

CORPORATE GOVERNANCE

Compliance with the UK Corporate Governance Code in 2023

In compliance with Listing Rule 9.8.7R, as an overseas company with a premium listing, the Company must comply with the 2018 UK Corporate Governance Code (the “Code”), which is published by the Financial Reporting Council. A copy of the Code can be found at www.frc.org.uk. The Board is committed to comply with the Code and did so in full for the financial year aside from the areas noted below:

Provision	Explanation
9 & 19	The Code recommends that the role of chairman and chief executive officer should not be exercised by the same individual. Since Admission, Bernard Fairman has exercised the role of Executive Chairman, combining the role of chairman and chief executive officer, which does not comply with the recommendations of the Code. The Nomination Committee and the Board continue to consider that, in the Company’s specific case and circumstances, the role of an Executive Chairman is in the interest of Shareholders in order to utilise the proven leadership qualities and significant experience of Bernard Fairman to ensure the ongoing commercial success of the Group. Furthermore, Bernard Fairman was one of the founders of the Company in 1984 and can therefore provide stability and continuity through his detailed understanding of the Group’s operations, both past and present, and the markets in which it operates. These qualities are considered to be of particular importance given the Company’s growth ambitions and relatively recent listing. The Board, through the Nomination Committee, continues to review its succession planning on a regular basis and further details of these discussions can be found within the Nomination Committee report on pages 99 to 102.
26	Due to the size of Foresight Group, the Company’s Audit & Risk Committee’s view remains that it is not yet necessary to appoint an internal audit function. This decision will remain under constant review by the Board and Audit & Risk Committee, who agree that an internal audit function will be required once the Company reaches a certain size.

The table on pages 91 and 92 illustrates how Foresight Group Holdings Limited has applied the principles and complied with the provisions of the Code during the year. The adjacent schedule provides signposting of where this report illustrates the Group’s compliance with the Code and a high level overview of that compliance.

	Pages
Board Leadership and Company Purpose Effective and entrepreneurial board Company’s value, purpose and strategy Risk management Stakeholder engagement Workforce policies (remuneration)	88, 89 and 102 IFC and 8 to 18 73 to 84 55 to 62 113, 114 and 116
Division of Responsibilities Responsibilities of the Chair and the SID ¹ Executive vs Non-Executive Directors Time commitment Board effectiveness and efficiency	93 93 101 102
Composition, Succession and Evaluation Appointments and succession Skillset, knowledge and experience Evaluation	101 88 and 89 100 and 102
Audit, Risk and Internal Control Independence and effectiveness of audit functions and integrity of the financial statements Fair, balanced and understandable assessment of the Company’s position and prospects Risks and internal controls	103 to 108 Same as above Same as above
Remuneration Remuneration policies and practices Formal and transparent procedure for executive and senior management remuneration policies Exercise independent judgement and discretion	109 to 121 Same as above Same as above

1. As the Company has an Executive Chair, certain responsibilities are undertaken by the SID. This division of responsibilities is fully documented.

CORPORATE GOVERNANCE CONTINUED

The Board has overseen the Group’s corporate governance and business activities during the course of the financial year, which has been illustrated throughout this Report. The Board has actively worked with the Executive Committee and senior managers to ensure high corporate governance standards are developed and improved to support the Group in achieving 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 wider society.

Areas of focus	PURPOSE, VALUES AND STRATEGY	FINANCIAL MANAGEMENT AND PERFORMANCE	SUSTAINABILITY	STAKEHOLDER ENGAGEMENT
Board activities	<ul style="list-style-type: none"> • Board meetings/Board reporting • Board strategy and networking days • 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 • Meetings with senior management and ad hoc attendance at meetings of key committees • Approval of three year plan considering strategic growth by organic/internal growth and acquisition • Approval of business acquisitions, the share issue and oversight of business integration • Oversight of expansion of distribution into the US 	<ul style="list-style-type: none"> • Regular liaison of finance staff with Chair of Audit & Risk Committee • Chair of Audit & Risk Committee meeting independently with the audit partner pre-reporting cycle • Management report generated by auditor • Board reporting • KPI and APM reviews • Ad-hoc attendance at Valuation Committees 	<ul style="list-style-type: none"> • Appointment of a member of the Board and Executive Committee to champion sustainability • Training in key areas relevant to the Group’s business activities and strategies • Board reporting • Joint ventures enhancing the Group’s sustainability initiatives and progressing its sustainability strategy • Regular interaction with the Head of Sustainability • Approval and promotion of sustainability-related strategy, policies and activities • Approval of the Modern Slavery and Human Rights Statement • Sustainability events and joint ventures such as the Eden Project 	<ul style="list-style-type: none"> • Regular meetings with key Shareholders and market analysts • Employee Forum and Employee Value Proposition initiative • Attendance and participation in a variety of industry bodies to shape the investment management and related industries • Promoting open and transparent relationships and communication with all stakeholders • Monitoring of customer trends • Annual General Meeting • Ensuring consideration is given to stakeholder impacts within investment process • Ensuring retention of Group memberships/signatory status of sustainability organisations/bodies • Contributing to industry consultations supporting stakeholder groups
Strategy				

