

DRAPER ESPRIT PLC**(the "Company")****CORPORATE GOVERNANCE STATEMENT****JULY 2021****1. CORPORATE GOVERNANCE CODE**

The board of Directors of the Company (the "**Board**") and recognise the importance of sound corporate governance in respect of the Company and all of the Company subsidiaries and subsidiary undertakings in the Company's group from time-to-time (the "**Group**"). The Company and the Board comply with the UK Corporate Governance Code as published by the Financial Reporting Council ("**FRC**") from time-to-time, which is publicly available from on the FRC's website (<https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>).

2. INTERNAL CONTROLS AND RISK MANAGEMENT PROCESS IN RELATION TO THE FINANCIAL REPORTING PROCESS

The Board has ultimate responsibility for the Group's system of internal controls and for the ongoing review of their effectiveness. Systems of internal control can only identify and manage risks and not eliminate them entirely. As a result, such controls cannot provide an absolute assurance against misstatement or loss. The Board considers that the internal controls, which have been established and implemented, are appropriate for the size, complexity and risk profile of the Group.

Key internal controls include:

- close management of the day-to-day activities of the Group by the Executive Directors of the Company and weekly minuted executive meetings with an agenda of standing items including projects, portfolio, risks, human resources, environmental and social governance and cybersecurity;
- an organisational structure with defined levels of responsibility and clear reporting lines;
- specified investment approval levels and financial authority limits;
- a robust approach to valuations;
- a majority of non-executive directors;
- an annual budgeting process, which is approved by the Board;
- monthly management reporting against agreed key performance indicators;
- financial controls to ensure that the assets of the Group are safeguarded and that appropriate accounting records are maintained; and
- external audit.

The Board continues to review the system of internal controls to ensure it is fit for purpose and appropriate for the size and nature of the Company's operations and resources.

3. SIGNIFICANT SHAREHOLDINGS

[As at the date of this Corporate Governance Statement, the following are the interests (within the meaning of Part 22 of the Companies Act 2006 (the "Companies Act")) which represent directly or indirectly, 3% or more of the issued share capital of the Company.

Shareholder	No. of Ordinary Shares	Percentage of issued Ordinary Shares
Baillie Gifford	14,316,088	9.4%
National Treasury Management Agency	14,004,502	9.2%
T Rowe Price Global Investments	11,034,375	7.2%
Swedbank Robur	8,328,198	5.4%
Canaccord Genuity Wealth Management (Inst)	8,097,956	5.3%
BlackRock	7,735,378	5.1%
Schroders Plc	7,453,284	4.9%
British Business Bank	7,142,857	4.7%
Liontrust Sustainable Investments	5,029,615	3.3%
Aberdeen Standard Investments	4,848,272	3.2%
Brunei Investment Agency	4,761,904	3.1%]

4. SPECIAL RIGHTS WITH REGARD TO CONTROL

As at the date of this Corporate Governance Statement, none of the Company's shareholders have any special rights with regard to control of the Company attached to the shares they hold in the Company.

5. RESTRICTIONS ON VOTING RIGHTS

As at the date of this Corporate Governance Statement, none of the Company's shareholders have any restrictions on voting rights attached to the shares they hold in the Company.

6. APPOINTMENT AND REPLACEMENT OF DIRECTORS AND AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION (THE "ARTICLES")

6.1. Appointment and replacement of directors

Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting, except as provided below.

At each annual general meeting of the Company, all of the Directors will retire from office except any Director appointed by the Board after the notice of that annual general meeting has been given and

before that annual general meeting has been held. A retiring Director may offer himself or herself for re-appointment by the members.

6.2 Amendment of the Articles

The Company does not have any rules in respect of amendment of the Articles, other than those provided by laws and regulations applicable to the Company.

7. POWERS OF DIRECTORS INCLUDING IN RELATION TO ISSUING AND BUYING BACK THE COMPANY'S OWN SHARES

7.1 Powers of directors

The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Act, the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not.

