

Statement of compliance with the QCA Corporate Governance Code

Chairman's Statement

The Board has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code in line with the AIM Rules requiring all AIM-listed companies to adopt and comply with a recognised corporate governance code. Our report sets out in broad terms how we comply at this point in time.

Our values are based on being smart thinking, dynamic and collegiate. We act with integrity and demonstrably care about our clients and our staff. The Board believes this culture is key to creating a sustainable, growing business. This culture supports the Company's core mission to help ambitious companies grow for the benefit of their shareholders. We have a clear business model and growth strategy to expand our business by offering more services to our existing and new clients.

It is the Board's job to ensure that finnCap is managed for the long-term benefit of all our clients, staff, shareholders, and our other key stakeholders, with effective and efficient decision making, including the maximising of revenue opportunities across finnCap and Cavendish. Sensible corporate governance is an important part of that job, reducing risk and adding value to our business.

The Chairman (Jon Moulton) leads the Board and is responsible for directing the Company. He manages the Board agenda and ensures that all Directors have the capability, structure and support to effectively contribute their various talents and experience in the development and implementation of the Company's strategy.

The Chairman is responsible for ensuring that the Board implements, maintains and communicates effective corporate governance processes and for promoting a culture of openness and debate designed to foster a positive governance culture throughout the Company.

As part of the IPO and acquisition, a number of changes have been made to the governance structure of the business during 2018 including the structure of the Board as set out below.

As part of the corporate governance exercise immediately following admission, the Group will undergo a thorough integration process which will align the services and culture of finnCap and Cavendish going forward. The process of introducing teams is already underway, both in the interests of providing the best service to clients as well as to promote the collegiate culture that has existed within both business in the Group Plc. Updates on the integration plan as well as the Group's compliance with the QCA Code will be provided in our annual report.

The Board considers that it does not depart from any of the principles of the QCA Code.

*Jon Moulton
Chairman*

Principle 1: Establish a strategy and business model which promotes long-term value for finnCap's shareholders

finnCap purpose:

Helping companies and shareholders realise their ambitions

Brand promise:

Delivering certainty at every stage of the growth journey and help shareholders achieve an optimum capital value

finnCap values:

Smart thinking

Smart solutions that turn growth into success

Collegiate

Win and lose as a team

Dynamic

Go the extra mile

What finnCap does:

Advises ambitious growth companies and their shareholders

Promotes tailored investment stories

Accesses the right capital

Vision

The Group mission is to help ambitious companies generate value. finnCap is currently the largest broker and adviser on AIM by number of clients and its vision is to be the largest sell-side, mid-market firm in the UK and aims to be the largest provider of growth capital to private companies. The Company wants to help business leaders at all stages of their growth journey.

Strategy

finnCap's core ECM offering focuses on public companies, whereas Cavendish's primary market is private companies. finnCap helps ambitious public companies to access growth capital from institutional investors and offers institutional investors the opportunity to invest in companies with an ambitious appetite for growth. Cavendish helps those investors to realise their investments and helps the companies to find trade buyers to further drive their growth. The Board believes that the combined group will provide an integrated offering to small and midcap growth companies for raising private and public debt and equity underlining the mission of helping ambitious companies grow.

Cavendish will continue to seek sell-side mandates for UK entrepreneurs seeking an exit at premium values, typically to overseas purchasers, UK trade purchasers or private equity.

The key areas for growth to achieve this vision are:

- To grow finnCap's existing public markets business, expanding key sectors
- To offer more services to public markets clients, including sell-side advisory, buy-side advisory, dual track, international access to deal flow and debt advisory
- To expand finnCap Private, raising growth capital for private companies
- To extend the Company's brand reach through Ambition Nation and other partnerships
- Recruitment of senior and junior staff attracted to working at a listed company with a broader service offering

finnCap has an annual staff strategy day where workshops are conducted and new strategic initiatives are often established from this, management also do annual external strategy workshops. The acquisition of Cavendish is in an example of how finnCap's Board works to evolve with the market.

Key challenges and how they will be addressed

The Company has identified the following key challenges:

- Personnel

The Group is dependent on employing and retaining high quality employees. The Directors believe that much of the success that finnCap has been achieved in mitigating this risk over the last 10 years is attributable to a combination of an ownership culture (both equity incentivisation amongst finnCap staff, and a performance-based remuneration structure).

