Chairman's Introduction to Governance

How good governance underpins our ambition

"We recognise the need to lead on values and conduct in order to encourage the right behaviours throughout the Group."

Highlights from 2015/16

- Reviewed financial KPIs and included new non-financial metrics of client satisfaction, net promoter score and employee engagement.
- Full review of key risks as part of internal capital adequacy assessment process.
- Review of strategy with expanded executive management team and approval of medium-term plan.
- Extended discussions on different parts of the business at each meeting.
- Reviewed results of second annual employee engagement survey.

Dear Shareholders,

This Corporate Governance Report describes how the Group is governed and managed, and how Brewin Dolphin Holdings PLC applied the principles of the UK Corporate Governance Code throughout the year. The Board continues to ensure it upholds the highest governance standards. We recognise the need to lead on values and conduct in order to encourage the right behaviours throughout the Group. We believe that our culture and the quality of our people are critical to the success of the Group. You can read more about how we have developed our culture in the Chief Executive's Review on pages 22 to 27.

Board changes

At the beginning of 2016 we strengthened the Executive Committee with the appointment of five senior leaders from our business. This means our clients' voices are represented more directly at the Group's most senior executive governance committee. As part of this reorganisation, Stephen Ford resigned from the Board.

Angela Knight, the Senior Independent Director, has served on the Board for nine years. It has now been agreed that she will not stand for re-election at the Annual General Meeting (AGM) in February 2017. She has served the Board and the Company with great distinction and we are indebted to her. Kath Cates, who was appointed as an Independent Non-Executive Director in December 2014 and is Chair of the Board Risk Committee, will take over as the Senior Independent Director at the AGM.

Board effectiveness

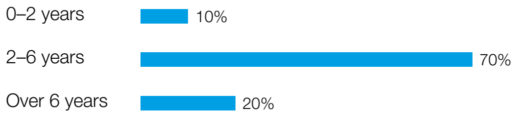
As part of our three year performance evaluation cycle, I conducted an internal evaluation process of the Board during the year through individual meetings with each Director to obtain their views on what was working well and what could be improved.

The discussions were wide-ranging, covering how well the Board operates and approaches its work, the balance of skills and experience on the Board, the culture and dynamics of the Board and the effectiveness of Committee composition. We identified the following areas for focus next year:

- A review of how the Board and its Committees interact, to ensure that key issues are discussed appropriately at full Board meetings following more detailed discussion in the relevant Committee.
- Succession planning for Non-Executive Directors will need to reflect the fact that they were all appointed within a relatively short time frame, with the exception of the current Senior Independent Director. The Nomination Committee will develop plans to address this in 2017.

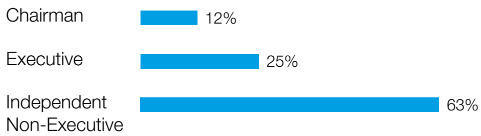
There will be an externally facilitated performance evaluation in 2017. Read how Executive Directors' remuneration is linked to performance on pages 86 to 89.

Length of tenure



Board gender diversity

Balance of Executive and Non-Executive Directors



Non-executive engagement

An important part of my role is to ensure that our Non-Executive Directors offer both support and challenge to the executive management team. The Non-Executive Directors meet with the wider executive management team and regularly visit different offices.

Succession planning

Succession planning is an important element of good governance, ensuring that we are fully prepared for planned or sudden departures from key positions throughout the Group. The Nomination Committee has reviewed the succession plans for the Board, the Executive Committee and other key roles within the organisation. This review also provided visibility of the Group’s talent pipeline and the leadership development programmes in place to ensure we are maximising the potential of our people.

Remuneration policy

The Remuneration Committee conducted a full review of our remuneration policy during 2016. You can read more about this in the Directors’ Remuneration Report on page 74. The Directors' Remuneration Policy will be put to shareholders for approval at the forthcoming AGM.

Disclosure Committee

During 2016, the new EU Market Abuse Regulation ('MAR') was implemented to ensure the smooth functioning of the market for financial securities by curbing behaviours that distort the price of securities and harm investor confidence. We have formalised the way in which we meet our obligations under MAR and established a Disclosure Committee to oversee the implementation of the governance and procedures associated with the assessment, control and disclosure of inside information. You can read more about our Board and Committee structure on page 54.

Simon Miller
Chairman

29 November 2016

Board of Directors

Simon Miller
Chairman

N* R

Simon Miller was appointed Chairman in March 2013. He joined the Board in 2005 and became Deputy Chairman and Senior Independent Director in 2012. He read law at Cambridge and was called to the Bar. He subsequently worked for Lazard Brothers and County NatWest. He is also chairman of Blackrock North American Income Trust PLC, JPMorgan Global Convertibles Income Fund and a director of Scottish Friendly Assurance Society.

David Nicol, CA, Chartered FCSI
Chief Executive

D*

David Nicol joined the Board as a Non-Executive Director in March 2012 and was subsequently appointed Chief Executive in March 2013. He trained and qualified in 1980 as a chartered accountant with Ernst & Young and spent two years working for KPMG in Hong Kong. He joined Morgan Stanley in 1984, where he worked for 26 years in a number of operations and finance roles. He was a director of Morgan Stanley International PLC from 2004 to 2010. David was a non-executive director of Euroclear plc from 1998 to 2010 and was on the board of the Chartered Institute of Securities and Investments until September 2015. He is on the Council of the Institute of Chartered Accountants of Scotland and is a member of the appointment committee of the Hermes Property Unit Trust.

Andrew Westenberger, FCA
Finance Director

D

Andrew Westenberger joined the Board in January 2013. He was Group Finance Director of Evolution Group PLC from 2009 until August 2011 and a director of its principal subsidiary, Williams de Broe Limited. Andrew qualified as a chartered accountant with Coopers & Lybrand. From 2000 to 2008, he held various senior finance roles in London and New York with Barclays Capital. He is a non-executive director of the Chartered Institute of Securities and Investments.

Angela Knight, CBE
Senior Independent Director

A N

Angela Knight was appointed as a Non-Executive Director in July 2007 and as Senior Independent Director in February 2014. She worked in the engineering industry for many years before becoming councillor and chief whip on Sheffield City Council from 1987 to 1992. She entered Parliament in 1992 as MP for Erewash and was Economic Secretary to the Treasury between 1995 and 1997. She was Chief Executive of The Association of Private Client Investment Managers and Stockbrokers from September 1997 to December 2006, and Chief Executive of the British Bankers Association from April 2007 to July 2012. She was Chief Executive of Energy UK until December 2015 and is currently the chair of the Office of Tax Simplification. Angela is also a non-executive director of Tullett Prebon PLC, Arbuthnot Latham & Co Limited and Taylor Wimpey PLC.

Key to our committees

- A Member of the Audit Committee
- RK Member of the Board Risk Committee
- N Member of the Nomination Committee
- D Member of the Disclosure Committee
- R Member of the Remuneration Committee
- * Denotes Committee Chairman

Ian Dewar, FCA
Non-Executive Director

A* RK R

Ian Dewar was appointed as a Non-Executive Director in November 2013. He retired from KPMG in 2012 after a 32-year career, including 19 years as a partner. During that time, he performed a wide variety of roles, both within KPMG and as a non-executive trustee in the charity sector. An accountant by training, his experience has been in audit, advisory, client relationship and practice management roles. He has spent the last 27 years working in the financial services sector. Ian is a non-executive director of Manchester Building Society and Arbuthnot Banking Group PLC.

Paul Wilson
Non-Executive Director

RK R* N

Paul Wilson was appointed as a Non-Executive Director in December 2013. Paul has over 25 years' experience of the financial services industry. Until February 2014, he was an advisory partner at Bain & Company, responsible for their financial services practice. Paul is the senior independent director of XL Catlin UK and chair of the risk and reserving committee. He is also CEO of the World Platinum Investment Council and is a group board independent director at Unigestion Holding SA, based in Geneva. Paul is international chairman of Action Against Hunger, a global charity addressing the problems of acute malnutrition in children in 35 countries worldwide. He holds an MBA from Harvard Business School.

Caroline Taylor
Non-Executive Director

A R N

Caroline Taylor was appointed as a Non-Executive Director in May 2014 and has responsibility for the Corporate Responsibility Committee. Caroline has over 25 years' experience in the financial services sector with a strong background in investment management and in-depth knowledge of all aspects of investment management operations, compliance and legal issues. Caroline was a director of Goldman Sachs Asset Management International from 2005 to 2012 and is currently a non-executive director of Ecclesiastical Insurance Office PLC.

Kath Cates
Non-Executive Director

A RK*

Kath Cates was appointed as a Non-Executive Director on 18 December 2014 and became Chair of the Board Risk Committee on 1 September 2015. Kath has over 20 years' experience in international financial services, latterly as chief operating officer, wholesale banking for Standard Chartered Bank. She is currently a non-executive director and chair of the risk committee for RSA Insurance Group plc and a non-executive director of Threadneedle Investment Services Limited.

Corporate Governance Statement

The Board is committed to ensuring the highest standards of corporate governance which are so critical to creating value

Governance Framework

Board responsibilities

- Collectively responsible for the long-term success of the Group.
- Setting strategy and being accountable to shareholders for delivery of value.
- Monitoring management activity and performance against targets.
- Providing constructive challenge to management.

For more detail on what the Board has considered during the year please go to page 56.

Matters reserved for the Board's decision

- Group strategy, long-term objectives, annual budgets and medium-term plans.
- Approval of the annual and interim results.
- Material acquisitions, disposals and contracts.
- Approval of risk appetite.
- Ensuring that a sound system of internal control and risk management is maintained.
- Changes relating to the Group's capital structure.
- Approval of dividend policy.
- Changes to Board composition.

Certain Board responsibilities are delegated to formal Board Committees, which play an important governance role through the work they carry out.

Audit Committee

- Reviews the Group's financial reporting and recommends to the Board that the Report and Accounts should be approved.
- Reviews internal financial controls.
- Assesses the independence and effectiveness of the internal and external auditors.

Board Risk Committee

- Oversees the Risk Management Framework of the Group.
- Assists the Board in discharging its responsibilities for the integrity of the Group's internal control and risk management systems.

Remuneration Committee

- Sets the remuneration policy for the Group.
- Sets the individual remuneration of the Executive Directors and other staff designated as Material Risk Takers under the FCA's Remuneration Code.

Nomination Committee

- Reviews the composition of the Board and its Committees.
- Ensures that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors.
- Ensures that there is an effective framework for succession planning.

Executive Committee

- Manages the day-to-day running of the Group, including the development and implementation of strategy, monitoring the operating and financial performance and the prioritisation and allocation of resources.

Disclosure Committee

- Oversees the implementation of the governance and procedures associated with the assessment, control and disclosure of inside information in accordance with the Market Abuse Regulation.

Board composition and roles

Our Board comprises the Chairman, two Executive Directors and five independent Non-Executive Directors. Their key responsibilities are:

Chairman
Simon Miller

- Provides leadership to the Board, setting its agenda, style and tone to promote constructive debate and challenge between the Executive and Non-Executive Directors.
- Ensures good information flows from the Executive to the Board, and from the Board to its key stakeholders.
- Supports and advises the Chief Executive, particularly in the development of strategy.
- Chairs the Nomination Committee and builds an effective and complementary Board, regularly considering its composition and balance, diversity and succession planning.
- Ensures that the induction and training programmes for Non-Executive Directors are implemented and are effective.

Chief Executive
David Nicol

- 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 Group has the capabilities and resources required to achieve its plans and that robust management succession and development plans are in place.
- Ensures that the Board is fully informed of all key matters.

Finance Director
Andrew Westenberger

- Supports the Chief Executive in developing and implementing strategy.
- Oversees the financial delivery and performance of the Group.
- Leads the development of the finance function to provide insightful financial analysis that informs key decision making.
- Leads treasury activities.
- 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
Angela Knight*

- Acts as a point of contact for shareholders and other stakeholders to discuss matters of concern that are not appropriate to address through normal channels of communication with the Chairman or Chief Executive.
- 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.
- Is available to meet with major shareholders to develop a balanced understanding of their issues and concerns and report the outcome of these meetings to the Board.

Independent Non-Executive Directors
Kath Cates, Ian Dewar, Paul Wilson and Caroline Taylor

- Constructively challenge management and decisions taken at Board level.
- Constructively challenge and help develop proposals on strategy.
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of their performance.
- Uphold high standards of integrity and probity, and support the Chairman and Executive Directors in instilling appropriate culture, values and behaviours in the boardroom and across the Group.
- Make sure they receive high-quality information sufficiently in advance of Board meetings and challenge the adequacy and quality of such information.

Company Secretary
Louise Meads

- Acts as Secretary to the Board and Committees.
- Develops Board and Committee agendas and collates and distributes papers.
- Advises on corporate governance.
- Ensures compliance with Board procedures.
- Facilitates induction programmes.
- Organises the Annual General Meeting.
- Makes herself available to all Directors for advice.

* Angela Knight will retire as a Director at the February 2017 AGM and Kath Cates will succeed her as Senior Independent Director. The Board has reviewed Angela Knight's independence in light of the length of her tenure and has concluded that she remains independent in every respect.

Board activity during the year

Strategy

- Received presentations from different parts of the business on strategic opportunities.
- Held strategy review discussions with the executive management team in June.
- Received a presentation on the updated strategy in September and approved strategy for the Group.
- Approved updated budget and medium-term plans in the context of the agreed strategy.
- Reviewed progress with implementation of strategy through regular reports from the Chief Executive.

For more information on our strategy see page 28.

Shareholder engagement

- Consulted with shareholders and proxy voting bodies on the revised remuneration policy.
- Reviewed reports from brokers on shareholder feedback following meetings with the Chief Executive and Finance Director.
- Received presentations from our broker on the market perception of Brewin Dolphin.

For more information see page 58.

People

- Our Directors visited various offices around the country.
- Held the March Board meeting in the Edinburgh office.
- Discussed results of the annual employee engagement survey.
- Received presentations from the Group Human Resources Director on our people strategy.

For more information see Corporate Responsibility report on page 46.

Performance monitoring

- Reviewed reports on performance against plans.
- Reviewed reports on the Group's financial position.
- Reviewed the year-end and interim results.

For more information see KPIs on page 30.

Other

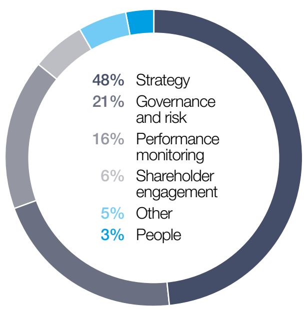
- Approved the 2015 Annual Report and Accounts and the 2016 notice of AGM.
- Approved the 2017 budget and medium-term plan.
- Approved Q1 and Q3 interim management statements.
- Approved the Group's tax strategy.
- Reviewed the Group's annual insurance programme renewal.
- Training.