7.2 Powers of directors to issue shares in the Company

By ordinary resolution passed at the annual general meeting of the Company held on 14 July 2021 the Directors were generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate maximum nominal amount of £509,999.51, and this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2022 save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the expiry of such authority and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By special resolutions also passed at the annual general meeting of the Company held on 14 July 2021 the Directors were also empowered pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash either pursuant to the authority to allot set out above or by way of sale of treasury shares as if section 561(1) of the Companies Act did not apply to such allotment, and this power was limited to the allotment and/or sale of equity securities up to an aggregate nominal amount of £152,999.84 and this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2022 save that the Company is entitled to make, prior to the expiry of such authority, offers or arrangements which would or might require equity securities to be allotted and/or sold after such expiry, and the Directors may allot and/or sell equity securities in pursuance of any such offer or agreement as if the power conferred by the special resolutions had not expired.

7.3 Powers of directors to buy back the Company's own shares

By special resolution passed at the annual general meeting of the Company held on 14 July 2021 the Company was authorised generally and unconditionally, in accordance with section 701 of the Companies Act, to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares provided that: (a) the maximum number of Ordinary Shares that may be purchased is 15,299,985; (b) the minimum price which may be paid for an Ordinary Share is one penny; and (c) the maximum price which may be paid for an Ordinary Share is the higher of: (i) five per cent. above the average of the mid-market value of the Ordinary Shares for the five business days before the purchase is made; and (ii) the higher of the last independent trade and the highest current independent bid for any number of Ordinary Shares on the trading venue where the purchase is carried out. The authority conferred by that resolution will expire on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2022 save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

8. COMPOSITION AND OPERATION OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND COMMITTEES

8.1 The Board

The Directors are responsible for the determination of the Group's investment policy and setting the strategic aims and objectives of the Group, and have overall responsibility for the Group's activities including the review of investment activity and performance. The Board will meet at least four six times per annum (and on an ad-hoc basis when necessary between the scheduled meetings), the Audit, Risk and Valuations Committee will meet at least three times per annum, and the Remuneration Committee and Nominations Committee will each meet at least two times per annum.

The Directors are as follows:

Karen Slatford (Non-Executive Chair)

Karen is non-executive Chair of Draper Esprit plc. She is also a senior independent non-executive director of AIM-quoted Accesso Technology Group plc, Softcat plc, a FTSE 250 IT infrastructure provider and LSE and NYSE listed Micro Focus. Karen began her career at ICL before spending 20 years at Hewlett-Packard Company, where in 2000 she became Vice President and General Manager Worldwide Sales & Marketing for the Business Customer Organisation, responsible for sales of all Hewlett-Packard products, services and software to business customers globally. Karen holds a BA Honours degree in European Studies from Bath University and a Diploma in Marketing.

Martin Davis (Chief Executive Officer)

Martin was appointed as CEO of Draper Esprit in November 2019. He has more than 20 years of experience in financial services and joined Draper from Aegon Asset Management where he was the Head of Europe, Aegon Asset Management & CEO Kames Capital. Prior to Aegon Asset Management,

Martin served as CEO at Cofunds, spent 8 years at Zurich Insurance Group, and was also CEO of Zurich's joint venture, Openwork, the largest network of financial advice firms in the UK. Prior to this, Martin held senior management roles at Misys, Corillian, and Reuters. Martin also served for 11 years in the British Army. Martin has an MBA from London City Business School (CASS) and Diplomas from the Institute of Marketing and the Market Research Society.

Ben Wilkinson (Chief Financial Officer)

Ben was appointed to the Board on 4 June 2019, having joined the Group as CFO in 2016. In addition to his responsibilities for the Group's finance and investor relations functions, Ben serves as a member of the Investment Committee. Ben has led on recent equity and debt raises totalling over £500.0 million. Ben is an experienced leader of public company finance teams having previously served for 5 years as CFO of AIM-listed President Energy PLC where he was responsible for all financial aspects of the group. During his time at President, Ben was a key part of the Board that undertook investments into Argentina and Paraguay and raised US\$175 million across several equity issuances with shareholders such as IFC/World Bank and significant UK institutional investors. Ben is a Chartered Accountant, FCA, with a background in M&A investment banking from ABN Amro/RBS where he was involved with multiple cross border transactions and corporate financings, both debt and equity. Ben is a graduate of Royal Holloway, University of London with a BSc in Economics.