- Regulation

finnCap has in place a compliance and risk management framework to ensure compliance with the requirements of the FCA and the London Stock Exchange. Post Admission, the compliance and risk management framework will be rationalised into a single regime.

- Economic and Political

The Group operates in a cyclical market and this can result in a level of variation in revenue and profitability from quarter to quarter and year to year due to economic conditions, competition and a variety of other market factors including Brexit, although the full impact of this is still unknown.

- Generating organic growth

The Group is a full-service provider of advisory services to publicly quoted and private growth companies. The Group has set two core objectives to drive organic growth: (i) capitalise on the existing successful Equity Capital Markets platform; and (ii) expand the service offering to existing clients.

The Directors intend to expand the client base by continuing to win corporate brokerages of active clients; maintaining a high level of client service to minimise churn; and identifying businesses that wish to access the capital markets through an IPO or achieve an exit through a sale process. The Directors believe that focusing on these businesses will increase trading revenues as the majority of trading revenues come from corporate clients.

finnCap has a track record of successfully adding additional service lines to its existing platform. This includes market making, investment companies, the Slide Rule Fund and private company funding - each of which the Directors believe can contribute to growth. Key additional service lines are:

- 1) Expansion of debt advisory services to finnCap's corporate clients and other quoted entities
- 2) Sell side advisory services to corporate clients for themselves and subsidiaries
- 3) Ability to offer a dual track offering to flotation candidates incorporating a sale or IPO
- 4) Ability to offer private fundraising solutions to businesses that require further capital before a sale or do not wish to IPO

- Value enhancing acquisitions

The Directors believe that there is a significant opportunity to expand its sell side M&A capability geographically from the very strong base that Cavendish provides in the UK. A principal objective in acquiring a listing on AIM is the provision of acquisition currency and access to finance to support this growth. Upon admission, as part of the integration process a team across both businesses will be established to identify potential future acquisitions.

These challenges are addressed through a detailed target operating model with KPIs for each of the above areas. These KPIs are monitored and reported to the Board at Board meetings.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company commits to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what investors think about us and, in turn, helping these audiences understand our business is a key part of driving our business forward and we will actively seek dialogue with the market. We will do so via investor roadshows and our regular reporting.

The Board will review proxy voting reports and any significant dissent will be discussed with shareholders and, if necessary, action taken to resolve any issues. In compliance with best practice, the level of proxy votes (for, against and vote withheld) lodged on each resolution will be declared to all future general meetings and subsequently announced.

Shareholders will be given the opportunity to raise questions at the Annual General Meeting and the Directors will be available both before and after the meeting for further discussion with shareholders.

Private shareholders

The Annual General Meeting (“AGM”) will be the main forum for dialogue with retail shareholders and the Board. The Notice of Meeting will be sent to shareholders at least 21 days before the meeting. The Chairs of the Board and all committees, together with all Directors, will as far as possible attend the AGM and will be available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld will be announced at the meeting. The results of the AGM will be subsequently published on the Company’s corporate website.

Internally, staff also hold approximately 70% of the Company’s ordinary share capital (including Executive Directors) and regular briefing updates are given to staff.

To request a meeting please contact: investor.relations@finncap.com

Institutional shareholders

The Directors are actively seeking to maintain a constructive relationship with institutional shareholders. Shareholder relations are managed primarily by the Chief Executive Officer and Chief Financial Officer, as appropriate, supported by the Company’s financial PR advisers. The Chief Executive Officer and Chief Financial Officer will make presentations to institutional shareholders and analysts each year immediately following the release of the full-year and half-year results. The Board as a whole will be kept informed of the views and concerns of shareholders by briefings from the Chief Executive Officer and the Chief Financial Officer. Any significant investment reports from analysts will also be circulated to the Board. The Non-Executive Chairman and Senior Independent Director will be available to meet with shareholders if required to discuss issues of importance to them.