Governance and risk

- Received reports from the Group Head of Risk and Compliance.
- Approved principal risks and risk appetite statements.
- Deep dive into cyber risk.
- Approved a refreshed policy for firm and client money diversification.
- Received formal reports from the CF10a (the individual responsible for oversight and the operational effectiveness of the systems and controls that are designed to achieve compliance with the FCA's Client Assets Sourcebook rules) on the governance and operational oversight of client assets.
- Discussed the results of the Board performance evaluation.
- Received reports from the Chairs of the Board Risk, Audit, Nomination and Remuneration Committees.

For more information see Principal Risks and Uncertainties on page 33 and Board Committee reports on pages 60 to 72.

How we spent our time



Board attendance during the year

		Board meetings							Attendance*
Executive Directors	**Independent**	**Nov**	**Dec**	**Jan**	**Mar**	**Jun**	**July**	**Sept**	
David Nicol	No	✓	✓	✓	✓	✓	✓	✓	100%
Andrew Westenberger	No	✓	✓	✓	✓	✓	✓	✓	100%
Stephen Ford**	No	✓	✓	n/a	n/a	n/a	n/a	n/a	100%
Non-Executive Directors									
Simon Miller (Chairman)***	No	✓	✓	✓	✓	✓	✓	✓	100%
Angela Knight (SID)	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Kath Cates	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Ian Dewar	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Caroline Taylor	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Paul Wilson	Yes	✓	✓	✓	✓	✓	✓	✓	100%

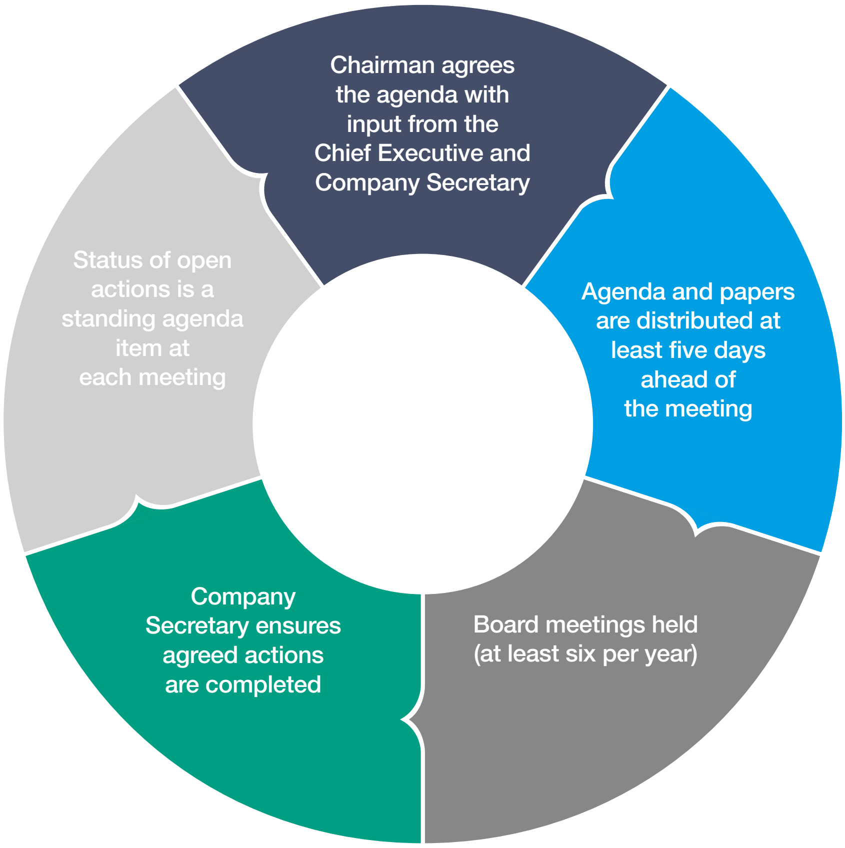
* % based on the meetings entitled to attend.
** Stephen Ford attended all meetings until he stepped down from the Board on 7 January 2016.
*** Simon Miller satisfied the independence criteria of the Code on his appointment as Chairman in March 2013.

In addition to the schedule of formal Board meetings, the Board meets informally throughout the year for dinners that give the Directors additional time together to discuss issues more broadly. The Chairman and Non-Executive Directors meet periodically without Executive Directors present, and the Senior Independent Director meets with the other Non-Executive Directors without the Chairman present.

Information flow at Board and Committee meetings

The Board and its Committees use an electronic board portal to gain quick and secure access to meeting papers and other reference materials. The Directors indicated in their response to the Board performance evaluation that the quality of information supplied to them continues to be of a high standard. They recognise, however, that Board reporting continues to evolve and improve. The chart on this page describes the information flow before and after Board meetings.

All Board Committees operate on a similar cycle, planning forward agendas for the year to ensure that all important issues are addressed as part of the annual cycle. The chairman of each Committee agrees every agenda with the Company Secretary and relevant members of senior management. Any Committee member can call for reports on additional matters of interest.



Development and induction

All new Directors participate in a full induction programme that takes into account any previous experience they may already have as directors of a public limited company. The induction programme for new Directors typically includes meetings with the Executive Directors and members of the senior management team covering the Board, the business, finance, risk and compliance, operations and key change programmes as well as branch visits.

Brewin Dolphin undertakes training sessions for the entire Board. All Directors are members of the Deloitte Academy, which provides a year-round programme of briefings and update sessions on relevant topics including accounting and auditing standards, corporate governance and regulation.

The whole Board training programme for the year included briefings on the EU Market Abuse Regulation, FCA enforcement actions, the FCA's Senior Managers' Certification Regime, cyber risk, corporate governance updates and detailed briefings from the business.

Directors' conflicts of interest

The Board has a policy and effective procedures in place for managing and, where appropriate, approving conflicts or potential conflicts of interest. This is a recurring agenda item at all Board meetings, giving Directors the opportunity to raise any conflicts of interest they may have or to update the Board on any changes to previously lodged interests. A Director may be required to leave a Board meeting while such matters are discussed.

The Company Secretary holds a register of interests, and a log of all potential conflicts raised is maintained and updated. Whenever a Director takes on additional external responsibilities, the Chairman considers any potential conflicts that may arise and whether or not the Director continues to have sufficient time to fulfil his or her duties. If a potential conflict exists, the Board is empowered to authorise potential conflicts and agree what measures, if any, are required to mitigate or manage them.

Relationship with shareholders

Led by the Chairman, the Board recognises the important and valuable role that shareholders play in safeguarding the Group's governance. The Chairman, Chief Executive and Finance Director meet regularly with the Group's major shareholders. Following these meetings, the Board discusses the feedback received. We hold analyst and investor meetings and presentations following the release of our annual and interim results, posting a webcast of our presentations on our website for those unable to attend in person. The Group's broker provides the Board directly with anonymised investor and analyst feedback following the results of meetings and presentations.

We hold our Annual General Meeting ('AGM') in London. We have changed its venue this year following feedback from shareholders who attended previous AGMs. It will be held in Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ on 3 February 2017 at 11.30am. You can see details of the meeting and the resolutions to be proposed in the Notice of AGM which is available to download from our website (www.brewin.co.uk/investors).

The AGM gives shareholders, our smaller shareholders in particular, an opportunity to meet the Board and ask questions, either formally at the meeting or informally afterwards.

Internal control and risk management

The Board recognises that its risk management strategy is essential for achieving good business governance that protects stakeholders and enhances shareholder value. It also understands that it is responsible for ensuring that there is an effective system for identifying, evaluating and managing the significant risks that the Group faces. The Board has adopted a risk-based approach to establishing a system of internal control and operates a “three lines of defence” model to help ensure our framework for managing internal controls and risks across the Group is robust and effective. The Board reviews the effectiveness of this framework periodically, receiving reports on internal control from the Audit Committee and the Board Risk Committee, and debating key risks for the Group following more detailed work by the Board Risk Committee. The Board sets the Group’s risk appetite statements and reviews operational risk scenarios, stress testing and reverse stress testing as part of the internal capital adequacy assessment process.

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The Board considers that the information it receives enables it to review the effectiveness of the Group’s internal controls in accordance with the Financial Reporting Council’s (FRC’s) Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. Areas where internal controls can be improved are identified and appropriate actions agreed as part of our internal control systems. Management and the Board (with the support of the Audit Committee) regularly monitor progress towards completion of these actions. The Board considers that none of the identified areas for improvement constitutes a significant failing or weakness.

Read more about our principal risks and risk management process on pages 33 to 37.

UK Corporate Governance Code Compliance statement

We have complied with all principals and provisions of the 2014 Code ('the Code') throughout the financial year ended 30 September 2016. The Corporate Governance Statement and the cross referenced reports within set out our approach to applying the Code. A new version of the Code was introduced in September 2016, and the revised provisions will apply to the Group for the 2016/17 financial year. The Board will therefore report on its implementation of those new responsibilities in next year’s Annual Report.

Nomination Committee Report

"We continued to focus on succession planning and talent development programmes in 2016 and actively monitored the succession planning processes in place across the Group."

Simon Miller
Chairman of the Nomination Committee

Chairman's overview

The Committee continued to focus on succession planning and talent development programmes in 2016 and actively monitored the succession planning processes in place across the Group. We believe these programmes will provide the foundation of a strong talent pipeline in the years to come. You can read more about the key achievements in this area in the Chief Executive's Review. Five new appointments were made to the Executive Committee during the year and all were sourced internally. The Board and Executive Committee have already benefited from their input and perspective on how we can continue to improve our services, to deliver more value to clients and to drive growth across the Group.

Stephen Ford stepped down from the Board in January 2016 as part of the reorganisation of our executive management. This change was considered by the Board as a whole, rather than by the Nomination Committee in the first instance.

Angela Knight has served as a Director for nine years and has announced her intention not to stand for re-election at the AGM in 2017. We recommended to the Board that Kath Cates be appointed as the Senior Independent Director following the AGM in February 2017. The Committee also noted that all the remaining Non-Executive Directors were appointed within a relatively short time period and that succession planning for the Board will need to address this issue.

We conducted a review of the remaining Non-Executive Directors, which included a skills matrix to identify whether there were any gaps to address in light of Angela Knight's departure.

Role and responsibilities of the Nomination Committee

- Reviews the composition of the Board and Board Committees to ensure that they are properly constituted and balanced in terms of skills, experience and diversity.
- Conducts succession planning for the Board and ensures that there are effective plans in place for the wider management group.
- Formally assesses each Director's skills and experience, both to identify any skills gaps that need to be addressed through Board changes and to assist with succession planning.
- Manages the search process for new Directors, recommending appointments to the Board.

Committee composition

The Committee comprises the Board Chairman and independent Non-Executive Directors. The Chief Executive is a standing attendee, except when matters relating to his own appointment are discussed.

Committee members	Other Committees	Standing attendees
Simon Miller (Chairman)	R Remuneration	Chief Executive*
Angela Knight	A Audit Committee	Group Human Resources Director
Caroline Taylor	A Audit Committee	
	R Remuneration Committee	
Paul Wilson	R* Remuneration Committee (Chairman)	
	RK Board Risk Committee	

* David Nicol was a member of the Committee until 3 November 2015.

Committee attendance during the year

	Committee meetings			Attendance
Members	March	June	October	
Simon Miller	✓	✓	✓	100%
Angela Knight	✓	✓	✓	100%
Caroline Taylor	✓	✓	✓	100%
Paul Wilson	✓	✓	✓	100%

Independence and re-election to the Board

During 2015, we formally considered the continuing appointment of Angela Knight, the Senior Independent Director, who was appointed in July 2007. This included considering whether there was any evidence that her independence had been impaired by the length of her service on the Board. We concluded that it was in shareholders' interests that she remained on the Board and that there was no evidence to indicate that her independence had been impaired. All other Non-Executive Directors have served terms of less than six years and are considered to be independent. All Directors, with the exception of Angela Knight, will be standing for re-election at the 2017 AGM. You can find biographical information on each of our Directors on pages 52 to 53.

Diversity

Brewin Dolphin has established a Diversity and Inclusion Committee. A number of initiatives were in operation during the year to encourage wider diversity throughout the Group, including the "Women @ Brewin" network, which aims to provide guidance and support to help the development of female talent at all levels of the organisation. You can read more about this programme on page 47.

Considering the benefits of diversity on the Board in all aspects, including gender, is an important part of the search for new Board candidates. Currently, three of our eight Directors are female (37%). Whenever possible, we will ensure each time a Director is recruited that at least one of the shortlisted candidates is female.

As discussed elsewhere in this Annual Report, we made five internal appointments to the Executive Committee during the year. It is disappointing that none of these appointments were female but we expect that the considerable work being implemented throughout the Group under our leadership development and diversity programmes will support a more diverse talent pipeline in the years to come. Following the five new appointments, the Executive Committee now has 10% female representation.

Succession planning

We continued to develop and monitor succession plans both at Board and at senior management levels during 2016. The Group Human Resources Director is a standing attendee at Nomination Committee meetings. He has presented the Committee with details of the Group-wide succession planning and development programmes for senior management. Potential successors have been identified for senior management positions, and Non-Executive Directors meet with key individuals as part of their office visits.

The Committee continues to be satisfied that adequate succession planning is in place for the Board and senior executives. This will remain a key focus in 2017.

Simon Miller
Chairman of the Nomination Committee

29 November 2016

Board Risk Committee Report

"The ability to identify, monitor and manage risks is a key requirement of all successful businesses."

Kath Cates
Chairman of the Board Risk Committee

Chairman's overview

The ability to identify, monitor and manage risks is a key requirement of all successful businesses, particularly those operating in the financial sector. To do this effectively, businesses need to understand their key risks, their appetite for risk taking and the mitigating factors they can use to limit downsides. The Board of Brewin Dolphin has delegated this area to the Board Risk Committee. The Board does, however, retain ultimate responsibility for setting the Group's risk appetite and for ensuring that our system of internal control and risk management is adequate and effective.

The Committee will continue during 2017 to examine key risks which are relevant to the Group's strategic objectives.

During 2016, the metrics used in management information reviewed by the Committee were enhanced. This means that it is now possible for further challenge of the key risks identified by the Group's Risk Management Framework, including client money, conduct risk and investment governance. Key risks have been mapped against the Group's strategy at a series of workshops held during the year.

We have focused our "deep dive" reviews on the Group's key risks such as investment governance, people, internal processes, IT, information security and the operating model to assess and challenge controls.

We have also received updates on changes in legislation and the economic environment, with particular reference to Brexit and its impact on the business.

Angela Knight stepped down from her role as a member of the Committee during the year. I would like to thank her for her significant contribution to the Committee over the past few years.