Stuart Chapman (Chief Portfolio Officer)

Prior to establishing the Group with Simon Cook in 2006, Stuart was a Director of 3i Ventures in London. Having joined 3i in 1992, he has over 25 years' venture capital experience in Europe and the U.S. He was a founding partner of 3i US, based in Menlo Park, CA from 1999 until 2003. Stuart was responsible for Esprit's investments in Lagan Technology (sold to Verint), Redkite (sold to Nice) and Kiadis (sold to Sanofi). Stuart serves as a director with Netronome, Resolver, Realeyes, Crate and Conversocial; and as observer with Graphcore. Prior to 3i, Stuart was involved in software and systems implementations for Midland Bank. He is a graduate of Loughborough University and currently serves on the Strategic Advisory Board for the Loughborough School of Business.

Richard Pelly OBE (Non-Executive Director)

Richard is a non-executive director and advisor in the area of micro, small and medium-sized businesses. Up until April 2014, Richard was the chief executive of the European Investment Fund ("EIF"), Europe's largest investor in venture capital funds. Before joining EIF in April 2008, Richard was managing director of structured asset finance at Lloyds TSB Bank in London from 2005 to 2007. From 1998 to 2005, he worked for GE Capital, first as chairman and CEO of Budapest Bank in Hungary and then as CEO of UK Business Finance within GE Commercial Finance. Prior to his career at GE, Richard worked for Barclays Bank in various functions in the UK and in France from 1977 to 1997. Richard holds an honours degree in Psychology from Durham University and an MBA with distinction from INSEAD Fontainebleau. In 2003, he was awarded an OBE in the Queen's Honours List for Services to the Community in Hungary.

Grahame Cook (Non-executive Director and Senior Independent Director)

Grahame Cook is an experienced public company non-executive director, with over 20 years' experience as an audit and risk committee chairman. Grahame's background is in investment banking, with 20 years' experience of M&A, equity capital markets and corporate advisory. Grahame started his career at Arthur Andersen, where he qualified as a chartered accountant. He became a Director of Corporate Finance at Barclays de Zoete Wedd in 1993, and then joined UBS as a Managing Director, member of its global investment banking management committee and global head of equity advisory. At UBS he was responsible for creating its industry sector teams, including tech and healthcare. In 2003 he became joint chief executive officer at WestLB Panmure where he built a pan-European business focussed on growth companies and ran a €100m technology fund. He advised the London Stock Exchange in 2003 on the creation of its TechMark growth segment. Grahame sits on a number of technology and technology rich healthcare company boards, both listed and unlisted. Grahame holds a Double First Class Honours degree from Oxford University.

Gervaise Slowey (Non-executive Director)

Gervaise Slowey is a non-executive director with a background in senior management, international business, marketing and media. She serves as a non-executive director on the boards of Wells Fargo Bank International ("WFBI"), Ulster Bank Ireland DAC, Eason PLC (Ireland's largest book retailer) and the Institute of Directors in Ireland. She also chairs the Performance and Remuneration Committee for Ulster Bank Ireland, and the Nomination Committee for WFBI. Gervaise was CEO of Communicorp Group (now Bauer), Ireland's largest independent radio group for four years to the end of 2016. Prior to that Gervaise held senior roles in Ogilvy Worldwide for 16 years, most recently Global Client Director. Gervaise has also served on the boards of the International Rice Research Institute, a global organisation dedicated to abolishing poverty and hunger among those dependent on rice, and the Institute for International and European Affairs (IIEA). Gervaise is a Chartered Company Director (Institute of Directors), a Certified Bank Director (Institute of Bankers), and a Dublin City University Business Studies graduate (BBS). She is particularly interested in sustainability and recently completed the Sustainability Leadership Program at Cambridge University.

