

## Chairman's Introduction

The Company is managed under the direction and supervision of the Board of Directors. Among other things, the Board sets the vision and strategy for the Company in order to effectively implement the Company's business model which is to bring hybrid credit financing to European and other markets and thereby deliver long term value to our shareholders through regular income and capital growth.

Good corporate governance creates shareholder value by improving performance while reducing or mitigating risks that the Company faces as we seek to create sustainable growth over the medium to long-term. It is my role as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

To these ends and in line with the changes to the AIM Rules to require all companies to adopt and comply with a recognised corporate governance code, the Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code"). It was decided that the Code was more appropriate for the Company's size and stage of development than the more prescriptive Financial Reporting Council's UK Corporate Governance Code. The report that follows sets out in broad terms how we comply with the Code at this point in time and we will provide annual updates to the report going forward.

### *Principle 1: Establish a purpose, strategy and business model which promote the long-term value for shareholders*

The Company provides alternative financing solutions to a diversified range of businesses in Europe and abroad. Its focus is on providing financing solutions to private companies that are in need of capital but whose owners wish to maintain control of their business and do not want to dilute their equity capital or face near term refinancing risk. The leadership team comprises industry professionals with a wealth of experience across investment management, financial services and commercial business.

Duke's strategy is to continue building a diversified hybrid credit portfolio focusing on income growth through the deployment of the Company's capital to take advantage of opportunities in the SME market. The objective is to pay a significant proportion of the Company's free cash flow from the hybrid credit revenues it receives to shareholders as dividends.

In order to capitalise on the available opportunities and to mitigate the key challenges facing the Company, Duke has assembled a high-quality Board of Directors and set of advisers including a very experienced investment advisory committee with substantial experience in a range of commercial businesses. The Company has been structured as an investment holding company in order to give the Board maximum flexibility to achieve its goals and is domiciled in a tax efficient jurisdiction to ensure shareholders receive the maximum benefit from any realised profits.

The key challenges with the strategy are to ensure the selection of our hybrid credit investments deliver the expected rates of return for our shareholders; diversifying the number of hybrid credit investments across different companies and industries so that any erosion of return in any one investment does not materially impact the Company's overall return; and delivering accretive returns for shareholders in order to expand the capital base of the Company.

### *Principle 2: Promote a corporate culture that is based on ethical values and behaviours*

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. With regard to the structure and size of the Company, the Board is confident the ethical values are being adhered to through multiple ways. Most employees are members of professional bodies, such as the FCA, the Ontario Securities Commission ("OSC"), the CFA Institute, the Institute

of Chartered Accountants in England and Wales and/or relevant legal / accountancy bodies. All these professional bodies require their members to annually declare they are in compliance with the ethical code and codes of conduct. The Company's Support Services providers (who are themselves FCA and OSC regulated) maintain and review procedure manuals that includes clear guidance on what is expected of every employee and officer of the providers. Adherence to these standards is a key factor in the evaluation of performance within the Company, including during annual performance reviews. Having a relevant professional degree and being a member in good standing of the professional body aligns with the culture the Company cultivates to obtain its objectives. As a finance provider to companies, the Company will only meet its objectives if all of its employees are ethical, fair and transparent in their dealings with our stakeholders. The feedback of the Company's capital providers of their relationship with every member of the Company is requested to assist the Company in reinforcing its corporate culture.

*Principle 3: Seek to understand and meet shareholder needs and expectations*

The Company is committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about us, and in turn, helping these audiences understand our business, is a key part of driving our business forward and we actively seek dialogue with the market. We do so via retail and institutional investor roadshows, attending and presenting at investor conferences, meeting with independent investment analysts and financial journalists and our regular reporting.

The Directors actively seek to build a relationship with institutional shareholders. The Chief Executive Officer ("CEO") and other directors make presentations to institutional shareholders and analysts from time to time in part to listen to their feedback and have a direct conversation on any areas of concern. The Board as a whole is kept informed of the views and concerns of major shareholders by briefings from the CEO. Any significant investment reports from analysts are also circulated to the Board. The Non-Executive Chairman is also available to meet with major shareholders if required to discuss issues of importance to them.

The Annual General Meeting ("AGM") is one forum for dialogue with shareholders and the Board. The Notice of Meeting is sent to shareholders at least 14 clear days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are subsequently published on the Company's website.

*Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success*

Engaging with all our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. The Board is regularly updated on wider stakeholder engagement to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider these issues in decision-making. Some examples of stakeholders aside from our shareholders are our capital partners, our Support Service Providers, and our due diligence partners. The Board therefore closely monitors and reviews the results of the Company's engagement with those groups to ensure alignment of interests. For instance, the Company will engage with the Support Service Providers to ensure adequate resources are available, and that appropriate staffing levels, pay equality and training is provided to ensure long term success for the Company.

