

CORPORATE GOVERNANCE

Our Board

The Board has overseen the Group's corporate governance and business activities throughout the financial year.

As has been illustrated throughout this Report, significant progress has been made by the Group in meeting its targets and IPO promises and the Board has worked with senior management to ensure the Group's corporate governance standards are

developed and improved to support the Group to achieve its goals for enabling revenue generation, operational resilience and growth for the long-term success of the Group for the benefit of its stakeholders and the wider society.

Area of focus	Board activities	Strategy
Purpose, values and strategy The Board receives regular updates from senior management on the Group's performance against strategy and targets through meetings and calls giving opportunity for questions and challenge	<ul style="list-style-type: none"> • Board meetings/Board reporting • Board strategy day(s) • Ad-hoc meetings and calls with senior management on key projects and key areas of the business • Attendance at employee engagement forums where strategy is a key value driver 	
Overseeing operational performance against strategy The Board has open invitations to attend the key team and committee meetings across the business at their discretion	<ul style="list-style-type: none"> • Ad-hoc NED attendance at staff and team meetings • Annual NED meetings with specific team heads • Regular reporting from team heads • Engagement by the Chairs of the Board Committees directly with key personnel • Presentations by key personnel to the Board • KPI reviews 	
Financial management and performance The Board oversees the financial management and performance of the Group via open communication channels with the finance staff, team heads and the auditor	<ul style="list-style-type: none"> • Regular liaison of finance staff with Chair of Audit and Risk Committee • Chair of Audit and Risk Committee meeting with auditor partner pre-reporting cycles • Management report generated by auditor • Updates on financial targets from team heads via team meetings and Board reporting • KPI and APM reviews 	
Outcome of engagement with stakeholders Main focus has been on Shareholders and employees	<ul style="list-style-type: none"> • Regular meetings with institutional Shareholders and market analysts • Establishment of Employee Forum and Employee Value Proposition initiative • Attendance and participation in a variety of industry bodies to shape the investment management and related industries 	

Board roles

Board	Role overview
Executive Chairman	<ul style="list-style-type: none"> Identify, develop and propose Group strategy, annual budget, business plans and commercial objectives Oversight of the Executive Committee's management of the Group and execution of Group strategy Promote appropriate standards of governance across the Group and ensure compliance with legal and regulatory responsibilities Ensure timely flow of accurate and reliable information within the Group and with the Board Health, safety and wellbeing of workforce and workforce engagement Communication with workforce and ensuring Board awareness of staff views Board evaluation oversight
CFO/COO	<ul style="list-style-type: none"> Supports the Executive Chairman in developing Group strategy, annual budget, business plans and commercial objectives Serves on the Executive Committee Responsible for the Group's operations and operational strategy via the Executive Committee
Senior Independent Non-Executive Director	<ul style="list-style-type: none"> Acts as a Non-Executive Director Acts as intermediary for other Directors and the Shareholders to ensure views are communicated and understood Leads the Board when the Executive Chairman is absent Designated NED for workforce engagement Ensures effective communication by the Group with its workforce and stakeholders Leads on the appraisal of the Executive Chairman's performance and evaluates the same Contributes to succession planning of the Executive Chairman, the other Directors and the Board's Committees
Non-Executive Directors	<ul style="list-style-type: none"> Monitor the Group's delivery of strategy Ensure internal controls are robust and that an external audit is carried out Engage with internal and external stakeholders, providing feedback to the Board Provide constructive input to the development of the Group's strategy Have a key role in succession planning for the Board and senior management Serve on the Board's Committees
Company Secretary	<ul style="list-style-type: none"> Provides advice and support to the Board as necessary Ensures timely and accurate information flows to the Board Ensures compliance with the Company's Board and corporate governance policies Keeps the Board updated on changes to applicable regulation, legislation and best practice standards Tailors and carries out comprehensive inductions for new Directors Provides support to the Chairman Supports the Chairman with the Board evaluation

CORPORATE GOVERNANCE CONTINUED

Our governance framework

The Board has adopted a formal document “Matters Reserved for the Board”, which is available to view by writing to the Company Secretary at the registered office. It has also appointed four standing committees, as listed below, which make recommendations to the Board in specific areas.

