



Brewin
Dolphin

MIFIDPRU 8 Annual Disclosure

31 October 2023

CONTENTS

1. EXECUTIVE SUMMARY	3
2. RISK MANAGEMENT OBJECTIVES AND POLICIES.....	3
3. GOVERNANCE ARRANGEMENTS.....	4
4. OWN FUNDS	5
5. OWN FUNDS REQUIREMENTS	6
6. REMUNERATION POLICIES AND PRACTICES.....	7
7. DIVERSITY AND INCLUSION.....	15
8. INVESTMENT POLICY	16

1. EXECUTIVE SUMMARY

The FCA introduced the Investment Firm Prudential Regime (“IFPR”) on 1 January 2022 replacing the previous regulatory rules under CRR. Under the new framework, the regulations take a more proportionate, rounded approach for investment firms to publicly disclose key information and metrics. The following disclosures demonstrate Brewin Dolphin Limited’s (“BDL” or the ‘Company’) approach to risk management, governance, remuneration policies as well as its own funds position.

Royal Bank of Canada completed the acquisition of Brewin Dolphin on 27 September 2022. As a result, Brewin Dolphin Holdings Limited (“BDH”) is a wholly owned subsidiary of RBC Wealth Management (Jersey) Holdings Limited. BDH itself consists principally of two wholly owned regulated trading subsidiaries:

- BDL regulated by the Financial Conduct Authority (“FCA”); and
- Brewin Dolphin Wealth Management Limited (“BDWM”) (comprising of the entities formerly known as Tilman Brewin Dolphin Limited and Investec Capital & Investments (Ireland) Limited), regulated by the Central Bank of Ireland (CBI).

BDH applied for a Group Capital Test (“GCT”) waiver which was approved by the FCA in October 2022 and is valid for five years. The waiver allows for BDL to report as an investment firm group on an FCA solo basis instead of via a prudential consolidation. BDL does not satisfy all the basic conditions for classification as an SNI MIFIDPRU investment firm therefore, BDL is a non-SNI (small and non- interconnected) MIFIDPRU investment firm and is subject to the full IFPR requirements.

BDWM was required by the CBI to comply with IFR from 26 June 2021 and is a Class 2 firm and is exempt from FCA reporting.

These disclosures will be updated on an annual basis following the completion of BDL annual accounts.

2. RISK MANAGEMENT OBJECTIVES AND POLICIES

The primary objectives of the Risk Management Framework at BDL are to ensure that there is:

- A strong risk culture so that employees are able to identify, assess, manage and report against the risks the business is faced with;
- A swift and effective response to risk events and potential issues in order to minimise impact;
- A defined risk appetite within which risks are managed; and
- An appropriate balance between risk and the cost of control.

The Board has ultimate responsibility for the effectiveness of risk management at BDL. BDL’s governance model uses a hierarchy of Board, Executive and Management level committees within a three lines of defence model as part of a robust governance framework. The Board has established a Risk Committee with the purpose of overseeing the Risk Management Framework and assisting the Board in its responsibilities for the integrity of the internal control and risk management systems.

To provide a structured approach to risk identification and classification and to enable the effective monitoring and reporting of risks, the risk framework considers risks under the three risk groupings, defined below:

Risk Category	Description
Business Risks	The risks of assets under management and revenue reducing impacting the businesses viability.
Financial Risks	Balance sheet related risks.
Operational Risks	The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Our approach is to identify and assess specific risks within these groups, mitigate and manage these risks, and monitor and report against these risks, which provides the foundation to enable us to deliver against our strategic objectives.

Each risk has been reviewed as to whether it potentially poses a risk to clients, the firm and markets:

- **Risks to Client (RtC):** focused on the business model and the harms that may arise to clients when providing investment services.
- **Risks to Firm (RtF):** generally arising through the exposures that may incur and any claims as a result of a breakdown in operations.
- **Risks to Market (RtM):** the impact BDL could have on the markets in which it operates and on those counterparties it trades with.

Risk appetite is defined as the willingness to take risk to achieve BDL's strategic objectives. A risk appetite framework is in place which is owned, updated, reviewed and approved at least annually by the BDL Board, with oversight and monitoring of the risk profile against risk appetite provided by the BDL Risk Committee and BDL Risk Management Committee.

Concentration Risk

Concentration risk is the risk arising from the strength or extent of a firm's relationships with, or direct exposure to, a single or group of connected clients / counterparties. BDL limits concentration risk by having a diversified exposure profile for the location of both firm and client money which is monitored against limits, and has a large number of clients which is spread across direct relationships with private clients, charities and corporates, and indirect relationships through intermediaries.

Liquidity Risk

Liquidity risk is the risk of being unable to meet obligations when they come due. Liquidity risk is managed by ongoing monitoring of forecast and actual outflows, and maintaining a buffer above the minimum requirements which is set in the Risk Appetite Statements. A liquidity contingency plan is also in place, and BDL has a revolving credit facility which provides access to additional liquidity. This facility is tested on an annual basis.

