BREWIN DOLPHIN
HOLDINGS PLC

Rt Hon Frank Field MP and Rachel Reeves MP
House of Commons,
London,
SW1A 0AA

2 February 2018

Dear Mr Field and Ms Reeves,

We are writing in response to the letter dated 26 January 2018 from you, the Chairs of the Work and Pensions Committee and Business, Energy and Industrial Strategy Committee.

Brewin Dolphin is a provider of discretionary wealth management for individuals, family companies and trusts, charities, and pension funds. Throughout the business, we have individual investment managers who manage their clients' affairs in accordance with the risk appetite and objectives agreed with the client and supported with analysis and advice from our research department.

The extent of our holdings in any individual firm are an aggregate of the investment decisions of our investment managers. We are therefore distinct from institutional fund managers who make singular investment decisions with respect to their individual investments.

We actively support the Financial Reporting Council's work on stewardship. We have been a signatory to the Stewardship Code since 2011. We have a well-established Stewardship Policy which is publicly available, a copy of which is enclosed, which has the broader aim of ensuring that our clients' interests as holders of securities are protected and, where appropriate, ensuring proactive shareholder action is taken in the best interest of those clients.

Where appropriate, such as where we have a significant aggregate holding, we endeavour to engage with our investee companies through purposeful dialogue on core matters, such as performance, strategy, governance and remuneration, as well as on issues that are the immediate subject of the vote at general meetings.

As part of our ongoing engagement with Carillion our research analysts met with the Chief Executive Officer, Finance Director and investor relations representatives, of the company, on the 9 March 2017 at our offices for a customary post-results shareholder meeting.

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As long-term investors, we prioritise the maintenance of financial flexibility throughout the business cycle over the need to maximise short-term profitability and so our engagement with Carillion tended to focus on matters such as:

- Strategy formation, setting objectives which build a long-term sustainable business model;
- Strategy execution, prioritising the achievement of strategic objectives over short term performance considerations;
- Risk, as seen from the perspective of all stakeholders;
- Capital structure, not just as a snapshot but also through a process of sound capital allocation; and
- Corporate governance, including in respect of culture and remuneration.

Part of the discussions with Carillion were to understand the options available to management to improve the financial position of the business as well as to review operational matters.

We did not at any point have any information which was not available to all investors in relation to Carillion's affairs and necessarily relied on and trusted that information, including that the company was operating at all times as a going concern.

In respect of influencing the financial decisions of the board of Carillion, wealth managers such as us will use our voting rights, discuss options with the investee company's management team and at times provide some challenge to management based upon public information, asking them to justify their decisions and actions. The ultimate option open to a business such as ours is to sell our clients' position.

We continued to scrutinise our investments in the company through our normal review processes. Throughout 2017, the research department communicated its changing assessment of the investment within Brewin Dolphin. Our investment managers reduced their clients' holdings in Carillion during 2017, this accelerated after the profit warning on the 10 July 2017.

The collapse of Carillion is a very disappointing event for us and even more so for many other stakeholders.

We trust the above information will assist with your inquiry.

Your sincerely,

David Nicol

Chief Executive, Brewin Dolphin Holdings