The Board

The role of the Board is to collectively promote the long-term success of the Group. Also, to shape the Group’s strategy, having regard to all stakeholders, while maintaining a balanced approach to risk within a framework of effective controls.

Audit & Risk Committee

Oversees financial reporting and monitors internal controls including risk management. Monitors the effectiveness of the external auditors.

See pages 115 and 122 to 125

Remuneration Committee

Sets, reviews and recommends the Group’s overall remuneration policy and strategy and monitors their implementation.

See pages 115 and 126 to 136

Nomination Committee

Evaluates and makes recommendations regarding Board and Committee composition and succession planning.

See pages 115 and 118 to 121

Market Disclosure Committee

Oversees disclosure of information by Foresight Group Holdings Limited to meet its regulatory obligations.

See page 115

Executive Committee

The Board has authorised Foresight Group’s Executive Committee to manage the Group on a day-to-day basis. The Committee meets at least weekly and receives regular reports on risks to major projects, financial and key business matters.

Board Independence

The independence of the NEDs was judged as part of the annual evaluation and they were all considered to remain independent.

Board meeting attendance

Meetings	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Bernard Fairman (Appointed: 22/02/2010)	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■			
Geoff Gavey (Appointed: 31/05/2015)	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Alison Hutchinson (Appointed: 03/02/2021)	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Michael Liston (Appointed: 03/02/2021)	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
Gary Fraser (Appointed: 03/02/2021)	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■			

A description of the roles of each Committee is provided on page 115, and reports by each of the Audit & Risk Committee, Nomination Committee and Remuneration Committee are provided on pages 118 to 136.

Board evaluation

A board evaluation was carried out during the financial year, the results of which are noted in the Nomination Committee report on page 121.

Internal controls

The Board is responsible for the Group's system of internal controls. This includes its financial, operational and compliance controls and risk management, and also for reviewing the system's effectiveness.

The Group's UK policies set the minimum best practice standard for all Group entities.

The Board takes advice from external advisers where considered necessary in all areas of the business. The Board is satisfied with the effectiveness of the internal controls but, by their very nature, these controls can provide reasonable, but not absolute, assurance against material misstatement or loss.

Board Committees

Audit & Risk Committee

The Audit & Risk Committee's role is to assist the Board with the discharge of its responsibilities in relation to external audits and internal controls and risk management. This includes annual financial statements and risk appetite, considering the scope of the annual audit and the extent of the non-audit work undertaken by the External Auditor, advising on the appointment of the External Auditor and reviewing the effectiveness of the internal control systems (including risk management processes) in place within the Group. The Audit & Risk Committee will normally meet not less than three times a year.

Nomination Committee

The Nomination Committee assists the Board in determining the composition and make-up of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors, as the need may arise. The Nomination Committee also determines succession plans for the Board. The Nomination Committee will normally meet not less than once a year.

Remuneration Committee

The Remuneration Committee provides the Board with recommendations as regards the remuneration policy for executive remuneration, levels of remuneration for each of the Directors as well as making recommendations in regard to and monitoring the remuneration of the Group's senior management. The Remuneration Committee will also prepare an annual remuneration report to be approved by the members of the Company at the Annual General Meeting ("AGM"). The Chair of the Remuneration Committee will be available at Annual General Meetings of the Company to respond to questions from Shareholders on the Remuneration Committee's activities. The Remuneration Committee will normally meet no less than twice a year.

Market Disclosure Committee

The Board has delegated to the Committee responsibility for overseeing the disclosure of information by the Company to meet its obligations under MAR. The Committee is required to maintain procedures, systems and controls for the identification, treatment and disclosure of inside information and for complying with the obligations falling on the Company and its Directors and employees under MAR.

The Committee meets as necessary or appropriate as determined by its Chair, Bernard Fairman. It is authorised to investigate any matter within its Terms of Reference and to seek any information it requires from any employee of the Company in order to perform its duties and all employees are directed to co-operate with any request made by the Committee.

The Committee will conduct an annual review of its work, membership and Terms of Reference to ensure it is operating at maximum effectiveness. It will also make recommendations about any changes it considers necessary to the Board.