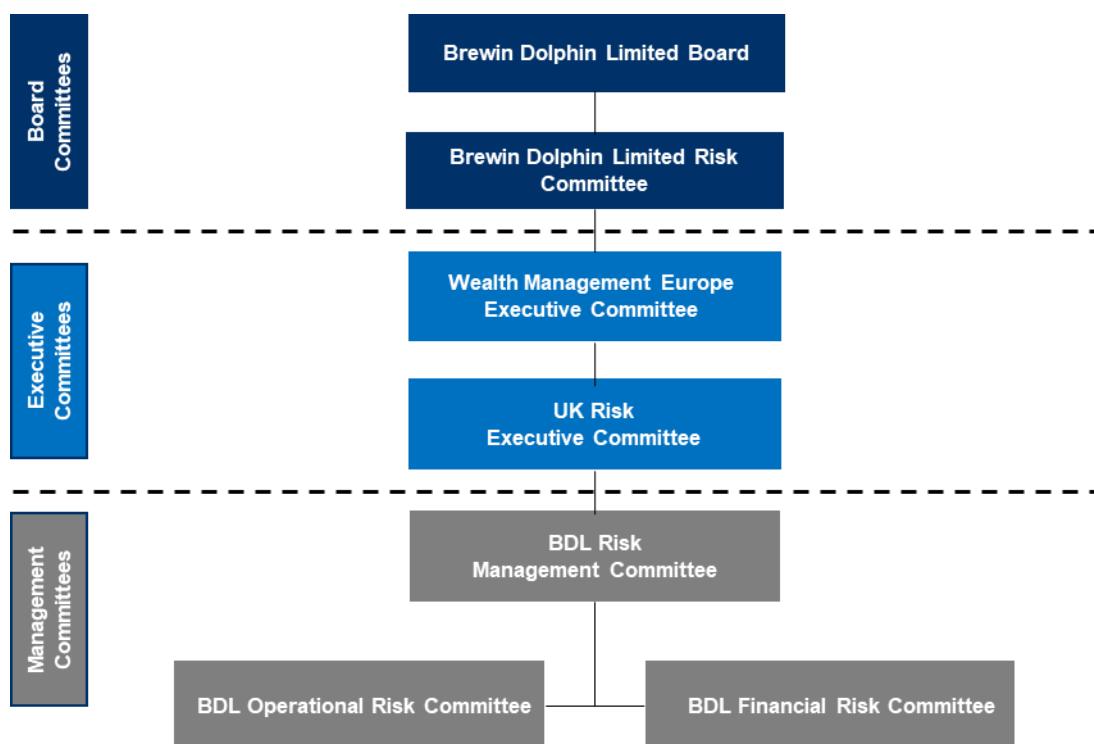
3. GOVERNANCE ARRANGEMENTS

The Board has ultimate responsibility for the effectiveness of risk management at BDL. BDL’s governance model uses a hierarchy of Board, Executive, and Management level committees within a three lines of defence model as part of a robust governance framework.

The three lines of defence:

1. The First Line of defence is the business, comprising of client facing, operational and functional departments. It is responsible for managing the day-to-day risk management.
2. The Second line of defence is Group Risk Management and Compliance which monitors and facilitates the implementation of effective risk management practices.
3. The third line of defence is Internal and External Audit. Internal Audit is an independent, objective assurance function which helps BDL accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control process.

3.1. Risk Management Committee Structure



The BDL Management Committees report to the BDL Risk Committee and Board via the UK Risk Executive and Wealth Management Europe Executive Committees which also incorporate additional RBC entities.

BDL Management Committees:

BDL Risk Management Committee

The BDL Risk Management Committee is a second line management committee to review and recommend for approval to the UK Risk Executive Committee, risk-specific frameworks, policies, mandates and limits relating to BDL as appropriate. The Committee provides oversight of the BDL Operational Risk Committee and the BDL Financial Risk Committee.

- **BDL Operational Risk Committee**
The BDL Operational Risk Committee is a committee with representation across the business to monitor the risk profile of the key operational risks that BDL face.
- **BDL Financial Risk Committee**
The BDL Financial Risk Committee monitors and oversees the counterparty credit, market and liquidity risk that BDL faces.

4. OWN FUNDS

In accordance with MIFIDPRU 8.4, below is a reconciliation of CET1 and deductions to present BDL own funds (OF1) and Balance Sheet in the Audited Financial Statements as at 31 October 2023:

£000's		Amount	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	133,395	
2	TIER 1 CAPITAL	133,395	
3	COMMON EQUITY TIER 1 CAPITAL	133,395	
4	Fully paid up capital instruments	20,893	a
5	Share premium	112,471	b
6	Retained earnings	176,573	c
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-)-TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(176,542)	
19	CET1: Other capital elements, deductions and adjustments	(176,542)	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Additionally, per MIFIDPRU 8.4 1.(c) is the following breakdown of capital instruments:

Capital instruments' main features template ⁽¹⁾	Common shares
Issuer	Brewin Dolphin Limited
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
Governing law(s) of the instrument	English
<i>Regulatory treatment</i>	
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo
Instrument type (types to be specified by each jurisdiction)	Common Equity Tier 1 as published in MIFIDPRU Article 3.3.1
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	GBP20.9m
Nominal amount of instrument	GBP20.9m
Issue price	100 per cent
Redemption price	100 per cent of Nominal amount
Accounting classification	Equity
Original date of issuance	1 June 1987
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates, and redemption amount	N/A