CORPORATE GOVERNANCE CONTINUED

Areas of focus	PEOPLE, DIVERSITY & INCLUSION AND SUSTAINABLE CULTURE	OVERSIGHT OF OPERATIONAL PERFORMANCE VS STRATEGIC TARGETS	RISK MANAGEMENT	CORPORATE GOVERNANCE AND REPORTING
Board activities	<ul style="list-style-type: none"> • Rebranding the HR Team to become the People and Sustainable Culture Team to recognise their commitment to promote and support a sustainable workforce culture • Employee Forum and Employee Value Proposition initiative • Talent mapping • Employee surveys • Succession planning oversight • Whistleblowing oversight • Supporting and promoting workforce initiatives championing diversity and inclusion, including The Diversity Project, events and communications led by staff 	<ul style="list-style-type: none"> • Oversight via reporting and attendance at certain Team/Committee meetings • Challenging the Executive Directors and Executive Committee on performance • Meeting team heads directly 	<ul style="list-style-type: none"> • Oversight of integration of acquired businesses to risk framework • Overseeing risk management framework • Implementation of new risk system • Review, assessment and challenge of Group's principal and emerging risks • Meetings with CRO and Head of Risk 	<ul style="list-style-type: none"> • Annual General Meeting • Monitoring compliance with the Corporate Governance Code • Ongoing growth and improvement to the governance framework, maintaining alignment with business growth • Board effectiveness review and planning • Oversight of global subsidiaries and offices • Regular Board meetings and reporting • Engagement with external advisers and experts
Strategy				

CORPORATE GOVERNANCE CONTINUED

Each member of the Board understands their role as an individual, providing independent views and challenge, as well as being part of a collective acting with their Board colleagues to secure the long-term success of the Group. The division of responsibilities among the Directors is also key to the Group achieving the Group's purpose, strategies, values and targets.

The roles of the Board and its four Committees are summarised below:

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"> Support the Executive Chairman in developing Group strategy, annual budget, business plans and commercial objectives Serve on the Executive Committee Responsible for the Group's operations and operational strategy via the Executive Committee Responsible for Finance, Risk, Compliance, Governance, PSC and Corporate IR

Board	Role overview
Senior Independent Non-Executive Director	<ul style="list-style-type: none"> Act as a Non-Executive Director Act as intermediary for other Directors and the Shareholders to ensure views are communicated and understood Lead the Board when the Executive Chairman is absent Designated NED for workforce engagement Ensure effective communication by the Group with its workforce and stakeholders Lead on the appraisal of the Executive Chairman's performance and evaluates the same Contribute 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"> Provide advice and support to the Board as necessary Ensure timely and accurate information flows to the Board Ensure compliance with the Company's Board and corporate governance policies Keep the Board updated on changes to applicable regulation, legislation and best practice standards Tailor and carry out comprehensive inductions for new Directors Provide support to the Chairman Support the Chairman with the Board evaluation

CORPORATE GOVERNANCE CONTINUED

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 and cyber risk) in place within the Group. The Audit & Risk Committee will normally meet no less than four times per 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 arises. The Nomination Committee also determines succession plans for the Board and organises the annual Board effectiveness review. 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 AGMs 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.

Board and Committee meeting attendance

Meetings	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Bernard Fairman ¹ (Appointed: 22/02/2010)	6	—	—	—
Geoff Gavey (Appointed: 31/05/2015)	6	5	4	4
Alison Hutchinson (Appointed: 03/02/2021)	5	4	4	3
Michael Liston (Appointed: 03/02/2021)	6	5	4	4
Gary Fraser ¹ (Appointed: 03/02/2021)	6	—	—	—

1. Note that Bernard Fairman and Gary Fraser are not members of the Audit & Risk, Remuneration or Nomination Committees.

CORPORATE GOVERNANCE CONTINUED

Executive Committee

The Executive Committee, acting under the oversight of the Group's Executive Chairman via his membership of the Committee 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. Gary Fraser also sits on the Executive Committee. The other members are as follows:



David Hughes,
Chief Investment Officer

David joined the Group in 2004 and is the Group's Chief Investment Officer and 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, overseeing 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.

