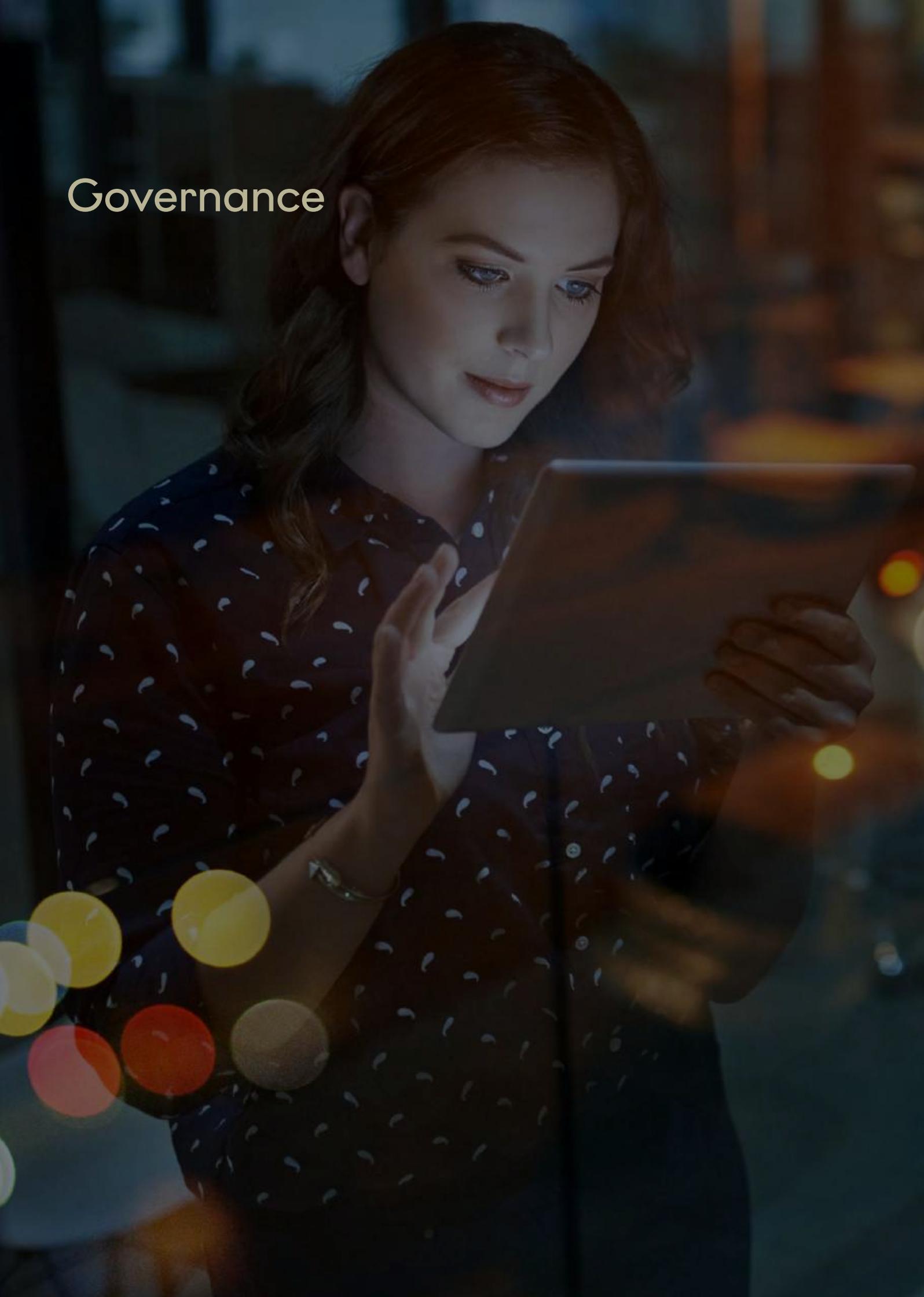


Governance



Corporate Governance Statement

For the year ended 30 April 2020

Introduction

As Chairman of the FRP Board of Directors, I am responsible for the leading the Board to ensure it functions effectively, setting its agenda and monitoring its effectiveness.

