a group's governance operating model. It is not unusual for the evolution of these models to lack the cohesion and organisation that provide boards, executives and employees with the consistent guidance and incentives they require, particularly when, like SJP, the business has grown rapidly. The right governance operating model has the potential to enhance management's ability to implement strategy and a board's ability to exercise proper oversight.

In 2023 we took the opportunity to step back and review both our corporate structure and the governance framework that underpins it. The Committee plays an important role in overseeing governance, particularly as it applies to our regulated subsidiaries, and has considered and recommended to the Board changes aimed at ensuring our approach to governance remains right-sized, effective and efficient for the future of SJP. One key area has been the

balance between independent and executive directors, where we have chosen to reinforce the capacity for independent challenge by appointing independent chairs and increasing the non-executive presence on subsidiary boards. One such example is our UK-based unit trust management company, St. James's Place Unit Trust Group Limited, where the Committee oversaw the appointment of an independent chair to work alongside the existing non-executives on its board. The revisions to the governance framework and corporate structure will take time to complete and the Committee will continue to oversee progress.

### Inclusion and diversity

Inclusion and diversity is an important aspect of our succession planning and we recognise that if we are to meet our long-term inclusion and diversity aims, they must form part of our formal plans. During 2023 the Committee reviewed the Group's Inclusion and Diversity policy and has continued to monitor its implementation, our performance against our inclusion and diversity strategy and the targets which have been factored into Executive team bonus performance criteria and Board KPIs. Addressing diversity continues to be a challenge throughout the financial services sector, and whilst we are seeing progress against our stated targets and evidence that a commitment to diversity is embedded in our culture, we remain focused on how we can achieve the progress we desire. In 2023, 48.3% of all senior hires were female and the total proportion of women in senior roles increased to 34.4%.

Also during 2023, 16.4% of external hires identified as minority ethnic, which has resulted in the total proportion of minority ethnic employees increasing to 8.2%. Whilst this means we were slightly below our target of 10% minority ethnic representation by 2023, we are still encouraged by our progress and know that these incremental changes are important steps in the right direction. Our latest Pay Gap Report is available on our website at [www.sjp.co.uk](http://www.sjp.co.uk), while further information on how the Inclusion and Diversity policy has been implemented can be found in the responsible business section of the Strategic Report on pages 24 to 49.

## Report of the Group Nomination and Governance Committee continued

The Board diversity policy sets out our own approach and commitment to diversity at board level. It applies to the Board of the Company, but also recognises the implications more widely for the Board's committees and material subsidiaries whose compositions are reflective of the make up of the Board and the organisation as a whole. The Board's commitment can be seen in the Committee's terms of reference and forms an important part of the Board's succession plans and the process for recruiting new Directors. The Board continues to meet the Listing Rule LR9.8.6 (9)(a) (iii) requirement for at least one of its members to be from an ethnic minority. Whilst the percentage of women on the Board began the year at 30%, the Board knew this was a temporary position, and the percentage increased to 37.5% when both Simon Jeffreys and Roger Yates stepped down after the AGM in May 2023. This means that the Company did not meet the 40% target in Listing Rule LR9.8.6R (9)(a)(i) at 31 December 2023, although when Dominic Burke stepped down on 31 January 2024 the percentage increased to 42.9%. The size of our current 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.

As mentioned above, we are actively searching for a Senior Independent Director, but there are no short-term plans to replace the Chair, Chief Executive Officer or Chief Financial Officer, all of which roles are currently occupied by men. This means we did not comply with Listing Rule LR9.8.6R (9)(a)(ii) at 31 December 2023. However, the chair of the Group Risk Committee, chair of the Group Remuneration Committee and nominated Non-executive Director for Workforce Engagement are all women and the Board views these as prominent roles, in particular that of the chair of the Risk Committee, which holds much greater importance for financial services companies than for those in other sectors, as demonstrated by the level of scrutiny and focus it receives from the financial services regulators. The information required under Listing Rule LR9.8.6R (10) and (11) can be found below.

	# of Board members	% of the Board	# of senior positions on the Board (CEO, CFO, SID & Chair)	# in executive management	% of executive management
Men	5	62.5%	4	6	75.0%
Women	3	37.5%	0	1	12.5%
Not specified/ prefer not to say	0	0.0%	0	1	12.5%
<b>Total population</b>	<b>8</b>	<b>100.0%</b>	<b>4</b>	<b>8</b>	<b>100.0%</b>

	# of Board members	% of the Board	# of senior positions on the Board (CEO, CFO, SID & Chair)	# in executive management	% of executive management
White British or other White (including minority-white groups)	7	87.5%	4	7	87.5%
Mixed/multiple ethnic groups	1	12.5%	0	0	0.0%
Asian/Asian British	0	0%	0	0	0.0%
Black/African/Caribbean/Black British	0	0%	0	0	0.0%
Other ethnic group, including Arab	0	0%	0	0	0.0%
Not specified/ prefer not to say	0	0%	0	1	12.5%
<b>Total Population</b>	<b>8</b>	<b>100%</b>	<b>4</b>	<b>8</b>	<b>100.0%</b>

Data on the diversity of the individuals on the Board and Group Executive Committee as at 31 December 2023 as required by Listing Rule 9.8.6R(10) is set out above. Data is collected from Group Executive Committee members through our voluntary employee diversity survey and from other Board members by self-disclosure directly from the individuals concerned.

### 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 they 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 2024 AGM.

In 2021, following consideration of a number of potential board evaluation providers, the Committee recommended to the Board that Independent Audit Limited be appointed to provide support with internal reviews in 2022 and 2023. In 2023, Independent Audit was asked to review the role of the Board and the effectiveness of individual committees. Rather than using a questionnaire as in 2022, Independent Audit conducted more targeted interviews with all Board members. The review of the Board focused on how the role of the Board was understood throughout the organisation and how it could best add value. It also focused on the effectiveness of the committee structure.

The Committee has monitored progress against the actions that arose from the 2022 Board effectiveness review during 2023 and is satisfied that they have been addressed. Further details of the progress made and the 2023 review are set out on pages 104 to 105. For details on the training and development provided to Directors (including induction programmes) please see pages 94 and 103.

## Report of the Group Remuneration Committee



Emma Griffin

### Group Remuneration Committee membership

Member and date joined Committee

**Emma Griffin (Chair)**  
22 July 2020

**Lesley-Ann Nash**  
1 January 2022

**Rosemary Hilary**  
1 August 2022

Note: Dominic Burke was a member of the Committee from 18 May 2023 to 31 January 2024.

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/about-us/corporate-governance](http://www.sjp.co.uk/about-us/corporate-governance).

### Key objective of the Committee

The Committee's primary purpose is to ensure that the Directors' Remuneration Policy and related arrangements support the business's strategy and culture as well as the recruitment, motivation and retention of Executive Directors, the Chair of the Board and senior executives, whilst also having regard to workforce remuneration and complying with regulatory requirements.

### Regular attendees at meetings

Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and People Director.

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#### Section 1

Committee Chair's annual statement (unaudited)

#### Section 2

Remuneration at a glance and Annual Report on Remuneration

#### Section 3

2023 Directors' Remuneration Policy

### Dear Shareholder,

On behalf of the Committee, I am pleased to present the Directors' Remuneration Report for 2023 (the Remuneration Report).

The Remuneration Report is in three sections:

- Committee Chair's annual statement;
- Annual Report on Remuneration for 2023, including an 'at a glance' summary; and
- Summary of the Directors' Remuneration Policy for the 2023-25 period.

The sections are set out in accordance with the UK Directors' Remuneration Report Regulations 2013, as amended in 2018 and 2019.

# Report of the Group Remuneration Committee continued

## Section 1

### Chair's annual statement (unaudited)

#### Introduction

This is my first report as Chair of the Group Remuneration Committee, following my appointment to the role in May 2023. On behalf of the Committee, I would like to thank my predecessor, Roger Yates, for his many years' service as Committee Chair.

2023 has been a challenging year for the Company, as fully explained in other parts of the Annual Report and Accounts. The Committee's approach has been to align incentive plan outcomes for executives with Company performance, and this can be clearly seen from the information set out in this report for 2023. Among the Executives there have been strong personal contributions and achievements in many performance areas. However, recognising the overall performance of the Company and that of the share price in 2023, the impact on our shareholders and other stakeholders, the Committee has used its discretion to substantially reduce annual bonus award outcomes for executives from the calculated outcomes according to the bonus targets and to reduce the 2024 PSP grants. Further details are provided below.

#### Directors' Remuneration Policy (the Policy)

The Policy was approved in the triennial vote at the 2023 AGM with 97.35% of votes in favour, following an extensive consultation with major shareholders. The Policy approved in 2023 contained modifications compared to the previous Policy, including refinements of the metrics and weightings in the incentive plans, a further strengthening of the requirement for Executive Directors to retain shares after leaving service, and reduced pension allowances for Executive Directors. There was also an increase in the maximum that Executive Directors could receive in performance-related annual bonus, to align this with market norms – but this change is phased in over two years, and any bonus award continues to depend on performance outcomes.

We applied this Policy during 2023 and are not seeking to make any changes to the Policy at the 2024 AGM.

#### Shareholder consultation following the 2023 AGM

The Directors' Remuneration Report for 2022 received 77.85% of votes in favour at the 2023 AGM. Although more than three-quarters of votes had been cast in favour, the Committee undertook a further consultation after the AGM to understand the reasons for votes against. The primary reason was that the Committee had decided not to apply a downward adjustment to the long-term Performance Share Plan (PSP) award that was granted in 2020 and vested in 2023. The Committee had permitted the award to vest to the extent of the performance achieved. Some shareholders felt that the performance-based outcome should have been further reduced, as share prices in 2020 had been depressed due to COVID-19 causing more shares to be granted for the same percentage of base salary.

We had provided an explanation in the Remuneration Report of the reasons for not applying a downward adjustment, including that the Committee had already exercised discretion to award zero annual bonuses across the Company for 2020 despite a resilient performance in that year, and had also capped the 2020 PSP grants 20% below the level approved in the 2020 Policy vote.

The Committee is grateful for the feedback received from those shareholders who responded to the consultation. This has been further considered in the approach to grants in 2024 and further explanation is provided later in this statement and report.

#### Annual bonus outcomes for 2023

Annual bonus for 2023 was based on a combination of financial criteria (60% weighting) and strategic criteria (40% weighting). As set out in the Policy, the maximum annual bonus for 2023 was 175% of base salary. The financial metrics were underlying Cash Result profits, net funds flow and controllable expenses. Strategic criteria covered six elements including key performance indicators relating to investment proposition for clients, client service, colleague engagement, brand and reputation, and environmental performance. The Committee undertook a robust assessment against all the performance criteria, and then considered the wider performance of the Company for 2023.

As explained in other parts of the Annual Report and Accounts, the financial performance of the Company was resilient. Positive net fund flows and underlying Cash Result profits were both close to the level required for a bonus award. Performance in managing controllable expenses was at the upper end of the performance range which could have resulted in a pay-out of 40% of the financial element. However, the Committee determined that downward discretion should be applied to the financial component of the bonus, recognising that the significant costs associated with the management of increased client complaints were incurred during the year, and therefore the Committee agreed that zero bonus should be payable to executives for that component.