Subsequent call dates, if applicable	N/A
<i>Coupons / dividends</i>	
Fixed or floating dividend/coupon	N/A
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
Existence of step up or other incentive to redeem	No
Noncumulative or cumulative	Non cumulative
Convertible or non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No
If write-down, write-down trigger (s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
⁽¹⁾ 'N/A' inserted if the question is not applicable	

£000's		Balance sheet as in published/audited financial statements	Cross reference to OF1
		As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Finance lease receivables	1,073	
2	Financial assets at FV through OCI	27	
3	Trade and other receivables	143,608	
5	Cash and cash equivalents	224,920	
6	Total non-current assets	275,437	
7	Total Assets	645,065	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Trade and other payables	204,507	
2	Other payables	7,455	
3	Provisions for liabilities	660	
4	Total non-current liabilities	122,506	
5	Total Liabilities	335,128	
Shareholders' Equity			
1	Share Capital	20,893	a
2	Share premium	112,471	b
3	Retained Earnings	176,573	c
4	Total Shareholders' equity	309,937	

5. OWN FUNDS REQUIREMENTS

In accordance with MIFIDPRU 8.5, the tables below set out BDL's K-Factor and Fixed Overhead Requirement ("FOR") in comparison to its Permanent Minimum Requirement ("PMR").

K Factor	£000's
Sum of K-AUM, K-CMH, K-ASA	30,693
Sum of K-COH and K-DTF	80
Total K-Factor	30,773

Fixed Overhead Requirement	£000's
Based on audited accounts as at 31 October 2023	68,215
Total Fixed Overhead Requirement	68,215

Permanent Minimum Requirement	£000's
Per MIFIDPRU 4.4	150
Total Permanent Minimum Requirement	150

BDL monitors its Own Funds resources in comparison to the Own Funds Threshold Requirement (OFTR), and it has been in excess at all times. The OFTR is determined through the Internal Capital Adequacy and Risk Assessment (ICARA) process. Firstly, an assessment is undertaken for ongoing operations, which incorporates an internal assessment of the potential harms associated with the activities represented by each of the K Factors, and then an assessment for all other potential harms identified. In addition, an assessment is undertaken for wind down, which incorporates an assessment of the cost and potential harms of a wind down compared to the Fixed Overheads Requirement. The assessment for ongoing operations, wind down and the firm's Permanent Minimum Requirement are compared and the highest assessment determines the OFTR.

6. REMUNERATION POLICIES AND PRACTICES

6.1. Remuneration Governance Structure

The Brewin Dolphin Ltd Human Resources Committee (the 'Committee') is a committee of the Brewin Dolphin Ltd Board and has formal terms of reference. The Committee is chaired by an Independent Non-Executive Director, and currently comprises four Non-Executive Directors.

The Committee determines the individual remuneration of the members of the Executive Committee employed by the Company and any other employees defined as Material Risk Takers (collectively the 'MRTs'). No individuals are involved in decisions about their personal remuneration.

The Committee also receives advice from the external remuneration consultants who are independent and have no other connection with the Company. Advice was sought from external consultants Alvarez & Marsal. The consultants selected were independent and had no other connection with the Group.

The Committee met 6 times during the year to 31 October 2023.

6.2. Employees designation as 'MRT' for the purposes of the FCA Remuneration Code

For the 2022/23 performance year, MRTs were identified in line with the requirements as set out in the FCA Remuneration Code (SYSC19G) whose professional activities have a material impact on the risk profile of the Group. The following criteria were applied in the identification of MRTs:

- Senior Management including members of the Board, Executive Committee and staff who are Senior Management Function (SMF) holders;
- Staff with managerial responsibility for business units that carry out certain regulated activities in investments;
- Staff with managerial responsibility of control functions, money laundering, terrorist financing, information technology and security;
- Staff who are responsible for managing a material risk within the firm; and
- Staff who have the authority to take decisions approving or vetoing the introduction of new products

As at 31 October 2023, 21 individuals were identified as MRTs. For the performance year 2022/23, 32 individuals in total were identified as MRTs.

6.3. Components of Remuneration

(A) Fixed Remuneration

Fixed remuneration which is paid in the form of base salary primarily reflects relevant professional experience and organisational responsibility as set out in an employee's job description as part of the terms of employment.

Role Based Pay: for some higher paid roles, base salaries may be subject to a cap except in cases where base salary is uncapped for legacy reasons. Where a cap applies, employees may receive additional fixed remuneration in the form of Role Based Pay. Role Based Pay is a fixed amount that continues on the same basis whilst and individual remains in their current role and location, with the same responsibilities, with the same base salary, and provided it remains compliant with relevant remuneration regulations. It is not a variable or performance-related payment.

(B) Variable Remuneration

All employees are eligible to be considered for discretionary performance-related variable remuneration and the principle of deferral applies to variable remuneration for employees whose awards exceed certain thresholds established by the Committee, and also taking account of regulatory requirements for MRTs.

Annual profit share is paid in cash, subject to the deferral limits as outlined in section 6.5 – 'Variable Remuneration Structure for MRTs and Non-MRTs' (see Table 2, Table 3 and Table 4).