The Committee has reviewed management information on key risks to the business. We have also provided oversight to ensure that the Group's approved risk appetite remains appropriate and that risk tolerance is set to the appropriate level.

Role and responsibilities

The Committee provides oversight of the Risk Management Framework to assist the Board with its responsibilities for ensuring the integrity of the Group's internal control and risk management systems. It does this through:

- Overseeing the Group's risk management infrastructure relating to all the material risk areas the business faces, including business and strategic risk, financial risk, operational risk, conduct risk, regulatory compliance risk, criminality risk and investment risk.
- Helping the Board establish appropriate levels of risk appetite and tolerance.
- Having oversight of how the risk culture is monitored and communicated to the Group.
- Measuring and monitoring the Group's exposure to material risks and ensuring appropriate mitigation is in place to manage them.
- Overseeing and supporting the Group Risk and Compliance Director in ensuring there is adequate resource and an appropriate level of independence.
- Helping the Board manage risks associated with the Group's strategy, in particular being vigilant and alert to changes in the external risk environment.
- Reporting on its proceedings to the Board and, wherever relevant, to the Audit Committee.
- Identifying issues where it considers actions or improvements are needed and making recommendations on the steps to be taken.

Committee composition

The Committee is made up of independent Non-Executive Directors. There is always a cross-membership with the Audit and Remuneration Committees to help ensure that agendas are aligned and key information is appropriately shared across the Board Committees.

Committee members	Other Committees	Standing attendees
Kath Cates (Chairman)	A Audit Committee	Chief Executive
Ian Dewar	A* Audit Committee (Chairman)	Finance Director
	R Remuneration Committee	Chief Operating Officer
Paul Wilson	R* Remuneration Committee (Chairman)	Co-Head of Private Clients
	N Nomination Committee	Group Risk & Compliance Director

Committee attendance during the year

	Committee meetings					Attendance*
Members	Oct	Nov	Jan	Apr	July	
Kath Cates	✓	✓	✓	✓	✓	100%
Ian Dewar	✓	✓	✓	✓	✓	100%
Paul Wilson	✓	✓	✓	✓	✓	100%
Angela Knight	✓	✓	✓	n/a	n/a	100%

* Based on the meetings entitled to attend.

Committee activities during the year

Risk Management and Investment Governance Frameworks

- Reviewed and challenged key components of the Risk Management Framework, including:
  - risk evaluation matrices
  - risk appetite
  - risk policies
  - risk scenarios
  - stress testing
  - the ICAAP process.
- Monitored the implementation of the Investment Governance Framework and challenged its effectiveness to provide assurance that client portfolios are managed in accordance with their individual investment mandates.

Regulatory change and economic environment

- Reviewed regulatory risks and discussed the specific management actions identified to address or mitigate issues that arose during the year.
- Received regular updates on regulatory changes and assessed what implications they have for the Group.
- Assessed how changes in the economic environment may impact the Group.

For more information see our Market Environment on page 18.

Key risks

- Reviewed and approved the risk appetite statements and tolerance for key risks.
- Ensured these remain relevant and appropriate.
- Monitored emerging risks to evaluate whether they should be identified as new key risks.
- Undertook “deep dives” into the Group’s key risks such as investment governance, people, internal processes, IT, information security and the operating model to assess and challenge controls.

For more information see our Principal Risks on page 33.

Internal Capital Adequacy Assessment Process (ICAAP)

- Reviewed, challenged and approved key components of the ICAAP:
  - risk appetite statements
  - operational risk scenarios
  - stress testing
  - reverse stress testing.
- Held a joint meeting with the Audit Committee to review and challenge the ICAAP prior to recommendation to the Board.

Reporting

- Received regular reports from the Group Risk & Compliance Director covering:
  - regulatory engagement
  - risk appetite statement
  - key operational risk findings
  - compliance monitoring activities
  - risk metrics and tolerances
  - regulatory developments
  - progress against plans and resources
  - conduct risk.

Training

- Undertook a range of training initiatives in the risk area, including:
  - operational risk modelling
  - senior managers and the certification regime
  - trends in the ICAAP process
  - cyber risk
  - Market Abuse Regulation.

Performance evaluation

The Committee conducts a performance evaluation every year, distributing a questionnaire for anonymous completion to all Committee members and those executives who are regularly invited to attend the Committee's meetings. The results are discussed by the Committee and are used to help form the following year's forward-looking agenda.

Risks and uncertainties

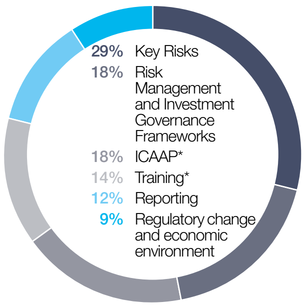
The Group's principal risks are initially assessed and reviewed by the Risk Management Committee, an executive committee which implements the Risk Management Framework and monitors risk performance. The principal risks are subsequently reviewed by the Board Risk Committee and then proposed to the Board for approval. You can read about the Group's principal risks and uncertainties, together with the key mitigants and controls, on pages 33 to 37.

Kath Cates

Chairman of the Board Risk Committee

29 November 2016

How we spent our time



* Joint sessions with the Audit Committee.

STRATEGIC REPORT GOVERNANCE FINANCIAL STATEMENTS OTHER INFORMATION

Audit Committee Report

"The Audit Committee fulfils a vital role on behalf of the Board in monitoring the quality of our external reporting and audit as well as assessing the effectiveness of internal controls."

Ian Dewar
Chairman of the Audit Committee

Chairman's overview

The Audit Committee fulfils a vital role on behalf of the Board in assessing the effectiveness of the Group's internal controls. The actions the Committee has taken over the past year have enabled us to enhance our effectiveness in fulfilling this function.

We are responsible for reviewing reports to the Board on the Group's financial reporting, its systems of internal control and the independence and effectiveness of the internal and external auditors. We particularly focus on the Group's annual and half-year financial statements and the areas of significant management judgement used in preparing these.

The FRC's Audit Quality Review team selected to review the audit of the 2015 Brewin Dolphin financial statements as part of their 2015 annual inspection of audit firms. I received a copy of the findings of the Audit Quality Review team (AQRT) and met with members of the team. Following the review, an action plan was agreed with Deloitte LLP in respect of the 2016 audit and certain additional procedures were performed and concluded satisfactorily in respect of the audit of the Company's 2015 financial statements. The Audit Committee is satisfied that the findings of the review have been appropriately addressed by Deloitte LLP.

The role of the Group's internal auditor was subject to a robust appraisal process during the year, and in January 2016 BDO LLP was appointed as internal auditor for the Group, replacing PricewaterhouseCoopers LLP (PwC). The Committee approved the annual internal audit plan at the start of the year and has received regular reports on progress made since. We will focus on developing this relationship further in 2017. I would like to thank PwC for their contribution to the Committee during their time as internal auditor over the previous two years.

The Committee also conducted a rigorous review of the effectiveness of the external auditor, Deloitte LLP. Robert Topley has replaced Oliver Grundy as our audit partner. We are conscious both of the Code requirements relating to tender of external audit, and that we have previously stated that we would engage in a tender process during the previous partner's rotation. Having carried out a careful review, the Committee has concluded that it is now appropriate to hold a formal external audit tender during the course of Robert Topley's five-year term. We are satisfied that the external auditor continues to provide an effective audit.

In addition to myself, the current members of the Audit Committee are Kath Cates (Board Risk Committee Chairman), Angela Knight and Caroline Taylor. As Angela will be retiring at the Company's forthcoming AGM, she will also be stepping down as a member of the Committee. I would like to personally thank her for her contribution and wish her well for the future.

Role and responsibilities

The Committee helps the Board meet its responsibilities for the integrity of the Group's financial reporting, including the effectiveness of its internal financial control system, and for monitoring the effectiveness and objectivity of the internal and external auditors. It does this through:

- Monitoring the integrity of the Group's Annual Report and Accounts and any formal announcement relating to the Group's financial performance. Also reviewing significant financial reporting judgements that these contain, prior to recommending them to the Board for approval.
- Reviewing the framework and effectiveness of the Group's system of internal financial controls.
- Making recommendations to the Board on the appointment or reappointment of the external auditor and on the approval of its remuneration and terms of engagement.
- Reviewing and monitoring the external auditor's independence and objectivity, and the effectiveness of the audit process.
- Maintaining and reviewing the policy on engaging the external auditor to supply non-audit services; this involves taking into account specific relevant guidance on the matter.
- Monitoring the work of the Group's Internal Audit function and reviewing its effectiveness.
- Reviewing the Group's procedures for handling allegations from whistleblowers and for detecting fraud.
- Reviewing the adequacy and effectiveness of the Group's anti-money laundering (AML) systems and controls.
- Reviewing Group operational risk reports to ensure that risks which could lead to poor or unfair client outcomes are adequately addressed and remediated.

Committee composition

The Committee comprises only independent Non-Executive Directors. There is always a cross-membership with the Board Risk Committee, to help ensure that agendas are aligned and key information is shared appropriately across the Board Committees.

Committee members	Other Committees	Standing attendees
Ian Dewar (Chairman)*	R Remuneration Committee	Chief Executive
	RK Board Risk Committee	Finance Director
Kath Cates	RK* Board Risk Committee (Chairman)	Group Risk & Compliance Director
Caroline Taylor	R Remuneration Committee	Internal auditors
	N Nomination Committee	External auditors as appropriate
Angela Knight	N Nomination Committee	

* Ian Dewar is the member of the Committee considered to have recent and relevant financial experience as he is a Chartered Accountant and was a partner at KPMG until 2012. Other members of the Committee have extensive experience of the financial services sector.

Committee attendance during the year

	Committee Meetings					Attendance
Members	Oct	Nov	Jan	Apr	July	
Ian Dewar	✓	✓	✓	✓	✓	100%
Kath Cates	✓	✓	✓	✓	✓	100%
Caroline Taylor	✓	✓	✓	✓	✓	100%
Angela Knight	✓	✓	✓	✓	✓	100%

Committee activities during the year

Financial reporting

- Reviewed the Annual Report and Accounts, Interim Management Statements, the Half-Yearly Report and investor presentations.
- Received a report from management on the controls over the preparation of the Annual Financial Statements, the key judgements and accounting policies followed in their preparation.
- Received a report from the external auditor on the Financial Statements, including the significant audit risks, areas of audit focus and the reasonableness of the significant management judgements used in preparing the accounts.
- Reviewed a letter of recommendation from the external auditor for improving the systems of internal financial control based upon their audit work for the financial year.
- Reviewed the effectiveness of the Group's internal financial controls and disclosures on this matter made in the Annual Report and Accounts.
- Reviewed the Annual Report to ensure that, taken as a whole, it is fair, balanced and understandable and that it provides the necessary information for shareholders to assess the Group's performance, its business model and strategy (see more on page 73).
- Reviewed the Group's going concern assumption and Viability Statement.
- Received updates on changes to legislation regarding financial reporting.

Internal audit

- Assessed the effectiveness of the internal auditor.
- Appointed a new internal auditor.
- Reviewed and approved the new internal audit plan for the year.
- Reviewed reports from Internal Audit, including management responses to the findings of the reports and their proposals.
- Reviewed how issues identified for action, whether arising from internal audit reports or from internal control processes, are identified, progressed and reported; this ensures there is an effective framework for the management of issues within the Group.

External auditor

- Reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditor.
- Agreed the terms of engagement and fees to be paid to the external auditor for the audit of the 30 September 2016 Annual Report and Accounts.
- Assessed the independence and objectivity of the external auditor.
- Reviewed the policy relating to non-audit services provided by the external auditor and approved non-audit services in accordance with the policy.
- Received updates in legislative changes regarding audit requirements.
- Engaged with the external auditor and the Financial Reporting Council regarding the AQRT review of the 2015 audit.

Control environment

- Reviewed year-end reports providing assurance on the effectiveness and robustness of the Group's system of internal controls.

Internal Capital Adequacy Assessment Process (ICAAP)

- Reviewed the ICAAP jointly with the Board Risk Committee. After review and challenge of the ICAAP and its key components, recommended its approval to the Board.

Money laundering

- Reviewed the formal report from the Group's Money Laundering Reporting Officer on the operation and effectiveness of systems and controls relating to anti-money laundering (AML) and the prevention of financial crime.

Technology

- Received a report from the Head of Information Technology on progress with the programme to strengthen the IT Risk Management Framework and address themes arising from internal audit and operational risk reviews.

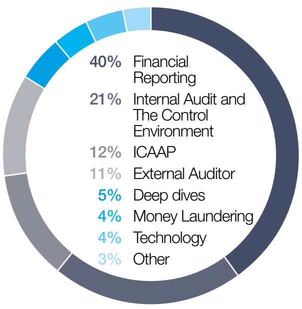
Deep dives

- As part of a cycle of deep dives we reviewed systems and controls in relation to client assets and completeness and accuracy of revenue recognition.
- Client assets – reviewed reports from the CF10a (the individual responsible for oversight and the operational effectiveness of the systems and controls that are designed to achieve compliance with the FCA's Client Assets Sourcebook rules), a reasonable assurance report on client assets produced by Deloitte, and guidance around changing CASS rules.
- Completeness and accuracy of revenue recognition – a report was received from management on the controls operating over valuation of client funds on which fees are calculated and the application of the pricing arrangements agreed with each client. We concluded that the controls were sufficient and operating as intended and all fees due had been charged to clients at the appropriate rates and the revenue recognised by the Group in its financial statements was accurate and complete in all material respects.

Other

- Reviewed its terms of reference in conjunction with the Board Risk Committee to ensure clarity of their respective roles and responsibilities; recommended revised terms of reference to the Board for approval.
- Received updates on EU reform to the tendering process and attended training held by the Board Risk Committee and the Board.
- Reported to the Board on proceedings at all meetings, identifying any actions or improvements needed and making recommendations on the steps to be taken.
- Reviewed the Group's procedures for handling allegations from whistleblowers and approved a revised policy.
- Training held with the Board Risk Committee and at Board meetings.

How we spent our time



Performance evaluation

The Committee conducts a performance evaluation every year, distributing a questionnaire for anonymous completion to all Committee members and those executives who are regularly invited to attend the Committee's meetings. The results are discussed by the Committee and are used to help form the following year's forward-looking agenda.

Ian Dewar met regularly during the year with the Board Chairman, Finance Director, Chief Executive, Head of Internal Audit and the external audit partner to review the Group's governance processes and discuss the effectiveness of the internal and external audit functions.