The Committee assessed performance for the strategic criteria taking into account views of the Chief Executive Officer, the Committee members and the Committee's remuneration adviser and determined that a total of 39% percent of salary had been earned for this element, out of a maximum 70% of salary. The Committee also considered the personal performance of each Executive Director and the degree of overall accountability that accompanies their respective roles, in exercising its final overriding discretion. This resulted in the Chief Financial Officer being eligible for a total annual

bonus award for 2023 of 22.3% of maximum, which is 39% of base salary. The pro-rata award for Andrew Croft, for his 11 months as Chief Executive Officer, was assessed to be zero, taking account of the significant over-arching responsibility for company performance that goes with the Chief Executive Officer role. The new Chief Executive Officer, Mark FitzPatrick was not eligible to receive an annual bonus for 2023 in line with the Company's bonus scheme eligibility rules, as he was new in role.

#### Performance Share Plan (PSP) outcome for 2021-2023

The PSP awards granted in 2021 reached the end of their three-year performance period in 2023. The performance metrics for these awards were earnings per share growth and relative total shareholder return against a peer group of companies in the FTSE 350. The performance outcomes on these metrics were below the threshold vesting level. The total vesting outcome was zero, which further reinforces the alignment of executives with the outcomes for shareholders.

#### Change of Chief Executive Officer

Andrew Croft stepped down as Chief Executive Officer effective 30 November 2023, after more than 30 years' service to the Company, including 13 years as its Chief Financial Officer and nearly 6 years as Chief Executive Officer. Mr Croft is eligible for base salary and contractual benefits for the remainder of his notice period that expires 13 September 2024, 12 months from the announcement that he was to step down. Mr Croft remained eligible for an annual bonus for 2023 pro rated for the period he was a member of the Board and subject to the performance conditions; as explained above, the Committee determined that the bonus award for 2023 should be zero. He is not eligible for an annual bonus in respect of the financial year ending 31 December 2024. Mr Croft retained his deferred bonuses earned in respect of previous financial years, vesting at the normal three year vesting dates, and his PSP awards from prior years, subject to time pro-rating and performance, with vesting dates unchanged and also subject to the normal two year post-vesting holding period. He is required to retain a shareholding in the Company of 300% of his base salary for two years post cessation.

Malus and clawback provisions continue to apply to all awards under the relevant plans.

Mark FitzPatrick was appointed Chief Executive Officer effective 1 December 2023, having been Chief Executive Officer Designate from 1 October 2023. Mr FitzPatrick was previously interim group chief executive officer for Prudential plc, and his total remuneration package with SJP has been set more than 20% below the level in his previous role. His base salary with SJP was set at £840,000, which, although higher than Andrew Croft's base salary, was lower than the base salary Mr FitzPatrick received at Prudential, and is appropriate for a company of the size and scope of St. James's Place. It is also important to note that the Committee reported to shareholders in last year's Remuneration Report that there could be a need to re-position the base salary for the SJP Chief Executive Officer role, as it was materially below benchmark levels. Mr FitzPatrick's pension level is 10% of base salary in line with other new joiners to the Company. His maximum annual bonus is set at 200% of base salary for 2024, and his maximum PSP grant is 250% of base salary, both in line with the approved Policy. Mr FitzPatrick also received PSP awards over SJP shares with a value of £644,163 to replace the portion of awards he held at Prudential that he forfeited in order to take up his role with SJP on 1 October 2023. These replacement awards are subject to performance conditions and vest in 2024 and 2025, in line with the vesting dates of the awards he forfeited.

#### Other Board changes

Roger Yates and Simon Jeffreys retired from the Board on 18 May 2023 having both served as Directors for nine years, and Dominic Burke stepped down from the Board on 31 January 2024.

#### Salary reviews for 2024

The Committee has reviewed base salaries for Executive Directors for 2024 and determined that the Chief Financial Officer's base salary should be increased by 4% at the 1 March 2024 review date, which is below the average 5% increase for SJP employees overall. The Committee also determined that the Chief Executive Officer's base salary should remain unchanged at this 2024 review date.

#### Annual bonus metrics for 2024

The new Chief Executive Officer, Mark FitzPatrick, has been undertaking with the Board a review of the priorities for the business for 2024 and beyond. This has an important bearing on the selection of performance metrics for the annual bonus for 2024, and the Committee has been considering these. The key principles for selecting performance metrics, as set out in the Policy, remain, a twin emphasis on robust financial performance and on strategic goals. As in previous years, at least 50% of any annual bonus award for Executive Directors will be deferred into shares. The full set of metrics, targets and outcomes will be reported to shareholders in the Remuneration Report for 2024, in the usual way. The financial metrics will make up 60% of the annual bonus and will be unchanged from 2023, with suitable targets taking account of the 2024 business plan. The non-financial element of the annual bonus will be split between Strategic targets (20% of maximum bonus) and individual performance criteria (20% of the maximum bonus).

#### PSP grants in 2024

We have also considered the metrics for the 2024 grants of the PSP, taking account of the Board's review of business priorities for the next one to three years. This has included considering the choice of financial metrics, the weighting on relative TSR, and whether environmental, social and governance (ESG) targets should form a part of the scorecard. We have concluded that the metrics for the 2024 grant should remain unchanged, including one third based on relative TSR and two thirds based on EPS. We will consider potential changes to metrics prior to the 2025 grant once the new Chief Executive Officer's strategy review is concluded. The Committee has also considered whether grant sizes in 2024 should be reduced, considering the significant fall in the share price since the last round of grants. Executives have, like other shareholders, already experienced substantial reductions in the value of shares, deferred bonus share awards and PSP awards they hold, and there has been zero vesting in 2024 of 2021 PSP awards. However, mindful of the views of shareholders on this issue, the Committee will reduce the 2024 PSP grant for the Chief Financial Officer to 215% of base salary, from 250% of base salary in 2023, a 35 percentage points reduction.

## Report of the Group Remuneration Committee continued

### 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 Policy can be found on pages 154 to 157.

Mark FitzPatrick is new in role, effective 1 December 2023, and therefore did not receive a PSP grant in 2023 and has not been in post over the period when the share price declined. It is also important that he be given an appropriate award to align him with the future success and share price growth of the Company in the 2024-2026 period. The Committee therefore decided that he should receive an award of 250% of base salary, as permitted in the Policy. Vesting of these awards will be subject to demanding performance conditions and the Committee also retains additional discretion to make downwards adjustment at vesting should this be considered appropriate.

### Malus and clawback

SJP has a clear malus and clawback policy applying to Executive Directors and other identified roles under the relevant Financial Conduct Authority (FCA) Remuneration Codes. The Committee regularly reviews whether there is a case for the application of malus or clawback to any previous awards under the annual bonus or PSP, taking input from the Group Risk Committee of the Board, and an incentives committee constituted from the heads of relevant independent control functions.

### Board Chair fee, and Non-executive Director fees for 2024

The Committee reviewed the Board Chair fee level. The current fee has been unchanged at £375,000 since Paul Manduca was appointed in 2021. The Committee considered the time commitment and complexity of the role, which has grown since Paul Manduca was first appointed. We also assessed the market benchmark data for comparable chair roles in financial services companies; the benchmarking indicated that SJP's fee level was below the median for similar companies. The Committee decided to increase the fee to £400,000 effective 1 January 2024. The fee level will be reviewed again from 1 January 2025.

The Board (excluding Non-executive Directors) reviewed the Non-executive Director fee rates and concluded that a modest increase of 1% should be applied to the base fee, but more significant increases should be applied to the Committee Chair and Committee member fees to reflect time commitment and market benchmarks in similar financial services companies.

### Diversity and pay gaps

The Board monitors the gender and ethnic diversity amongst employees. We have achieved 30% female representation in senior management roles in 2023 and we are also working towards at least 10% minority ethnic representation in our UK employee population. We also track the total gender pay gap, which is an indication of whether we are moving closer to a broadly equal number of men and women at each job level in the Company. Over the six years since 2017, we have made substantial progress on this: the median and mean hourly pay gaps have reduced by 13 and 12.9 percentage points respectively over that time.

### Consultation with colleagues

One of our Committee members, Lesley-Ann Nash, is also the Non-executive Director with responsibility for workforce engagement. Lesley-Ann conducts regular meetings with our Workforce Engagement Panel, which includes a cross-section of SJP colleagues. This included a session held during 2023 which discussed the proposed changes to the Policy and took account of the views of the Workforce Engagement Panel before the proposals were finalised, which I and Roger Yates also attended. Another remuneration session will be held in 2024 which will discuss the Policy and practice for Executive Directors and how the underlying principles and structure align to the wider employee workforce.

### Corporate Governance Code and FCA regulations

The Committee regularly monitors how remuneration policy and practice meet the requirements of the Corporate Governance Code, and the FCA Remuneration Codes that apply to regulated subsidiaries within the Group.

The Committee considers that our Remuneration Policy effectively addresses the following principles set out in the Code:

Factors	Approach taken in Remuneration Policy
<b>Clarity</b>	Our Policy and its operation and alignment with our strategic objectives are disclosed in the Directors' Remuneration Report, which provides stakeholders with clarity on the link between the achievement of SJP's strategy and how Executive Directors are rewarded. Clarity on remuneration is also provided to employees via our Workforce Engagement Panel, which provides the opportunity for Panel members to engage on remuneration-related topics including the proposed changes to the Policy.
<b>Simplicity</b>	The structure of the package for Executive Directors is simple to understand and provides transparent performance criteria and payment scales for variable pay, plus appropriate scope for the use of judgement and discretion by the Committee. In recent years we have adjusted the performance measures for variable elements so that they are more clearly aligned with stakeholder expectations and experience. This has involved selecting measures that are better understood by stakeholders as well as ensuring we explain the alignment better in the Policy and the Report.
<b>Risk</b>	The Executive Directors' package is sensitive to risk and is aligned with our strategic objectives and the interests of our shareholders and other stakeholders. The Policy is assessed to ensure it aligns with the Group's risk appetite and regulatory requirements, and that it does not encourage undue risk-taking. Assurance of this is sought from the Chief Risk Officer.
<b>Predictability</b>	Our Policy clearly discloses the maximum opportunity for each element of remuneration. The actual outcomes depend on the performance achieved against the specific performance metrics.
<b>Proportionality</b>	The metrics and maximum award levels in the annual bonus and PSP help to ensure that variable pay for Executive Directors is proportionate to the performance delivered for stakeholders and that there is alignment between the outcomes and the achievement of SJP's strategy. Stretching performance conditions and the discretion available to the Committee ensure that poor performance is not rewarded.
<b>Alignment to culture</b>	The Policy reflects SJP's culture of rewarding performance, being a responsible business, and taking account of the needs of all stakeholders. This is particularly relevant for the strategic objectives relating to the annual bonus as these include elements specifically aligning with cultural indicators.

