

FRP ADVISORY GROUP PLC

QCA Corporate Governance Code - Website Disclosures

The disclosures in this document are those which the QCA Corporate Governance Code recommends are included on the Company's website.

Chairman's Statement

Please see the Company's latest annual report for the Chairman's Statement on Corporate Governance. This is also published on the Investors section of our website on the Corporate Governance page. <https://www.frapadvisory.com/investors/corporate-governance/>.

Principle 2 - Engagement with Shareholders

The Company is committed to engaging with its shareholders and does this through a variety of channels including:

- The Annual Report and Accounts.
- Stock Exchange announcements.
- Press releases.
- Paid for research available via the Company's Nomad (post-financial year-end).
- The Company's website (www.frapadvisory.com/investors).
- Meetings with external investors as part of the Company's results roadshows and otherwise as required.
- Receiving investor and potential investor feedback from the Company's brokers.
- The Annual General Meeting which is also broadcast through the Investor Meet Company platform.

The Company has retained the services of MHP (the Group's financial PR firm) to ensure that its communications are appropriately directed and reach the appropriate audiences.

The executive directors are primarily responsible for investor liaison. The Senior Independent Non-Executive Director, David Chubb, will assist where material shareholder issues and concerns are unresolved or cannot be raised through the usual channels.

General shareholder queries can be directed as appropriate to:

- The Registrar, Link Registrars - <https://www.linkgroup.eu/get-in-touch/shareholders-in-uk-companies/>
- The Company Secretary, ONE Advisory Limited - frp@oneadvisory.london
- Financial PR - Engine MHP - FRP@mhpgroup.com

Principle 3 – Key Resources and Relationships and Stakeholder Feedback

Engagement with our shareholders and wider stakeholder groups plays a valuable role throughout our business. The Board is aware that each stakeholder group requires a tailored engagement approach to foster effective and mutually beneficial relationships. Our understanding of stakeholders is then factored into boardroom discussions and decisions. The stakeholder voice is also brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making. The Board is open to receiving feedback from key stakeholders at any point during the year and will take action where appropriate.

The primary business relationships of the Group are with its client businesses, referral network, panel partners, bankers and landlords. The Group maintains external property consultants to ensure its leased estate is managed in accordance with lease terms and any issues are properly and

professionally managed and resolved. The Group finance function maintains regular contact with the Company's bank and supplies regular financial information to the bank to ensure compliance with the terms of its loan facilities. The business has a long-established and productive relationship with its bankers. The Board will take the interests of those with whom it is in a significant business relationship (either individually or as a category) into account in principal decisions through its s172 compliance procedure.

Further information is set out in the Company's Annual Report.

As a people business, FRP recognises the importance of keeping all partners and colleagues motivated, engaged and incentivised to perform at their best. We work hard to retain our friendly, collaborative, entrepreneurial and meritocratic culture. The Board were delighted to implement an Employee Incentive Plan in 2020. This enabled the Company to grant options at IPO over FRP shares to colleagues which were backed 1:1 by FRP shares in issue and held within an Employee Benefit Trust (EBT). Colleagues were granted options subject to their service, which became exercisable 3 years from IPO. In March 2023, many colleagues exercised their options and became shareholders in the business. As the EBT had headroom and the ability to be replenished when IPO Partners left, the Board has been able to make additional awards to new joiners (including Partners) and those being promoted since IPO to ensure colleagues have an ownership stake (including indirectly via options) in the business.

We have made several acquisitions since the IPO and we seek to integrate our new colleagues and partners into the business seamlessly to maximise the benefits of the acquisition to all concerned – our colleagues, partners, clients and ultimately our shareholders. We have sought to constantly improve this process through seeking feedback from our new colleagues and those involved in the integration process through a formal post-acquisition review process.

We believe that we have become an attractive destination for qualified and skilled people, with our regional office network and strong culture offering considerable appeal in the marketplace. Retaining and developing our team in a world where competition for talent has become more intense is a key priority and focus area for the Board. During 2023, the Board has retained external expert resource to develop a comprehensive "People Plan" which has involved an independent third party seeking detailed feedback from a range of partners and colleagues with a view to formulating recommendations to advance the Company's people strategy. Work is ongoing and we will report more fully on this workstream in our FY2023 Annual Report.

Employee engagement is a key component in the way we operate to maintain our positive culture which, in itself, motivates our teams and attracts new talent. During FY2022 the Group conducted a cultural survey with colleagues. Overall, the feedback was very positive with colleagues feeling the internal culture was excellent. However, we acknowledge that there will always be room for improvement. We have invested in a specialist Learning & Development Senior Manager to support the ongoing development of our nationwide team. Development programmes being reviewed include internal coaching, leadership courses and extensive professional training support.

Principle 7 - Board Evaluation and Succession Planning

In 2022 the Board, in conjunction with its Company Secretary, oversaw the design and completion of a board evaluation survey. This was the first formal feedback exercise that the Board had undertaken since IPO in March 2020. The principal areas of evaluation included Board Dynamics and Processes, Board Composition and Monitoring and Risk Management. The feedback received provided a useful insight into areas where the Board was doing well, together with areas where the work of the Board could be developed. Over the course of 2022 and early 2023, the Board has sought to concentrate on those areas highlighted for further development including board succession planning, increased Board focus on people strategy (including through retaining external expert advisers as noted above) and ensuring greater board time was being allocated to the consideration of long term strategy. A formal review of progress against areas highlighted for improvement was conducted in March 2023 and a

further formal evaluation process will be undertaken during the 2024 financial year.

