ELECTRA PRIVATE EQUITY PLC
THE UK STEWARDSHIP CODE

Electra Private Equity PLC ("Electra") has been quoted on the London Stock Exchange since 1976. Electra is managed as an HM Revenue and Customs approved investment trust and invests primarily in the private equity mid-market.

Electra's objective is to achieve a rate of return on equity of between 10-15% per year over the long-term by investing in a portfolio of private equity assets.

The investment focus is principally on Western Europe, with the majority of investments made in the United Kingdom. The investment portfolio consists of Buyouts and Co-investments, Secondaries, listed securities and funds. Since 2015, the main focus has been on Buyouts and Co-investments, which are unquoted equities.

The UK Stewardship Code ("the Code") was first published by the Financial Reporting Council in 2010 and revised in September 2012, with the aim of enhancing the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and to this end Electra reports on its compliance with the Code.

The application of the Principles contained in the Code as they apply to Electra's portfolio is set out below but it should be noted that the Code is focused on UK listed investments, which no longer form part of Electra's portfolio.

Code Principle no. 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

- Electra monitors and engages with its portfolio company boards on all matters such as strategy, performance, risk, capital structure, and corporate governance, including culture and remuneration.

- Engagement is carried out through representation on the boards, so far as is permitted by shareholder agreements, and regular contact with the management of portfolio companies on such matters as well as on issues that are the subject of votes at general meetings.

- Engagement with portfolio companies is carried out in accordance with the policies of the Electra Board.

- Electra's policy on voting at investee shareholder meetings is as follows:

    - Electra generally votes on all issues put to shareholders.
    - Electra has complete discretion in relation to all voting issues in respect of the Company's investments.

- Electra has direct responsibility for voting and does not use the services of any external proxy voting agencies.

Code Principle no. 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed

- Electra is an investment trust and does not manage the assets of external clients. Accordingly, any issues arising with regard to conflicts of interest in relation to stewardship are rare.

- For this reason, Electra does not have a written policy on managing conflicts of interest in relation to stewardship.

- Should any question arise regarding a conflict of interest in relation to stewardship, it would be passed to the established Electra Audit and Risk Committee. This committee is comprised entirely of Electra independent non-executive directors.

Code Principle no. 3: Institutional investors should monitor their investee companies

- For portfolio companies where Electra has Board representation, monitoring is regular and interactive through Board meetings and other meetings with management. The Electra Executive team oversees the day-to-day engagement with its portfolio companies.

- Electra’s interests are ordinarily represented and voted at general meetings of the portfolio companies.

- Where there is no direct or indirect Board representation, communication is maintained regularly and updates sought in each case at least for each half year and full year unlisted investment valuations exercise.

Code Principle no. 4: Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.

- For portfolio companies where Electra has Board representation, open and regular dialogue with company management is maintained on a regular basis and the level of communication and involvement will be increased if considered necessary. For investments where Electra does not have Board representation, the same principles apply, although the dialogue is likely to be less frequent.

Code Principle no. 5: Institutional investors should be willing to act collectively with other investors where appropriate

- Electra will collaborate with other investors where this is considered to be appropriate and effective, and where it is prepared to be bound by any restrictions that arise on its freedom of action as a consequence of engaging in a collective group.

Code Principle no. 6: Institutional investors should have a clear policy on voting and disclosure of voting activity

- Electra will vote as described under Code Principle no. 1 (above). As Electra's investments are unquoted and it does not manage external funds, it does not disclose its voting record.

- Electra has complete discretion in relation to all voting issues in respect of the Company's investments. It has direct responsibility for voting and does not use the services of any external proxy voting agencies.

Code Principle no. 7: Institutional investors should report periodically on their stewardship and voting activities

- As disclosed under Code Principle no. 6 above, there is no disclosure of Electra's voting records, nor is there an external audit opinion on its adherence to voting policies. Regular reports on engagement with portfolio companies including voting activity are made to the Electra Board. This Policy is reviewed annually and updated as required and a copy is maintained on the Company's website.

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