### Conclusion

Remuneration outcomes for 2023 reflect the Committee's robust approach to performance assessment – with total remuneration substantially lower than for 2022. We align Executive Directors with the long-term interests of our shareholders: over 75% of the total remuneration package is 'at risk' by being subject to performance criteria. Shares constitute around 60% of the total package, through deferral of bonus over three years and PSP awards that are subject to a total five-year vesting and holding period. This closely aligns Executive Directors with sustained share price performance.

I thank shareholders who assisted the Committee in the consultation process following the AGM, and I continue to very much welcome constructive feedback on the Committee's Remuneration Report.

I encourage you to vote for the Directors' Remuneration Report for 2023.

**Emma Griffin**, On behalf of the Group Remuneration Committee

27 February 2024

1 2 3 4 5 Remuneration

## Report of the Group 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?

###### Single figure remuneration for the year

The following tables provide a summary single total figure of remuneration for 2023 and 2022 for the Executive Directors.

Andrew Croft, Chief Executive Officer <sup>1</sup> £'000		Mark FitzPatrick, Chief Executive Officer <sup>2</sup> £'000		Craig Gentle, Chief Financial Officer £'000	
2023	696	696	257	257	798
2022	754	2,361	3,141	N/A	2,256
	◆ Fixed	◆ Variable	◆ Fixed	◆ Variable	◆ Fixed

	2023	2022		2023	2022		2023	2022
Base salary	563,862	587,161	Base salary	210,000	–	Base salary	445,104	424,561
Benefits	47,104	49,705	Benefits	26,469	–	Benefits	112,146	39,397
Pension	84,579	117,432	Pension	21,000	–	Pension	66,766	84,912
Other	–	176	Other	–	–	Other	179	–
Annual bonus (cash) <sup>3</sup>	–	339,379	Annual bonus (cash) <sup>3</sup>	–	–	Annual bonus (cash) <sup>3</sup>	86,816	245,396
Annual bonus (deferred) <sup>3</sup>	–	339,379	Annual bonus (deferred) <sup>3</sup>	–	–	Annual bonus (deferred) <sup>3</sup>	86,816	245,396
Total	695,545	1,433,232	Total	257,469	–	Total	797,827	1,039,662
PSP vested <sup>4</sup>	–	1,682,174	PSP vested <sup>4</sup>	–	–	PSP vested <sup>4</sup>	–	1,216,326

- Andrew Croft stepped down as Chief Executive Officer and from the Board on 30 November 2023. The figures shown are his remuneration for services as a Director.
- Mark FitzPatrick was appointed as Chief Executive Officer Designate and to the Board on 1 October 2023 and became Chief Executive Officer on 1 December 2023.
- The annual bonus awards are in respect of performance during the years ending 2022 and 2023 respectively.
- The value of the PSP vested corresponds to the long-term incentives in the Total remuneration table on page 135.

##### Linking remuneration to achievement of key business goals

		Weighting (maximum potential percentage points per item)	Outturn (actual points earned)	Percentage of base salary earned <sup>1</sup>
<b>Annual bonus for 2023 (max 175% of base salary)</b>	Underlying cash result	10%	0.0	0%
	Net funds under management flows	20%	0.0	0%
	Annual growth in controllable expenses	20%	24.0	42%
	Strategic and operational KPIs	50%	22.3	39%
	<b>Total calculated payout before exercise of discretion</b>	<b>100%</b>	<b>46.3</b>	<b>81%</b>
	<b>Total bonus award after exercise of discretion: Andrew Croft</b>		<b>0.0</b>	<b>0%</b>
	<b>Total bonus award after exercise of discretion: Craig Gentle</b>		<b>22.3</b>	<b>39%</b>
<b>PSP (2021 award) (max 200% of base salary)<sup>1</sup></b>	Relative TSR	33.3%	0.0	0%
	Average annual adjusted earnings per share (EPS) growth in excess of RPI <sup>2</sup>	66.7%	0.0	0%
	<b>Total PSP opportunity</b>	<b>100%</b>	<b>0.0</b>	<b>0%</b>

- 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.
- The EPS performance condition is calculated by reference to the post-tax European Embedded Value (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.

##### Annual report on remuneration

This Directors' Remuneration Report, excluding the Directors' Remuneration Policy, will be put to an advisory shareholder vote at the 2024 AGM. This part of the Remuneration Report explains the work of the Remuneration Committee and sets out how we implemented our Policy during 2023. The information on pages 134 to 153 has been audited where indicated. This part also sets out how we intend to implement the Directors' Remuneration Policy in 2024. A summary of the Policy is set out on pages 154 to 157.

##### 2.1 How the Remuneration Policy was applied in 2023

###### 2.1.1 Remuneration payable in respect of performance in 2023 (audited)

###### Summary of total remuneration

The remuneration received by Executive Directors in respect of the years ended 31 December 2023 and 2022 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	2023	563,862	47,104	–	–	84,579	–	695,545	695,545	–
	2022	587,161	49,705	678,758	1,682,174	117,432	176	3,115,406	754,298	2,361,108
Mark FitzPatrick	2023	210,000	26,469	–	–	21,000	–	257,469	257,469	–
	2022	–	–	–	–	–	–	–	–	–
Craig Gentle	2023	445,104	112,146	173,632	–	66,766	179	797,827	624,017	173,811
	2022	424,561	39,397	490,792	1,216,326	84,912	–	2,255,988	548,870	1,707,118

The remuneration received by Non-executive Directors in respect of the years ended 31 December 2023 and 2022 is set out below.

Non-executive Director		Fees	Benefits	Total
		£	£	£
Dominic Burke <sup>1</sup>	2023	147,109	–	147,109
	2022	21,208	–	21,208
Emma Griffin	2023	139,363	10,617	149,980
	2022	124,125	6,584	130,709
Rosemary Hilary	2023	159,252	419	159,671
	2022	154,021	–	154,021
John Hitchins	2023	142,472	118	142,590
	2022	122,042	–	122,042
Simon Jeffreys <sup>2</sup>	2023	105,743	1,683	107,426
	2022	181,537	1,699	183,236
Paul Manduca	2023	375,000	2,880	377,880
	2022	375,000	4,784	379,784
Lesley-Ann Nash	2023	111,996	113	112,109
	2022	111,000	85	111,085
Roger Yates <sup>2</sup>	2023	66,516	–	66,516
	2022	167,042	534	167,576

- Dominic Burke was appointed to the Board on 1 November 2022 and stepped down on 31 January 2024.
- Simon Jeffreys and Roger Yates retired from the Board on 18 May 2023.

## Report of the Group Remuneration Committee continued

### 2.1.1 Remuneration payable in respect of performance in 2023 (audited) continued

#### Summary of total remuneration continued

##### 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 Craig Gentle, they also include a location allowance of £72,000 per annum, to allow him to work increased amounts of time in SJP's London office away from his normal place of work at SJP's Cirencester office (2022: Nil). 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. Non-executive Directors are not paid a pension and do not participate in any of the Company's variable incentive schemes.

##### Pension allowance

Consistent with the pension 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 ten years of service. The pension allowances for Executive Directors appointed prior to the 2018 AGM were reduced to 15% of base salary on 1 January 2023. None of the Executive Directors participate in defined benefit pension schemes.

##### Annual bonus

As explained on page 155, half of the annual bonus is paid in cash, and the other half in the form of a conditional award of the Company's shares. Release of the shares is subject to the participant's continued employment. Deferred shares are subject to forfeiture for three years under the terms of the Deferred Bonus Scheme.

##### Long-term incentives

The value of the long-term incentives is the value of shares vesting from the award where the performance period ends in the year, together with the value of dividend equivalents that have been added in the form of shares, during the three-year performance period, to the vested shares. The long-term incentive values for 2023 are £0 for all Executive Directors. For Andrew Croft and Craig Gentle, this is due to the performance conditions not being met for the PSP award granted on 25 March 2021. These awards will lapse in full and no shares will vest and for Mark FitzPatrick it is because he has not been granted any LTIP awards yet. The figures for 2022 have been updated from the three-month average figures used in last year's report (being £1,814,958 for Andrew Croft and £1,312,337 for Craig Gentle) to the Company's share price on the date of vesting on 27 March 2023, being £11.80.

The LTIP figure for 2022 in the table on the previous page includes the following: £642,858 for Andrew Croft and £464,833 for Craig Gentle, which are attributable to the movement in the share price between the grant date and the date of vesting. This amounts to 35.42% of the vesting amount shown in the table for Andrew Croft 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 scheme. For the Share Incentive Plan the value relates to the matching shares (one matching share is awarded for every ten Partnership shares purchased) received. For Craig Gentle, 15 matching shares were awarded on 24 March 2023 at £11.93 per share. Employees making contributions to the Save As You Earn scheme receive a 20% discount on shares under option. None of the Directors started a savings contract in 2023.

##### Subsidiary board fees

Emma Griffin received £29,688 for chairing St. James's Place Unit Trust Group Limited until 13 December 2023 after which she continued as a Non-executive Director. Sheila Nicoll received £3,629 for chairing St. James's Place Unit Trust Group Limited from 14 December 2023. Simon Jeffreys received €50,781 for chairing St. James's Place International plc (SJPI) until he retired from the Board on 18 May 2023. Dominic Burke, Rosemary Hilary, Simon Jeffreys, John Hitchins and Roger Yates received the following fees as Non-executive Directors of St. James's Place UK plc during 2023: £31,250 for Dominic Burke; £31,250 for Rosemary Hilary; £12,070 for Simon Jeffreys until he retired on 18 May 2023; £32,813 for John Hitchins; and £11,719 for Roger Yates until he retired on 18 May 2023.

### 2.1.2 Remuneration arrangements for change of Chief Executive Officer (audited)

#### Termination arrangements for Andrew Croft

As we announced on 13 September, Andrew Croft stepped down from the Board and from the position of Chief Executive Officer of St. James's Place plc (Company) on 30 November 2023. Payments and remuneration arrangements relating to loss of office are set out below.

Mr Croft will continue to receive his base salary and contractual benefits until the end of his notice period on 13 September 2024 when he ceases to be an employee and will be paid in accordance with his service agreement and the Policy.

Mr Croft was eligible for an annual bonus award for the financial year ending 31 December 2023, pro-rated for the period he was a member of the Board of the Company. The Committee determined that the bonus award in respect of 2023 is zero. He will not be eligible for annual bonus in respect of the financial year ending 31 December 2024.

Mr Croft will be treated as a good leaver in respect of his outstanding awards under the DBP and the PSP, and accordingly the unvested awards under these plans will vest on the normal vesting dates. PSP awards will be subject to the achievement of performance conditions and pro-rating in respect of his period of employment. He will not receive a PSP award in 2024. PSP awards will continue to be subject to post-vesting holding periods in accordance with the rules of the PSP.

Mr Croft's unvested Company Share Option Plan (CSOP) awards will vest on the normal vesting dates, subject to the achievement of performance conditions and pro-rating in respect of his period of employment. He will not receive a CSOP award in 2024 and CSOP awards will continue to be subject to post-vesting holding periods in accordance with the rules of the CSOP.

Malus and clawback provisions will apply to any awards or payments made to Mr Croft under any of the above award and share plans.