The Chief Executive Officer and Chief Financial Officer are primarily responsible for updating the market with developments. All the Non-Executive Directors are available to meet with major shareholders. Feedback from such meetings with shareholders will be provided to the Board to ensure the Directors have a balanced understanding of the issues and concerns of major shareholders. Trading updates and press releases will be issued as appropriate and shareholder opinion and feedback will be compiled from investor meetings and reviewed by the Board.

To request a meeting please contact: investor.relations@finncap.com

The Board will continually monitor the Company’s shareholder base.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Engaging with our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. The Board is regularly updated on wider stakeholder feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider these issues in decision-making. Aside from our shareholders, suppliers and customers, our employees are one of our most important stakeholder groups. The majority of employees have an equity interest in the Company, providing strong alignment with other shareholders and the Board closely monitors feedback it receives from all shareholders to ensure alignment of interests.

Employees

The Company is committed to employment policies which follow best practice, based on opportunities for all employees. The acquisition of Cavendish will mean there is an additional office and more employees. There is an ongoing initiative to merge the cultures.

Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining good relations with them. The Chief Executive Officer regularly updates employees on the Company's progress and new initiatives.

Employees are actively encouraged to submit new ideas and suggestions for improvement via an anonymous intranet portal. These are continuously reviewed by the management committee and acted upon as appropriate.

Over the past year we have:

- Implemented a quarterly focus on innovation. As well as encouraging regular submission of ideas, the majority of staff have been interviewed on a one-to-one basis on their ideas for improvement
- Conducted one-to-one engagement interviews with staff and acted upon feedback received
- Reviewed and updated the Employee Handbook, including staff training, clarifying and re-affirming key policies such as Data Protection, Relationships at Work and Equal Opportunities.
- Introduced a more formal, structured induction programme for new recruits
- Introduced a programme of external training courses to be undertaken during the first year of a graduate's employment

Customers and communities

Over the past year we have:

- Continued to drive our Ambition Nation initiative, talking to as many high growth, scale up companies as possible
- Continued to be a key supporter of Stepping Into Business and their school enterprise programme
- Participated in the New Entrepreneurs Foundation programme, giving an aspiring entrepreneur valuable experience of working at the heart of an ambitious business
- Reduced the Company's use of single use plastic bottles by over 16,000 per year by replacing bottled fizzy water with a sparkling water dispenser. Cavendish has also eliminated the use of all plastic water bottles

Regulators

The Board understands that its long-term success relies on it maintaining a good relationship with its regulator, the FCA and AIM Regulation of the London Stock Exchange. To do this the Board ensures it remains compliant with all rules, regulations as well as good practice and guidance as received from time to time. The Board reviews this monthly.

Compliance process update

The Company continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available. The Compliance team's role is to carry out annual reviews of each business unit to ensure they are achieving a Company-wide minimum control standard, the results of which are reported back to the Board and its committees. The team will also investigate any significant breaches of control, should they occur, and recommend how to prevent such breaches in future. As part of the Company's review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, risk management and business continuity are monitored.

Standards and policies

The Board is committed to maintaining appropriate standards for all the Company's business activities and ensuring that these standards are set out in written policies. Key examples of such standards and policies include the "Data Protection Policy" and "Prevention of The Criminal Facilitation of Tax Evasion Policy". All policies are underpinned by our culture of being smart thinking, collegiate and dynamic. All new staff receive full compliance training as part of their induction and existing staff are offered refresher training. Over the past year all staff have received GDPR training.

Approval process

All transactions from new and existing clients are reviewed and approved by a New Business Committee prior to engagement to ensure that the relevant risks associated have been properly identified and considered. There is a clear schedule of matters reserved for the Board.

Re-assessment

The Company has a Business Risk Register with business continuity plans to address key risks that have an immediate impact. Risks facing the business are re-assessed, and potential mitigating actions are considered and implemented to help protect against those risks. Each business unit has a weekly and monthly checklist that reviews key KPIs and other business measures to ensure alignment to the plan. The Company has a Risks Committee which regularly reviews risk and its mitigations.

Compliance manual

Our Compliance Manual includes guidance on matters such as business integrity, anti-bribery, gifts, intellectual property and design rights. The Manual is covered as part of the Compliance induction and is easily accessible to all staff via the intranet.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

We operate a clearly defined robust, scalable and enterprise-wide risk management and control framework through which we aim to identify actual and potential risks and amend our controls and safeguards accordingly. This is managed through financial and non-financial controls, set out below.

