

Corporate values at the heart of governance

Chairman's overview

We rely on our values to guide how we govern ourselves at every level of the organisation. By doing so, we make every effort to behave as our clients, employees, shareholders and regulators would expect.

We apply good practice to all aspects of Board leadership and governance, just as we do to providing clients with the best possible financial advisory and portfolio-management services.

As a result, the desire to behave ethically and act for the benefit of clients, employees and shareholders is firmly entrenched in our culture at every level of the organisation. Brewin Dolphin's values – Genuine, Expert and Ambitious – provide the foundations of our approach to governance.

In this brief introduction to corporate governance at Brewin Dolphin we highlight some of the Board's most significant actions and initiatives taken during 2017. These are designed to ensure our growth strategy is driven by our culture and values.

Leadership for growth

During the year, we continued to ensure that the Board collectively has the skills and experience to guide and advise our executive management as they pursue an ambitious growth strategy.

At our AGM in February 2017, Kath Cates became our Senior Independent Director. This followed the retirement of Angela Knight, who served the Board with great distinction for nine years.

As announced on 15 November 2017, Mike Kellard will join the Board as a Non-Executive Director with effect from 1 December 2017. Mike has over 25 years' experience in the life, pensions and wealth management markets and we look forward to his contribution. We continue the search for an additional Non-Executive Director with experience to complement the Board's existing skill set.

Effective succession planning ensures that we can identify and develop those individuals with the talent, cultural awareness and ambition to assume senior positions.

Following last year's review of our leadership pipeline, we have strengthened our emphasis on developing talent at every level of the organisation. Exemplifying this approach at one end of the spectrum was the launch during the year of an apprentice scheme, the Brewin Dolphin Financial Planning Academy. At the other, we created and introduced an Executive Leadership Programme which aims to equip those who have been identified as future leaders of the business with the necessary skills to enable their development. Further information on both initiatives can be found on page 39.

Improving engagement

For the third year in a row, we have undertaken an all employee engagement survey across the organisation. For the second successive time, this has shown substantial improvements in engagement under almost every measure.

These results enable the Board and senior management to understand and act on those areas of the business where there is room for improvement. The Board was pleased this year to see significant growth in employee satisfaction with our career-development and internal communications programmes, two areas on which we have focused considerable attention. See page 38 for more information.

We believe that the engagement survey enables Brewin Dolphin to create, sustain and improve the working environment.

Board effectiveness

In last year's Annual Report, I said that there would be an externally facilitated performance evaluation during 2017. We appointed the London-based corporate advisory firm, Lintstock Ltd ('Lintstock'), to carry this out. We have subsequently engaged them to work with us for a three-year period. See page 47 for more information.

The next few pages contain our Corporate Governance Statement and detailed reports from our Board Committees.

Simon Miller

Chairman

28 November 2017

Leadership

The Board has a majority of independent Non-Executive Directors. Further information on the Directors' range of skills and expertise can be found on pages 42 and 43. In order for the Directors to discharge their responsibilities as set out in the Matters Reserved for the Board, the Board meets at least eight times a year (a full list of Matters Reserved for the Board can be found on our website). In addition to this, the Board attends a strategy day to discuss in depth the Group's direction with executive management.

Key areas of discussion that took place during the year:

Routine

- Reports from the Chief Executive
- Reports from the Finance Director
- Reports from the Group Risk & Compliance Director
- Group strategy review
- Broker reports on shareholder feedback
- Medium-term plan and ICAAP
- Board and Committee evaluations
- Management presentations
- Training

Non-routine

- People strategy
- Corporate Responsibility strategy
- Duncan Lawrie Asset Management Limited ('DLAM') acquisition
- Deep dive on Investment Governance

Board composition and roles

The Board is collectively responsible for the long-term success of the Group, in accordance with the UK Corporate Governance Code, there is a clear division of roles and responsibilities as shown below:

Chairman

- Provides leadership to the Board, promoting constructive debate and challenge between the Executive and Non-Executive Directors.
- Ensures that there is good information flow to the Board, and from the Board to its key stakeholders.
- Supports and advises the Chief Executive, particularly in the development of strategy.
- Builds an effective and complementary Board, regularly considering its composition and balance, diversity and succession planning.

Chief Executive

- Provides leadership to the Group.
- Develops strategy proposals for recommendation to the Board and is accountable for business performance.
- Maintains a dialogue with the Chairman on all important matters and strategic issues facing the Group.
- Ensures that there is an effective framework of internal controls, including risk management, covering all business activities.
- Ensures that the Board is fully informed of all key matters.