Mr Croft will retain his unvested Sharesave options and shares held in the Share Incentive Plan (SIP) in accordance with the respective plan rules.

In line with the Policy, Mr Croft will be required to maintain a shareholding equivalent to 300% of his base salary from the date he stepped down from the Board for two years post cessation.

Mr Croft will receive no additional compensation or payment for the termination of his service contract or his ceasing to be a director of the Company or any other Group Company. The Company contributed towards his legal fees in connection with the termination of his service contract.

#### Joining arrangements for Mark FitzPatrick

Mark Fitzpatrick was appointed Group Chief Executive effective 1 December 2023, having been Chief Executive Officer Designate (and appointed to the Board) from 1 October 2023. Mr FitzPatrick receives a base salary of £840,000. Mr FitzPatrick's pension level is 10% of base salary, in line with other new joiners to the Company. His maximum annual bonus is set at 200% of base salary for 2024, and his maximum PSP grant is 250% of base salary, both in line with the approved Policy. Mr FitzPatrick also received Buyout awards over SJP shares with a value of £644,163 to replace the portion of awards he held at Prudential that he forfeited to take up the role with SJP on 1 October 2023. The first tranche of these replacement awards will vest in 2024 and are subject to the following performance conditions which apply to the Prudential plc Long Term Incentive Plan 2021: Prudential plc's relative total shareholder return for 50% of the awards; Prudential plc's return on embedded value for 30% of the award; and sustainability scorecard for 20% of the award. The second and third tranches vest in April 2025 and May 2025 and are subject to SJP's total shareholder return against the comparator group used for SJP's annual PSP awards. These replacement awards vest in line with the vesting dates of the awards he forfeited.

### 2.1.3 Summary of total annual bonus for 2023 performance (audited)

#### Bonus scorecard

The performance conditions (both financial and non-financial targets) and weightings which applied to the annual bonus were as follows:

Measure	Weighting (percentage of salary)	Weighting (percentage of maximum)	Threshold (20% payable)	Maximum value (100% payable)	Actual	Payout (percentage of salary)	Payout (percentage of maximum total bonus)
Underlying cash result	21%	12%	£410m	£458m	£384.7m	0.0%	0.0%
Net funds under management flows	42%	24%	£7.40bn	£9.09bn	£5.1bn	0.0%	0.0%
Annual growth in controllable expenses	42%	24%	£377.3m	£370.4m	£370.4m	42.0%	24.0%
Strategic	70%	40%	Assessment by the Committee of the performance of the Executive Directors			39.0%	22.3%
<b>Total calculated payout before exercise of discretion</b>						<b>81.0%</b>	<b>46.3%</b>

1 2 3 4 5 Remuneration

# Report of the Group Remuneration Committee continued

## 2.1.3 Summary of total annual bonus for 2023 performance (audited) continued

### Strategic targets performance assessment

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 guide the Committee's determination of the overall success against objectives, and we have included details of the measures and outcomes for the objectives below. When assessing the overall outcome for each priority, the Committee has this year included a score to show to what extent each priority had been completed. In order to determine an overall outcome the Committee has aggregated the scores for each of the six priorities and has also taken into account any other relevant achievements during the year.

A number of the business priorities were achieved and progress was made in meeting or exceeding certain business plan objectives. The category entitled 'Our culture and being a responsible business' is made up entirely of environmental, social and governance (ESG) targets and has been progressing to plan. In addition, other factors throughout the objectives also recognise our aim to be a responsible business.

Business priority (scorecard weighting – total 70%)	Measure/target	Outcome	Score (out of 11.67%)
<b>Building community (11.67%)</b>			<b>7</b>
<b>Net manpower growth</b>	Grow adviser numbers in line with plan	3% growth achieved	
<b>Attainment of competent adviser status</b>	Reduce the time taken to reach competent adviser status in line with plan	Time taken to reach competent adviser status was reduced. Further reductions required to achieve plan goal	
<b>Partner sentiment</b>	Achieve strong overall scores based on a basket of criteria in Partner engagement surveys	Improvements to Partner sentiment required to achieve stronger scores	
<b>Partner feedback from engagement events</b>	Achieve positive Partner feedback from engagement events	Positive feedback achieved	
<b>Employee engagement</b>	Achieve strong employee engagement scores based on colleague survey results	Engagement score of 87% achieved, in line with plan	
<b>Being easier to do business with (11.67%)</b>			<b>9</b>
<b>Administration performance</b>	% of key performance indicators used to track the performance of our administrators showing a positive outcome	Target exceeded. Achieved 90% over the whole year. Further work required to optimise the benefit Partners receive from improved administrator performance	
<b>Administration error rate</b>	Improve administration service by reducing error rates in line with plan	Achieved in line with plan	
<b>Salesforce integration and satisfaction levels</b>	Continue to embed Salesforce across corporate functions and increase Partner sentiment	Partner sentiment and experience improving with the rollout of new Salesforce functionality	
<b>Enhancement of digital client proposition</b>	Increase client app features and assess client satisfaction	Exceeded target	
<b>Client adoption of digital tools</b>	Increase the use of digital technologies by clients	Achieved close to target	
<b>Data governance and quality</b>	Improve data governance and quality	Material improvements achieved. Further work required	

Business priority (scorecard weighting – total 70%)	Measure/target	Outcome	Score (out of 11.67%)
<b>Delivering value to advisers and clients through our investment proposition (11.67%)</b>			<b>7</b>
<b>Client sentiment on investment proposition</b>	Achieve positive client sentiment on the investment proposition	Improvement required. Plans underway to enhance sentiment alongside broader investment outperformance goals	
<b>Investment performance</b>	Further improve aggregate relative performance, as measured by the Value Assessment methodology	Change to the Value Assessment Statement methodology affected fund ratings. Fund outperformance improved alongside Partner sentiment	
<b>Investment proposition changes</b>	Successful delivery of planned fund and portfolio changes	Achieved in line with plan	
<b>Carbon footprint</b>	Reduce carbon footprint of investment proposition in line with plan	Exceeded target	
<b>Building and protecting our brand and reputation (11.67%)</b>			<b>4: below bonus threshold</b>
<b>Client sentiment</b>	Achieve positive client sentiment	Positive sentiment achieved in certain areas. Enhancements required to improve overall sentiment	
<b>Reputation</b>	Enhance SJP's external reputation	External challenges experienced during the year. Further work planned to enhance SJP's external reputation	
<b>Client servicing</b>	Deliver client servicing in line with expectations	Significant progress achieved in line with plan	
<b>Cyber security</b>	Increase % of Partnership using DaaS or who are CE+ accredited	Achieved target	
<b>Media sentiment</b>	Achieve positive media sentiment	External challenges experienced during the year. Further work planned to enhance SJP's external reputation	
<b>Client complaints</b>	Achieve low levels of complaints, relative to volume of clients	Complaint volumes increased	
<b>Regulator relationships</b>	Maintain a constructive relationship with the PRA and FCA	Relationship continues to improve and will be developed further in 2024	
<b>Risk management</b>	Maintain effective risk management, compliance oversight and internal audit framework	While control framework remains robust some areas of improvement are required	
<b>Our culture and being a responsible business (ESG) (11.67%)</b>			<b>8</b>
<b>Culture vision</b>	Focus on inclusion and belonging within the SJP community and engaging with and embedding the culture vision within the Partnership	Year on year improvement in employee engagement score for inclusion and belonging	
<b>Carbon emissions</b>	Improve carbon emissions data collation and support, becoming carbon positive in operations by 2025	Have been progressing to plan in 2023 with continued enhancements planned in 2024 to enable achievement of target	
<b>Financial resilience</b>	Improve financial resilience in society and with our employees through financial education	Exceeded target	
<b>Community impact</b>	SJP Charitable Foundation to raise at least £9.2 million with Company matching	Goal exceeded. £9.5m raised during 2023	
<b>Inclusion and Diversity</b>	30% representation of females in senior roles and 10% ethnic minority employee representation by September 2023	34.4% representation of females in senior roles achieved. Ethnic representation increasing	
<b>Continued financial strength (11.67%)</b>			<b>8</b>
<b>Partner lending</b>	Manage the existing Partner loan book and maintain lending to cash utilisation targets	Behind plan due to challenging external conditions	
<b>Risk appetite of capital</b>	Manage capital within risk appetite	Achieved	

## Report of the Group Remuneration Committee continued

### 2.1.3 Summary of total annual bonus for 2023 performance (audited) continued

#### 2023 performance against bonus scorecard (including Committee discretion)

The table below sets out performance against financial and non-financial targets under the bonus scorecard, and the effect of the Committee's overriding discretion on the final outcome. The table also shows the portion of the annual bonus awarded in cash and the portion awarded in deferred shares.

	Andrew Croft	Craig Gentle
Bonus scorecard (0% – 175%)	81%	81%
Committee discretion	-81%	-42%
<b>Final outcome (% of base salary)</b>	<b>0%</b>	<b>39%</b>
Maximum opportunity for 2023 (% of salary)	175%	175%
Final bonus outcomes		
% of salary	0%	39%
% of maximum	0%	22%
Cash amount	-	£86,816
Deferred amount	-	£86,816

### 2.1.4 Long-term incentive awards (audited)

#### Vesting of Performance Share Plan awards

On 31 December 2023, the awards made on 25 March 2021 under the PSP reached the end of their three-year performance period. As outlined below these awards did not meet the minimum performance hurdles and therefore no shares will vest. The performance conditions which applied to the 2021 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 150 <sup>1</sup>		Average annual adjusted EPS growth in excess of RPI <sup>2</sup>	
	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%	5%	25%
Stretch or above	Upper quartile or above	100%	12% or above	100%
Actual achieved	66 out of 80 companies	0%	0%	0%

1 FTSE 51 to 150 index 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 excludes 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.

6 No discretion was exercised by the Committee to override the outcome referred to above.

### Granting of PSP awards in 2023

Details of PSP awards (nil-cost options) granted to the Executive Directors in 2023 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 <sup>1</sup>	Face value of award (£'000)	Percentage of face value that would vest at threshold performance
Andrew Croft	Nil-cost option	250% of salary of £620,494	£11.9683	129,612	1,551	25%
Craig Gentle	Nil-cost option	250% of salary of £448,665	£11.9683	93,719	1,122	25%

1 The number of shares awarded was calculated based on the average of the mid-market share prices over a period of three days prior to the date of grant on 3 May 2023, being £11.9683 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 £11.9683.

2 PSP awards are structured as nil-cost options and therefore no exercise price is 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 2023 were based on the achievement of three metrics: (a) TSR performance relative to a composite benchmark of the FTSE 51 to 150, excluding investment trusts and companies in the oil, gas and mining sectors for one third of the award. For the TSR performance metric element, 25% vests at median, with a straight-line relationship to 100% vesting for upper quartile performance; (b) EPS CAGR % using EEV adjusted profit for one third of the award. This is by reference to the post-tax EEV operating profit (on a fully diluted per-share basis). This metric excludes the direct impact of stock market fluctuations and changes in economic assumptions on the final year's performance, for one third of the award; and (c) EPS CAGR % using Cash result profits for one third of the award. For the EPS performance metric elements, 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 (EPS CAGR of 5%) and maximum (EPS CAGR of at least 12%) targets. These awards also have a post-vesting holding period of two years from the vesting date.