Audit, risk and internal control

Financial controls

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by Executive Management, the Audit Committee, the Risk and Compliance Committee and the Board in light of an ongoing assessment of significant risks facing the Company.

- The Board is responsible for reviewing and approving overall Company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of the Company including treasury, tax and dividend policy. Monthly results and variances from plans and forecasts are reported to the Board.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls, including the review of results of work performed by the Company's control function.
- There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover profits, cash flows, capital expenditure and balance sheets. Monthly results are reported

against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.

Non-financial controls

The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to our plan. To continue the improvement in this area we added headcount to our existing Compliance department to ensure that we remain compliant with all relevant regulations and will continue tight control over the coming year.

The Board has ultimate responsibility for the Company's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Company. The principal elements of the internal control system include:

- Close management of the day-to-day activities of the Company by the Executive Directors;
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks;
- A comprehensive annual budgeting process producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board;
- Detailed monthly reporting of performance against budget;
- Central control over key areas such as capital expenditure authorisation and banking facilities; and
- A robust IT strategy which is vital to the security and continuity of the Group. The Group operates the IT systems from a communications room in the London office but also has a data centre in Coventry, which provides an automatic failover or operates as the primary role for servers to provide immediate access to services while in a disaster recovery situation.

Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chairman

The Board comprises the Non-Executive Chairman, five Executive Directors (including an Executive Deputy Chairman) and three Non-Executive Directors with a gender balance of two-thirds male and one-third female.

The Chairman is responsible for the effective leadership, operation and governance of the Board and its Committees. He ensures that all Directors contribute effectively in the development and implementation of the Company's strategy whilst ensuring that the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy are determined and challenged. The Chief Executive Officer is responsible for the management of the Group's business and for implementing the Group's strategy.

The Board and each of its committees receive regular and timely reports on the Group's operational and financial performance. Board packs are circulated in advance of each Board meeting and minutes reviewed and approved following each meeting. The Board are able to take independent advice as well, if required.

The Board regards Andy Hogarth and Barbara Firth as independent non-executive Directors. The Board has appointed Andy Hogarth as the Senior Independent Director to be available to Shareholders if they have concerns over an issue that the normal channels of communication (through the Chief Executive Officer or the Chief Financial Officer) have failed to resolve or for which such channels of communication are inappropriate.

The Board is satisfied that it has a suitable balance between independence on the one hand and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities

effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

The Chairman will use a checklist to assess Board effectiveness on an annual basis.

Key Board activities this year included:

- Considering our financial and non-financial policies
- Setting strategic priorities
- Discussing internal governance processes
- Reviewing the Company risk register and processes
- Appointment of Vin Murria as Non-Executive Director, Barbara Firth as Non-Executive Director and chair of the Audit Committee and Andy Hogarth as Non-Executive Director and chair of the Remuneration Committee and the Nominations Committee.

Directors' conflict of interests

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of finance, growth companies, trading technologies and marketing. 33% of the Directors are female. Contracts are available for inspection at the Company's registered office and at the AGM.

Directors attend seminars and other regulatory and trade events to ensure that their knowledge remains current.

All Directors retire by rotation at regular intervals in accordance with the Company's Articles of Association.

Jon Moulton, Non-Executive Chairman

Background and suitability for the role:

Jon was appointed chairman of finnCap in January 2010. He is currently Chairman of The International Stock Exchange and Anti-Microbial Research Limited. He is a Chartered Accountant and a Fellow of the Institute for Turnaround Professionals. He chairs the Better Capital funds and Greensphere, an alternative energy infrastructure fund. He is an active private investor and has been working in private equity since 1979. Jon is a member of both the Board of the Corporate Finance Faculty and the Technical Strategy Board of the Institute of Chartered Accountants and regularly writes, broadcasts and speaks on corporate finance and financial matters. He is a Director of the think tank, The Centre for Policy Studies. Jon is also an Honorary Fellow of University College London and a Trustee of the UK Stem Cell Foundation and his own medical research charity. A former Managing Partner of Alchemy, Jon's career also included running Permira, CVC UK and the buy-out group of Apax, as well as being a director of numerous public and private companies, including Ashmore PLC. He was also a board member of the £3.8 billion UK Government Regional Growth Fund.