Key sources of estimation uncertainty related to the financial statements

We reviewed the key sources of estimation uncertainty set out below in relation to the Group Accounts and disclosures (see note 4) for the year ended 30 September 2016. These issues were discussed with management at various stages during 2015/16 and during the preparation and conclusion of the Accounts. Having reviewed the presentations and reports from management, we are satisfied that the Accounts appropriately address the critical judgements and key estimates, in respect of both the amounts reported and the disclosures made. We discussed these issues with the auditors during the audit planning process and at the conclusion of the year-end audit. We are satisfied that our conclusions are in line with those drawn by the auditors in relation to these issues.

Issue	Key considerations	Role of the Committee	Conclusion
Goodwill and client relationships (see note 4.b.i)	Impairment review of goodwill and client relationships, including valuation assumptions used in the calculation of the fair value of the relevant cash-generating units. Determination of the useful economic life of client relationships, which establishes the quantum of the amortisation expense.	We satisfied ourselves on the valuation assumptions used in the calculation of the fair value of the cash-generating units. We also considered the paper prepared by management on the average client tenure and useful economic life expectations.	We concluded that the assumptions and judgements used in determining the carrying value of goodwill and client relationships were appropriate and reasonable.
Assumptions underlying the calculation of the defined benefit pension scheme liability (see note 4.b.ii)	Determination of the actuarial assumptions such as discount rate, the life expectancy of scheme members and the inflation rate used when calculating the defined benefit pension scheme liability.	We considered management's paper which explained the assumptions used in the calculation, the resulting impact on the deficit and the movement in the deficit during the period.	We concluded that the assumptions and judgements used in determining the defined benefit pension scheme liability were appropriate and reasonable.
Likelihood of meeting performance conditions for the Long Term Incentive Plan (see note 4.b.iii)	Determining the likelihood of meeting the performance conditions which impact the quantum of the expense in the period.	We considered management's paper explaining the assumptions for the likelihood of meeting the performance conditions.	We concluded that the assumptions used when calculating the expense were appropriate and reasonable.
Assumptions underlying the estimation of provisions relating to onerous leases (see note 4.b.iv)	Appropriate application of accounting standards and underlying recognition principles. Determining the best estimate of the likely cash flows and other assumptions.	We reviewed management's paper explaining the assumptions and calculation methodologies applied in determining provisions. This included ensuring that the provision represented present obligations arising from past events. We satisfied ourselves that the procedures performed by management to identify the requirement for provisions were robust and comprehensive.	We concluded that the provisions were appropriate and complete for obligations that existed at the year end. We also found that there had been no new information following the year end that would result in an adjustment to the provision.

External auditor

The Audit Committee is responsible for developing, implementing and monitoring the Group's policy on external audit. The policy sets out the categories of any pre-approved non-audit services which the external auditor is authorised to undertake. It also provides an approval process for the provision of any other non-audit services. This policy is available to view on the Investor Relations section of the Group's website, under the Board Committees subsection.

The Board generally only uses the auditor for audit and related activities. If there is a business case to use the external auditor to provide non-audit services, prior permission is required from the Committee. In such an instance, the Committee will review the proposal to ensure that it will not impact the auditor's objectivity and independence. The majority of tax advisory and similar work is carried out by another major accountancy firm. An analysis of the auditor's remuneration is provided in note 9 to the financial statements.

The Committee assesses the effectiveness of the external auditor on an annual basis, taking account of the following factors:

Factor	Assessment
The role of management	That information provided by management to the external auditor is timely and correct, that it has proper supporting papers and that accounting systems and internal controls work effectively.
The audit partner	The extent to which the partner demonstrates a strong understanding of the business, the industry and the challenges faced by the business. The length of time the partner acts as the lead engagement partner.
The audit team	The extent to which the audit team understands the business and industry and is properly resourced and experienced.
The audit approach	That the audit approach is discussed with management, targets the significant issues early, is communicated properly, is appropriate for the business and industry and includes an appropriate level of materiality.
The communications and formal reporting by the auditor	That management and the Committee are kept appropriately informed as the audit progresses and that the formal report is appropriate and contains all relevant material matters.
The independence and objectivity of the auditor	That the auditor complies with the Financial Reporting Council's ethical standards, has the required degree of objectivity (including their arrangements to identify, report and manage any conflicts of interest), and that the overall extent of non-audit services provided by the external auditor does not compromise independence.

External auditor continued

Deloitte have appointed a new audit partner following a review of the effectiveness of the external auditor and a formal interview process. The Committee is satisfied that Deloitte LLP has conducted an effective audit for the 2015/16 financial year. The Committee has therefore recommended to the Board that Deloitte be reappointed at the 2017 AGM.

The Committee has considered the Competition and Markets Authority (CMA) and EU requirements for mandatory tendering and rotation of the audit firm. As previously stated, the Committee had previously intended to initiate a re-tendering process during 2017/18 in line with the previous audit partner's rotation. However, as we have changed the audit partner during the year, we do not believe that a re-tendering process would be beneficial during 2017/18. The current intention is therefore to re-tender prior to the end of the new audit partner's five year term. This will be kept under review and the Committee will use its regular reviews of auditor effectiveness to assess the most appropriate time for re-tendering during that period.

The Committee has considered the likelihood of the external auditor withdrawing from the market and has noted that there are no contractual obligations to restrict the choice of replacement external auditor.

The external auditor meets privately with the Committee at least twice a year without senior executive management being present and regularly with the Audit Committee Chairman.

Internal audit

Towards the end of 2015, the effectiveness of the Group's internal audit was assessed including a review of alternative providers, the experience and expertise of the individuals working on the Brewin Dolphin account and the quality of reporting to the Committee. Following this, BDO was appointed as internal auditor from January 2016 onwards. The Committee approves an internal audit plan at the start of the financial year and then receives quarterly reports on all internal audits. The plan is reviewed every six months to ensure it continues to give good coverage of the Group's key risks. The Committee then critically appraises the internal auditor's processes to determine the effectiveness of the audit undertaken.

Fair, balanced and understandable Report and Accounts

The Committee has performed a review of the Group's Annual Report and Accounts to ensure that it is fair, balanced and understandable. What is meant by these terms, and the questions that the Committee considers as part of this review, are shown below:

Term	Description	Questions
Term: Fair	**Description:** – Not exhibiting any bias. – Reasonable or impartial. – Performed according to the rules.	**Questions:** – Is the whole story being presented? – Have any sensitive material areas been omitted?
Term: Balanced	**Description** – Even-handed. – Taking account of all sides on their merits without prejudice or favouritism.	**Questions:** – Is there a good level of consistency between the front and back sections of the Annual Report? – Does the reader get the same message from reading the two sections independently? – Are the key judgements referred to in the narrative reports and the significant issues reported in the Audit Committee Report consistent with the disclosures of key estimates and uncertainties and critical judgements set out in the financial statements?
Term: Understandable	**Description:** – Having a meaning or nature that can be understood. – Able to be accepted as normal.	**Questions:** – Is there a clear and cohesive framework for the Annual Report? – Is the report written in accessible language? – Are the messages clearly drawn out?

As well as a focused review as part of the process for producing the Annual Report and Accounts, ensuring that this standard is met involves a continuous assessment of the financial reporting issues affecting the Group throughout the year.

This report has been prepared in compliance with the CMA Order in relation to mandatory audit tendering and the responsibilities of the Audit Committee.

Ian Dewar
Chairman of the Audit Committee

29 November 2016

Directors’ Remuneration Report

“I am pleased to present the Directors’ Remuneration Report for the year ended 30 September 2016 on behalf of the Board. This remuneration report is split into two sections: the Directors’ Remuneration Policy and the Annual Report on Remuneration which explains how we have applied our policy during the year.”

Paul Wilson
Chairman of the Remuneration Committee

2016 Highlights

- Directors' Remuneration Policy being presented without any material changes to the triennial AGM vote in 2017.
- Executive Directors' base salaries reviewed and revised during the year to re-position to market levels and to reflect that there has been no increase in base salary since their appointment in 2013.
- Good performance in the context of poor market environment experienced in the first half of the year results in an annual bonus payout of 60% of maximum.

In this section

Remuneration Policy

The Remuneration Committee reviewed the Policy during the year to consider whether any changes are necessary. We considered how well the current policy is linked to strategy, whether alternative structures could be introduced to simplify arrangements, whether the overall quantum is appropriate, and how well the interests of management are aligned with those of shareholders. We consulted with our major shareholders to understand their views on the current policy, as well as on potential alternative structures.

Since this review commenced, there have been many developments in the debate about the future direction of executive remuneration in the UK, particularly within financial services. There have been initial contributions to the debate from many stakeholders, including shareholders and their representatives, Government, Parliament and research bodies. We are conscious that there may be further significant developments in these discussions over coming months and with an autumn year end, Brewin Dolphin will be one of the first companies to have its triennial 2017 AGM vote on the Directors’ Remuneration Policy. As such, we have concluded that it may be premature to introduce any significant changes to the Directors' Remuneration Policy when it is not yet clear where external views and market practice on executive pay will settle.

The current Directors' Remuneration Policy will therefore be submitted to the 2017 AGM for approval without any material changes. The existing policy continues to take account of best practice guidelines and received a vote of 96% in favour when it was introduced at the 2014 AGM. Key features of the Policy include the following:

- Executive Directors do not participate in pension benefit or pension allowance, and there are no significant fringe benefits.
- There is a clear link to business strategy in the performance metrics we use in both short and long term incentive plans. Both the bonus and the Long Term Incentive Plan targets are disclosed.
- A significant proportion of the annual bonus is subject to compulsory deferral for three years.
- The LTIP is delivered in shares, and there is a post-vesting holding period of two years.
- Executives are required to build and retain a significant shareholding in the Company.
- Notice periods are six months.

A more detailed explanation of the Policy is set out on pages 77 to 82.

Review of base salaries

As we indicated in our last report, the Remuneration Committee undertook a review of Executive Directors' salaries during the year as their base pay had not been increased since the appointment of the current Executive Directors in 2013. In addition, their pay had been positioned conservatively at that time. Market benchmarking indicated that base pay had fallen further below the market median level, particularly considering that the Executive Directors do not receive a pension or material fringe benefits in addition to their base salaries. Since appointment, the Executive Directors have delivered good performance for shareholders with current market capitalisation of £740m up 40% from 1 January 2013 (£530m). A proposal to increase the Executive Directors' salary was discussed with our major shareholders who were supportive of the proposed re-positioning, which results in salaries remaining at or below median benchmarking levels. The base salaries of David Nicol and Andrew Westenberger were therefore increased by 21% and 25% to £425,000 and £375,000 respectively with effect from 1 June 2016.

Pay for performance

A Long Term Incentive Plan (LTIP) was introduced in 2014 with the aim of further aligning Executive Directors' incentives with the long term interests of shareholders. The performance conditions attached to the initial grant in February 2014 were challenging, with Earnings per Share ("EPS") compound annual growth targets of 8% for threshold performance and 18% for full vesting, and adjusted operating margin targets of 23% for threshold vesting and 25% for full vesting (from a starting margin of 18.5% at the end of September 2013). As a wealth management business, our key financial targets are significantly impacted by the performance of the financial markets and the impact of this is difficult to predict when setting long-term financial targets. The EPS growth and operating margin over the period September 2013 to September 2016 were below the threshold performance targets set for the initial LTIP grant, and the vesting level for this award is therefore 0%.The targets and the results achieved are shown on page 88.

We have sought to strike the right balance between stretching but achievable targets, taking into account our current business plans, and the performance targets that will be applied to the 2016 LTIP award are set out on page 94.

Performance against the short-term financial targets set in relation to the annual bonus plan for the year to September 2016 was good in the context of the poor market environment experienced in the first half of the year, resulting in a pay-out of 50% of maximum bonus for this element. Performance against the non-financial performance criteria in the annual bonus plan was strong, resulting in a pay-out of 75% of the maximum bonus for this element. Overall, this results in an annual bonus for the Executive Directors of 60% of maximum bonus, which is a 10% reduction in bonus award compared to the previous year. More detail on the Committee's assessment of Executive Directors' performance against their annual bonus targets is set out on page 86.

Paul Wilson

Chairman of the Remuneration Committee

29 November 2016

Summary Remuneration Report

Remuneration principles

The Directors' Remuneration Policy is designed to enable the recruitment, retention and motivation of talented leaders to develop and implement our strategy and deliver long-term value to shareholders. A summary of the main elements of the Policy is:

Fixed pay	Base salary, life insurance and private medical insurance
Annual bonus	Maximum annual bonus of 150% of base salaries, assessed against a balanced scorecard of financial and non-financial criteria
Long Term Incentive Plan	Usually granted annually at a level of 100% of base salary. Vesting dependent on the achievement of financial performance criteria.

Summary of variable remuneration outcomes for the year ended 30 September 2016

Director	% of maximum bonus paid	Bonus paid
David Nicol	60%	£337,500
Andrew Westenberger	60%	£292,500

The LTIP award granted in February 2014 has lapsed and no payment will be made.

Single total figure of remuneration

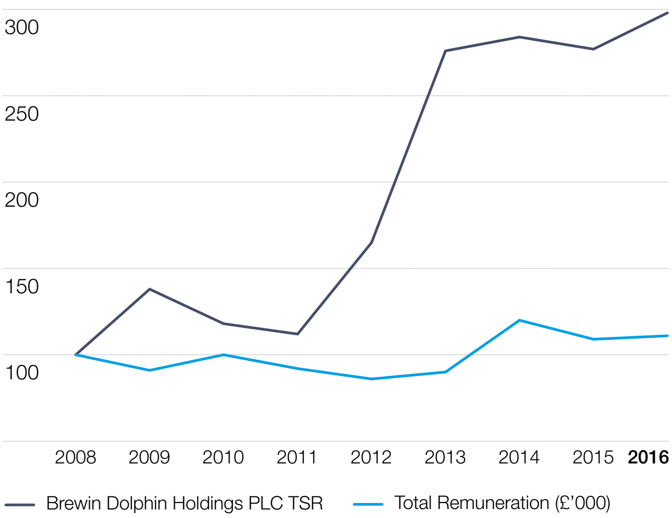
The single figure of remuneration for Executive Directors is set out below. Full details of the component parts are on page 85.