3 Andrew Croft's award is subject to pro-rating in respect of his period of employment until 13 September 2024.

### 2.1.5 Share awards (audited)

The tables below set out details of share awards that have been granted to individuals who were Executive Directors during 2023 and which had yet to vest or be exercised at some point during the year. With the exception of the awards granted to Mark FitzPatrick, the performance periods for share awards run for a period of three years, ending on 31 December of the year immediately preceding the vesting date.

#### Buyout awards outstanding

Director	Date of grant	Market price at grant	Shares originally awarded	Face value (£) <sup>1</sup>	Shares vested	Vesting date	Dividend equivalents added to vested awards	Shares exercised including dividend equivalents	Shares lapsed	Remaining unexercised at 31 Dec 2023
Mark	24 Oct 2023	6.4388	14,873	95,764	-	17 May 2024	-	-	-	14,873
FitzPatrick	24 Oct 2023	6.4388	34,513	222,222	-	4 April 2025 <sup>2</sup>	-	-	-	34,513
	24 Oct 2023	6.4388	50,658	326,177	-	27 May 2025 <sup>2</sup>	-	-	-	50,658

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

2 The performance period for the awards which vest on 4 April 2025 and 27 May 2025 is from 1 October 2023 to 31 December 2024.

3 The awards are in the form of nil-cost options granted under the rules of the Performance Share Plan and are subject to the performance conditions outlined in section 2.1.2 (page 137). Vested awards will be subject to a two-year holding period from the relevant vesting date.

## Report of the Group Remuneration Committee continued

### 2.1.5 Share awards (audited) continued

#### Performance Share Plan awards outstanding

Director	Date of grant	Market price at grant	Shares originally awarded	Face value (£) <sup>1</sup>	Shares vested	Vesting date	Dividend equivalents added to vested awards	Shares exercised including dividend equivalents <sup>5</sup>	Shares lapsed	Remaining unexercised at 31 Dec 2023
Andrew Croft	25 Mar 2019	9.92	107,537	1,066,767	100,454	25 Mar 2022	–	100,454	–	–
	25 Mar 2020	7.13	159,387	1,136,429	137,657	25 Mar 2023	21,328	153,740	21,800 <sup>6</sup>	5,175
	25 Mar 2021	12.67	89,695	1,136,436	–	25 Mar 2024 <sup>3</sup>	–	–	–	89,695
	25 Mar 2022 <sup>4</sup>	14.64	100,947	1,477,359	–	25 Mar 2025	–	–	–	100,947
	3 May 2023 <sup>2,4</sup>	11.9683	129,612	1,551,235	–	3 May 2026	–	–	–	129,612
Craig Gentle	25 Mar 2019	9.92	77,757	771,349	72,635	25 Mar 2022	–	72,635	–	–
	25 Mar 2020	7.13	115,249	821,725	99,536	25 Mar 2023	11,679	111,009	15,919 <sup>7</sup>	–
	25 Mar 2021	12.67	64,856	821,726	–	25 Mar 2024 <sup>3</sup>	–	–	–	64,856
	25 Mar 2022	14.64	72,992	1,068,238	–	25 Mar 2025	–	–	–	72,992
	3 May 2023 <sup>2</sup>	11.9683	93,719	1,121,657	–	3 May 2026	–	–	–	93,719

- The face value of the award 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). All awards are in the form of nil-cost options.
- The performance conditions for the awards granted on 3 May 2023 are outlined in the 'Granting of PSP awards in 2023' section on page 141.
- The three-year performance period for the awards which are due to vest on 25 March 2024 ended on 31 December 2023.
- Andrew Croft's awards are subject to pro-rating in respect of his period of employment until 13 September 2024, as detailed on page 137.
- Andrew Croft exercised options on 22 May 2023 at a market price of £11.46 per share and Craig Gentle exercised options on 28 March 2023 at a market price of £11.62 per share. A sufficient number of shares were sold to cover the income tax and National Insurance Contributions due on the exercise of these options and the retained shares are subject to post-vesting holding periods of two years from the applicable vesting date. Dividend equivalents were paid in cash for the awards granted on 25 March 2019 as these awards were granted under the terms of the 2017 Remuneration Policy. Andrew Croft received a payment of £223,680.92 on 25 June 2023 and Craig Gentle received a payment of £134,723.40 on 25 April 2023. Both payments were subject to income tax and National Insurance Contributions.
- 21,730 shares lapsed due to the performance conditions not being met in full and 70 shares lapsed following the exercise of the linked Company Share Option Plan (CSOP) option and is equivalent to the gain on the CSOP exercise.
- 15,713 shares lapsed due to the performance conditions not being met in full and 206 shares lapsed following the exercise of the linked CSOP option and is equivalent to the gain on the CSOP exercise.

#### Company Share Option Plan options outstanding (linked to PSP awards)

Director	Date of grant	Option price (£)	Share options originally awarded	Grant value (£) <sup>1</sup>	Share options vested	Vesting date	Share options exercised <sup>2</sup>	Share options lapsed <sup>3</sup>	Remaining unexercised at 31 Dec 2023
Andrew Croft	25 Mar 2020	7.13	212	1,512	182	25 Mar 2023	182	30	–
	25 Mar 2022 <sup>4</sup>	14.635	1,946	28,480	–	25 Mar 2025	–	–	1,946
	3 May 2023 <sup>4</sup>	11.9683	2,525	30,220	–	3 May 2026	–	–	2,525
Craig Gentle	25 Mar 2020	7.13	617	4,399	532	25 Mar 2023	532	85	–
	25 Mar 2022	14.635	1,749	25,597	–	25 Mar 2025	–	–	1,749
	3 May 2023	11.9683	2,874	34,397	–	3 May 2026	–	–	2,874

- The grant value of the award is calculated by multiplying the number of shares options awarded by the option price (the average share price figure over a period of three days prior to the date of grant).
- Andrew Croft exercised CSOP options on 22 May 2023 at an option price of £7.13 and a market price of £11.51 per share and Craig Gentle exercised CSOP options on 28 March 2023 at an option price of £7.13 and a market price of £11.60 per share. A sufficient number of shares were sold to cover the option costs for these exercises and the retained shares are subject to post-vesting holding periods of two years from the applicable vesting date.
- CSOP options lapsed prior to the vesting date due to the performance conditions of the linked 2020 PSP award not being met in full.
- Andrew Croft's unexercised CSOP options are subject to pro-rating in respect of his period of employment until 13 September 2024, as detailed on page 137.

All share options are in the form of tax-advantaged Company Share Option Plan (CSOP) options which are linked to the PSP award granted on the same date shown in the Performance Share Plan awards outstanding table above. The CSOP options are subject to the same performance conditions as the linked PSP award. On the exercise of vested CSOP options, shares will lapse from the linked PSP award equivalent in value to the gain achieved on the exercise of the CSOP options.

#### Deferred Bonus Scheme – shares held during 2023

The table below sets out details of the awards held by the Executive Directors under the deferred element of the annual bonus scheme during 2023:

Director	Balance at 1 January 2023	Released in year <sup>1</sup>	Awarded in year	Balance at 31 December 2023 <sup>2</sup>	Vesting date
Andrew Croft	15,346	15,346	–	–	25 March 2023
	31,934	–	–	31,934	25 March 2025
	–	–	28,445	28,445	24 March 2026
Craig Gentle	11,096	11,096	–	–	25 March 2023
	23,091	–	–	23,091	25 March 2025
	–	–	20,567	20,567	24 March 2026

- These deferred share awards were awarded on 25 March 2020 and were equal in value to 50% of each Directors' 2019 total annual bonus. The shares were released and sold on 27 March 2023 at a market price of £11.76 per share.
- Outstanding awards at the year-end relate to deferred shares awarded in 2022 and 2023 which were earned in 2021 and 2022 respectively. The share price used to calculate the 2022 award was £12.90 (the average of the mid-market share prices for 1, 2 and 3 March 2022) and for the 2023 award was £11.93 (the average of the mid-market share prices for 21, 22 and 23 March 2023).
- Deferred share awards are held as Restricted Shares in the Group's Employee Share Trust until the vesting date.

Further details of the deferred element of the annual bonus scheme are set out on page 155. Dividends accrue to the Executive Directors during the three-year period that the shares are subject to forfeiture, and details of these dividends are set out on page 155.

#### Save As You Earn (SAYE) share option scheme – shares held during 2023

Details of the options held by the Directors in 2023 under the SAYE scheme and any movements during the year are as follows:

Director	Options held at 1 January 2023	Granted in year	Lapsed in year	Exercised in year	Options held at 31 December 2023	Exercise price	Dates from which exercisable
Andrew Croft	1,148	–	–	–	1,148	£9.40	1 May 2024 to 31 October 2024
Craig Gentle	843	–	–	–	843	£12.81	1 November 2024 to 30 April 2025

At 31 December 2023 the mid-market price for the Company's shares was £6.84. The range of prices between 1 January 2023 and 31 December 2023 was between £6.11 and £13.05.

#### Share Incentive Plan – shares held during 2023

The table below sets out details of the awards held by the Directors under the Share Incentive Plan during 2023:

Director	Balance at 1 January 2023	Partnership shares allocated in year <sup>1</sup>	Matching shares allocated in year <sup>2</sup>	Dividend shares allocated in year <sup>3</sup>	Balance at 31 December 2023	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
	156	–	–	–	156	25 March 2021 to 25 March 2024
Craig Gentle	134	–	–	–	134	25 March 2022 to 25 March 2025
	188	–	–	–	188	24 March 2017 to 24 March 2020
	192	–	–	–	192	25 March 2019 to 25 March 2022
	156	–	–	–	156	25 March 2021 to 25 March 2024
	–	150	15	–	165	24 March 2023 to 24 March 2026

- Partnership shares are shares awarded in return for an investment of between £10 and £1,800. Partnership shares were purchased on behalf of Craig Gentle on 24 March 2023 at a price of £11.93 per share, in return for £1,800 being deducted from pre-tax salary.
- For every ten Partnership shares acquired, the Company awards one matching share. Matching shares were also awarded on 24 March 2023 in relation to the Partnership shares mentioned above.
- 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 2024 and 27 February 2024 there were no exercises or other dealings in the Company's share awards by the Directors.

## Report of the Group Remuneration Committee continued

### 2.1.6 Shareholding requirements and Directors' share interests (audited)

#### Shareholding requirements

To align the long-term interests of Executive Directors and shareholders Executive Directors are required to build up a shareholding in Company shares. The Chief Executive Officer is required to build up a shareholding equivalent to 300% of salary and the Chief Financial Officer is required to build up a shareholding equivalent to 200% of salary. The table sets out the shareholdings of the Executive Directors. Mark FitzPatrick's shareholding will build as his awards start to vest from 2024 onwards and Craig Gentle's shareholding had previously exceeded the requirements, but has fallen below the minimum requirement due to a fall in the Company's share price during 2023. Until the shareholding requirements are met, at least 50% of vested shares from the PSP and other share awards (less tax liability) will normally be retained by the Executive Director.