Time commitment: Approximately 1-2 days a month.

Lord Leigh of Hurley, Executive Deputy Chairman

Background and suitability for the role:

Howard is the senior partner and co-founder of Cavendish building the business into a leading UK M&A advisory practice. He graduated in Economics and, after a short period in UK merchant banking, joined Deloitte Haskins & Sells where he qualified as a Chartered Accountant and further qualified with the Chartered Institute of Taxation. In early 1986 Howard established Deloitte's Mergers and Acquisitions business and developed an expertise in selling corporates. In 1988 he left to set up Cavendish. He served as the Chairman of the Faculty of Corporate Finance of the ICAEW between 2000 and 2004. During this time he also served on the Takeover panel as well as sitting on the Council of the ICAEW. In 2008 he was awarded the Faculty's Outstanding Achievement in Corporate Finance award. Howard was a Vice President of M&A International Inc., the global advisory M&A firm, and predecessor to Oaklins International Inc. He was elevated to the Peerage as Lord Leigh of Hurley in 2013 and speaks regularly in the House of Lords on business, finance and tax matters. Howard was appointed as a Treasurer of the Conservative Party in 2000, and subsequently as Senior Treasurer.

Time commitment: Part time

Samantha Smith, Chief Executive Officer

Background and suitability for the role:

Samantha established finnCap in 2007, having orchestrated the management buy-out of a small broking subsidiary of JM Finn & Co Limited, a private client stockbroking firm. Samantha is the first female chief executive of a City stockbroking firm and as such is a supporter of social enterprises designed to inspire and engage the next generation of female business leaders and entrepreneurs. Samantha qualified as a Chartered Accountant at KPMG and is an alumnus of the University of Bristol.

Time commitment: Full time

Tom Hayward, Chief Financial Officer

Background and suitability for the role:

Tom was appointed to the role of Finance Director to finnCap in 2010. He previously spent nearly 10 years as Venture Capital investor at Herald Investment Management Limited where he invested in early-stage information technology and media companies. Between 1998 and 2000, Tom was an Executive at J. Henry Schroder & Co, in the telecoms and technology M&A team. Tom started as a trainee accountant in KPMG's project finance team and has a BA (Hons) in Natural Sciences from Trinity College, Cambridge, and an MSc in Computing from Imperial College, London.

Time commitment: Full time

Joe Stelzer, Chief Commercial Officer

Background and suitability for the role:

Joe began his career by starting a software republishing firm before merging this business with his family engineering firm where, as Chief Executive, he used this foundation to build a broad based Industrial Technology group comprising Software distribution, Nanotechnology, Defence & Aerospace, Lighting Controls and Energy management businesses. The group was floated in 2004 on AIM as Polaron plc. In late 2006, Joe appointed Cavendish to sell Polaron and the company was sold in early 2007 to Cooper Industries, a Fortune 500 US Industrials group where he became global head of Cooper Controls. Joe joined Cavendish in 2010 as a Partner and whilst he specialises in the Technology, Software and Industrial sectors, has been involved in transactions in Chemicals, Aviation, Healthcare and Financial Services sectors. He offers a unique insight into the company sale process having worked as both client and advisor. He was appointed Managing Partner of Cavendish in 2013.

He graduated from University College London with a degree in Electrical and Electronic Engineering with Computer Science.

Time commitment: Full time

Stuart Andrews, Head of Corporate

Background and suitability for the role:

Stuart joined finnCap in March 2012 as Head of Corporate Finance and joined the board of finnCap in 2013. He qualified as a chartered accountant at PwC and subsequently worked in the corporate finance department of Beeson Gregory and Evolution Securities. Stuart has extensive knowledge of advisory roles for ambitious growth companies both on the public markets and privately which includes IPOs, all aspects of fundraising and M&A. Stuart is currently a member of the London Stock Exchange AIM Advisory Group, an external committee of senior executives who provide input and advice on all matters affecting the operation and regulation of AIM. He has previously chaired the Quoted Companies Alliance Markets and Regulations Committee and is now a member of the Primary Markets Expert Group.