Finance Director

- Supports the Chief Executive in developing and implementing strategy.
- Oversees the financial delivery and performance of the Group and provides insightful financial analysis that informs key decision making.
- Leads investor relations activities and communication with investors alongside the Chief Executive.
- Works with the Chief Executive to develop budgets and medium-term plans to support the agreed strategy.

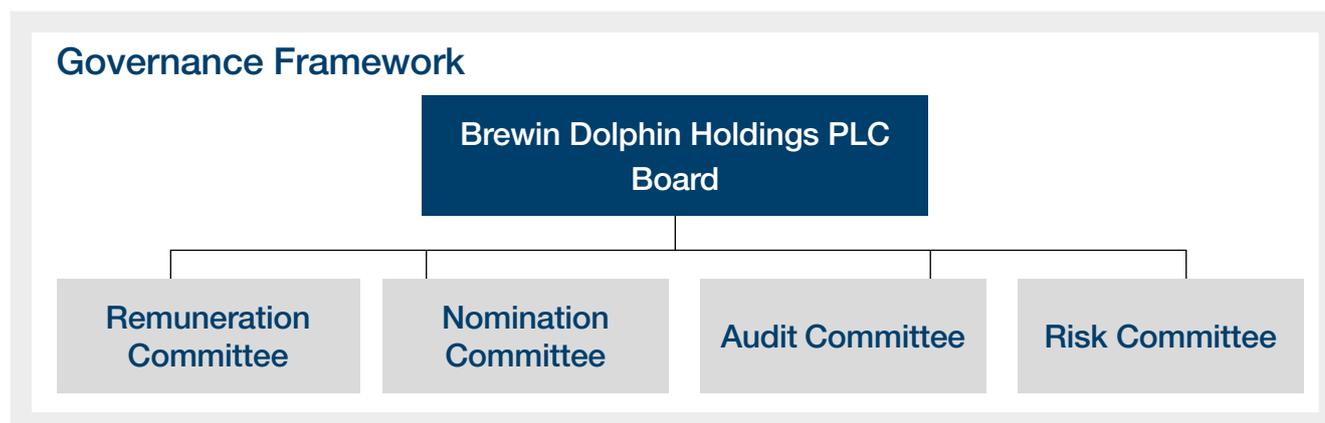
Senior Independent Director

- Acts as a sounding board for the Chairman and serves when required as an intermediary for the other Directors.
- Meets with the Non-Executive Directors (without the Chairman present) at least annually and leads the Board in the ongoing monitoring and annual evaluation of the Chairman's performance.
- Available to meet with major shareholders and acts as a point of contact for shareholders and other stakeholders.

Independent Non-Executive Directors

- Constructively challenge management and decisions taken at Board level.
- Oversee the performance of management in meeting agreed goals.
- Support the Chairman and Executive Directors in instilling appropriate culture, values and behaviours in the boardroom and across the Group.
- Challenge the adequacy and quality of information received prior to Board meetings.

Corporate Governance Report continued



The Board delegates certain responsibilities to formal Board Committees whilst maintaining an appropriate level of oversight through regular reports from the Committee chairs. Further information on the individual committees' composition and activities in the year can be found throughout this section of the Annual Report and Accounts.

Executive Committees

Responsibility for the Group's day to day management is delegated to the Chief Executive, who chairs an Executive Committee. The purpose of this Committee is to support the Chief Executive in the implementation and formation of strategy, as well as overseeing the day to day running of the Group. Further, it agrees operational decisions that are otherwise not reserved for the Board. The Committee consists of eight members of senior management from different areas of the business and meets monthly.

There is a Disclosure Committee which is a delegated Committee of the Board. It focuses on discharging the Company's duties in accordance with the EU Market Abuse Regulation. It comprises the Chief Executive, Finance Director, either the Group Risk and Compliance Director or the Head of Compliance (as alternate), and either the Company Secretary or Head of Legal (as alternate).

Effectiveness

Composition

A review of the Board composition is conducted by the Nomination Committee and since Angela Knight's retirement at the 2017 AGM, the Committee has been searching for potential Non-Executive Directors based on merit against objective criteria. More information on this search can be found in the Nomination Committee Report on page 48.

Induction of Directors

All new Directors receive a tailored induction programme designed to broaden their understanding of the Group's operations, strategic aims and culture. This involves meetings with the Directors and members of the senior management team and the provision of any relevant training.