Director	Shares held at 1 January 2023	Shares held at 31 December 2023	Percentage of base salary held in SJP shares as at 31 December 2023 <sup>1</sup>
Mark FitzPatrick	–	–	0%
Andrew Croft <sup>2</sup>	732,395	919,636	982%
Craig Gentle	96,631	141,652	185%
Dominic Burke	–	–	
Emma Griffin	2,164	2,275	
Rosemary Hilary	–	–	
John Hitchins	–	–	
Simon Jeffreys <sup>3</sup>	18,364	18,364	
Paul Manduca	17,000	27,000	
Lesley-Ann Nash	–	–	
Roger Yates <sup>3</sup>	50,000	50,000	

1 Calculated using the mid-market price at 31 December 2023 of £6.84 and the base salary as at 31 December 2023. The overall percentage of base salary excludes the value of shares that would need to be sold to meet the notional tax and employee National Insurance contributions on Deferred Bonus Scheme (DBS) awards that remained in their periods of deferral.

2 Andrew Croft stepped down (see page 131) from the Board on 30 November 2023. He is subject to a post-cessation shareholding requirement which requires him to hold shares equivalent to 300% of his salary as at 30 November 2023 up to the second anniversary of his departure date.

3 Simon Jeffreys and Roger Yates retired from the Board on 18 May 2023.

4 The interests of the Executive Directors set out above include the gross number of shares held in trust for the Directors for DBS awards which are subject to a three-year continuous service requirement, details of which are set out on page 155. The interests of the Executive Directors also include awards under the Share Incentive Plan, details of which are set out on page 155. They also include shares which are beneficially owned and are subject to a post-vesting holding period following the exercise of PSP options. Unexercised share options are not included.

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

6 Disclosure of the Directors' interests in share awards is made on pages 141 to 143 and also in Note 27 – Related party transactions.

7 The details of any shares released from DBS awards and any share options exercised during 2023 are outlined in section 2.1.5 on pages 141 to 143.

Between 1 January 2024 and 27 February 2024 there were no transactions in the Company's shares by the Directors.

### Executive Directors' shareholdings and outstanding share awards

	Beneficially owned at 31 December 2023 <sup>1</sup>	Outstanding PSP awards (performance conditions) <sup>2</sup>	SAYE options (no performance conditions) <sup>3</sup>	Outstanding DBS awards (no performance conditions) <sup>4</sup>	SIP shares (no performance conditions) <sup>5</sup>
Andrew Croft <sup>6</sup>	919,636	325,429	1,148	60,379	1,128
Mark FitzPatrick	–	100,044	–	–	–
Craig Gentle	141,652	231,567	843	43,658	701

1 Beneficially owned shares include those DBS awards and SIP shares set out in columns 5 and 6 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 142.

3 Details of the SAYE options (including options that are vested but have not been exercised) are set out on page 143.

4 Details of DBS awards are set out on page 143.

5 Details of the SIP shares are set out on page 143.

6 Andrew Croft's shareholdings and outstanding share awards are as at the date he stepped down as a Director (30 November 2023).

### 2.1.7 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. These limits comply with the Investment Association dilution guidelines on the issue of new shares.

The table below sets out, as at 31 December 2023, 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 2023.

Share scheme	Number of new ordinary shares of 15 pence each	Percentage of total issued share capital as at 31 December 2023
SAYE schemes	3,158,778	0.58%
Executive share schemes	14,541,027	2.65%
Partners' share schemes	10,862,512	1.98%
Total	28,562,317	5.21%

In addition, as at 31 December 2023, the Group's Employee Share Trust held 2,949,167 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 2023 was 497,742.

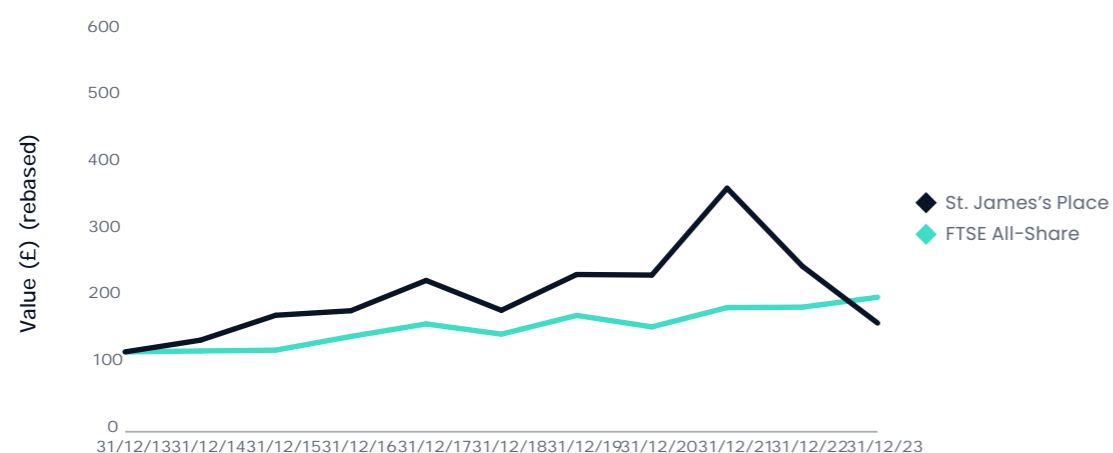
1 2 3 4 5 Remuneration

## Report of the Group Remuneration Committee continued

### 2.1.8 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 comparator index, given the broad nature of the index and the companies within it.

This graph shows the value, by 31 December 2023, of £100 invested in St. James's Place on 31 December 2013, 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.



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

The table below shows the total remuneration figure for the Chief Executive Officer 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										Mark FitzPatrick 2023
	David Bellamy			Andrew Croft							
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Total remuneration (£)</b>	3,646,514	3,115,230	2,631,667	2,458,020	1,886,774	1,421,729	812,678	3,141,423	3,115,406	695,545	85,823
<b>Annual bonus (% of maximum)</b>	95%	93.3%	96.67%	96.67%	62%	37.5%	0%	96.7%	77.1%	0%	–
<b>LTIP vesting (% of maximum)</b>	96%	100%	100%	87.94%	85.3%	62.9%	9%	93.4%	86.4%	0%	–

The 2022 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 annual report by a revised figure based on the Company's share price on the date of vesting on 27 March 2023, being £11.80.

### 2.1.10 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 over the last four years.

Remuneration element		Average employee (% change)	Executive Directors (% change)	
			A Croft	C Gentle
Salary/fee <sup>1</sup>	2023	7.5	(4.0)	4.8
	2022	7.4	3.3	3.3
	2021	–	5.8	5.8
	2020	5.0	(2.2)	(2.2)
Benefits <sup>2</sup>	2023	8.6	(5.2)	184.7
	2022	3.3	1.1	1.1
	2021	5.6	1.7	1.6
	2020	3.1	–	(6.1)
Bonus	2023	(28.7)	(100)	(64.6)
	2022	9.5	(17.6)	(17.6)
	2021	–	–	–
	2020	(100)	(100)	(100)

Remuneration element		Average employee (% change)	Non-executive Directors (% change) <sup>3</sup>							
			D Burke <sup>5,6</sup>	E Griffin <sup>5</sup>	R Hilary <sup>5</sup>	J Hitchins <sup>5,6</sup>	S Jeffreys <sup>5</sup>	P Manduca	L-A Nash <sup>5</sup>	R Yates <sup>5</sup>
Salary/fee <sup>1,4</sup>	2023	7.5	593.6	12.3	3.4	16.7	(41.8)	–	0.9	(60.2)
	2022	7.4	–	18.6	20.6	765.1	58.7	22.6	31.1	46.6
	2021	–	–	18.1	34.3	–	11.8	–	71.4	5.3
	2020	5.0	–	–	686.2	–	14.5	–	–	13.5
Benefits <sup>2</sup>	2023	8.6	–	61.3	100	100	(0.9)	(39.8)	32.9	(100)
	2022	3.3	–	239.0	(100)	–	39.6	2,572.6	(94.6)	71.7
	2021	5.6	–	62.9	(58.5)	–	(5.7)	–	–	–
	2020	–	–	–	–	–	(34.2)	–	–	–
Bonus	2023	(28.7)	–	–	–	–	–	–	–	–
	2022	9.5	–	–	–	–	–	–	–	–
	2021	–	–	–	–	–	–	–	–	–
	2020	(100)	–	–	–	–	–	–	–	–

- The change in the salary for average employees is higher in 2022 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.
- See the Benefits note on page 136 for further details on the benefits for Directors.
- The fees for Non-executive Directors for 2022 were split into a base fee and a separate committee membership fee. The total for these two elements resulted in an increase of 1.6% for 2022.
- 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 the changes for 2021.
- Emma Griffin and Lesley-Ann Nash were appointed during 2020. Paul Manduca and John Hitchins were appointed in 2021 and Dominic Burke was appointed in 2022. Additionally, John Hitchins, Simon Jeffreys and Roger Yates were appointed to the board of St. James's Place UK plc during 2022. Simon Jeffreys and Roger Yates retired from the Board on 18 May 2023.
- The significant increase in a) Rosemary Hilary's fee in 2020 was due to her not having served a full year in 2019; b) John Hitchins' fee in 2022 was due to him having not served a full year in 2021 and c) Dominic Burke's fee in 2023 was due to him having not served a full year in 2022.

## Report of the Group Remuneration Committee continued

### 2.1.11 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 2023, compared to the year ending 31 December 2022.

	2023	2022	Percentage change
	£'Million	£'Million	
Executive Directors' remuneration <sup>1</sup>	1.8	5.4	-67%
IFRS profit after tax <sup>2</sup>	(9.9)	407.2	-102%
European Embedded Value (EEV) operating profit before tax <sup>2</sup>	(1,891.60)	1,589.7	-219%
Dividends	269.3	287.1	-6%
Employee remuneration costs	253.4	254.2	0%

<sup>1</sup> Calculated on the same basis as the Single total figure of remuneration on page 134 for Executive Directors in office as at 31 December 2023.

<sup>2</sup> 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 pages 276 to 278), 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 54 to 73.

### 2.1.12 CEO pay ratio (unaudited)

Year	Methodology	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	Option C	19:1	13:1	7:1
2022	Option C	75:1	54:1	30:1
2021	Option C	93:1	60:1	33:1
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	25th percentile pay	50th percentile pay	75th percentile pay
	£	£	£	£
Salary	633,862	31,583	47,500	65,000
Total pay	776,762	40,828	59,600	105,450

For 2023, we have continued to calculate the CEO pay ratio using Option C, as it allows us to use our existing gender pay gap information supplemented with other pay data from our Group companies.

To calculate the ratio in accordance with the regulations we ranked all our UK employees by their annualised full-time equivalent salary as at 31 December 2023. From this we identified three employees at the 25th, 50th and 75th percentiles. We then calculated the total remuneration figure for each of the three employees throughout 2023, in line with the same reporting regulations that apply to our Executive Directors, which is then used to calculate the ratio to the Chief Executive Officer's remuneration. We believe the three identified employees are representative of the 25th, 50th and 75th percentiles.