Time commitment: Full time

Andy Hogarth, Senior Independent Non-Executive Director

Background and suitability for the role:

Andy was appointed to the board of Staffline Group plc as Finance Director in 2002, becoming Managing Director in 2003 and was appointed Chief Executive when the company was admitted to trading on AIM in 2004. During the fifteen years of his leadership, the business grew from a turnover of £40 million in 2004 to nearly £1 billion in 2017, with underlying operating profits growing from £2 million to over £39 million during the same period. He has held senior roles in a wide range of businesses, including retail, support services, healthcare, hospitality and construction. As Finance Director, he led the management buy-out and subsequent trade sale (to Morgan Sindall in 2002) of Pipeline Constructors Group, a utility services business. He currently sits on the board of an elderly care charity, is a Governor of two RSA academy schools and is the Non-Executive Chairman of Ten10 Ltd, a PE backed computer software testing consultancy. He is also a Director of Hogarths Hotels, two boutique hotels in Solihull and Kidderminster. He is a Fellow of the Association of Chartered Certified Accountants.

Time commitment: Approximately 1-2 days a month.

Vin Murria OBE, Non-Executive Director

Background and suitability for the role:

Vin brings more than 25 years of venture capital, private equity, M&A, Chief Executive Officer and operational experience in the software sector. Vin has held Chief Executive Officer positions at Advanced Computer Software which she founded in 2008 and sold seven years later to Vista Private Equity, and at Computer Software Group. During her five-year tenure at Computer Software Group she took the company private, backed by HG Capital, then subsequently sold it to PE Hellman Friedman in July 2007. Vin is on the boards of three FTSE 250 companies, Zoopla Plc, Sophos Plc and Softcat Plc. Her previous roles include COO at Kewill Systems plc, a partner at Elderstreet Investments and holds non-executive director roles at Chime Plc, Greenko Plc, Concateno Plc (acquired by Providence), GIC Private equity and Inverness Medical. Vin has a BSc (Hons) in Computer Science and an MBA from the University of London and a Doctorate Business Administration (Honorary) from Edinburgh Napier University.

Time commitment: Approximately 1-2 days a month.

Barbara Ann Firth (formerly Bebbington), Independent Non-Executive Director

Background and suitability for the role:

Barbara has decades of financial and management experience covering both private and quoted companies. Previous roles have included Chief Financial Officer and subsequently Chief Operating Officer of Advanced Computer Software Group plc ("ACS") from its early stages to the sale in 2015 to Vista for £750 million. Prior to her role at ACS, Barbara was Chief Financial Officer of Computer Software Group plc ("CSG") from the time of its float to the sale in 2007 to hg Capital for £500 million. Barbara is currently a Director of ADV Technology Limited and its subsidiary ADV Technology (Jersey) Limited, however both companies are non-trading and are expected to be dissolved later this year. Prior to CSG, Barbara was the UK financial controller for Roberts Pharmaceutical Inc. and a member of the Roberts/Shire merger task force. Barbara has considerable M&A experience including processing and integrating many smaller bolt-on acquisitions and several larger scale transactions. Barbara's past responsibilities have included Finance, M&A, Human Resources, Legal and Commercial Contracts, Investor Relations and Company Secretarial functions.

Time commitment: Approximately 1-2 days a month.

Appointment, removal and re-election of Directors

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments. The Company's Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation; that all Directors must stand for re-election at least once every three years; and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

Independent advice

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition to the support provided by the Company's retained professional advisors (Nomad, lawyers, auditor), external consultants can be engaged to advise on specific matters as required. In addition, the Directors have direct access to the advice and services of the Chief Financial Officer.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Board performance effectiveness

The assessment of the Board's performance has to date been largely focused on the achievement of the Company's strategic and financial objectives. Nevertheless, since his appointment as Chairman, Jon Moulton has regularly assessed the individual contributions of each of the members of the team to ensure that:

- their contribution is relevant and effective;
- they are committed; and
- where relevant, they have maintained their independence.

As part of the IPO process, effectiveness and appropriateness of the Board was considered. Over the next 12 months we intend to review the performance of the team as a unit to ensure that the members of the Board collectively function in an efficient and productive manner. This will continue to be reviewed on an annual basis.