Guaranteed variable remuneration is awarded in exceptional circumstances and in the context of new hires where the individual may forfeit variable remuneration as a result of resignation. Guaranteed variable remuneration is limited to the first year of service and subject to RBC Brewin Dolphin's deferral requirements for MRTs and Non-MRTs.

The Company provides severance payments to fulfil its statutory obligations and to support the transition of employees away from their employment with RBC Brewin Dolphin, in circumstances where there is an early termination of their employment.

6.4. The Link Between Pay and Performance

The RBC Brewin Dolphin Remuneration Policy sets out the remuneration framework for the Company which is designed to support its business strategy, taking into account other factors including risk appetite, market practices, risk management, conflicts of interest, and the FCA Remuneration Code.

In determining the Policy, the Committee takes into account the following objectives:

- to ensure that the Policy encourages behaviours which support fair outcomes for clients;
- to attract, retain and motivate talented employees 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 and appropriate behaviours; and
- to meet relevant regulatory requirements, including the requirements of the FCA Remuneration Code so far as these apply to the Company.

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 ensure that the overall package takes account of market practice;
- maintain appropriate proportions of fixed and performance-related remuneration, to: help drive performance over the short and longer term, maintain flexible costs so as not to inhibit the Company's ability to retain a strong capital base, and avoid creating incentives for excessive risk-taking;
- align incentive schemes with business strategy, RBC Brewin Dolphin's culture and values, prudent risk management, and the interests of clients and shareholders; and
- achieve consistency with the general remuneration philosophy applied to Company employees as a whole.

Variable remuneration is linked to Group and team financial performance, which supports the Group's strategy. Management has discretion to adjust bonus allocations to reflect non-financial criteria such as supporting the business strategy and demonstrating behaviour consistent with the Group's values.

Variable remuneration is subject to a portion of mandatory deferral, which helps to align employees' interests with the long-term interests of the Group.

Malus and clawback provisions are in place which allow for cancellation or reduction of unvested awards. All participants are required to sign an acceptance form to acknowledge that the awards granted to them are subject to these recoupment provisions. This helps to ensure that the provisions are enforceable and also raises awareness of the link between risk-taking behaviour and variable remuneration.

6.5. Variable Remuneration Structure for MRTs and Non-MRTs

6.5.1 Variable Remuneration for MRTs

- The purpose of this discretionary plan is to provide variable remuneration for MRTs which incentivises individuals to achieve objectives aligned with the strategy, in a way which is in the long-term interests of the Company's parent company, clients and employees.
- There is also a general underpin requirement that the Committee will assess the overall health of the business and consider whether prudent risk management has been applied, and may scale-back the level of the awards if it considers this to be appropriate having taken account of this general underpin.
- The Committee seeks input from Risk Management regarding any conduct events during the year that should be taken into account when determining awards.

- At least 50% of total variable compensation is delivered in equity-linked instruments in accordance with the UK IFPR Remuneration Code.
- Mandatory deferral of bonus is applied in accordance with the MRT requirements (see Table 2). Deferred variable remuneration is satisfied by the grant of an award under the Royal Bank of Canada (RBC) Share Unit Program (SUP). SUP awards are subject to forfeiture on a 'bad leaver' basis, as defined in the Plan Rules. These awards are also subject to recoupment provisions (see section 6.6 Recoupment Provisions).

Table 2: MRT Deferral Requirements

Level of Variable Remuneration	Amount Deferred	Length of Deferral
Less than £500,000	40%	3 Years
£500,000 or more	60%	3 Years

The deferred portion of variable compensation for MRTs is delivered 100% in equity-linked instruments, deferred in equal instalments over 3 years with a post-vesting retention period of 12 months.

The Company applies the exemption for individuals MRTs as set out in SYSC 19G.5.9R on the application of remuneration requirements to MRTs. The provisions do not apply in relation to a MRT where annual variable remuneration:

- (a) does not exceed £167,000; and
- (b) does not represent more than one-third of the MRTs total annual remuneration.

In accordance with section 8.6.8R(7) of the MIFIDPRU Disclosure requirements, total remuneration for those individuals in which the exemption applies has not been reported to prevent individual identification of a Material Risk Taker.

6.5.2 Variable Remuneration for other all other staff (excluding those Business Development Managers covered by 6.5.3)

- The purpose of this discretionary plan is to reward employees for their performance over the year and to incentivise certain behaviours and outcomes in line with the Company's strategy.
- The intended participants are all employees excluding Business Development Managers (BDMs) and MRTs.
- Non-Executive Directors are not eligible for any performance-linked awards.
- For client-facing staff, any variable remuneration pool is primarily calculated with reference to the Company and client team's profitability during the financial year. For other staff, the available pool is primarily linked to Company performance and affordability.
- All awards are linked to line management's assessment of performance over the year (including upheld 'disciplinary'), taking into consideration the values and behaviours demonstrated in achieving objectives.
- All individual awards are subject to additional calibration and adjustment, by senior management and the Committee as appropriate.
- The Committee seeks input from Risk Management regarding any conduct events during the year that should be taken into account when determining awards.
- There is also a general underpin requirement that the Committee will assess the overall health of the business and consider whether prudent risk management has been applied, and may scale-back the level of the awards if it considers this to be appropriate having taken account of this general underpin.
- Mandatory deferral applies in accordance with the requirements as determined by RBC Brewin Dolphin (see Table 3). Deferred variable remuneration is satisfied by the grant of an award under the RBC SUP. For non-MRTs SUP awards vest three years after grant and are subject to forfeiture on a 'bad leaver' basis, as defined in the Plan Rules. These awards are also subject to recoupment provisions (see section 6.6 Recoupment Provisions).