For 2023, the Chief Executive Officer is receiving zero annual bonus and the total vesting of the PSP award was zero; and hence this has significantly changed the CEO pay ratio compared to previous years. Whilst none of the three employees identified at the 25th, 50th and 75th percentiles are eligible to receive PSP awards, all three received an annual bonus within the year and are invited to participate in the SIP and SAYE scheme on the same terms as the Chief Executive Officer.

## 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 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](http://www.sjp.co.uk).

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

Topic	Summary of activity	Find out more
<b>Annual bonus objectives and new awards</b>	The Committee considered and set the strategic objectives for 2024 and agreed the bonus outcomes from 2023.	See pages 137 to 140
<b>PSP awards and vestings</b>	The Committee determined 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 141
<b>Assessing risk</b>	The Committee assessed the alignment of the Group's remuneration policies with risk appetite and regulatory requirements. Assurance was sought from the Chief Risk Officer and relevant management from across the business, that the remuneration outcomes were in line with the policies and were appropriate.	
<b>Financial services regulation</b>	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 considered adherence to existing requirements and the implications of the Investment Firms Prudential Regulations (IFPRs). 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.	
<b>Remuneration advisers</b>	The Committee carried out an annual review of the Committee's advisers, Alvarez and Marsal (A&M), and confirmed that the Committee continued to be satisfied with the support and advice provided and that there were no circumstances existing which would compromise A&M's independence.	See opposite
<b>Regulatory developments and feedback from investors</b>	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 2023.	
<b>Shareholder engagement</b>	Following the Company's Annual General Meeting held on 18 May 2023, where the advisory vote to approve the Directors' Remuneration Report for the year ended 31 December 2022 received a vote of more than 20% against, the Committee engaged with shareholders. The Committee noted that most shareholders supported the resolution and will keep in mind the views expressed by shareholders on the matters raised.	See pages 130
<b>Governance and other matters</b>	The Committee reviewed the Gender and Ethnicity Pay Gap Reports, its own terms of reference and the Chair's fee, and carried out an annual review of the remuneration adviser as detailed above.	

The Committee's effectiveness was reviewed by the Board as part of its overall assessment of its effectiveness (see pages 104 to 105) and the Board remains satisfied that, as a whole, the Committee has the experience and qualifications necessary.

## Report of the Group Remuneration Committee continued

### 2.2.2 Committee membership and attendance in 2023

This is set out on page 101. No Director was present when their own remuneration was considered or agreed.

### 2.2.3 Advisers to the Committee

The Committee carried out a formal tender process in 2021 and appointed A&M as advisers to the Committee. 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. A&M provided advice in relation to general remuneration matters and on proposed changes to the Policy. A&M did not provide any other services to the Company. Following an annual review, the Committee is satisfied that A&M have no connection with the Company or individual Directors which might compromise their independence or objectivity.

The total fees paid to A&M for the advice provided to the Committee during the year was £173,167. Fees are charged on a 'time spent' basis.

### 2.2.4 Voting at annual general meetings

The votes cast at the 2023 Annual General Meeting in respect of the resolutions on the Directors' Remuneration Report and the Directors' Remuneration Policy are summarised below.

	2023 Directors' Remuneration Report vote	Percentage of votes cast	2023 Directors' Remuneration Policy vote	Percentage of votes cast
Votes for	334,253,454	77.85%	421,579,842	97.35
Votes against	95,081,071	22.15%	11,475,885	2.65
<b>Total votes cast</b>	<b>429,334,525</b>		<b>433,055,727</b>	
Total votes withheld	3,775,589		54,287	

## 2.3. Implementation of the Remuneration Policy in 2024 (unaudited)

### 2.3.1 2024 salaries

The base salaries of the Executive Directors were reviewed in 2024. The current salaries as at 1 March 2023 and from 1 March 2024 are as shown below. These percentage increases are below the average increase levels for other employees of the Company.

Executive Director	Salary from March 2023	Salary from March 2024	Percentage increase
	£	£	
Mark FitzPatrick	840,000	840,000	0%
Craig Gentle	448,665	466,612	4%

To simplify the remuneration package for Executive Directors, the Company intends to review car allowances during 2024.

### 2.3.2 Annual bonus for 2024

The Executive Directors' maximum bonus opportunity for 2024 has increased following approval of the two stage increase in the Policy at the 2023 AGM to 200% of salary. 60% of the annual bonus will be determined by a scorecard of financial performance metrics, and 40% by strategic and individual performance objectives. Malus and clawback provisions apply to both the 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	Weighting (% of base salary – total 120%)	Alignment with strategy
Underlying cash result	24%	Recognises annual cash profitability, which is an important driver of dividends and future investment in the business.
Net funds under management flows	48%	Reflects both new business and client retention, and is a driver of sustained profit growth.
Annual growth in controllable expenses	48%	Keeping cost growth below the rate of growth in revenues is a key determinant of profit growth.

Annual bonus performance targets for the 2024 metrics set out here will be disclosed in the Directors' Remuneration Report for 2024, as disclosing them in the Report for 2023 could have commercial disadvantages for the Company.

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## Report of the Group Remuneration Committee continued

### 2.3.2 Annual bonus for 2024 continued

#### Strategic and individual performance objectives

For 2024, the Committee has set the Executive Directors strategic and individual performance objectives which will each have a weighting of 20% of maximum (40% of base salary). The strategic objectives align to the six business priorities underpinning our annual business plan. Each priority is equally weighted and is made up of objectives which will be scored against a set of defined KPI metrics to determine the outcome of each priority. Set out below are details of the measures for the strategic objectives. The individual performance objectives include a range of objectives which are designed to support the achievement of certain strategic outcomes.

Business priority (scorecard weighting – % of base salary – total 40%)	
<b>Building community</b> <ul style="list-style-type: none"> <li>Partner sentiment</li> <li>Employee engagement</li> </ul>	<b>Being easier to do business with</b> <ul style="list-style-type: none"> <li>Digital sentiment</li> <li>Administration performance</li> </ul>
<b>Our culture and being a responsible business</b> <ul style="list-style-type: none"> <li>Inclusion and diversity</li> <li>Culture</li> </ul>	<b>Continued financial strength</b> <ul style="list-style-type: none"> <li>Financial performance targets</li> </ul>
<b>Delivering value to advisers and clients through our investment proposition</b> <ul style="list-style-type: none"> <li>Investment performance</li> <li>Investment risk and controls</li> </ul>	<b>Building and protecting our brand and reputation</b> <ul style="list-style-type: none"> <li>Risk and control environment</li> <li>Client sentiment</li> </ul>

### 2.3.3 Performance Share Plan awards for 2024

The Policy sets the maximum award capacity at 250% of base salary. In 2024, the Chief Executive Officer will receive a PSP award of 250% of salary (2023: n/a) and the Chief Financial Officer will receive a PSP award of 215% of salary, following a reduction having considered the fall in share price since the last grant (2023: 250%). These awards will be subject to a relative TSR performance condition for one third of the award; EPS in 2026 using Cash result profits for one third and EPS in 2026 using EEV adjusted profits for the final third, as follows:

Performance level hurdle	TSR relative to FTSE 51 to 150 <sup>1</sup>		EPS in 2026 using Cash result profits <sup>2</sup>		EPS in 2026 using EEV adjusted profit <sup>3</sup>	
	Performance required	Percentage of one third of award vesting	Performance required (pence per share)	Percentage of one third of award vesting	Performance required (pence per share)	Percentage of one third of award vesting
Below threshold	Below median	0%	below 45.38	0%	below 116.06	0%
Threshold	Median	25%	45.38	25%	116.06	25%
Stretch or above	Upper quartile or above	100%	55.86	100%	143.65	100%

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

<sup>2</sup> One third of the award is based on EPS in 2026 using Cash Result profits.

<sup>3</sup> One third of the award is based on EPS in 2026 using EEV adjusted profit. This is by reference to the post-tax EEV operating profit (on a fully diluted per-share basis). This metric excludes the direct impact of stock market fluctuations and changes in economic assumptions on the final year's performance.

<sup>4</sup> Straight-line vesting occurs between threshold and maximum vesting.

<sup>5</sup> 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.

<sup>6</sup> Malus and clawback provisions apply.

### 2.3.4 Shareholding requirement

The Chief Executive Officer 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 details of existing Executive Directors' service contracts are summarised in the table below:

Executive Director	Date of service agreement	Notice period from Company	Notice period from Executive Director
Mark FitzPatrick	1 October 2023	12 months	12 months
Craig Gentle	9 January 2018	12 months	12 months

Executive Directors' service contracts do not have fixed end dates. The Board of the Company is proposing that each of the Executive Directors be elected or re-elected at the Company's forthcoming AGM.

### 2.3.6 Fees for the Board Chair and Non-executive Directors for 2024

The fees for the Board Chair and Non-executive Directors for 2023 and 2024 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. The fees paid to Non-executive are set in line with individual responsibilities, which the Board believes will ensure that the fees paid better reflect their differing responsibilities and time commitments and will also recognise the impact on specific Committees and roles of increased complexity, workload, regulatory responsibilities and the size of the Group.

The Board (excluding the Non-executive Directors) reviewed the base fees for the Non-executive Directors, Senior Independent Director and Designated Non-executive Director for Workforce Engagement during the year and concluded that changes were required for 2024 in order to reflect the increased responsibility and commitments for those roles and to ensure the fees remained competitive with comparable roles elsewhere. The Board therefore agreed that the following increases should be made, commencing on 1 January 2024. The fees for Committee Chairs will increase to £30,000 (2023: £26,000) and for Committee members (other than Committee Chairs) will increase to £14,000 (2023: £10,500). These fees would not apply to the Chair or members of the Nomination and Governance Committee, which will increase to £7,000 (2023: £5,000). 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 2023 to £400,000 (2023: £375,000). When setting the fees paid to our Non-executive Directors and the Chair for 2024, the Board and Remuneration Committee sought to ensure that they were comparable with those for listed financial services companies of comparable size.

	Fees from 1 January to 31 December 2023	Fees from 1 January to 31 December 2024	Percentage increase from 2023
	£	£	
Board Chair	375,000	400,000	7%
Base fee	76,000	77,000	1%
Committee Chair (excluding Nomination and Governance Committee)	26,000	30,000	15%
Audit, Risk and Remuneration Committee member (per Committee membership)	10,500	14,000	33%
Nomination and Governance Committee member	5,000	7,000	40%
Senior Independent Director	15,000	15,000	0%
Designated Non-executive Director for Workforce Engagement	15,000	15,000	0%

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

**Emma Griffin**, Chair of the Group Remuneration Committee

27 February 2024

## Report of the Group Remuneration Committee continued

### Section 3

#### 2023 Summary Directors' Remuneration Policy

During the year, the Committee carried out a review of the Directors' Remuneration Policy (Policy) in preparation for the normal triennial vote at the AGM on 18 May 2023. The Committee decided to propose some amendments to the Policy to support the continued success of the business over the next three years and to incorporate latest developments in best practice. This section of the Directors' Remuneration Report sets out the new Policy, which will be submitted for a shareholder vote at the 2024 AGM. The Policy will apply to remuneration in respect of the three-year period from 2023 to 2025. The Policy can be found on the corporate website at [www.sjp.co.uk/about-us/corporate-governance](http://www.sjp.co.uk/about-us/corporate-governance).

