

Chairman's Corporate Governance Statement

Introduction

The Board of Directors of FFI Holdings PLC (the "Company" or the "Group") acknowledges the importance of high standards of corporate governance and following best practice where possible. The policy of the Board is to manage the affairs of the Group having regard to the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The Directors support the principles underlying these requirements insofar as is appropriate for the size of the group.

In March 2018, AIM Rule 26 changed requiring companies listed on AIM to disclose on their websites which recognised corporate governance code they apply and details of how that code is complied with. The Board formally adopted the QCA Corporate Governance Code (the "QCA Code") on September 25, 2018.

An explanation of how the QCA Code is applied and how compliance with its principles will promote the success of the Company is set out below, together with any areas of non-compliance.

Further corporate governance disclosures have been included in the Company's Annual Report for the year ended 31 March 2018 (the "2018 Annual Report").

Role of the Chairman

As Chairman of the Board, I am responsible for leading the Board, ensuring that it is well-functioning, balanced and, ultimately, effective. I also have primary responsibility for the Board's approach to corporate governance and the quality of the Group's governance arrangements.

In addition, my role as Chairman is to lead the Board, ensuring its smooth running and the effective contribution of all Board members. The Board as a whole is responsible for effective corporate governance.

Strategy and business model

In our 2018 Annual Report, the Strategic Report and the Chief Executive Officer's Review set out the Company's business model, strategy and key markets. A copy of the 2018 Annual Report is available [here](#).

Relations with shareholders

The Chief Operating Officer, together with the Senior Vice President of Investor Relations, are responsible for shareholder liaison and have regular dialogue with institutional investors in order to develop an understanding of their views.

The Company meets with its institutional shareholders and analysts as appropriate. In addition, the Company uses the Annual Report and Accounts, the Interim Report and the website (www.ffi.com) to provide further information to shareholders.

The Board believes that its current approach to shareholder engagement is effective. Our most recently conducted four (4) day roadshow was in September 2018 where we met several institutional investors and discussed the Company's performance and outlook.

Stakeholder and social responsibilities

The Board considers its key stakeholder groups to include:

- customers – good relationships with our customers are important for the success of our business; and
- business partners – good relationships with our business partners, including a number of insurers, financial lenders and distributors are important for the success of our business; and
- shareholders – good relationships with our shareholders are important for the success of our business.

The Company obtains feedback from stakeholder groups by way of:

- informal meetings and consultation with our customers to discover all the ways in which we might be better able to service their project;
- regular meetings with our business partners; and
- conducting an annual meeting of shareholders and institutional roadshows.

Risk Management

Risk is inherent in our operations and the decisions that we make in pursuit of our strategy. The Board has overall responsibility for determining both the nature and extent of the principal risks that the Group is willing to take and the Group's systems of risk management and internal control.

Pages 18 to 19 and 24 of the 2018 Annual Report set out the Company's approach to risk management and lists those risks which are considered to have a serious adverse impact on the Company's performance.

The 2019 Annual Report will include additional information on how risk management has been embedded within the Group.

The Board

The Board currently comprises seven Directors, three of whom are Executive Directors and four of whom are Non-Executive Directors, reflecting a blend of different experiences and backgrounds. The Board believes that it is comprised of directors with the appropriate balance of skills and experience to meet the needs of the Group, both now and in the future, and is of a size appropriate for the size and nature of the business. Excluding the Chairman, there is an equal number of executive and non-executive directors so as to ensure that the Board is not dominated by one person or a group of people. The Board considers Julian Bartlett and Simon Ingram to be independent Non-Executive Directors.

The Board generally meets monthly and receives reports from the Executive Directors together with any other material necessary for the Board to discharge its duties. It is the Board's responsibility to formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals.

The number of meetings attended by the Board are disclosed on page 24 of the 2018 Annual Report.

Directors

The Board has an appropriate balance of skills and experience, as well as an appropriate balance of personal qualities and capabilities to deliver the strategy of the Company. Pages 22 and 23 of the 2018 Annual Report identify each Director and explain their experience and employment history.

Currently, our Board does not have a Nomination Committee. While such a committee serves an important function, at this stage it has not been necessary to prepare for succession or new director nomination and this can be covered by the Board as a whole.

The Board keeps under review the skills required to effectively pursue the Company's strategy and discharge its duties.

The 2019 Annual Report will include information about how the skillsets of the Directors remain up to date as well as information relating to external advisers.

Board performance

The Board has not yet undertaken a formal evaluation of its performance in light of this being the first reporting period since incorporation and admission to AIM. However, the Board notes that performance evaluations are best practice and will consider the most appropriate time to undertake its first review.

Details of the review, its findings and the resulting actions agreed by the Board will be published in the Annual Report following the completion of the review.

Ethical values and behaviours

The Board will review the culture within the Company during the 2019 financial year and provide an update to shareholders in the 2019 Annual Report.

Governance structure and processes

Delivering growth and long-term shareholder value with effective and efficient decision-making is of high importance to the Board.

There is a clear division of responsibilities between the Chairman, who is responsible for the effective leadership and smooth running of the Board, and the Chief Executive Officer who, with the other Executive Directors, is responsible for the running of the Company.

The Company has established the Audit Committee and the Remuneration Committee with delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

The Audit Committee is chaired by Stephen Argent, having a relevant financial background, and is further comprised of Julian Bartlett, Simon Ingram and James Terlizzi. It is scheduled to meet at least twice a year and has primary responsibility for monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The Audit Committee is also responsible for maintaining an appropriate relationship with the independent auditor of the Group.

The Remuneration Committee is chaired by Simon Ingram and is further comprised of Stephen Argent, Julian Bartlett and James Terlizzi. It is scheduled to meet at least twice a year and has primary responsibility for reviewing the performance of the executive directors and making 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 takes into accounts the QCA Remuneration Committee Guide and associated guidance.

Details of both committees are disclosed on pages 24 to 26 of the 2018 Annual Report.

Other than the adoption of the QCA Code in September 25, 2018 and the changes in governance arrangements arising from its adoption, there have been no other significant changes in governance arrangements both during and after the year ended 31 March 2018.

James Terlizzi
Chairman

28 September 2018