Table 3: Non-MRT Deferral Requirements (excl. Business Development Managers)

Portion of Variable Remuneration	Amount Deferred	Length of Deferral
Up to £50,000	None	3 Years
Above £50,000	One third	3 Years

6.5.3 Variable Remuneration for Business Development Managers (BDMs)

- The purpose of this plan is to provide a discretionary scheme to reward Business Development Managers (BDMs) which incentivises them to achieve objectives and behaviours aligned with the strategy.
- The intended participants are Business Development Managers employed by RBC Brewin Dolphin.
- Business Development Managers' variable remuneration awards are calculated by reference to new funds introduced by them to the Company. The variable remuneration is payable every 6 months with mandatory deferral applied to the payments (see Table 4). The H1 deferred award is satisfied by way of the grant of a deferred cash award. The H2 deferred award is satisfied by the grant of an award under the SUP. In each case, deferred awards (including deferred cash awards) vest three years after grant and are subject to forfeiture on a 'bad leaver' basis, as defined in the SUP plan rules. These awards are also subject to recoupment provisions (see section 6.6 Recoupment Provisions).

Table 4: Business Development Managers Deferral Requirements

Portion of Variable Remuneration	Amount Deferred	Length of Deferral
Up to £25,000	None	3 Years
Above £25,000	One third	3 Years

6.6. Recoupment Provisions

The Company has a Forfeiture and Clawback Policy that serves to assist in effectively balancing risk and reward, by enabling RBC to recoup incentive awards that have been paid and cancel or reduce unvested incentive awards in certain situations set out below including but not limited to Misconduct, Loss-causing Conduct and Standards' Failure as defined in this Policy, in compliance with the remuneration rules of the Financial Conduct Authority (FCA) as applicable to RBC Brewin Dolphin.

6.7. Quantitative Disclosures**Table 5 – Remuneration Awarded During the Financial Year**

£'m	Senior Management	Other MRTs	Other Staff
No. Staff	15	17	2,099
Fixed Remuneration	3.04	4.04	136.10
Variable Remuneration	6.61	6.27	39.93
Total Remuneration	9.65	10.30	176.02

Table 6 – Guaranteed Awarded During the Financial Year

£'m	Senior Management	Other MRTs
No. Staff	6	13
Guarantees Awarded	2.38	2.49

Table 6 – Severance Awarded During the Financial Year

£'m	MRTs
No. Staff	4
Severance Awarded	1.16
of which the highest amount awarded to a single person	0.44

In accordance with section 8.6.8R(7) of the MIFIDPRU Disclosure requirements, severance awarded during the financial year has been reported on an aggregate basis to prevent individual identification of a Material Risk Taker.

Table 7 – Non-Deferred and Deferred Variable Remuneration for MRTs

£'m	Senior Management	Other MRTs
Non-Deferred Cash	2.07	2.68
Non-Deferred Equity-Linked Instruments	0.23	0.36
Deferred Cash	0.03	0.03
Deferred Equity-Linked Instruments	4.27	3.20
Total Remuneration	6.61	6.27

Table 7 – Deferred Variable Remuneration Due to Vest During the Financial Year and Subsequent Years

£'m	Senior Management	Other MRTs
Deferred Variable Remuneration Vesting in 2022/23	0.16	0.06
<i>of which was Paid</i>	0.16	0.06
<i>of which was withheld due to performance adjustment</i>	0	0
Deferred Variable Remuneration in Future Years	8.34	5.61
Total Remuneration	8.5	5.67

Table 8 – Exemption of the Application of Remuneration Requirements for MRTs

In accordance with section 8.6.8R(7) of the MIFIDPRU Disclosure requirements, total remuneration for those individuals in which the exemption applies has not been reported to prevent individual identification of a Material Risk Taker.

7. DIVERSITY AND INCLUSION

7.1 Selection of the Members of the Management Body

The Nomination Committee and the Human Resources Committee consider the succession planning for the Board as well as receiving the executive succession plan for review and challenge. As part of this process, diversity is considered in respect of gender, ethnicity, ability, social background, and cognitive diversity. These considerations form part of a rigorous and transparent process to ensure the Company appoints directors with the skills, experience and knowledge that will ensure the continued effectiveness of the Board. The Board has 50% female representation.

7.2 Management Body Objectives

RBC has a European Diversity Leadership Committee (DLC) comprised of senior leaders from across businesses and functions including RBC BlueBay and RBC Brewin Dolphin. The DLC meets regularly to discuss strategy and action plans and to ensure that RBC across Europe is making measurable progress in achieving diversity goals. The mandate of DLC members is to drive accountability and action and inspire as influential change agents and role models. The DLC refreshes the key actions for Europe on an annual basis aligned to the revised enterprise D&I strategy which was launched in March 2022. The DLC is chaired by the Head of RBC Europe.