The most significant governance event in the period under review was the Company's IPO on the AIM Market of the London Stock Exchange on 6 March 2020 ("IPO") which involved the creation of a new "topco", FRP Advisory Group plc, that, immediately before the IPO, acquired the business of FRP Advisory LLP together with all of its subsidiaries through a corporate reorganisation. It was at this point that the Board was constituted in its current form, the matters reserved to the Board were set and the Committees established. The Board has also now agreed a formal split of responsibilities between the Chair and the CEO.

While Geoff Rowley, Jeremy French, David Adams and I have worked together with FRP for 10 years and had established what we considered to be a sensible governance environment as a private limited liability partnership, in the lead up to the IPO, we reviewed our board composition and arrangements and implemented the appropriate changes to enhance our governance environment to meet the expectations of our shareholders and reinforce our ability to develop our strategy and deliver long term value to our shareholders. We recognise the benefits that good corporate governance and diverse opinion brings to a business and have worked (and will continue to work) to develop and embed processes, cultures and practices that position us to reap the benefit of robust governance.

We also recognise the importance of the Board displaying and embodying the ethics and behaviours we expect from our team at large.

Prior to the IPO the Company was a shell company and the Board consisted of Geoff Rowley and Jeremy French in the period from incorporation in November 2019 until the IPO. This report does not refer to the pre-IPO period.

Compliance

We comply with the QCA Code in all material respects and have become members of the QCA.

Set out below are the ten principles of the QCA Code and where to find further information on how we apply them.

Principle	Information	Page Number
1. Establish a strategy and business model which promote long-term value for shareholders	See the "Business model and strategy" section in the Strategic Report.	30 and 31
2. Seek to understand and meet shareholder needs and expectations	See the Section 172 Statement in the Strategic Report.	38
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	See the Section 172 Statement in the Strategic Report.	38

Principle	Information	Page Number
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	See the "Principal risks and uncertainties" section in the Strategic Report. See also the Audit Committee Report.	34 53 and 54
5. Maintain the board as a well-functioning, balanced team led by the chair	See "The Board" section below.	
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	See "The Board" and "Nomination Committee" sections below. Also see the Director Biographies.	42 and 43
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	See "The Board" section below.	
8. Promote a corporate culture that is based on ethical values and behaviours	See "Culture" section below.	
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	See "The Board", "Board Committees" and "Internal Control" below.	
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	See "The Board" and "Board Committee" sections below. See also the Corporate Governance Report and the Section 172 Statement in the Strategic Report.	38

Corporate Governance Statement continued

We consider that the application of the QCA Principles will support the Company's medium to long term success through establishing and maintaining an effective, balanced and appropriately skilled Board and committees which benefit from diverse and independent viewpoints, challenging and supporting the executive to set and deliver the Group's strategy within an agreed system of risk tolerance and management and in accordance with the expectations and needs of our shareholders.

We consider that the clarity of purpose in setting out a strategy and business model and risk management processes creates an environment whereby the executives are empowered to deliver the Group's objectives but remain subject to appropriate oversight and review. To develop and, when necessary, amend strategy the Group is best served through multiple sources of experience and expertise provided by a diverse board with a range of experience to lend to the enterprise.

In turn, the Board expects that in delivering its strategy in line with shareholder expectations, in an ethical way and taking into account the wider stakeholder group, this will generate trust between the Group, its shareholders and wider stakeholder group, reinforce its brand, motivate team members (through their own share ownership and options), attract new talent and make the Group's investment proposition more attractive.

The Board

The Board is responsible for setting the vision and strategy for the Group to deliver value to shareholders by effectively implementing its business model. The Board members are collectively responsible for defining corporate governance arrangements to achieve this purpose, under my leadership.

The Board has a schedule of matters formally reserved to it and this is available on the Company's website. The matters reserved include setting strategy, budget approval, approval of major capital expenditure and material contracts and partner hires and promotions.

A biography of each of the Directors is set out on pages 42 to 43. The Board has significant experience in professional advisory services environments supplemented by expertise in the private equity, public markets and legal arenas.

The directors keep their skills up to date through various channels. As practising regulated professionals, the Executive team update their professional knowledge through professional journals and in-house and external training materials and seminars. The Non-Executive Directors work with other businesses and bring their learning from those roles to the business and all subscribe to newsletters, bulletins and journals relevant to their areas of interest. The Company is also a member of the QCA which gives the Directors access to a range of materials and training opportunities relevant to the Company's listed status, corporate governance issues and investor relations.