Time commitment

The expectation of the Non-Executive Directors' time commitment is set out in their letters of appointment. Copies of which are available for inspection at the Company's Registered Office and will also be available at the AGM. Their attendance, along with Executive Directors, at meetings during the year is set out in the table below.

Board and Committee attendance record

Member	Independent	Board	Nomination Committee	Risk Committee ³	Audit Committee ³	Remuneration Committee
Executive Director						
David Nicol	N	8/8	n/a	n/a	n/a	n/a
Andrew Westenberger	N	8/8	n/a	n/a	n/a	n/a
Non-Executive Director						
Simon Miller	N	8/8	3/3	n/a	n/a	5/5
Kath Cates ¹	Y	8/8	2/2	5/5	8/8	n/a
Paul Wilson	Y	8/8	3/3	5/5	n/a	5/5
Caroline Taylor	Y	8/8	3/3	n/a	8/8	5/5
Ian Dewar	Y	8/8	n/a	5/5	8/8	5/5
Angela Knight ²	Y	3/3	1/1	n/a	5/5	n/a

1. Kath Cates was appointed as a member of the Nomination Committee following Angela Knight's retirement.

2. Angela Knight attended all meetings until her retirement at the 2017 AGM.

3. The Risk Committee and the Audit Committee held one joint meeting during the year to discuss the ICAAP.

Directors' conflicts of interest

The Board has a policy in place for managing and, where appropriate, approving conflicts or potential conflicts of interest. All Directors are provided with an opportunity to disclose any changes in conflicts at the start of every meeting.

Independence of Directors

All Non-Executive Directors are considered to be independent in character and judgement and do not hold any positions that will conflict with their responsibilities with the Group.

Information flow

As part of the annual cycle, all Board Committees forward plan their agendas for the year to ensure that important issues are addressed. The Chairman of each Committee works closely with the Company Secretariat and other relevant members of senior management to agree areas of discussion or approval.

Board evaluations

The Board and its Committees undertake an annual evaluation of their performance. The appraisal process provides an opportunity for the Board to appraise its own effectiveness and identify areas of development as well as follow up on the actions raised from the previous review.

In 2017 Lintstock Ltd were appointed as a retained adviser, for a three year programme to facilitate Board evaluations and to provide continuity. Lintstock designed a set of questionnaires for this year's review, focusing on areas of specific relevance to the Group. Topics included the composition of the Board and its Committees, board dynamics, risk management, strategy oversight, board efficiency, board training and priorities for change. It is intended that an interview exercise will be conducted next year followed by a questionnaire only approach in the final year.

Lintstock produced anonymised reports from the online questionnaires and these were discussed by the Board and its committees at their relevant meetings. Overall the results were positive and a number of actions were agreed. Progress against these actions will be reviewed during the year. Lintstock has no other connections to the Company.

Evaluation topic	Action
Board composition	Review of skills matrix to ensure the correct balance of skills and experience. Continuing succession discussions for Executive, Non-Executive and senior management roles.
Board support and efficiency	Improvements to be made to length and focus of Board papers. Improved clarity to avoid duplication between Board and Committee agendas.
People	Increased opportunities for Board members to meet with senior management and wider employee population to enhance challenge and improve evaluation.
Strategic oversight	Redesigned agendas to ensure more meeting time focused on strategy, mergers and acquisitions and other key issues.

Director evaluation

During the year, the Chairman evaluated the performance of the Directors in one-to-one meetings and the Senior Independent Director evaluated the performance of the Chairman. It was confirmed that each Director continued to deliver the required commitment to their role and made an effective and valuable contribution to the Company.

Accountability

Please see pages 26 to 29 in the Strategic Report for an overview of the Group's Principal Risks and Uncertainties and a description of the risk management framework.

Please see page 71 of the Directors' report for a description of how the Board has discharged its responsibilities in relation to internal controls and risk management.

Shareholder relations

The Chairman, Chief Executive and Finance Director meet regularly with the Group's major shareholders. The Chairman communicates the shareholder feedback at the following Board meeting. The Board also receives regular broker reports which detail shareholder feedback.

Following the release of our annual results, an analysts and investor presentation is held. The presentation is available on our website for those unable to attend.

This year's AGM will be held in Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ on 2 February 2018 at 11.30am. Further details can be found in the Notice of AGM, a copy of which can be found on the Company's website (www.brewinmedia.co.uk/investor-relations).

UK Corporate Governance Code Compliance statement

We have complied with all principles and provisions of the 2016 UK Corporate Governance Code ('the Code') throughout the financial year ended 30 September 2017. The Corporate Governance Statement and the cross referenced reports within set out our approach to applying the Code.