Executive Director	Total remuneration £000s
David Nicol	713
Andrew Westenberger	628

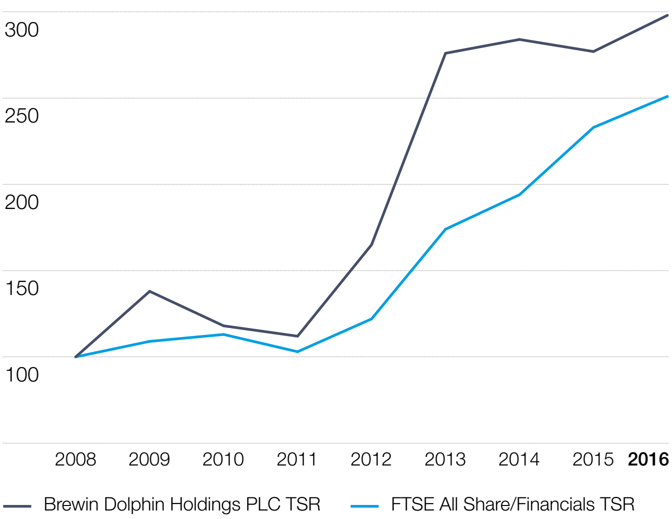
Remuneration compared to shareholder return

The graphs on the right show the Chief Executive's single figure of remuneration compared to total shareholder return (TSR) over the eight year period to 30 September 2016, and the Company's TSR compared to the FTSE All Share Financial Services Index over the same period. The current Chief Executive was appointed in March 2013.

CEO – TOTAL PAY VS TSR



TSR VS FTSE



Directors' Remuneration Policy

This Directors' Remuneration Policy ("Policy") describes the policies, principles and structures that guide the Remuneration Committee's decision making process in the area of executive remuneration. If approved at the AGM in February 2017, it will apply for a period of three years from the date of the 2017 AGM unless a revised Policy is put to shareholders before then.

There are no significant changes from the policy approved by shareholders at the AGM in 2014. One minor amendment has been made: Executive Directors now benefit from Company funded private medical insurance premiums.

Remuneration principles and objectives

The primary objectives of the Policy are:

- To attract, retain and motivate talented Directors and senior management of the calibre required to manage the business successfully, whilst seeking to avoid paying more than is necessary to meet this objective.
- To motivate and reward good performance.
- To meet relevant regulatory requirements, including the requirements of the FCA Remuneration Code so far as these apply to the Group.

The main principles of the Policy are:

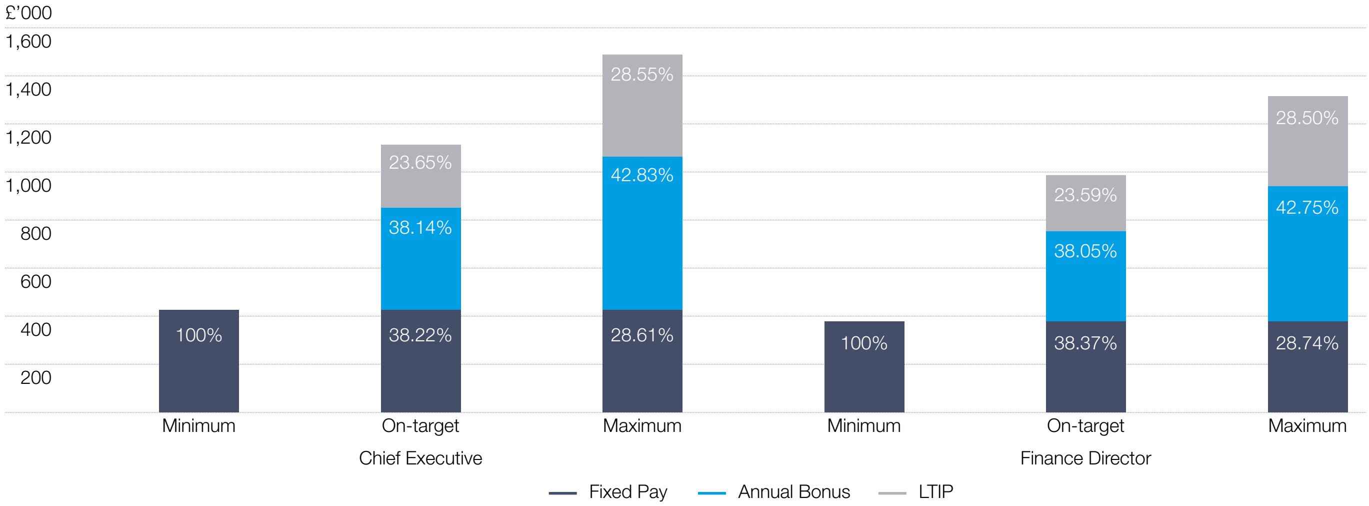
- To ensure that total remuneration is set at a level that is market competitive by benchmarking against relevant external comparators, taking account of size, complexity, and sector, and to ensure that the overall package takes account of market practice.
- To maintain appropriate proportions of fixed and performance related pay, to help to drive performance over the short and longer term, maintain a flexible cost base, and avoid creating incentives for excessive risk taking.
- To align incentive plans with the business strategy, prudent risk management, and shareholder interests.
- To achieve consistency with the general remuneration philosophy applied to the Group's employees as a whole.

Summary of remuneration elements for Executive Directors

Element	Purpose and link to short and long-term strategy	Operation, performance measures and periods, deferral and clawback	Maximum opportunity
Fixed pay	Provides a level of fixed remuneration sufficient to recruit and retain necessary talent, and to permit a zero variable pay award should that be appropriate.	Executive Directors receive a base salary and can elect to benefit from life insurance at a level of six times annual salary and private medical insurance. Executive Directors can choose to sacrifice salary into the Group's defined contribution pension scheme. The Company does not make any other pension contributions to the Executive Directors. Individual levels of Total Fixed Pay are reviewed annually, with any increases normally effective from 1 January, unless there are exceptional reasons for an increase at another time of the year. Any increases are generally targeted at around the general level of salary inflation in the Group, but may vary from this for exceptional reasons such as a change in the individual's role or responsibilities, or a need to bring an individual's remuneration to a market competitive level.	Total Fixed Pay is benchmarked against relevant market levels of aggregate fixed pay (i.e. base salary+pension contribution+benefits, paid in the market), and is targeted to be not more than the approximate median of relevant comparators.

Element	Purpose and link to short and long-term strategy	Operation, performance measures and periods, deferral and clawback	Maximum opportunity
Annual variable pay (Discretionary)	Rewards annual Group and personal performance, and, through the use of deferral into shares, also aligns reward with longer-term performance.	Executive Directors are considered each year for a discretionary annual variable pay award, which takes account of both Group and personal performance. The main weighting is on Group financial performance. Group performance is assessed primarily by reference to a 'balanced scorecard' of Group financial key performance indicators ('KPIs') and targets, which are set each year by the Remuneration Committee based on the priorities for the year. The KPIs may include, for example, profit before tax and net discretionary fund flow. Non-financial KPIs may also be included in the scorecard, but non-financial performance has a lower weighting than financial performance. For each KPI, there is a threshold, target and 'stretch' (i.e. excellent) performance level; the maximum annual variable pay is paid for stretch performance. Executive Directors can choose to sacrifice part of their bonus into the Group's defined contribution pension scheme. The Company will contribute 13.8% of the amount sacrificed into the employee's pension, which is equal to the amount of employer's national insurance that would have been due had the amount been paid as salary; this is cost neutral to the Company. In common with all other employees of the Group, a significant proportion of variable pay is compulsorily deferred under the Deferred Profit Share Plan ('DPSP') into Brewin Dolphin Holdings PLC ('BDH') Ordinary Shares or nil-priced options over shares, which vest in one tranche, normally after three years. The deferral policy for Executive Directors is shown in the table below: Portion of variable pay — What fraction is deferred? Portion up to £50,000 — None Portion between £50,000 and 1 x fixed remuneration — One-third Portion above 1 x fixed remuneration — Two-thirds The Remuneration Committee may seek to clawback annual variable pay in exceptional situations, such as misstatement of performance, failure of risk management or serious misconduct.	The maximum individual award of annual variable pay is currently 150% of base salary.
Long Term Incentive Plan ('LTIP') (Discretionary)	Rewards achievement of long-term performance objectives.	Executive Directors will be eligible to be considered each year for a conditional award over BDH shares, which will vest in one tranche, normally no earlier than three years from the date of award. Vesting will be subject to performance conditions and targets set prior to each grant by the Committee. These performance conditions will be related to financial performance (e.g. EPS growth and net discretionary funds flow) and will be aligned to the business strategy. For each performance metric used, there will be a threshold level of performance at which no more than 25% of the portion of the award relating to that KPI will vest, and a stretch level of performance, at which 100% of the portion of the award relating to that KPI will vest. Executive Directors will be required to hold net of tax vested shares for a period of two years following vesting. The Committee may seek to clawback LTIP in exceptional situations, such as misstatement of performance, failure of risk management or serious misconduct.	The normal maximum annual award under the LTIP rules is up to 100% of base salary (in face value of shares at grant), but may be up to 150% in exceptional circumstances.

Illustrations of the application of remuneration policy



The potential reward opportunities illustrated above were calculated using base salary effective from 1 June 2016. Illustrations are intended to provide further information to shareholders regarding the pay for performance relationship; however, actual pay delivered will be influenced by changes in share price and the vesting period of awards. The assumptions below have been made in compiling the above charts:

Assumptions	Minimum	Target	Maximum
Fixed pay	Total fixed remuneration as at 1 June 2016	Total fixed remuneration as at 1 June 2016	Total fixed remuneration as at 1 June 2016
Annual bonus	No annual bonus payable	On-target annual bonus of 100% of base salary	Maximum annual bonus of 150% of base salary
LTIP	Zero vesting – threshold not achieved	Share award of 100% of base salary Median vesting (62% of award)	Share award of 100% of base salary Full vesting (100% of award)

Policy on share ownership

The Remuneration Committee has a policy of encouraging Executive Directors to acquire and retain a significant number of shares in the Company with the objective of further aligning their long-term interests with those of other shareholders. The Committee determines the requirement and reviews this periodically. The current limits are set out in the Annual Report on Remuneration.

How the views of shareholders are taken into account

The Remuneration Committee regularly compares the Policy with shareholder guidelines and takes account of the results of shareholder votes on remuneration. The Remuneration Committee Chairman will consult with major investors ahead of any material changes to the Policy, and along with the Company Secretary, is available to meet with institutional shareholders to discuss any of the policy related disclosures or outcomes contained in this Directors' Remuneration Report.

Details of votes cast for and against the resolution to approve last year's Remuneration Report are provided on page 93.

Consideration of employment conditions elsewhere in the Group

A consistent remuneration philosophy for employees is applied at all levels and the aggregate rate of base salary increase for all employees is one of the factors considered when determining increases in fixed pay for Directors.

All employees are eligible for discretionary performance-related annual bonus and the principle of bonus deferral applies to annual bonuses for employees whose bonuses exceed certain thresholds.

A formal employee consultation on remuneration is not operated; however, employees are able to provide direct feedback on the Group's remuneration policies to their managers or the Human Resources department and as part of an annual employee engagement survey. The Group Human Resources Director is a standing attendee at Remuneration Committee meetings and presents regular reports on people strategy, including the effectiveness of the Group's remuneration policies and how they are viewed by employees.

Fixed ratios between the total remuneration levels of different roles in the Group are not applied, as this would prevent us from recruiting and retaining the necessary talent in a highly competitive employment market.

Benchmarking

The Remuneration Committee takes account of market benchmark data when setting total remuneration packages for Executive Directors and comparisons are made with other FTSE listed companies of similar size and business profile to the Group. Practices in the wealth management sector and other related sectors are also considered. Benchmark data are used as a reference point, alongside other factors such as the individual's role, experience and performance, rather than as a direct determinant of pay levels.

Differences in remuneration policy for Executive Directors compared to other employees

The approach to remuneration for the Executive Directors is generally consistent with that for employees across the Group as a whole. However, there are some differences which the Remuneration Committee believes are necessary to reflect the different responsibilities of employees across the Group, and the need to recruit, retain and motivate employees in a variety of roles. For example, below Executive Director level, the portion of annual variable pay that is deferred is structured differently and is capped at one-third rather than the two-thirds deferral that applies to Executive Directors. Awards of market purchased shares are made to selected individuals from time to time, excluding Executive Directors, which vest subject to continued service, to recognise individuals' value to the Group and to create further alignment with shareholders.

External non-executive director positions

Executive Directors are permitted to serve as non-executive directors of other companies, on the grounds that this can help to broaden the skills and experience of the Director, provided there is no competition with the Group's business activities and where these duties do not interfere with the individual's ability to perform his duties for the Group. The number of external directorships an Executive Director can hold is limited to two non-executive directorships.

Where an outside appointment is accepted in furtherance of the Group's business, any fees received are remitted to the Group. If the appointment is not connected to the Group's business, the Executive Director is entitled to retain any fees received.

Approach to remuneration for new Executive Director appointments

The remuneration package for a new Executive Director would be set in accordance with the terms and maximum levels of the Group's approved remuneration policy in force at the time of appointment.

The Committee may also offer additional cash and/or share-based elements when it considers these to be in the best interests of the Group and shareholders, for the purpose of replacing awards or potential foreseeable earnings which are forgone by the individual on becoming an Executive Director. This includes the use of awards made under 9.4.2 of the Listing Rules. In considering any such payments the Remuneration Committee would take account of the amount of remuneration forgone and the nature, vesting dates and any performance requirements attached to the remuneration forgone. Shareholders will be informed of any such payments and the rationale for these.

For an internal appointment, any deferred pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, ongoing remuneration obligations existing prior to appointment may be permitted to continue where this is considered to be in the best interests of the Group and shareholders.

For external and internal appointments, the Group may meet certain relocation expenses as appropriate.

Service contracts and loss of office payments

Service contracts normally continue until the Executive Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination.

In summary, the contractual provisions are:

Provision	Detailed terms
Notice period	Six months
Termination payment in the event of termination by the Company without due notice	Total Fixed Pay in respect of the unexpired period of contractual notice, in addition to any amounts to which they are statutorily entitled. In certain cases, the Committee may also consider a discretionary award of annual variable pay, subject to performance, in respect of the portion of any financial year that the individual has been working with the Group, although not for the period of any payment in lieu of notice or 'garden leave'.
Change of control	Same terms as above on termination.

The Group has power to enter into settlement agreements with executives and to pay compensation to settle potential legal claims. Any outstanding share-based entitlements granted to an Executive Director under the Group's LTIP or other share plans will be determined based on the relevant plan rules. The default treatment is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, disability, redundancy, retirement or other circumstances at the discretion of the Committee (taking into account the individual's performance and the reasons for their departure), 'good leaver' status can be applied. In such cases, the normal practice, unless there are exceptional circumstances, is for any LTIP awards held to be pro-rated for the period of the performance period that has expired, and the performance conditions would continue to apply. Share awards under the Deferred Profit Share Plan ('DPSP') will vest in full on the original vesting schedule. An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

Legacy arrangements

For the avoidance of doubt, the Directors' Remuneration Policy includes authority for the Group to honour any commitments entered into with current or former Directors that have been disclosed to shareholders in previous Remuneration Reports. Details of any payments to former Directors will be set out in the implementation section of this report as they arise.