During the year, Kate O'Neill and David Chubb were considered by the Board to be independent directors. David joined the board of FRP Advisory LLP in May 2019 and Kate was introduced to the Company in connection with its IPO and both formally joined the Board on the Company's admission to AIM. Neither Kate or David had any prior connection to the business or the other directors and although both were granted share options on float and participated in the associated placing, these were not at levels the Board consider material enough (in the context of their personal

circumstances) to compromise their independence. Details of Kate and David's shareholdings and options are set out in the Director's Report and Remuneration Report respectively.

Following Kate's departure on 30 June 2020, the Board has welcomed Claire Balmforth as an independent Non-Executive Director. Again, Claire has no prior connection to the Company or any director, no shares or share options of the Company and was recruited through an external recruitment agent.

The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer all work in the business full time with Jeremy French and Geoff Rowley's roles also encompassing client facing work as practising Insolvency Practitioners. The Non-Executive Directors (including the Chairman) are expected to devote as much time as necessary to the business for the proper performance of their duties and at least 1 to 2 days per month.

Between the IPO and the financial year end, there were two scheduled Board meetings at which all directors were present.

The Board obtained advice on tax, legal matters, share option schemes, accounting matters, the IPO process and related transactions and investor relations during the year connected to the IPO process and the acquisition of its business.

As the Board is newly constituted, it has not undergone an effectiveness evaluation process at this point. However, the Board anticipates conducting an annual performance review in the future. Furthermore, the Nominations Committee is tasked with keeping the Board composition under review.

Culture

The Group's culture is supportive, inspiring, empowering and collaborative. This positive workplace culture acts to both attract and retain talent within the Group. Leadership continues to promote the 4 core values of being straightforward, confident, pragmatic and real. The Board monitors and acts to promote a healthy corporate culture.

Board Committees

The Board has four standing committees which were established on IPO as set out below.

Terms of reference for each of the Audit and Risk Committee (ARC), Remuneration Committee and Nomination Committee (Principal Committees) are available on the Company's website. A report from the Chair of each of the Principal Committees detailing their activities follows this report.

Audit and Risk Committee

The ARC has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and auditor relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The ARC will normally meet at least three times a year at appropriate times in the reporting and audit cycle.

Remuneration Committee

The Remuneration Committee is responsible for reviewing the performance of the Executive Directors and the Chair and making recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will normally meet at least twice a year.

Nomination Committee

The Nomination Committee has responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and giving full consideration to succession planning. The Nomination Committee meets at least twice a year at appropriate times in the reporting cycle.

Disclosure Committee

The Disclosure Committee is responsible for supporting the Board in relation to compliance with the Market Abuse Regulation, the Disclosure, Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of "inside information". The Disclosure Committee comprises all of the Directors but has a quorum of any three Directors provided at least one Executive Director and at least one Non-Executive Director is present. Nigel Guy chairs the Disclosure Committee, which will meet at such times and in such manner (including by telephone) as may be necessary or appropriate.

Members of the Principal Committees during the year under review were:

Committee	Audit and Risk	Remuneration	Nomination
Chair	David Chubb	Kate O'Neill**	Nigel Guy*
Other Members	Kate O'Neill** Nigel Guy*	David Chubb	Kate O'Neill** David Chubb

* Non-independent director.

** Resigned post year end on 30 June 2020.

There were no scheduled formal Committee meetings during the period under review due to the relatively short period between the IPO and the financial year end (Review Period). The first meeting of the Audit Committee was in early May 2020.

On 30 June 2020, Kate O'Neill resigned as a director and accordingly stepped down from the Committees. Claire Balmforth has since joined each of the Principal Committees and has taken over the role of Chair of the Remuneration Committee.

The work undertaken by each of the Committees and any external advice sought is set out in the reports of the Committee Chairs following.

Internal Control

David Chubb acts as the Board's Senior Independent Director. The role of the Senior Independent Director is to act as a sounding board and intermediary for the chair or other Board members, as necessary and provide an alternative route of access for Shareholders and other directors who have a concern

that cannot be raised through the normal channels.

The Board is advised and supported by the Company Secretary, ONE Advisory Limited, which provides professional company secretarial and MAR compliance services. The services of the Company Secretary are available to all Directors.

Nigel Guy

Chairman

26 August 2020