The BDL Human Resources Committee receives a quarterly Diversity Report which details the actions put together to encourage diversity and inclusion within RBC Brewin Dolphin and the work of the European Diversity Leadership Committee across RBC Europe. The Human Resource Committee spends a significant amount of time discussing initiatives to drive and improve diversity across the organization.

The RBC Diversity & Inclusion Report 2021 (the "Report") (<http://rbcnet.fg.rbc.com/assets/me-and-rbc/documents/diversity/2021-Enterprise-DI-Report-English.PDF>) includes information about Royal Bank of Canada ("RBC", "we", "our" or "us") and its operations globally, except where the context indicates that "RBC", "we", "our" or "us" refers to a particular subsidiary. This Report sets out a comprehensive view of RBC's diversity and inclusion ("D&I") priorities, programs and performance, reflecting the importance of improving diversity and inclusion in areas such as age, gender, ethnicity, national origin, sexual orientation, persons with disabilities, Indigenous people, gender expression/identity, education and religion. The Report provides global information as well as regional insights, recognising that individual regions may have different priorities in driving equitable opportunities for groups that are historically underrepresented.

RBC and the Company's D&I vision is to be among the most inclusive and successful companies. By putting diversity into action, we attract, engage and develop strong talent, and bring RBC's Purpose of helping clients thrive and communities prosper to life. RBC's Action Plan Against Systemic Racism (<https://www.rbc.com/diversity-inclusion/action-plan-against-systemic-racism.html>) provides specific objectives and goals in three key areas to enable the success of Black, Indigenous and other racialized groups in the Company's workforce and in the Company's communities. The three key action areas include: Enabling Economic Growth and Wealth Creation; Investing in the Future; and Redefining Inclusive Leadership.

RBC strives to be among the most inclusive and successful companies in the world, building a culture where everyone can thrive and bring their whole authentic selves to work. RBC believes in creating equal opportunities for employees, regardless of race, age, gender, disability, religion, sexual orientation or ethnic origin; and operating in a way that does not reinforce stereotypes or establish barriers. RBC also promotes diversity and inclusion, and proactively uses RBC's diverse workforce to generate innovative business strategies.

- The Chief Executive Officer is a member of 'The 30% Club'. The Group have reached this initiative's initial target for both our Board and senior management team.
- Signatory of the 'Women in Finance Charter', increasing gender diversity at senior management and leadership levels.
- Signatory of the Government's 'Disability Confident Scheme'.
- Partnership with social mobility charity 'The Brokerage' providing learning opportunities and paid internships.
- Membership of other organisations promoting diversity in several forms, including the 'Business Disability Forum', and 'Business in the Community'.

- Signatory of the 'Race at Work Charter', ensuring organisations address barriers to recruitment and progression.

- We collect diversity data from our employees to enable us to measure progress and inform strategic priorities.

- We have 4 employee resource groups (ERGs) which are:
 - RWomen (gender)
 - Pride (LGBTQ+ community)
 - Mosaic (Multicultural including ethnicity, background and religion)
 - ICare (Working Families, Carers and Persons with Disabilities).

- RBC Brewin Dolphin also run Inclusion and Belonging training for all managers to create awareness challenges they may encounter in the workplace and to foster an inclusive work environment.

8. INVESTMENT POLICY

For clients for whom we act as discretionary investment manager, we have the right and responsibility to vote on their behalf. These responsibilities form a key part of our stewardship approach.

We are only eligible to vote on companies over which we have a discretionary mandate. We also offer our clients the option to vote their own shares via our Vote Your Shares facility or via their dedicated Investment Manager. In practice, we find that most of our clients allow our expert analysts to decide how to vote on their behalf. We maintain a balanced approach to voting and may choose not to vote when it is not in our clients' interests to do so, for example, due to share blocking requirements.

We actively vote on the companies that we define as being core holdings: those which make up 75% of our listed equity holdings by AUM; those on our centrally researched lists; and any company where we hold more than 3% of the issued share capital and the value of our holding is over £1m. This equates to around 100-150 companies and is reassessed monthly.

When we vote for a core holding, we use the following procedure:

- Our Research team will be alerted of a forthcoming meeting by our third-party proxy research service provider, ISS.
- They combine their expert knowledge of the company and sector with voting recommendations from ISS, using the ISS sustainability voting policy.
- Our Research team's decision is final, subject to internal escalation, and we do not necessarily follow ISS's recommendation or automatically follow the investee company's Board.
- From time to time the Head of Stewardship may escalate, or seek additional guidance, from the Head of Research, the Stewardship Committee, or the Wealth Governance Committee on a particular vote.