Policy for the Board Chairman and other Non-Executive Directors

Element	Purpose and link to strategy	Operation	Maximum
Board Chairman fee	To pay a market competitive all-inclusive fee that takes account of the role and responsibilities.	The Board Chairman is paid a single fee for all his responsibilities. The level of the fee is reviewed periodically by the Committee, with reference to market levels in comparably-sized FTSE companies, without the Chairman being present.	The current maximum aggregate fee for Non-Executive Directors is £700,000 per annum. This is subject to change periodically though any increase in aggregate fee would be subject to approval by shareholders.
Non-Executive Director fees	To pay a market competitive basic fee, and supplements for significant additional responsibilities such as Committee Chairmanships.	The Non-Executives are paid a basic fee. There are also supplements for Committee Chairmanships and the Senior Independent Director ('SID'). The fee levels are reviewed periodically by the Chairman and Executive Directors.	As above.

Non-Executive Directors are engaged under letters of appointment; they do not have contracts of service and are not entitled to compensation on early termination of their appointment. The Group can reimburse NEDs' reasonable business expenses (including tax thereon if applicable).

Compliance with the FCA Remuneration Code

The Remuneration Committee regularly reviews its Remuneration Policy's compliance with the principles of the Remuneration Code of the UK financial services regulator, as applicable to the Group. The Remuneration Policy is designed to be consistent with the prudent management of risk and the sustained, long-term performance of the Group.

Application of the Policy

This Policy is intended to take formal effect from 3 February 2017 (the date of the Company's AGM).

Annual Report on Remuneration

This part of the Directors' Remuneration Report explains how we have implemented our Directors' Remuneration Policy during the financial year to 30 September 2016. The policy in place for the year was approved by shareholders at the 2014 AGM. This Annual Report on Remuneration will be subject to an advisory vote at the 2017 AGM. The financial information in this part of the Directors' Remuneration Report has been audited where indicated.

Role and responsibilities of the Remuneration Committee

- Determines the remuneration policy for the Executive Directors.
- Approves the remuneration policy for the Group.
- Determines individual total remuneration for the Board Chairman and Executive Directors.
- Approves the individual total remuneration for members of the Executive Committee and any other employees designated as Code Staff in accordance with the FCA Remuneration (with the exception of the Non-Executive Directors).
- Sets performance criteria for the Executive Directors and assesses their performance against such criteria when determining the annual bonus payable to each Director.
- Approves the design of all share incentive plans, prior to recommendation to the Board and shareholders if required.
- Consults with the Risk and Compliance department at least annually to identify any concerns regarding the behaviour of any individual or levels of risk within the business undertaken by them, to be taken into account in determining variable remuneration.

Committee composition

The Committee is made up of independent Non-Executive Directors and the Board Chairman, who was independent upon his appointment. There is a cross-membership with the Board Risk Committee to help ensure that there is alignment between the Group's key risks and its remuneration policy.

Committee members	Other Committees	Regular attendees*
Paul Wilson (Chairman)	N Nomination Committee RK Board Risk Committee	Representative of New Bridge Street, the Committee's external remuneration adviser
Simon Miller*	N* Nomination Committee (Chairman)	Chief Executive
Ian Dewar	A* Audit Committee (Chairman) RK Board Risk Committee	Group Human Resources Director Finance Director
Caroline Taylor	N Nomination Committee A Audit Committee	

* No attendee is present when his own remuneration is being decided.

Committee attendance during the year

	Committee meetings						Attendance*
		Nov		Mar	Jun	Sept	
Members	3rd	12th	25th				
Paul Wilson	✓	✓	✓	✓	✓	✓	100%
Simon Miller	✓	n/a	✓	✓	✓	✓	100%
Ian Dewar	✓	✓	✓	✓	✓	✓	100%
Caroline Taylor	✓	✓	✓	✓	✓	✓	100%

* % of meetings entitled to attend. Simon Miller did not attend the meeting on 12 November as the purpose of the meeting was to review the Chairman's fees.

Committee activities during the year

Committee meeting date	Activity
3 November 2015	– Reviewed an update on the year-end performance review process for Group employees. – Reviewed an update on the European Banking Authority remuneration policies consultation. – Initial discussion of Executive Directors' performance against non-financial performance criteria. – Reviewed Executive Directors' fixed remuneration levels. – Received a report from the Group Head of Risk and Compliance.
12 November 2015	– Reviewed the Chairman's fees and approved an increase to £180,000 per annum with effect from 1 January 2016.
25 November 2015	– Reviewed the adjustments made to individuals' variable remuneration in relation to conduct risk during the year. – Approved the 2015 grants under the Deferred Profit Share Plan, Long Term Incentive Plan and the Equity Award Plan. – Approved individual compensation for Material Risk Takers. – Agreed the 2015 annual bonuses for the Executive Directors. – Approved the performance criteria for the Executive Directors' 2016 annual bonus and the 2015 LTIP award. – Approved the Pillar 3 disclosures. – Considered the results of the performance evaluation for the Remuneration Committee. – Approved the Directors' Remuneration Report.
15 March 2016	– Reviewed the Directors' Remuneration Policy.
22 June 2016	– Debated potential changes to the Directors' Remuneration Policy and agreed the basis for consultation with shareholders. – Reviewed the Remuneration Committee's terms of reference. – Considered the feedback from the shareholder consultation on changes to the Executive Directors' fixed remuneration and approved an increase with effect from 1 June 2016.
29 September 2016	– Received an update on the latest developments in relation to the Investment Association Working Group and pay regulation. – Considered feedback from the shareholder consultation on the Directors' Remuneration Policy. – Approved the list of employees identified as material risk takers in relation to the FCA Remuneration Code.

Total remuneration for the financial year to 30 September 2016 (Audited)

£'000		Salary & Fees	Benefits[1]	Pension[2]	Annual Bonus[3]	Long Term Incentive[4]	Compensation for loss of office[5]	Other[6]	Total
Executive Directors									
Stephen Ford[a]	2016	80	1	–	81	–	162	–	324
	2015	300	3	–	300	n/a	n/a	11	614
David Nicol	2016	375	1	–	337	–	n/a	n/a	713
	2015	350	–	–	350	n/a	n/a	n/a	700
Andrew Westenberger	2016	325	3	7	293	n/a	n/a	n/a	628
	2015	300	3	–	300	n/a	n/a	n/a	603
Non-Executive Chairman									
Simon Miller	2016	175	–	–	–	n/a	n/a	n/a	175
	2015	160	–	–	–	n/a	n/a	n/a	160
Non-Executive Directors									
Kath Cates[b]	2016	62	–	–	–	n/a	n/a	n/a	62
	2015	39	–	–	–	n/a	n/a	n/a	39
Ian Dewar	2016	60	–	–	–	n/a	n/a	n/a	60
	2015	60	–	–	–	n/a	n/a	n/a	60
Angela Knight[c]	2016	70	–	–	–	n/a	n/a	n/a	70
	2015	72	–	–	–	n/a	n/a	n/a	72
Caroline Taylor	2016	56	–	–	–	n/a	n/a	n/a	56
	2015	50	–	–	–	n/a	n/a	n/a	50
Paul Wilson	2016	60	–	–	–	n/a	n/a	n/a	60
	2015	60	–	–	–	n/a	n/a	n/a	60
Previous Directors									
Sir Stephen Lamport	2015	20	–	–	–	n/a	n/a	n/a	20
Michael Williams	2015	63	1	–	74	n/a	n/a	n/a	138
Total	2016	1,263	5	7	711	–	162	–	2,148
Total	2015	1,474	7	–	1,024	–	–	11	2,516

Note 1: Executives can elect to use part of their total fixed remuneration to fund benefits including Permanent Health Insurance and these amounts are disclosed as part of the 'salary and fees' figure. Benefits relate to death in service insurance and private medical insurance.
Note 2: Executives can elect to sacrifice part of their annual bonus into the Group's defined contribution pension scheme. Where employees choose to do this, the Company contributes 13.8% of the sacrificed amount, equal to the employer's national insurance that would have been due had the amount been paid as salary. Sums sacrificed from bonus have been shown in the bonus column, with the related employer contribution of 13.8% shown in the pension column.
Note 3: This relates to the payment of the annual bonus for the year ending 30 September 2016. Annual bonus is subject to a mandatory deferral policy as set out on page 78, other than Stephen Ford who received the full amount in cash as set out on page 88.
Note 4: There are no long term incentives vesting to Executive Directors during the relevant period. Awards granted under the Deferred Profit Share Plan are included in the bonus amount disclosed in the year awarded.
Note 5: Stephen Ford received a payment of £148,404 in relation to his notice period to 6 July 2016 following his departure from the Board on 7 January 2016. He also received a statutory redundancy payment of £9,737.50 and a contribution towards legal fees of £3,500. Further details of payments made to Stephen Ford can be found on page 93.
Note 6: Relates to dividend equivalent payments made under the Deferred Profit Share Plan.
Note a: Left the Board on 7 January 2016.
Note b: 2015 comparator figure reflects that Kath Cates served less than the full year to 30 September 2015 as she was appointed on 14 December 2014.
Note c: In addition to the fees set out on page 82 in relation to her Brewin Dolphin Holdings PLC directorship, Angela Knight receives an annual fee of €30,000 in relation to her acting as Chairman of Tilman Brewin Dolphin Limited (TBD), the Group's Irish subsidiary. She was appointed to the Board of TBD on 2 April 2016.

Base salary review (Audited)

The Executive Directors' salaries were reviewed during 2016 and shareholders were consulted on a proposal to re-position David Nicol and Andrew Westenberger's salaries to a competitive level in line with the Directors' Remuneration Policy. Executive Directors' base salaries have not been increased since their appointment in 2013 and their pay had been positioned conservatively at that time. In determining an appropriate level of increase, the Remuneration Committee has taken into account the performance and experience of the individuals, the market rate for the roles (by reference to other companies of a similar size and complexity) and the impact of the salary increase on other elements of the remuneration package. The salary increases are also intended to assist with retention, and in recognition that should new incumbents to executive director roles need to be recruited in the future, a significantly higher salary than those previously paid would be needed to attract strong candidates. The shareholders consulted on this proposal were supportive and the base salaries of the Executive Directors were increased as set out below. The increase was effective on 1 June 2016 following the conclusion of the shareholder consultation as the Committee did not consider it appropriate to apply the increase retrospectively to 1 January 2016.

	Salary as at 30 September 2016	Salary as at 30 September 2015	Change
David Nicol	**£425,000**	£350,000	21%
Andrew Westenberger	**£375,000**	£300,000	25%

Annual variable pay outcomes for 2016

Annual bonuses for the Executive Directors are determined by the Committee based on an assessment of performance relative to Key Performance Indicators ('KPIs') which are selected to achieve a direct relationship between progress towards the Group's strategic goals and the bonuses that are awarded. Stephen Ford received a bonus in respect of the period he worked up to and including 7 January 2016.

Performance against financial criteria

Key Performance Indicator	Weighting	Threshold 25% of total fixed pay	On-target 100% of total fixed pay	Maximum 150% of total fixed pay	Actual for year ending 30 September 2016	% of maximum bonus awarded for this criterion	Comment
Profit before tax[1]	20%	£54.2m	£64.3m	£71.0m	£61.0m	50%	Targets set in relation to prior year performance and budget
Operating margin[1]	20%	20%	23%	24%	21.6%	45%	Targets set in relation to prior year performance and budget
Discretionary fund inflow	20%	2.5%	5.0%	7.5%	4.4%	55%	Targets set in relation to prior year performance and budget
Outcome (straight average)						50%	

1 Adjusted for exceptional items.

Performance against non-financial criteria

Criteria (equally weighted)	Commentary on performance	% of maximum bonus awarded for this criteria
Strategic Projects (read more about strategic progress on pages 28 to 29)	Good progress with the implementation of the organic growth strategy; strong growth in gross inflows (£2.4bn up from £2.1bn in prior year), with net inflows impacted by effects of prior year restructuring. Successful completion of the Stocktrade divestment with net gain higher than expected through successful management of exit costs. Successful implementation of strategic enablement projects.	90%
Client Service	New customer satisfaction survey launched with excellent overall client service scores (see page 26 for more details). Client persistency (e.g. retention of funds under management) performance good, though impacted by prior year restructuring activities. Successful implementation of ARC (Asset Risk Consultants) across our Agent portfolios, enabling external validation of our risk-weighted performance which compares favourably to our peers.	70%
Risk Management and Compliance	Completion of several projects to strengthen the risk management and compliance framework including cyber risk, conduct risk, upgrade of anti-money laundering policy and compliance with the Market Abuse Regulation. Work ongoing on key projects to prepare for the impact of new regulatory issues including MIFID II and the Senior Managers Certification Regime.	60%
Talent (read more about our people related achievements on pages 46 to 48)	Increase in employee engagement score from 76% in the prior year to 78%, three percentage points ahead of the financial services industry benchmark. Successful implementation of 'SuccessFactors', the new Human Resources system which has provided great opportunities for line managers to access data seamlessly for staff with the provision of online reviews, reward data, recruitment, and learning and development. Growth training to support adviser business development capability combined with follow on mentoring and coaching. Building on Aspire Managers seminar series to include unconscious bias, handling difficult conversations and achieving effective performance reviews.	80%
Outcome (straight average)		75%

Overall outcome

Criteria	% of maximum bonus awarded	Weighting
Financial	50%	60%
Non-financial	75%	40%
Total	60%	

Bonus outcomes (Audited)

Based on their assessment of performance, the Committee has awarded the following annual bonuses to Executive Directors, with the split between cash and deferred shares as indicated in the table below:

Name	Role	Cash	Deferred Shares[1]	Total	% of base salary
David Nicol	Chief Executive	£241,667	£95,833	£337,500	90%
Andrew Westenberger	Finance Director	£211,667	£80,833	£292,500	90%
Stephen Ford[2]	Head of Wealth and Investment Management	£81,000	–	£81,000	102%

1 See deferral table below.
2 Stephen Ford received a bonus in relation to the period worked until his departure from the Board (1 October 2015 to 7 January 2016) which was not subject to deferral and was based on his performance during the performance year until his departure.

The maximum annual bonus for each individual Executive Director is 150% of base salary.

Annual bonus awards are delivered part in cash and part in deferred shares that vest after three years:

Portion of variable pay	Fraction deferred
Up to £50,000	None
Between £50,000 and 1 x fixed remuneration	One-third
Above 1 x fixed remuneration	Two-thirds

The Committee has the discretion to adjust the final outcome upwards or downwards in the event that an exceptional event outside the Executive Directors' control occurs which, in the Committee's opinion, materially affects the bonus out-turn. There were no such events during 2016.

Both cash and share elements of the bonus are subject to clawback. Please see the Directors' Remuneration Policy table for further details.