The Company also is updated as to any changes in the Service Providers, Abingdon Capital Corporation and Arlington Group Asset Management, that could affect their service to the Company. The Company requires regular financial reporting from its capital partners on a monthly or quarterly basis, attends or observes board meetings and will schedule regular calls for operational updates. In addition, meeting with capital partners to better understand their corporate strategy allows the Company's employees to understand how they can add

value for the capital partners' management. For example, the Company has introduced acquisition candidates to capital partners who wish to grow through acquisition.

All employees within the Company are valued members of the team, and the Board seeks to implement provisions to retain and incentivise all its employees. As an equal opportunity employer, we are committed to embedding equality and inclusion in all our practices. The Company complies with relevant regulations, including the Modern Slavery Act.

The Board also recognises its responsibility to consider the long-term interests of shareholders by integrating environmental, social and governance (ESG) factors into the investment decision-making process. The Company has implemented a Responsible Investment Policy, available on the Company website, which is woven into all investment decisions.

*Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation*

#### Financial Controls

The Company's audit committee comprises Matthew Wrigley (Chairman), Nigel Birrell and Maree Wilms. The audit committee meets as often as required and at least twice a year. The committee's main functions include, reviewing the effectiveness of internal control systems and risk assessment, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The audit committee also monitors the integrity of the financial statements of the Company including its annual and interim reports and any other formal announcement relating to financial performance. The audit committee is responsible for overseeing the Company's relationship with the external auditors, including making recommendations to the Board on the appointment of the external auditors and their remuneration. The audit committee considers the nature, scope and results of the auditors' work and reviews, and can develop and implements policies on the supply of non-audit services that are provided by the external auditors where appropriate. The audit committee focuses particularly on compliance with legal requirements, accounting standards and the relevant AIM Rules for Companies and ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The identity of the Chairman of the audit committee is reviewed on an annual basis and the membership of the audit committee and its terms of reference are kept under review. The audit committee members have no links with the Company's external auditors.

#### Investment Committee

The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to our plan. The Board continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available.

The Company's investment committee, which is made up of members nominated by the Company, includes three independent members. The current members of the investment committee are Neil Johnson, Executive Director and Chief Executive Officer of the Company; Charles Cannon Brookes, Executive Director and Chief Investment Officer of the Company; Jim Webster, Chair of the Committee; Justin Cochrane, the CCO of Vero3 Limited; John Romeo, Managing Partner and Executive Committee and Risk Committee member at Oliver Wyman; and Andrew Carragher, a founder and Managing Partner of DW Healthcare Partners, a private equity firm founded in 2002 with over ~\$2 billion under management.

The investment committee is responsible for reviewing the pipeline of all proposed opportunities; assisting and advising on deal terms; identifying and managing potential conflicts of interests; assessing the individual capital requirements for each potential opportunity; making recommendations to the Board and reviewing the

performance and outlook of the portfolio. The investment committee has no power to bind the Company to any potential transaction, and the Company is not bound to follow any advice or recommendation of the investment committee. Whether to proceed or not with any proposed hybrid credit financing is ultimately decided by the Board.

#### Standards and policies

The Board is committed to maintaining appropriate standards for all the Company's business activities and ensuring that these standards are set out in written policies where appropriate. The Board acknowledges that the Company's international operations may give rise to possible claims of bribery and corruption. In consideration of the UK Bribery Act the Board reviews the perceived risks to the Group arising from bribery and corruption to identify aspects of the business which may be improved to mitigate such risk. The Board has adopted a zero-tolerance policy toward bribery and has reiterated its commitment to carry out business fairly, honestly and openly. The Company has also adopted a share dealing code for the Board, in conformity with the requirements of Rule 21 of the AIM Rules for Companies and will take steps to ensure compliance by the Board and senior staff with the terms of the code. In summary, the code stipulates that those covered by it should: not deal in any securities of the Company unless prior written notice of such proposed dealings has been given to the Board and written clearance received from the Board; not purchase or sell any securities of the Company in the two months immediately preceding the announcement of the Company's half-yearly or annual results; not use another person, company or organisation to act as an agent, or nominee, partner, conduit or in another capacity, to deal in any securities on their behalf where that third person would breach obligations under this paragraph; and immediately inform the Board of any dealings in the Company's shares.

All material contracts are required to be reviewed and signed by a senior Director of the Company and reviewed by our external counsel.