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

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
<b>Base salary</b>	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 at, or below, the level of percentage increases for the Company's wider employee population. Increases may be higher in exceptional circumstances, such as a change in role, a significant change in responsibility or role size and/or where salary is substantially out of line with market norms.  Where new appointees have been given a starting salary below mid-market level, percentage increases above those granted to the wider workforce 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 as context in the annual salary review.
<b>Pension</b>	Helps recruit and retain Executive Directors.  Provides a discrete element of the package to contribute to retirement income.	Provides either defined contributions to a pension scheme or an equivalent cash amount via non-pensionable allowance if the Executive Director is affected by HMRC limits.  The maximum pension level for Executive Directors who joined the Board before the 2018 AGM will be 15% from 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 those 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

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
<b>Other benefits</b>	Operate competitive benefits to help recruit, retain and support the wellbeing of employees.	Including but not limited to: <ul style="list-style-type: none"> <li>• Company car (or salary supplement in lieu)</li> <li>• Private medical insurance</li> <li>• Life cover</li> <li>• Critical illness</li> <li>• Death-in-service cover</li> <li>• Relocation assistance, such as accommodation allowance, where necessary</li> <li>• Use of a driver for business purposes.</li> </ul> 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
<b>Annual bonus</b>	Rewards the achievement of annual financial and strategic business plan targets and delivery of key non-financial objectives.  Deferred element aids retention, encourages long-term shareholding, discourages excessive risk taking and aligns with shareholders' interests.  Performance metrics reflect the key performance drivers of the annual business plan, achievement of which will indicate performance in line with the Group's strategy.	Maximum opportunity for the Executive Directors is 175% of base salary in 2023 and 200% from 2024 onwards.  Performance below threshold results in zero payment. Payments are on a scale from 20% to 100% of the maximum opportunity, for performance between threshold and maximum.  Fifty per cent 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.  Dividends in the form of shares accrue on the deferred shares and are paid to the Executive Directors during the three-year deferral period.  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.  The Company malus and clawback policy applies. The Committee may apply malus or clawback in such circumstances as: <ul style="list-style-type: none"> <li>• misconduct;</li> <li>• failure to meet appropriate standards of fitness and propriety;</li> <li>• financial misstatement;</li> <li>• error or miscalculation in determining a performance outcome or award; and</li> <li>• material failure of risk management.</li> </ul>	Performance measures, targets and weightings are reviewed annually and set in line with the annual business plan.  Performance is measured over one year. At least 60% of the bonus is based on financial measures, reflecting the key priorities of the business for the relevant year. Up to 40% of the annual bonus can be based on the achievement of key non-financial objectives set at the start of the year.  Actual measures and weightings may change from year to year to reflect the business priorities at that time.  Details of performance criteria and targets set for the year under review and performance against them are provided in the annual report on Remuneration.

## Report of the Group Remuneration Committee continued

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
<b>Performance Share Plan</b>	<p>Supports long-term retention.</p> <p>Focuses the Executive Director on longer-term corporate performance and objectives.</p> <p>Aligns interests to those of shareholders.</p>	<p>Awards may be granted annually for up to 250% of salary as at date of grant.</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. The Committee may apply malus or clawback in such circumstances as:</p> <ul style="list-style-type: none"> <li>• misconduct;</li> <li>• failure to meet appropriate standards of fitness and propriety;</li> <li>• financial misstatement;</li> <li>• error or miscalculation in determining a performance outcome or award; and</li> <li>• material failure of risk management.</li> </ul>	<p>Awards vest to the extent of achievement of the following performance metrics (equally weighted):</p> <ul style="list-style-type: none"> <li>• EPS growth based on EEV adjusted profit;</li> <li>• EPS growth based on Cash result; and</li> <li>• relative TSR performance.</li> </ul> <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>
<b>Minimum shareholding requirements</b>	To ensure alignment of the long-term interests of Executive Directors and shareholders.	<p>Executive Directors are required to build and maintain a minimum shareholding equivalent to 300% of base salary for the Chief Executive Officer and 200% of base salary for other Executive Directors, to be achieved normally within five years of appointment.</p> <p>Until the threshold is reached, at least 50% of vested shares from the Performance Share Plan and other share awards (less tax liability) should normally be retained.</p>	N/A
<b>Post-cessation shareholding requirements</b>	To ensure continued alignment of the long-term interests of Executive Directors and shareholders post cessation.	<p>Executive Directors 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 two years post cessation.</p> <p>There are appropriate arrangements in place to ensure enforceability.</p>	N/A

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
<b>Non-executive Directors' fees</b>	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 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 Non-executive Directors. The policy is to pay up to the mid-market level based on similar roles and time commitments of chairs and non-executives in comparable companies.</p>	Neither the Chair nor the Non-executive Directors are eligible for any performance-related remuneration.

### Notes to the Policy table

The performance measures and targets that are set for the Executive Directors' annual bonus and Performance Share Plan (PSP) awards are carefully selected to align with the Company's strategic and key performance indicators.

For the annual bonus, financial and strategic measures are reviewed and selected by the Committee annually. The measures selected and weighting between them may vary annually depending on the key priorities of the business for the year ahead. Robust and demanding targets will be set annually taking into account the economic environment, market expectations and the Company's budget and business plan for the year ahead. Currently a set of financial metrics, such as cash profit

result, net FUM flows and costs, are used to assess financial performance as these measures reflect a number of key performance drivers including new business, retention of funds under management and cost control. The remaining bonus is determined based on strategic measures set annually on a balanced scorecard basis.

The Company has used a relative TSR measure and EPS growth targets for the PSP for a number of years in line with the Group's strategy of delivering profitable growth and superior returns to its shareholders. The Committee will continue to review the choice of performance measures and the appropriateness of targets prior to each PSP award being made and will set robust and stretching measures for any alternative measures used.

For the EPS growth measure, stretching targets will be set annually taking into account the economic environment, market expectations and the Company's budget and business plan at that time. For the comparative TSR measure the Committee's policy is to set threshold vesting for median performance rising to full vesting for upper quartile performance. The Committee may from time to time review the appropriateness of the TSR comparator group.

No performance targets are set for the SAYE and SIP awards as these form part of all-employee arrangements designed to encourage employees across the Group to purchase shares in the Company.

# Directors' report

The Directors present their report together with the audited Consolidated Financial Statements of the Group for the year ended 31 December 2023. 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 is applicable can be located as follows:

Disclosure	Location
Board diversity targets	Corporate governance report
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 Group Audit Committee
Climate-related financial disclosures consistent with TCFD	2023 TCFD Report located on our corporate website at: <a href="http://www.sjp.co.uk/about-us/responsible-business">www.sjp.co.uk/about-us/responsible-business</a>

As permitted by legislation, some of the matters required to be included in the Directors' report have instead been included elsewhere in this Annual Report and Accounts:

- ◆ future business developments throughout the Strategic Report;
- ◆ risk management on pages 74 to 84 of the Strategic Report;
- ◆ details of branches operated by the Company on page 242; and
- ◆ the Group's impact on the environment, including those disclosures required regarding greenhouse gas emissions, on pages 30 to 37 of the Strategic Report.

## 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 26 to the Financial Statements.

## Going concern

In conjunction with its assessment of longer-term viability as set out on pages 82 to 84, 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 Consolidated Financial Statements.

## Share capital

### Structure of the Company's capital

As at 31 December 2023, the Company's issued and fully paid-up share capital was 548,604,794 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 23 to the Consolidated Financial Statements.

### 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 they are the holder.

Shares held by the Company's Employee Share Trust and Share Incentive Plan Trust rank pari passu with the shares in issue and have no special rights. Voting rights and rights of acceptance of any offer relating to the shares held in the Employee Share Trust rests with the trustees, who may take account of any recommendation from the Company. The trustees of the Share Incentive Plan Trust may vote in respect of shares held in the Trust, but only as instructed by participants in the Share Incentive Plan in respect of their Partnership, dividend and/or matching shares. The trustees will not otherwise vote in respect of shares held in the Share Incentive Plan Trust.

### 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 within 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.

### Substantial shareholders

Information provided to the Company by substantial shareholders pursuant to the FCA's Disclosure Guidance and Transparency Rules (DTR) is published via a Regulatory Information Service and is available on the Company's website.

As at 31 December 2023 and the date of this report, the Company had been notified of the following interests disclosed to the Company under Chapter 5 of the DTR:

	% of voting rights <sup>1</sup>
BLS Capital	9.32%
BlackRock, Inc.	6.36%
Norges Bank	3.08%

<sup>1</sup> Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.

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 by HMRC. 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 with them, in the issued share capital of the Company are shown on page 144.

## Directors' report continued

### Results and dividends

The financial review on pages 54 to 73 sets out the consolidated results for the year.

An interim dividend of 15.83 pence per share, which equates to £86.8 million, was paid on 22 September 2023 in respect of the year ended 31 December 2023 (2022: 15.59 pence per share/£84.7million). The Directors recommend that shareholders approve a final dividend of 8.00 pence per share, which equates to £43.9 million (2022: 37.19 pence per share/£202.4 million), in respect of the year ended 31 December 2023, to be paid on 24 May 2024 to shareholders on the register at close of business on 26 April 2024.

Details of the Dividend Reinvestment Plan (DRIP) are set out on page 262.

### 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 24 to 49.

Details of how the Board engages with employees can be found on page 96 of the Corporate Governance section. 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 2023 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 rewards.

### Fostering business relationships

Engagement with the Board's key stakeholders, including suppliers and clients, is summarised in the corporate governance report on pages 90 to 97. In many cases the Group's primary point of engagement with 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 90 to 97.

### 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, 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 £746 million as at 27 February 2024 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 £374 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 £175 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 20 to the Financial Statements.

### Directors and Directors' indemnities

Details of the Directors of the Company at the date of this report and during the year ended 31 December 2023 can be found in the corporate governance report on pages 88 and 89. Details of the indemnity provisions in place for the Directors, including qualifying third-party indemnity provisions, can be found on page 102.

### 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 £5.5 million to the St. James's Place Charitable Foundation, more details of which can be found on pages 38 and 39.

### Annual General Meeting

The Company plans to hold its Annual General Meeting on Wednesday 15 May 2024. 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 will be available on our website [www.sjp.co.uk](http://www.sjp.co.uk).

### Important events since the financial year-end

Details of important events affecting the Group since 31 December 2023 can be found in the Chief Executive Officer's report on pages 14 to 16.

### 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:

**Mark FitzPatrick**, Chief Executive Officer

**Craig Gentle**, Chief Financial Officer  
27 February 2024

# Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts 2023 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, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and 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 2023 and the Financial Statements, taken as a whole, are fair, balanced and understandable and provide 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 section on pages 88 and 89 confirms 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  
27 February 2024