LTIP outcome in 2016

The Executive Directors received a conditional share award granted under the Long Term Incentive Plan following its approval by shareholders in February 2014. The performance period for the initial grant was the three years to 30 September 2016 and performance against the criteria set is shown below:

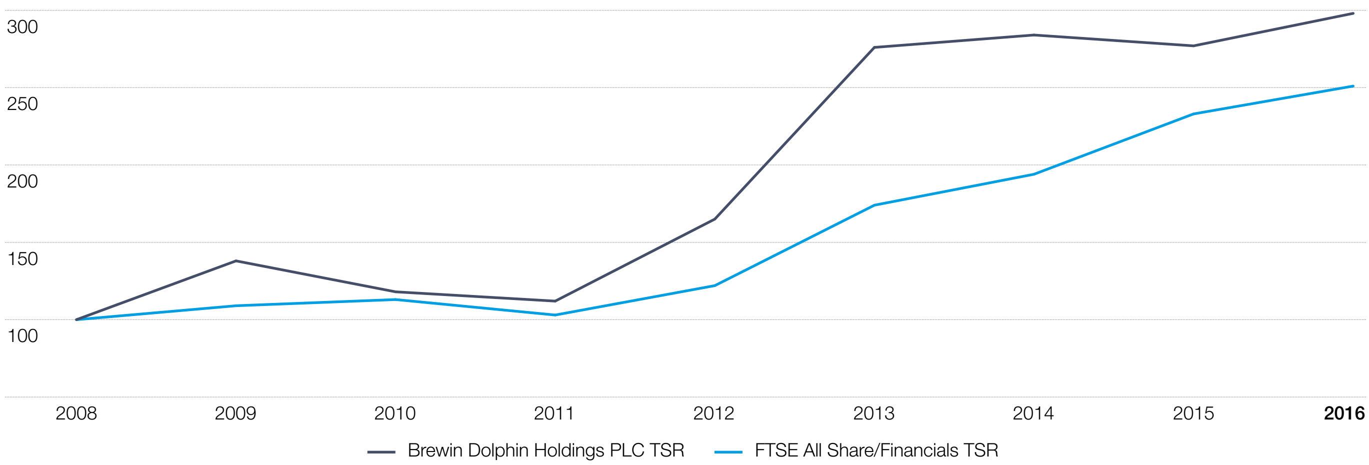
Criteria	Weighting	Threshold target	Full vesting target	**Actual for year ending 30 September 2016**	% of award to vest
Adjusted EPS CAGR[1]	50%	8%	18%	**5%**	0%
Adjusted Operating Margin[1]	50%	23%	25%	**22%**	0%

1 Adjusted for exceptional items.

Chief Executive pay for performance comparison

The graph below shows the total shareholder return (TSR) of the Company compared with the index over the eight year period to 30 September 2016. The Remuneration Committee believes that the FTSE All Share – Financial Services Index is the most appropriate comparator as it is the index that encompasses most of our key competitors. TSR is calculated assuming dividends are re-invested on receipt.

TSR



The total remuneration figure for the Director undertaking the role of Chief Executive during each of the previous eight financial years is shown below. The total remuneration figure includes the annual bonus which was awarded based on performance in those years. Where this bonus was subject to deferral, it is shown in the year in which it was awarded. The annual bonus is shown as a percentage of the maximum for 2013 to 2016 only as there was no maximum amount for bonus in the preceding years. No long-term incentive awards vested to the highest paid Executive Director during the period.

	Year ending September							
	2009	2010	2011	2012	2013	2014	2015	**2016**
Total Remuneration (£'000)	589	643	593	557	577	770	702	**713**
Annual bonus (% max)*	n/a	n/a	n/a	39	63	80	67	**60**
LTIP vesting (% of award)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**0**

* The maximum bonus was reduced from 200% of fixed salary to 150% of fixed salary as part of the changes to the policy for Executive Directors' remuneration approved by shareholders in 2014.
** The first LTIP award was granted in February 2014, relating to the performance period ended 30 September 2013.

The movement in the salary and annual bonus for the Chief Executive, who is the highest paid Director, between the current and previous financial year compared to that for the average UK employee is show below. Rather than having separate base salary, pension and benefit components, Executive Directors and other senior staff receive a total fixed pay sum which they can receive part as a defined pension contribution and/or benefits such as car benefit or long-term illness/disability insurance. More junior staff receive a base salary and pension contributions additionally. As such, an analysis of the movement in benefits for the Chief Executive and the average employee was not considered to be practical or meaningful and has not been included in the below comparison.

	2015	**2016**	% change
Chief Executive (£)			
– salary	350,000	**375,000**	7%
– bonus	350,000	**337,500**	-4%
Average per employee (£)			
– salary	46,427	**49,347**	6%
– bonus	27,051	**27,759**	3%

Directors' share interests (Audited)

Outstanding share options and conditional share awards

The tables below sets out details of Executive Directors' outstanding share awards (which will vest in future years subject to performance and/or continued service).

Share options:

	Scheme	Grant date	Exercise price	Number of shares at 1 October 2015	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2016[1]**	End of performance period	Maturity/ vesting date	Exercise period
David Nicol											
	DPSP	05/12/2013	0.00p	29,584	–	–	–	**29,584**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	50,714	–	–	–	**50,714**	n/a	04/02/2017	04/02/2020
	DPSP	03/12/2015	0.00p	–	37,174	–	–	**37,174**	n/a	03/12/2018	03/12/2021
Total				80,298	37,174	–	–	**117,472**			
Andrew Westenberger											
	DPSP	05/12/2013	0.00p	45,065	–	–	–	**45,065**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	42,646	–	–	–	**42,646**	n/a	04/12/2017	04/02/2020
	DPSP	03/12/2015	0.00p	–	30,978	–	–	**30,978**	n/a	03/12/2018	03/12/2021
Total				87,711	30,978	–	–	**118,689**			
Stephen Ford											
	DPSP	06/12/2012	0.00p	108,506	–	–	–	**108,506**	n/a	06/12/2015	05/12/2018
	DPSP	05/12/2013	0.00p	69,398	–	–	–	**69,398**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	42,646	–	–	–	**42,646**	n/a	04/02/2017	04/02/2020
	DPSP	03/12/2015	0.00p	–	30,978	–	–	**30,978**	n/a	03/12/2018	03/12/2021
Total				220,550	30,978	–	–	**251,528**			

Conditional share awards:

	Scheme	Grant date	Number of shares as at 1 October 2015	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2016[1]**	End of performance period	Vesting date
David Nicol									
	LTIP	26/02/2014	104,916	–	–	–	**104,916**	30/09/2016	26/02/2017
	LTIP	04/12/2014	121,023	–	–	–	**121,023**	30/09/2017	04/12/2017
	LTIP	03/12/2015	–	130,111	–	–	**130,111**	30/09/2018	03/12/2018
Total			225,939	130,111	–	–	**356,050**		
Andrew Westenberger									
	LTIP	26/02/2014	89,928	–	–	–	**89,928**	30/09/2016	26/02/2017
	LTIP	04/12/2014	103,734	–	–	–	**103,734**	30/09/2017	04/12/2017
	LTIP	03/12/2015	–	111,524	–	–	**111,524**	30/09/2018	03/12/2018
Total			193,662	111,524	–	–	**305,186**		
Stephen Ford									
	LTIP	26/02/2014	89,928	–	–	19,282	**70,646**	30/09/2016	26/02/2017
	LTIP	04/12/2014	103,734	–	–	48,838	**54,896**	30/09/2017	04/12/2017
	LTIP	03/12/2015	–	111,524	–	85,882	**25,642**	30/09/2018	03/12/2018
Total			193,662	111,524	–	154,002	**151,184**		

1 Or date of resignation if earlier.

The share price at 30 September 2016 was £2.638.

Beneficial Interests

To further align the interests of Executive Directors with shareholders, Executive Directors are required to build up a shareholding through the retention of shares vesting under the Group's share incentive plans. As part of the review of the Directors' Remuneration Policy during the year, the minimum shareholding requirement was increased to 150% of base salary for the Chief Executive. The minimum shareholding requirement for other Executive Directors is 100% of base salary. The Executive Directors are expected to build up this shareholding within five years of their appointment to the Board (January 2013 and March 2013 for Andrew Westenberger and David Nicol respectively). Shares that count towards these guidelines include shares owned outright by the Executive Director, an amount equal to net of tax unvested awards granted under the DPSP as they are unfettered by performance criteria, and net of tax LTIP awards that have vested.

			As at 30 September 2016			
Director	Beneficially owned at 30 September 2016*	Percentage of shareholding target held	Outstanding Deferred Profit Share Plan awards	Outstanding Long Term Incentive Plan awards	Beneficially owned at 29 November 2016*	Beneficially owned at 30 September 2015
Kath Cates	2,500	n/a	–	–	2,500	2,500
Ian Dewar	6,358	n/a	–	–	6,358	6,358
Stephen Ford	114,039	217%	251,528	151,184	114,039	114,039
Angela Knight	4,790	n/a	–	–	4,790	4,790
Simon Miller	75,000	n/a	–	–	75,000	65,000
David Nicol	83,000	68%	117,472	356,050	83,000	73,000
Caroline Taylor	5,000	n/a	–	–	5,000	2,500
Andrew Westenberger	25,000	71%	118,689	305,186	25,000	–
Paul Wilson	8,596	n/a	–	–	8,596	8,596

* Or date of resignation if earlier.

Deferred bonus

The Executive Directors receive part of their annual variable pay under the DPSP as a deferred award in BDH shares, normally in the form of options with a zero exercise price. These options are subject to service conditions and vest in one tranche three years from the date of grant.

Share Incentive Plan ('SIP')

The Group has a Share Incentive Plan. Employees may use funds from their gross salary up to a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £150) to acquire Ordinary Shares in the Company ('Partnership Shares'). Partnership Shares are acquired monthly. For every Partnership Share purchased, the employee receives one matching share up to a total value of £20. All shares to date awarded under this scheme have been purchased in the market on a monthly basis; it is the intention of the Directors to continue this policy in the year to September 2017.

Dilution

By agreement with shareholders, the aggregate number of shares which may be issued at any date of grant, when aggregated with shares issued or issuable pursuant to options or awards granted in the preceding 10 years under any employee share plan operated by the Group other than the Senior Employee Matching Plan ('SEMP'), shall not exceed 10% of the issued share capital.

The current cumulative dilution level over the 10-year period to 30 September 2016 is 2.43%. This includes 0.09% issued under the Senior Employee Matching Plan (under which there are no outstanding awards).

Material contracts with Directors

There were no material contracts between the Group and the Directors. The Directors undertake transactions in stocks and shares in the ordinary course of the Group's business for their own account. The transactions are not material to the Group in the context of its operations. £nil was outstanding in respect of these transactions at 30 September 2016 and 30 September 2015.

Total pension entitlements

Executive Directors may opt to waive part of their aggregate fixed pay amount and receive an equivalent pension contribution instead. They may also receive part of their annual bonus in the form of pension contribution.

Defined Contribution Scheme

Executive Directors may join the Group Defined Contribution Scheme. Andrew Westenberger and David Nicol have not made contributions to the scheme and do not receive any benefit from the Company under the scheme.

Defined Benefit Scheme (Audited)

Entry to the Group Defined Benefit Scheme was withdrawn in 2004 for new staff members. Stephen Ford remained an active member of this scheme as at the date of his departure from the Board on 7 January 2016.

Details of the total pension entitlements at the year-end are as follows:

	Pension rights at the end of the accounting period	Normal retirement age	Description of any additional early retirement benefits that the Director could receive in the event the Director retires early	Pension related benefits from the scheme in the breakdown of the pension benefits from the 'single total figure of remuneration' table
Stephen Ford	£2,731	65	n/a	£320

CPI inflation for the year to 30 September 2016 was –0.1% so an inflation rate increase of 0% was used.

Death-in-service benefits

Executive Directors are eligible for death-in-service benefit cover which is equal to six times their individual fixed remuneration.

Relative importance of the spend on pay (Audited)

	2015 £'000	**2016 £'000**	% change
Staff costs	143,670	**141,217**	-2%
Dividends	32,212	**35,309**	10%

Average salary and bonus per employee has increased by 6% and 3% respectively (see page 89).

Payments made to departing Directors (Audited)

Stephen Ford stepped down from the Board with effect from 7 January 2016. In accordance with Stephen Ford's service agreement and with the Company's Remuneration Policy, the following was agreed:

Notice period	Stephen Ford continued to be paid his salary and enjoy his contractual benefits during his notice period to 6 July 2016.
Statutory Redundancy Pay	Stephen Ford was paid a Statutory Redundancy Payment of £9,738.
2015/16 variable pay award	Following the end of the notice period, Stephen Ford was paid an award of annual variable pay for performance in the 2015/2016 financial year in respect of the period worked up to and including 7 January 2016, in the amount of £81,000.
Benefits	Brewin Dolphin will pay private medical scheme premiums until 31 December 2016.
Deferred Profit Share Plan ('DPSP')	In accordance with the rules of the DPSP, awards made under the DPSP will vest on their original vesting dates as follows:
Long Term Incentive Plan ('LTIP')	In accordance with the rules of the LTIP, a pro-rated number of shares (calculated up to 6 July 2016) will vest as follows, conditional upon the LTIP performance criteria being satisfied:
Legal fees	Stephen Ford received a total contribution of £3,500 (exclusive of VAT) towards legal fees incurred in connection with his departure.

DPSP:

No. of shares	Vesting date
69,398	5 December 2016
42,646	4 December 2017
30,978	3 December 2018

LTIP:

Pro-rated shares	Vesting date
70,646	26 February 2017
54,896	4 December 2017
25,642	3 December 2018

External advisers

The Remuneration Committee is advised by New Bridge Street ('NBS'), appointed by the Committee. NBS is a member of the Remuneration Consultants Group and abides by its Code of Conduct which requires its advice to be impartial and objective. The total fees paid to NBS in respect of its services to the Committee during the year were £51,497.

External directorships

Details of external directorships held by the Executive Directors during the year and any fees that they received in respect of their services are shown below.

David Nicol

Company	Position	FY2016	FY2015
Hermes Property Unit Trust	Member of Appointment Committee	**£27,500**	£27,500

Statement of shareholder voting

The Directors' Remuneration Policy and the Annual Report on Remuneration received the following votes from shareholders:

	Remuneration Policy (2014 AGM)	%	Annual Report on Remuneration (2016 AGM)	%
Votes cast in favour	168,569,707	96.5%	196,905,498	99.7%
Votes cast against	6,143,183	3.5%	579,037	0.3%
Total votes cast	174,712,890		197,484,535	
Abstentions	1,914,199		24,494	

How the policy will be applied in 2017 onwards

(i) Fees for the Chairman and Non-Executive Directors

As detailed in the Remuneration Policy, the Group's approach to setting Non-Executive Directors' remuneration is with reference to market levels in comparably sized FTSE companies, levels of responsibility and time commitments. The Chairman's fee was reviewed in October 2016 and it was agreed that the current fee remains competitive and will therefore be unchanged for 2016/2017.