The Board will consider the benefits of an external evaluation of the Board every 3 years.

Succession planning and Board appointments

The Nomination Committee meets as and when necessary to consider the appointment of new Executive and Non-Executive Directors and takes responsibility for succession planning. Board members all have appropriate notice periods so if a Board member indicates their intention to step down, there is sufficient time to appoint a replacement, whether internal or external.

Director training and ongoing development

The Board considers current training and development practices are sufficient for a growing company. Additionally, experienced directors and non-executive directors provide ongoing mentoring to other members of the Board, distributing knowledge gained in other positions throughout a range of sectors. It is recognised that there continues to be more regulation of which Directors need to be aware. The Board will continue to ensure that Directors receive appropriate support to keep them up to date.

Principle 8: Promote a culture which is based on ethical values and behaviours

The Board recognises that core values provide a framework which influences every level of the Company. The Chief Executive Officer takes the lead in demonstrating corporate culture, being smart thinking, collegiate and dynamic, and encourages employees to continue to contribute to the furtherance of these values. Sharing and demonstrating these values plays a major role in maintaining the best employee relations. The core values, originally developed by an employee culture committee, are clearly set out in the Employee Handbook and form a key part of Employee Performance and Development Reviews. The Human Resources and Marketing teams promote the Company's values which underpin conditions of employment and everyday working practices. The Board believes that the strong culture which is evident within the Company creates a thriving environment and helps to build a team atmosphere.

Environmental policy

The Company acknowledges the importance of environmental matters and where possible uses environmentally friendly policies in its offices, such as recycling and energy-efficient practices.

Health and safety

The Company aims to provide and maintain a safe working environment for all colleagues and visitors to its premises, and to comply with all relevant UK health and safety legislation. Health and safety matters are delegated to representatives within the business, who can raise issues arising via a number of means, including the corporate risk register whose highest rated risks are reviewed periodically by the Board.

Whistleblowing

The Company has in place a Whistleblowing Policy clearly set out in the Employee Handbook and includes details of how to raise concerns externally.

Charitable Initiatives

As well as being a key supporter of Stepping Into Business, the Company supports a number of staff-led charitable initiatives.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The executive members of the Board have overall responsibility for managing the day-to-day operations of the Company and the Board as a whole is responsible for monitoring performance against the Company's goals and objectives. The Corporate Governance report in the Annual Report and Accounts sets out individual Board members' specific responsibilities, contributions and skills.

The roles of the various committees are set out in the Corporate Governance section of the Company's website as follows: www.finncap.com/investors/corporate-governance as well as in the Corporate Governance report in the Annual Report and Accounts.

Board meeting programme

The Board meets at least 11 times per year in accordance with its scheduled meeting calendar. Prior to the start of each financial year, a schedule of dates for that year's Board meetings is compiled, to align as reasonably practicable with the Company's financial calendar, whilst also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required.

Detailed Board packs include information on all business units and financial performance and are circulated ahead of Board meetings. Key issues are highlighted and explained, providing Board members with sufficient information to enable a relevant discussion on the Board meeting.

The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's management.

Roles of the Board, Chairman and Chief Executive Officer

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board, including but not limited to ensuring responsibility for overall Company strategy, approval of major investments (whether capex or opex); approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the Executive Team.

The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. Senior executives below Board level attend Board meetings where appropriate to present business updates. Board meetings throughout the year will be held at the Company's two location offices to give the Board, in particular the Non-Executive Directors, access to the entire business to gain a greater understanding of the organisation's activities.

There is no formal internal audit function. However, the Group is a small organisation and as such the CFO is close to all transactions to evaluate the efficacy of all financial information. In addition the CFO has regular conversations on an ad hoc basis with the fee generating departments in order to compare forecast review to actual and discuss any variances. However, the Audit and Risk and Compliance committees provide additional review and identifies if any further internal controls are necessary on an annual basis.