While we do not have set policies that require our analysts to vote in a certain way, there are guidelines and norms that we follow for certain issues or resolution types. For example:

- **Diversity of board members:** we are firm believers in the benefits of having in place a diverse group of directors to effectively oversee company management. If we do not feel that the board has made firm commitments to address any gaps on this issue, we may escalate, for example, via voting against the re-election of the nomination committee chair.
- **Over-boarding:** we may vote against a director if we are concerned that their external appointments and commitments are too great, and risk impacting their ability to perform their role effectively.
- **Climate change disclosures:** we are supportive of listed companies doing more to disclose their climate-related risks and opportunities, and their approach to transitioning to a low carbon economy.
- **Sustainability metrics in remuneration:** we are supportive of the inclusion of sustainability or ESG metrics in remuneration policies, providing they are robust and ensure alignment with long term shareholder interests.
- **Pre-emption rights:** in the case of investment companies, sacrificing pre-emption rights may enhance investor outcomes rather than diluting them as would often be the case for operating companies. For an investment company they can increase liquidity and allow growth in a cost-effective manner. As such, we will generally vote in favour of this resolution.

If our voting decision is contrary to both the proxy recommendation and the investee company recommendation, then we will engage with the company in advance of the vote to explain our assessment on a best-efforts basis.

On occasion we may decide to actively vote on a non-core holding. This may be, for example, prompted by our monitoring or engagement with the company, or by a particular client or investment manager. In such cases our Research team will follow the process laid out for our core holdings.

A record of how we have voted is publicly available to view on our website at <https://mybrewin.brewin.co.uk/vys/>

9. Appendix

Director	Role	Biography	Number of Directorships (excluding BDL)
Sandra Aversa (Residency: Canada)	Senior Vice President, Products & Strategy, RBC Wealth Management	<p>Sandra Aversa is Senior Vice-President, Products and Strategy at RBC Wealth Management and leads a global team of over 400 colleagues to deliver Wealth Management's strategy, digital and data solutions, investments solutions, credit and cash management, as well as transformational programs.</p> <p>Prior to assuming her current role in March 2023, Sandra was a Senior Vice President, Finance for Wealth Management, Insurance and Investor & Treasury Services and was responsible for partnering with the leadership team to drive strategic priorities, deliver business insights, and provide strong financial governance. This global team was accountable for the financial advisory, performance management and financial control across Wealth Management, Insurance and Investor & Treasury Services.</p> <p>Sandra is a Chartered Professional Accountant, Chartered Accountant with Honours Bachelor of Commerce Degree from the University of Toronto and Started her career at PwC leading audits in the financial services industry specializing in asset management and banking clients.</p> <p>She joined RBC in February 2019 from BMO where she spent eleven years in a variety of senior finance leadership roles encompassing accounting policy, controllership, and financial performance management for both the Wealth business and the bank. Her last executive role before joining RBC was leading the finance transformation.</p> <p>Sandra is an active volunteer with the Canadian Cancer Society and is a Committee Member on both the Provincial Advisory Board in Ontario and the National Audit Committee. She also serves as a Director and Treasurer of the Niagara-on-the-Lake Museum.</p>	<p>1 x External Directorship</p> <p>3 x RBC Internal Directorships</p>
Robin Beer (Residency: UK)	CEO, RBC Wealth Management Europe	<p>Robin joined the Group in 2008, the Executive Committee in February 2016 and the Board in June 2020 when he stepped into the Chief Executive role. Robin has more than 25 years' experience in the financial services industry and a broad knowledge of the Wealth Management sector having previously worked at National Australia Bank, Gerrard and Barclays Wealth. Since Robin joined Brewin Dolphin, he's managed the Nottingham office, been a Regional Director across the Midlands before taking over the Intermediaries business in 2013. When Robin joined the Executive Committee in 2016 he took on further responsibilities for research, investment governance and the development of investment solutions. He is a member of the Institute of Directors.</p>	<p>External Directorships - None</p> <p>3 x RBC Internal Directorship</p>
David Buckley (Residency: UK)	Independent Non-Executive Director	<p>David has worked in the financial services sector for 30 years with extensive experience both as a senior executive across a number of financial institutions as well as a range of non-executive positions. David's non-executive experience includes roles at CIBC World Markets plc and Redwood Bank (non-executive Chair). During his executive career, David held senior management roles at Goldman Sachs International where he was the International Head of the Global Banking Group, London and Morgan Stanley International where he was International Treasurer and CEO of Morgan Stanley Bank International.</p>	<p>3 x External Directorships</p> <p>1 x RBC Internal Directorship</p>

