

Pillar 3 remuneration disclosures for Brooks Macdonald Group plc for the year ended 30 June 2011

a) Decision-making process for remuneration policy

Brooks Macdonald has formed a Remuneration Committee which meets regularly to consider remuneration and retirement benefits. Within the authority delegated by the Board, the Remuneration Committee is responsible for approving remuneration policy and in doing so takes into account the pay and conditions across the Group. This includes the terms of bonus plans, share plans, other long-term incentive plans and the individual remuneration packages of executive Directors and other senior Group employees, including all staff in positions of significant influence and those having an impact on our risk profile (Code Staff).

There were 8 meetings of the Remuneration Committee during the financial year 2011. Following each meeting the Committee reports to the Board on its activities by way of a summary at the next Board meeting. The terms of reference of the Committee are available at www.brooksmacdonald.com.

The members of the Remuneration Committee were Christopher Knight throughout the year and chairman from 7 February 2011, and from the date of their appointment Colin Harris (14 July 2010) and Diane Seymour-Williams (14 September 2011). Simon Wombwell was a member of the committee and its chairman until 6 February 2011 when he became an executive director of the group. All members were non-executive directors.

b) External consultants

The Committee received independent advice on executive remuneration issues from PwC and Compeer during the year.

During the year, the Group Chief Executive provided regular briefings to the Committee and the Committee received advice from the Finance Director. The members of the Committee were also members of the Risk and Compliance Committee and thereby received advice on the implications of the remuneration policy on risk and risk management.

No individual is involved in decisions relating to his or her own remuneration.

c) Role of the relevant stakeholders

The Remuneration Committee takes full account of the company's strategic objectives in setting remuneration policy and is mindful of its duties to shareholders and other stakeholders. The Committee seeks to preserve shareholder value by ensuring the successful retention, recruitment and motivation of employees.

d) Code Staff criteria

The following groups of employees have been identified as meeting the FSA's criteria for Code Staff:

The Group members, the Investment directors of the Asset Management Investment committee, the members of the board of Braemar Group and the head of risk and compliance for the Group.

e) The link between pay and performance for Code Staff

Remuneration is made up of fixed pay (i.e. salary and benefits) and performance-related pay. Performance related pay is designed to reflect success or failure by the individual against a range of targets applicable to their relevant business unit or their own personal performance. Members of the Group board typically have a

proportion of any annual bonus deferred by way of an award of shares to be held in an EBT under the terms of a three year LTIS.

The Company provides long-term incentives which are designed to link reward with the long-term success of the Company and recognise the responsibility participants have in driving its future success and delivering value for shareholders. Long-term incentive awards are conditional on the satisfaction of corporate performance measures typically around the growth of EPS of the Group over a three period and the profitability of the particular business unit of the recipient of the award.

The structure of the remuneration package is such that the fixed element is sufficiently large to enable the Company to operate a truly flexible bonus policy.

f) Aggregate remuneration

Aggregate remuneration expenditure including social security and pension costs in respect of Code Staff was as follows.

Senior Management and other Code Staff

Number of Code Staff	13
Aggregate total remuneration	£4.19m