8.2 The Audit, Risk and Valuations Committee

The Audit, Risk and Valuations Committee is responsible for ensuring that the financial performance of the Group is properly reported on and monitored. Its role includes monitoring the integrity of the Group's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings). Its role includes reviewing the Company's valuation policies and procedures to ensure that the Board is fulfilling its obligations relating to the independent and proper valuation of the underlying Group investments. It is also responsible for establishing, monitoring and reviewing procedures and controls for ensuring compliance with the relevant regulatory regime. The audit, risk and valuations committee will normally meet not less than three times a year.

As at the date of this Corporate Governance Statement, Grahame Cook chairs the committee and its members include Richard Pelly and Gervaise Slowey. The UK Corporate Governance Code recommends that all members of the audit, risk and valuations committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment and that one such member has recent and relevant financial experience. The Board considers that the Company complies with the requirements of the UK Corporate Governance Code in this respect.

8.3 The Remuneration Committee

The Remuneration Committee recommends the Group's policy on executive remuneration, determines the levels of remuneration for the Company's executive directors and the Chairperson and other senior executives and prepares an annual remuneration report for approval by the Shareholders at the annual general meeting assists the Board in reviewing the structure, size and composition of the Board. The committee is also responsible for reviewing succession plans for the Directors, including the Chairperson and the Chief Executive Officer and other senior executives. The Remuneration Committee will normally meet at least twice a year.

As at the date of this Corporate Governance Statement, Richard Pelly chairs the Remuneration Committee and its members comprise Grahame Cook and Gervaise Slowey. The UK Corporate Governance Code recommends that all members of the Remuneration Committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Group complies with the requirements of the UK Corporate Governance Code in this respect.

8.4 The Nominations Committee

The Nominations Committee is responsible for reviewing succession plans for the Directors, including the Chairperson and the Chief Executive Officer and other senior executives. The Nominations Committee will normally meet at least twice a year.

As at the date of this Corporate Governance Statement, Karen Slatford chairs the Nominations Committee and its members comprise Grahame Cook, Richard Pelly and Gervaise Slowey. The UK Corporate Governance Code recommends that all members of the Nominations Committee be non-executive directors, independent in character and judgment and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgment. The Board considers that the Group complies with the requirements of the UK Corporate Governance Code in this respect.

9. BOARD DIVERSITY POLICY

The Board believes that creating an environment that celebrates and encourages a diverse range of skills, perspectives and experiences will facilitate better and more effective insights, challenge, decision-making, and strategy development. In addition, the Company considers promotion of diversity and inclusion, at all levels across its business, to be essential to attract, develop and retain

the highest-calibre talent and, as such, a fundamental part of succession planning. The Company has therefore adopted the Board Diversity Policy (the "**Policy**") to set out the Company's approach to diversity and inclusion of the Board.

In accordance with the Policy, it is the overall long-term ambition of the Company to work towards a diverse Board that over time has:

- (a) a balance of female / male composition that is either 50:50 or as close as possible to this having regard to the number of directors on the board at any given time (which may not be an even number and, by way of example, would be deemed satisfied by the appointment of three female directors on a seven person Board); and
- (b) at least one director who is black, Asian or of other minority ethnic background.

The Policy also sets out the initial short-mid-term aspiration of the Company, which is to achieve:

- (a) female representation on the Board of not less than 33% in 2021 and not less than 40% by 2023; and
- (b) at least one director from a black, Asian or other minority ethnic background by 2023.

The Board supports the recommendations set out in the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic diversity and will work to meet those recommendations.

The Policy has been implemented with effect from [23 July 2021]. The Board will report annually on its compliance with the Policy in the Nominations Committee report and/or Corporate Governance section of the Annual Report.

Dated: 23 July 2021