<p>Malena Ljungkvist (Residency: UK)</p>	<p>CRO, RBC Europe</p>	<p>Malena Ljungkvist is the Chief Risk Officer (CRO) for Europe and the Senior Vice President, Risk Management, Wealth Management and Insurance . She is a member of the GRM Operating Committee, the Wealth Management and Insurance Operating Committee and the European Executive committee. In her role, Malena is responsible for the risk management oversight of RBC’s Wealth Management & Insurance business, as well as all the business platforms in Europe and Asia. Her responsibilities include setting the strategic direction for risk management and providing leadership in the implementation and execution of practices in risk oversight and governance.</p> <p>Malena joined RBC in 2004. Throughout her tenure, she has held progressively senior roles across the organization, including Chief Operational Risk Officer for Investor and Treasury Services (I&TS). She led a global team and ensured that first-line-of-defense practices and processes were consistent across all I&TS business lines and fully aligned with RBC’s risk management policies and frameworks. Malena possesses significant knowledge of counterparty credit, operational, liquidity and market risk.</p> <p>Prior to RBC Malena held a Market risk Manager role at Commerzbank. Malena holds a degree in Accounting and Management and a Master (Msc) in Money, Banking and Finance from Middlesex University.</p> <p>In 2018 Malena joined the board of Trustees for RBC’s defined benefit pension plan in the UK and the GAM UK Board in 2023.</p>	<p>External Directorships - None</p> <p>3 x RBC Internal Directorships</p>
<p>Phillip Monks (Residency: UK)</p>	<p>Independent Non-Executive Director</p>	<p>Phillip was appointed as a Non-Executive Director in February 2020. His banking career spans more than three decades, and includes serving as CEO of Aldermore Group PLC and CEO of Europe Arab Bank PLC, over 20 years at Barclays PLC, where he held a variety of senior corporate and private banking roles, including CEO of Gerrard Investment Management Limited, Managing Director of Barclays Corporate Banking in London, the Midlands and South East, and Head of Barclays Private Bank in Geneva.</p>	<p>External Directorships - None</p>
<p>Jennifer Publicover (Residency: Canada)</p>	<p>CEO, RBC Insurance</p>	<p>As CEO of RBC Insurance, Jennifer Publicover has global responsibility for RBC’s insurance businesses, including life and health, home and auto, travel, group annuities, as well as global reinsurance. She is also the Chair of the Pension Plan Management Committee of the Royal Bank of Canada.</p> <p>Jennifer joined RBC Insurance, the largest Canadian bank-owned insurance organization, in January 2023.</p> <p>Prior to joining RBC Insurance, Jennifer held the position of Senior Vice President, Products & Strategy at RBC Wealth Management, a leading global asset and wealth manager with over C\$1.3 trillion in assets under administration and with operations in North America, Europe and Asia. Jennifer led a team of over 400 employees globally to deliver Wealth Management’s platform strategy, digital and data solutions, investment solutions, credit and cash management and transformational programs.</p> <p>As a key member of RBC Wealth Management’s leadership team, Jennifer helped evolve our market-leading businesses for the future. For distribution, she was instrumental in developing Wealth’s ESG strategy and solutions and introduced alternative assets in Canada. She was also focused on driving Wealth Management’s digital and data strategy to provide an exceptional experience for clients,</p>	<p>1 x External Directorship</p> <p>5 x RBC Internal Directorships</p>

		<p>advisors and employees. Most notably, Jennifer played a critical role in RBC's \$C2.4 billion acquisition of Brewin Dolphin creating one of the largest wealth managers in the UK, Channel Islands and Ireland.</p> <p>Prior to joining RBC in 2018 as Vice President of Strategic Initiatives, Jennifer worked for Morgan Stanley for 20 years in senior client coverage leadership roles where she gained deep institutional experience in its Investment Banking Division, primarily in New York and London. In 2004, she supported the creation of their private side capital raising and risk management model which was subsequently replicated by other financial institutions. While in London, Jennifer led the investment bank's joint venture with its largest shareholder, MUFG, delivering the first large joint acquisition financing for a European client.</p> <p>Jennifer holds a Bachelor of Arts (Honours) in Economics from Queen's University and is a strong believer in giving back to the community. Youth mental health remains an important cause for Jennifer who sits on the Board of Directors for Kids Help Phone which provides young Canadians with a critical lifeline of hope and support through its free, anonymous service.</p> <p>Jennifer resides in Oakville, Ontario and enjoys travelling with her husband and two children and taking her dog on long walks along Lake Ontario.</p>	
Caroline Taylor (Residency: UK)	Independent Non-Executive Director	Caroline is a modern, committed, high energy Non-Executive director. Caroline has extensive global executive experience gained over 26 years in Financial Services sector with a strong background in investment management, including global markets, regulation and risk management. Holder of the FT Non-executive Diploma.	<p>1 x External Directorship</p> <p>1 x RBC Internal Directorship</p>
David Thomas (Residency: UK)	CEO, RBC Europe	Mr Thomas is the CEO of RBC Europe Limited, responsible for leading all aspects of the business in the region, including strategy execution and effective governance. He is a member of the RBC Capital Markets Global Operating Committee and chairs the European Capital Markets Executive Committee. Since joining RBC, Mr Thomas has held a number of both global and regional mandates in Technology, Operations, Risk Management and Compliance. He is a member of the Corporate Partnerships Board for Great Ormond Street Hospital.	<p>1 x External Directorship</p> <p>5 x RBC Internal Directorships</p>
Polly Williams (Residency: UK)	Independent Non-Executive Director	Ms Williams is a chartered accountant and her executive career included becoming a partner of one of the "Big Four" consultancy practices in the financial sector practice. Following her executive career, Ms Williams has held a number of non-executive directorships in and out of the financial service industry including at both publicly listed and private organisations. She has accountancy and industry experience and particular expertise in chairing of Audit and Risk Committees.	<p>3 x External Directorships</p> <p>1 x RBC Internal Directorship</p>

www.brewin.co.uk

RBC Brewin Dolphin is a trading name of Brewin Dolphin Limited. Brewin Dolphin Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register reference number 124444) and regulated in Jersey by the Financial Services Commission. Registered Office; 12 Smithfield Street, London, EC1A 9BD. Registered in England and Wales company number: 2135876.