Now that the Board process and outcomes are progressing, performance evaluations for the Committees are planned for 2023.

The Nominations Committee oversees succession planning. Where appropriate it retains the services of search firms to help it identify a shortlist of candidates for further discussions and also seeks recommendations from trusted advisers. The Committee uses skills mapping to help it assess skills gaps and inform the job description. The process to recruit Kathryn Fleming in 2023 involved the selection of an appropriate, independent search firm to conduct the hiring process, board wide interviews with candidates for the role and due diligence in the form of references.

Principle 8 - Ethical Values and Behaviours

The Company is committed to ensuring that it operates in an ethical way and that ethical values and behaviours are recognised and respected. The Group has Corporate Social Responsibility, Fraud, Treating Customers Fairly, Vulnerable Client, Anti-Bribery and Corruption, Anti-Money Laundering, Environmental, Anti-Facilitation of Tax Evasion, Whistleblowing, Modern Slavery and Equal Opportunities policies in place.

These policies are publicised to all affected colleagues through the intranet site and are regularly reviewed. Where appropriate or necessary formal training is given.

Notwithstanding the formal policies in place, as a professional services provider with many professionally regulated individuals which generates a substantial amount of its business through an extensive referral network, the Board is very aware of the potentially devastating impact poor ethical behaviours could have on the Company's reputation as a trusted service provider, employer, business partner and, indeed, investment. The business case for high ethical standards is indisputable and the Board seeks to embed this at all levels across all service pillars and internal operations of the business.

Principle 9 - Board Structure and Roles

Director Roles

The Chairman is responsible for the effective running of the Board and the CEO is responsible for running the Group's business. The full description of the Chair and CEO roles is available on the Company's website on the Corporate Governance page (<https://www.frapadvisory.com/investors/corporate-governance/>).

In addition, the Senior Independent Director's role 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.

Matters Reserved

The Board has a schedule of matters reserved to it which includes matters such as:

- material acquisitions and extension of the Group's activities into new geographies or business areas;
- approval of interim and annual results, dividends and dividend policy;
- approval of major capital projects and material contracts; and
- approval of fundraisings.

The full schedule is available on the Company's website on the Corporate Governance page (<https://www.frapadvisory.com/investors/corporate-governance/>).

Board Committees

The Board has three governance committees as set out below.

Terms of reference for each committee, which are reviewed at least annually, are available on the Company's website on the Corporate Governance page (<https://www.frapadvisory.com/investors/corporate-governance/>).

A report from the chair of each of the Committees can be found in the Company's latest Annual Report.

- Audit and Risk Committee

The Audit and Risk Committee's duties (which are set out in full in its Terms of Reference) include:

- monitoring the integrity of the financial statements of the Company, reviewing significant financial reporting issues and judgements contained in them;
- overseeing and advising the Board on the Company's overall risk exposures and strategy;
- reviewing the adequacy of whistleblowing, fraud detection and anti-bribery and anti-money laundering prevention systems; and
- overseeing the Company's relationship with its Auditor.

The Committee meets at least three times a year at appropriate times in the reporting and audit cycle.

- Remuneration Committee

The Remuneration Committee's duties (which are set out in full in its Terms of Reference) include:

- determining the Company's policy and framework for the remuneration of the Chair and Executive Directors and their total remuneration packages;
- approving the design of, and determining targets for, any performance-related remuneration schemes;
- reviewing the design of share incentive plans and determining awards to executive directors and non-partner senior executives; and
- reviewing remuneration across the organisation.

The Remuneration Committee meets at least twice a year and otherwise as required.

- Nomination Committee

The Nomination Committee's duties (which are set out in full in its Terms of Reference) include:

- regular review of the structure, size and composition of the Board and making recommendations for any changes;
- consideration of succession planning;
- identifying and nominating candidates to fill Board vacancies;
- making recommendations to the Board in relation to Committee membership.

The Nomination Committee meets at least twice a year and as required.

Evolution of the Governance Framework

As noted above the Board is in the process of implementing change in those areas highlighted in its evaluation process as potentially benefitting from a revised approach or additional focus. This is an ongoing workstream and will continue as the Board seeks continuous improvement.

In terms of the overall structure of the governance framework, the independent element of the Board will be strengthened by the appointment of Kathryn Fleming effective 1 April 2023.

Principle 10 – Votes and Documentation

The Company puts AGM votes to shareholders on a poll and announces the poll results via RNS as soon as possible after the meeting detailing votes for, against and withheld. These announcements can be accessed through its website on the Regulatory News page.

The Company has not received any adverse votes over 20% but nevertheless, where the Board has noted a significant vote against a resolution from a significant shareholder, it has endeavoured to identify the relevant shareholder(s) and, if appropriate, reached out to give that shareholder an opportunity to discuss their concerns.

Historic annual reports and notices of shareholder meetings are available on the Company's website in the Investors section on the Financials & Documents page (<https://www.frp advisory.com/investors/financials-documents/>).

27 April 2023