The Non-Executive Directors' fees are reviewed periodically by the Board and were last revised in October 2014. Following a review of market benchmark data and in recognition of the increasing time commitment and responsibility required from Non-Executive Directors, particularly in the financial services industry, the Board concluded that the Non-Executive Directors' fees should be increased.

A summary of fees at the year-end and with effect from 1 January 2017 is:

	1 January 2017	30 September 2016	30 September 2015
Chairman	**£180,000**	£180,000	£160,000
Base fee	**£60,000**	£50,000	£50,000
Senior Independent Director	**£10,000**	£10,000	£10,000
Committee Chairman	**£10,000 – £15,000**	£5,000 – £12,000	£5,000 – £12,000

(ii) Performance targets for the 2016/17 annual bonus, and LTIP awards to be granted in 2017 financial year

For the 2017 financial year, the annual bonus will be based on performance against a balanced scorecard comprising four Key Performance Areas: profit before tax (20% weighting); adjusted operating profit margin (20% weighting); discretionary funds under management inflow (20%); and personal performance/non-financial targets (40%). Profit and margin will be adjusted to exclude the impact of exceptional items.

The LTIP awards granted in the 2017 financial year will be subject to two separate performance conditions, each accounting for one-half of the award. The performance conditions are as follows:

Performance metric	Weighting (each measured independently)	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS Compound Annual Growth Rate ('CAGR')	50%	5%	15%	CAGR measured over the three financial years 2016/17, 2017/18, and 2018/19, using 2015/16 as the base year.
Average Annual Discretionary FUM growth ('FUM')	50%	2.5%	7.5%	Average over the three financial years 2016/17, 2017/18 and 2018/19.

These targets have been set with reference to market consensus and internal medium-term plans.

There is also a general underpin: the Committee will assess the overall health of the business and whether prudent risk management has been applied and may scale back the vesting level if it considers this to be appropriate.

Approval

This Directors' Remuneration Report, including both the Policy and Annual Remuneration Report, has been approved by the Board of Directors.

Signed on behalf of the Board of Directors

Paul Wilson
Chairman of the Remuneration Committee

29 November 2016

Other Statutory Information

Index to principal Directors' Report and Listing Rule disclosures

Relevant information required to be disclosed in the Directors' Report and as set out in Listing Rule 9.8.4 R (information to be included in the Annual Report and Accounts) may be found in the following sections:

Information	Section in Annual Report	Pages
Business Review	Strategic Report	22-27, 30-32 and 38-45
Principal Risks and Uncertainties	Strategic Report	33-37
Disclosure information to auditor	Other Statutory Information	98
Directors in office during the year	Corporate Governance Report	57
Dividend recommendation for the year	Chairman's Statement	21
Directors' indemnities	Other Statutory Information	95
Corporate responsibility	Strategic Report	46-49
Greenhouse gas emissions	Other Statutory Information	97
Financial instruments – risk management objectives and policies	Notes to the financial statements	148-155
Future developments of the Company	Strategic Report	22-27
Employment policies and employee involvement	Strategic Report	46
Structure of share capital, including restrictions on the transfer of securities, voting rights and significant shareholders	Other Statutory Information	96
Rules governing the appointments of Directors	Corporate Governance Report	58
Powers of Directors	Corporate Governance Report	55
Rules governing changes to the Articles of Association	Other Statutory Information	96
Shareholder waiver of dividends	Note 29 of the financial statements	146

The above information is incorporated by reference and together with the information on pages 95 and 99 forms the Directors' Report in accordance with section 415 of the Companies Act 2006.

Strategic Report

The Strategic Report is set out on pages 12 to 49 and was approved by the Board on 29 November 2016. It is signed on behalf of the Board by David Nicol, Chief Executive.

Cautionary statement

The review of the business and its future development in the Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of these reports and should be treated with caution due to inherent uncertainties associated with such statements. The Directors, in preparing the Strategic Report, have complied with s417 of the Companies Act 2006.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the period and these remain in force at the date of this report.

Share capital

Details of the Company's authorised and issued share capital, together with details of the movements therein, are set out in note 29 to the financial statements. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares.

The Company has one class of Ordinary Shares which carry no right to fixed income. There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Employee share plans

Details of employee share schemes are set out in note 33. Shares held by Computershare (Trustees) Limited abstain from voting. Under the rules of the Group's Share Incentive Plan ('BDSIP'), shares are held in trust for participants by Equiniti Share Plan Trustees Limited (the 'Trustee'). Voting rights are exercised by the Trustee on receipt of the participant's instructions; if no such instruction is received by the Trustee then no vote is registered. No person has any special rights of control over the Company's share capital and all issued shares are either fully or nil paid. The Company has over the last three-year period, issued a total of 1.70% of its issued share capital of Ordinary Shares in relation to the acquisition of businesses and client relationships.

Articles of Association

The Articles of Association may be amended by special resolution of the shareholders.

Substantial shareholdings

As at 30 September 2016, the Company had received notifications in accordance with the FCA's Disclosures and Transparency Rule 5.1.2 of the following interests of 3% or more in the voting rights of the Company.

Shareholder	Date of notification	Number of voting rights	% of voting rights
Royal London Asset Management	06/07/2016	16,824,793	5.95
Aberforth Partners	18/07/2016	14,390,759	5.08
Blackrock Inc.	22/07/2014	Below 5%	Below 5
FIL Limited	25/04/2016	14,092,698	4.97
FIL Investment International	06/12/2012	12,477,394	4.47
Aviva plc and its subsidiaries	14/12/2015	10,296,674	3.64
Henderson Group plc	29/01/2016	9,181,046	3.24
Legal & General	28/11/2008	8,563,901	3.07

Annual General Meeting

The Annual General Meeting ('AGM') will be held at 11.30 am on 3 February 2017 at Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ. The Notice of Meeting will be posted to shareholders in January 2017.

Purchase of own shares

At the AGM on 5 February 2016, shareholders approved a resolution for the Company to make purchases of its own shares to a maximum of 10% of its issued Ordinary Shares. This resolution remains valid until the conclusion of the next AGM in 2017. As at 29 November 2016 the Directors had not used this authority.

Employees

The average number of persons, including Directors, employed by the Group and their remuneration, are set out in note 7 to the financial statements. Other information about the Group's employee engagement, diversity and inclusion policies is set out on pages 46 and 47.

Greenhouse Gas Emissions (GHG)

The Group recognises its impact on the environment and strives to minimise it. As a financial services provider, our main environmental focus is on our network of offices and employee travel. This is the third year the Group has reported as a quoted company under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Global GHG emissions for the period ended 30 September 2016

Emissions from:	Tonnes of CO_2e 2015/16	Tonnes of CO_2e 2014/15
Combustion of fuel and operation of facilities	327	236
Electricity purchased for own use	2,030	2,258
Fugitive emissions – refrigerant losses	–	8.80
Mobile combustion – business travel from leased assets	20	3.97
Company's chosen intensity measurement: Emissions per full time employee	1.5	1.5

Methodology and additional information

The table on this page reports the Group's annual GHG emissions from sources which fall within the consolidated financial statements. Included are most of the emission sources that the Group has responsibility for but some emission sources have been omitted based on a lack of data and materiality. Details of the emissions which have been omitted are given in the 'Emission sources not reported' section below.

The Group has gathered energy use data (natural gas and electricity), refrigerants use as well as business travel mileage and has applied emission factors from the July 2015 update to the Defra impact profile. This year, we have moved from consumed electricity to generated electricity emission factors included in the Defra library and this has resulted in some discrepancies between figures in the current reporting year and the comparison year. We did not undertake any replacements of our Direct Expansion system this year, hence the refrigerant losses are zero. We have improved the way we collect data for our leased assets and have increased our accuracy in reporting, differentiating by car size and fuel type. This has resulted in some discrepancy between the current year mobile combustion figure and the comparison year, but will give us a more accurate basis for monitoring and reporting in future years.

Emission sources not reported

This section of the report details the emission sources that the Group has not reported on and the reasons for their exclusions. Only a minority of the buildings the Group operates directly makes use of gas and this has been included in emissions from combustion of fuel. It has not been possible to determine separate heat/steam usage as the Group mostly occupies premises under shared occupancy and these costs are included in service charges.

Data quality

Our data for electricity as well as gas consumption comes from two main sources:

– consumption bills from suppliers/reports from property agents (exact data); and

– our approximations based on exact data (estimated data).

The Group has used estimated data in some cases due to the lack of complete data for electricity consumption. The section below details the approach the Group has taken to complete these data gaps:

– Where buildings had incomplete electricity consumption figures for certain months over the current reporting period, a conservative approach for estimating this data was chosen. The methodology used was to apply a daily consumption figure calculated by using the month in the dataset with the highest electricity consumption to the months that had missing data.

– In cases where no electricity data was held, the methodology was calculated using the buildings with exact and complete data to calculate average electricity consumption per square metre for each month in the current reporting period. The monthly average consumption per square metre was used to estimate the monthly electricity consumption of buildings with no electricity data, based on individual floor areas.

– In cases where gas consumption data for the current reporting period was unavailable, the previous year's data was used as an approximation.

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved for and on behalf of the Board

Louise Meads
Company Secretary
Brewin Dolphin Holdings PLC
Company Number: 2685806

29 November 2016

Directors’ Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

– properly select and apply accounting policies;
– present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
– provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance; and
– make an assessment of the Company’s ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on 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' responsibility statement

We confirm that to the best of our knowledge:

– the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
– the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
– the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company’s performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 29 November 2016 and is signed on its behalf by:

David Nicol
Chief Executive

Andrew Westenberger
Finance Director

Independent Auditor's Report to the members of Brewin Dolphin Holdings PLC

Opinion on financial statements of Brewin Dolphin Holdings PLC

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and the related notes 1 to 38. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Going concern and the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

As required by the Listing Rules we have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 3 to the financial statements and the Directors' statement on the longer-term viability of the Group on page 45.

We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation on page 59 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 35-37 that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in note 3 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- the Directors' explanation on page 45 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
REVENUE RECOGNITION	
As detailed in the summary of significant accounting policies on page 115, revenue is earned from investment management fees of £190.5m, commissions of £71.0m and other income of £20.9m. Investment management fees account for approximately 67% of total revenue and are based on a percentage of individual clients' funds under management. There is a risk that incorrect rates or fund valuations are used to calculate management fees. The risk of errors increases where manual amendments are made to system calculated fees.	We tested the design, implementation and operating effectiveness of relevant controls relating to investment management fees, including the associated IT controls. We selected a sample of quarterly investment management fee calculations for individual clients and recalculated the system generated amount. We agreed a sample of the rates used to client contracts and the value of funds under management to third party sources. Additionally, we tested a sample of manual fee amendments to determine their validity in accordance with client agreements and the Group's policy.
IMPAIRMENT REVIEW OF INTANGIBLE ASSETS: CLIENT RELATIONSHIPS AND GOODWILL	
Historically, the Group expanded through acquisitions leading to goodwill and client relationships resulting in the recognition of £71.4m (2015: £77.7m) of capitalised client relationships and goodwill. As detailed in the summary of significant accounting policies on page 115, intangible assets are reviewed for impairment at least annually. This is considered to be a key source of estimation uncertainty for the Group as described on page 123. Determining whether these intangible assets are impaired requires an estimation of the recoverable amount for each of the Group's cash-generating units ("CGUs") and where the carrying amount exceeds the recoverable amount an impairment should be recorded. This assessment is driven by estimates of the fair value of CGUs based on a percentage of funds under management. The percentages used are inherently judgemental.	In assessing the intangible assets, we have reviewed the calculations prepared by management to assess whether they meet the requirements of IAS 36 "Impairment of Assets" and that the assumptions and judgements made are appropriate. To do this, we have challenged the percentages management have applied to market values of funds under management to determine fair value, and validated these against percentages derived from recent public acquisitions of fund management businesses. We tested the controls over the production of funds under management data, designed to ensure its completeness and accuracy. We have also recalculated the sensitivity of the valuation of funds under management which is disclosed in note 17.
ASSUMPTIONS UNDERLYING THE CALCULATION OF THE PENSION SCHEME LIABILITY	
The Group has recognised a defined benefit pension deficit of £7.0m (2015: £2.9m deficit). The deficit comprises assets of £105.4m and liabilities of £112.4m. The calculation of the liability is sensitive to changes in underlying assumptions and is considered to be a key source of estimation uncertainty for the Group as detailed on page 123. The key assumptions are the discount rate, inflation rate and mortality rate where small changes to these assumptions could result in a material change to the pension liability valuation.	In order to evaluate the appropriateness of the assumptions used by management, we have used our own actuarial experts to make direct enquiries of the Group's actuary and review the key actuarial assumptions adopted in the IAS 19 ("Employee Benefits") pension valuation. In particular we compared the discount rate, inflation rate and mortality assumptions to our independently determined benchmarks derived using market and other data.

Last year, our report included three significant risks that have not been included in our report this year relating to estimation for provisions for sundry claims and associated costs, onerous lease contracts and dilapidations, and the sale of the Stocktrade division. Provisions for sundry claims and associated costs have reduced in the year and hence we have not reported it as a significant risk above. The level of judgement required in estimating provisions for onerous lease contracts and dilapidations has reduced in the year and hence we no longer consider there to be an associated significant risk of material misstatement. With the completion of the sale of Stocktrade in April 2016, this is no longer considered to be a significant risk of material misstatement.

This year we have included a new significant risk relating to revenue. This reflects the relative amount of audit effort directed to testing investment management fees. We do not consider the risk of material misstatement to have increased from the prior year.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £2.485m (2015: £3.0m), which is 5% of profit before tax from continuing operations and is consistent with our approach for the 2015 audit.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £49,700 (2015: £61,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Group consists of the main trading subsidiary, Brewin Dolphin Limited, along with Tilman Brewin Dolphin Limited, and Brewin Dolphin MP.

As Brewin Dolphin Limited makes up 97.5% of the Group's revenue and its profit before tax is higher than the Group we have used Group materiality of £2.485m.

The majority of the operations of the Group are based in the United Kingdom and are audited by Deloitte LLP. The only exception to this is Tilman Brewin Dolphin Limited, an Irish company, which represents less than 2.5% of revenue and is audited by another Deloitte member firm.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review part of the Corporate Governance Statement relating to the Company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Robert Topley FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

29 November 2016