Nigel officially retired from Foresight on 30 June 2023 but shall remain as a consultant to Foresight Group for a minimum period of six months.



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.

CORPORATE GOVERNANCE CONTINUED

Executive Committee continued



James Livingston,
Co-Head of Private Equity

James joined Foresight in 2007 and is Co-Head of Private Equity, 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 Equity

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.

CORPORATE GOVERNANCE CONTINUED

Our governance framework

The Board adopted the “Matters Reserved for the Board”, which is available to view via the Company’s website and by writing to the Company Secretary at the registered office. As part of its governance framework, the Board appointed the four standing committees listed below and the Executive Committee. The purpose of each committee is summarised below.

The Board appointed the

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.

Remuneration Committee

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

Nomination Committee

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

Market Disclosure Committee

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

Executive Committee (see pages 95 and 96)

Oversees and manages the Group’s day-to-day operations.

CORPORATE GOVERNANCE CONTINUED

Our governance framework continued

The Group's governance framework forms the foundation of its operations, enabling it to operate and develop as a successful and sustainable business, understanding and responding to the needs of our key stakeholders and the changing market conditions in which we operate.

The governance structure, as illustrated on page 97, takes a layered approach:

- Level 1 – the structure is headed by the Board, whose responsibility is to set the Group's purpose and strategy in a manner compliant with the Code (as set out above) and in the interests of the Shareholders and other stakeholders. It has appointed four Committees, which are shown on pages 94 and 97, each of which is subject to Terms of Reference set and approved by the Board. Those Terms of Reference can be found on the Group's website <https://www.foresightgroup.eu/>.
- Level 2 – the Board has authorised the Group's Executive Committee to manage and oversee the Group's day-to-day activities in such a way as to achieve the strategies and targets set by the Board and to support the Board in setting such strategies and targets.
- Level 3 – the Executive Committee is supported by Group and jurisdictional level committees, jurisdictional boards and senior management globally.

Common committee members and regular reporting go to support the efficiency and effectiveness of the structure and ultimately provide the Board with the information needed to discharge their responsibilities. Further, the Board is provided with unfettered access to meetings of key committees, teams and boards so, should they wish to attend, they can judge the information flows, controls, effectiveness and efficiency of our operations directly.

The Group has adopted high standards of corporate governance driven by the Code's principles and also by the requirements of regulation and legislation across the business. These standards are translated into policies, which are rolled out across the Group as appropriate.

As the Board has an Executive Chairman, the Senior Independent Director undertakes certain responsibilities normally assigned to a non-executive chair. This split in responsibilities is captured by a corporate governance document, "Division of Responsibilities between the Executive Chair and the Senior Independent Director", which can be found at <https://www.foresightgroup.eu>.

The Board

The Board is responsible to the Shareholders and wider key stakeholders for the overall performance of the Group and for the leadership, promotion of the long-term sustainable success of the Group and generation of value for Shareholders. Such activities, where possible, should provide a positive contribution to society, within a framework of prudent and effective controls that enable risk to be assessed and managed. While the Board may delegate some of its powers, certain powers may not be delegated and are documented in "Matters Reserved for the Board". Such matters include those related to the following:

- Strategy
- Financial
- Treasury
- Legal, administration, pension and other benefits
- Communications with Shareholders
- Executive Group appointments and arrangements

The Board fully complied with the above during the year.

Board independence

The independence of the Non-Executive Directors was judged as part of the annual evaluation in accordance with the Code, and the Nomination Committee considered that they were all free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Committee was satisfied that the Non-Executive Directors could properly fulfil their roles on the Board, providing constructive challenge to the Board and Executive Committee.

Conflicts of interest

The Company Secretary maintains a register of conflicts of interest. Each Director understands their responsibility to identify and manage conflicts of interest and to provide details to the Board and the Company Secretary. The Directors are reminded of their responsibilities in relation to conflicts of interest at each Board meeting. The Company Secretary provides a copy of the register of conflicts of interest at all full Board meetings, to enable the Board to monitor and note any potential conflicts of interest that may have arisen. Any Director wishing to take on an additional external appointment must obtain permission from the Board, which shall be granted if the additional time commitments will not interfere with the respective Director's ability to discharge their responsibility to the Company, their independence is maintained and there are no conflicts of interest arising as a result of the appointment.

Professional advice

Subject to complying with the Guidance for Obtaining Independent Advice, a Director may take independent professional advice at the Company's expense in the furtherance of their duties as Directors of the Company. During the year, no Directors sought to do so.