

# Brooks Macdonald Group plc

## Update on shareholder consultation in relation to the Directors' Remuneration Report following the 2021 Annual General Meeting

At the 2021 Annual General Meeting of Brooks Macdonald Group plc ("Brooks Macdonald", "the Group") on 28 October 2021, while all resolutions were passed, a substantial minority of votes (31.95%) were cast against Resolution 3, the advisory resolution to approve the Directors' remuneration report.

The Remuneration Committee on behalf of the Board consults extensively with shareholders on remuneration and takes their feedback into consideration. Following the AGM, in accordance with the UK Corporate Governance Code 2018 ("the Code"), the Remuneration Committee continued to consult shareholders to understand the full reasons for the result, including writing to shareholders representing over 85% of shares in issue. In accordance with the Code, the Group is now providing an update on views received from shareholders and actions taken.

The Remuneration Committee's consultation with shareholders identified that the primary concern of those shareholders voting against the Directors' remuneration report related to a one-off retention share award made to an Executive Director following the departure of the Group's then CEO, Caroline Connellan. The share award had a three-year cliff vesting and a two-year post-vesting holding period and was subject to underpins of the maintenance of a satisfactory risk, compliance, governance and internal control environment, and the general good health of the Company as assessed by the Remuneration Committee.

Brooks Macdonald is committed to a transparent Remuneration Policy, meeting high standards of corporate governance. One of the principles of the Policy is to "align remuneration with our business strategy, objectives, and Guiding Principles, and the long-term interests of the Group and shareholders".

While the Group considers that the one-off retention award in question was compliant with the Corporate Governance Code, likely to promote the success of the business, and in the best interests of shareholders, we do not anticipate making similar one-off awards in the future. All share awards made to Executive Directors from this financial year will be subject to stretching performance goals as well as being conditional on continued service and underpins relating to dividends, funds under management and risk and compliance, and will have a two-year post-vesting holding period.

In accordance with the Code, the Group will provide a final summary in the annual report on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions proposed.