Executive Committee

The Executive Committee, under the oversight of the Group's Executive Chairman, and within the authority delegated by the Board, has been tasked with the management of the Group on a day-to-day basis; in particular, to pursue the Group's commercial objectives and execute and deliver Group strategy, as approved by the Board, and to provide periodic updates to the Board accordingly.

CORPORATE GOVERNANCE CONTINUED

Executive Committee continued

The Committee's membership includes Board members Bernard Fairman (Group Executive Chairman) and Gary Fraser (CFO/COO), together with:



David Hughes,
Chief Investment Officer

- David joined the Group in 2004 and is the Group's Chief Investment Officer. He is based in the London office. He has over 45 years of experience and is responsible for the overall management of the Foresight Group investment portfolio through the complete investment cycle from initial investment to ultimate realisation.
- Prior to joining Foresight, David worked at Advent Venture Partners as a Principal in the VCT Unit, where he was responsible for managing Advent's two listed VCTs, comprising a portfolio of over 30 unquoted investments, mainly in technology companies. He also spent almost 20 years working at 3i, where he provided advice to public and private companies on corporate strategy, acquisitions, disposals, mergers and capital raising.
- David is a Fellow of the Chartered Association of Certified Accountants and holds a First Class BSc in Chemistry from the University of Bristol.



Nigel Aitchison,
Co-Head of Infrastructure

- Nigel joined Foresight in September 2008 and is Co-Head of Infrastructure based in the London office. He has over 30 years of experience covering specific areas such as waste management, project finance and fund management.
- Prior to joining Foresight, Nigel was a director within Shanks Group where he was responsible for strategy and managing relationships with key stakeholders for the UK business. Prior to that he led the management of their PFI division both in terms of bidding and operational profit and loss responsibility.
- Nigel is a Chartered Environmentalist and a member of the Chartered Institute of Waste Management. He also holds a Diploma with Distinction in Environmental Science from Crewe and Alsager College.



Russell Healey,
Private Equity

- Russell joined the Group in 2007 and is based in the London office. He has over 25 years of experience.
- Prior to joining Foresight Group, Russell worked at merchant bank Parkmead Group, where he was involved in a number of corporate and principal finance projects. Before that, he spent ten years in technology and marketing management positions, including four years with Thomson Financial, following its acquisition of a financial information company where he was CTO.
- Russell holds an MBA with Distinction from the London Business School, and a BA in Classics from the University of Exeter.



Ricardo Piñeiro, Co-Head of Infrastructure

- Ricardo joined Foresight in 2011 and is Co-Head of Infrastructure based in the London office. He has 17 years of experience in fund management, sustainable infrastructure investment and financing in the UK and internationally.
- Prior to joining Foresight, Ricardo worked at Espirito Santo Investment where he focused on lending and advisory for the energy infrastructure and transportation sectors.
- Ricardo holds a BA in Business Administration with Finance from the Universidade Católica Portuguesa.



James Livingston, Co-Head of Private Equity¹

- James joined Foresight in 2007 and is Co-Head of Private Equity and based in the London office. James has 17 years of experience and is a member of the Investment Committee. James is responsible for originating, negotiating and managing growth and buyout investments in a variety of sectors.
- In 2016, James led the investment into Simulity, and nine months later its sale to ARM, generating 3x return and a 400% IRR. Other successfully exited investments include FFX and Channel Safety Systems.
- Prior to joining Foresight, James was in Deloitte's Strategy Consulting team. James holds a Master's degree in Natural Sciences and Management studies from Cambridge University as well as the CIMA Advanced Diploma in Management Accounting.



Matthew Smith, Co-Head of Private Equity¹

- Matt joined Foresight in 2010 and is Co-Head of Private Equity and based in the London office. Matt has 17 years of experience and is a member of the Investment Committee. Matt has a particular focus on ESG considerations and has helped develop Foresight's approach.
- Prior to joining Foresight, Matt worked for Rothschild, where he spent six years advising companies in a range of sectors on a variety of transaction types.
- Matt graduated from Oxford University with a Master's degree in Biological Sciences and a postgraduate degree in Physiology.

1. Following the promotions of James Livingston and Matthew Smith they will join the Executive Committee once approved by the FCA.