Executive team

The Executive Team consists of Sam Smith, Stuart Andrews, Tom Hayward, Lord Leigh of Hurley and Joe Stelzer with input from the Heads of Department. They are responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the Company's business and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. It also manages and oversees key risks, management development and corporate responsibility programmes. The Chief Executive Officer reports to the Board on issues, progress and recommendations for change. The controls applied by the Executive Team to financial and non-financial matters are set out earlier in this document, and the effectiveness of these controls is regularly reported to the Audit Committee and the Board.

Board committees

The Board is supported by the Audit, Remuneration, Nomination and Risk and Compliance committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the Committee to discharge its duties.

Audit Committee

The Committee considers financial reporting and internal controls. It also reviews the scope and results of the external audit and the independence and objectivity of the auditors. It meets at least twice a year and reviews the interim and annual financial statements before they are submitted for approval by the Board. The Committee considers annually whether the auditors remain independent for the purposes of the audit and whether a separate internal audit function is required. The committee is chaired by Barbara Firth and includes Andy Hogarth.

The terms of reference can be found at <https://www.finncap.com/investors/corporate-governance>

Remuneration Committee

The Remuneration Committee reviews the performance of the Executive Directors, Chairman of the Board and senior management of the Group and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each year. In exercising this role, the Directors shall have regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance. The committee is chaired by Andy Hogarth and includes Barbara Firth.

The terms of reference can be found at <https://www.finncap.com/investors/corporate-governance>

Nomination Committee

The Nomination Committee comprises not less than three members, the majority of whom are Non-Executive Directors. The Committee is chaired by the Senior Independent Director unless the matter under discussion is their own succession. Other Directors are invited to attend as appropriate and only if they do not have a conflict of interest. The Committee is also assisted by executive search consultants as and when required. The Committee's principal responsibility is to lead the process for Board appointments and to make recommendations for maintaining an appropriate balance of skills on the Board. The Committee met during the year to consider the appointment of two new Non-Executive Directors. It is anticipated that the Committee will meet just once next year with the main topic being general succession planning for key senior executives. The committee is chaired by Andy Hogarth and includes Barbara Firth and Jon Moulton.

The terms of reference can be found at <https://www.finncap.com/investors/corporate-governance>

Risk and Compliance Committee

The Risk and Compliance committee meets monthly and considers and review the major risks emerging from the market and if the processes and procedures adhered to within the Group adequately manage these risks and comply with the strict regulatory environment in which the Group operates. The committee is chaired by Jon Moulton and includes Barbara Firth, Tom Hayward, the Head of Compliance and the Director of Risk and Finance. This committee reports to the Board at Board meetings.

The terms of reference can be found at <https://www.finncap.com/investors/corporate-governance>

Matters Reserved for the Board

The following is a non-exhaustive summary of matters reserved for the Board:

- Approval of the half-yearly report, interim management statements and any preliminary announcement of final results.
- Approval of the annual report and accounts.
- Approval of the dividend policy.
- Declaration of the interim dividend and recommendation of the final dividend.
- Approval of any significant changes in accounting policies and practices.
- Approval of the recommendations of the Audit Committee, including the remuneration, appointment, re-appointment or removal of the Company's external auditors to be put to shareholder approval.
- Approval of significant changes in accounting policies and practices.
- Ensuring the maintenance of a sound system of internal controls and risk management.
- Approval of treasury policies.
- Approval of any contracts which are material strategically or by reason of size outside the ordinary course of business.
- Approval of the annual business plan.
- Approval of long-term objectives and strategic direction of the overall business.
- Approval of any extension of the Group's activities into new business or geographic areas.
- Responsibility for the overall management of the Group.
- Approval of any decision to cease to operate all or any material part of the Group's business or any changes to the Company's listing or its status as a plc.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company's methodology for maintaining a dialogue with shareholders and other stakeholders is also set out in Principle 2. The Board believes that transparency in its dealings offers a level of comfort to stakeholders and an understanding that their views will be listened to.

The Non-Executive Directors attend the AGM and have the opportunity to attend other meetings with shareholders and do so from time to time or as requested. The Board is kept informed on market views about the Group.

All shareholders are invited to make use of the Group's Annual General Meeting to raise any questions regarding the management or performance of the Company.

Following the Company's first AGM as a public company, the outcome of the votes will be published here on the website.

The report of Board Committees will be set out in the Annual Report and Accounts each year.