The Company has a social media policy. The objective of the policy is to minimise the risks to the Company through use of social media. The policy deals with the use of all forms of social media, including Facebook, LinkedIn, X (formerly Twitter), Google+, Wikipedia, Whisper, Instagram, Vine, Tumblr and all other social networking sites, internet postings, the Company's website, non-regulatory news feeds and blogs. It applies to use of social media for business purposes as well as personal use that may affect the Company in any way. The policy covers all employees, officers, consultants, contractors, interns, casual workers and agency workers and any of the above who are working on the Company's behalf at the Company's Support Services providers.

#### *Principle 6: Maintain the board as a well-functioning, balanced team lead by the chair*

The Board comprises the Non-Executive Chairman, two Executive Directors and two Non-Executive Directors. The Board considers that the Non-Executive Directors bring an independent judgement to bear. The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. The Chairman holds update meetings with each Director to ensure they are performing as they are required.

During the financial year to 31 March 2025, fourteen Board meetings took place. Key Board activities this year included: Input into the growth plan and increased dividend policy; Continued open dialogue with the investment community; Considered our financial and non-financial policies; Discussed strategic priorities; Discussed the Company's capital structure and financial strategy, including capital investments and shareholder returns; Discussed internal governance processes; reviewed the Company's risk profile; Reviewed feedback from shareholders post full and half year results. The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests must be reported to and, where appropriate, agreed with the rest of the Board.

*Principle 7:*

*Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities*

The Board meets at least four times each year in accordance with its scheduled meeting calendar. The Board sets direction for the Company through a formal schedule of matters reserved for its decision. Prior to the start of each financial year, a schedule of dates for that year's four Board meetings is compiled to align as far as reasonably practicable with the Company's financial calendar while also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required. During the financial year to 31 March 2025, the Board met for its four scheduled meetings plus an additional 10 meetings.

The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and committee papers are expected to be distributed well before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant committee and then followed up by the Company's management.

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall group strategy; approval of major investments; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the executive team.

The Board is supported by the audit, remuneration and investment committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The remuneration committee comprises not less than three members, all of whom are independent Non-Executive Directors. Other Directors are invited to attend as appropriate and only if they do not have a conflict of interest. The committee ensures remuneration is aligned to the implementation of the Company strategy and effective risk management, considering the views of shareholders and is also assisted by executive pay consultants as and when required.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of finance, especially hybrid credit finance, capital markets, legal and portfolio management. All Directors receive regular and timely information on the Company's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. Contracts are available for inspection at the Company's registered office.

The Board makes decisions regarding the appointment and removal of Directors and there is a formal, rigorous and transparent procedure for appointments. The Company's Articles of Association require that: any Director who has held office at the time of the two previous AGMs and who did not retire at either of them must retire from office and may offer him or herself for re-election by the shareholders; and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Nominated Advisor.

*Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement*

The Board recognises the importance of regular evaluation of its own performance and effectiveness in order to support strong governance and continuous improvement.

The Board undertakes periodic assessments of its performance, composition and effectiveness against the Company's strategic objectives and governance requirements. This evaluation considers the balance of skills, experience and independence of the Directors, the quality of Board and committee discussions, and the effectiveness of decision-making and oversight.

The Chair leads the Board evaluation process, with input from all Directors. The performance of individual Directors is considered as part of this process, together with the performance of Board committees. Directors are encouraged to provide open and constructive feedback, and actions arising from the evaluation are discussed and, where appropriate, implemented.

Given the size and structure of the Company, the Board considers that an internally facilitated evaluation process is appropriate at this stage. The Board keeps this approach under review and will consider the use of external facilitation as the Company evolves.

*Principle 9:*

*Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture*

The Company's remuneration policy is designed to support the long-term success of the business and to align the interests of executive management with those of shareholders, while remaining proportionate and appropriate to the size and nature of the Group.

The Company has established a Remuneration Committee, which is responsible for agreeing a policy for the remuneration of the executive Directors, non-executive Directors and other senior executives. The Committee comprises of Nigel Birrell (Chair), Matthew Wrigley and Maree Wilms. Executive Directors are not involved in decisions relating to their own remuneration.

Executive remuneration comprises a combination of fixed salary and performance-related incentives. Executives may earn short-term incentives, linked to the achievement of clearly defined annual financial and strategic objectives that support the delivery of the Company's business plan. These objectives are selected to promote disciplined investment decision-making and sustainable performance. In addition, executives may participate in long-term incentive arrangements that are structured to align rewards with long-term value creation and include performance conditions designed to encourage sustained performance over time and to mitigate excessive risk-taking.

Non-executive Directors are remunerated by fixed fees only and do not participate in any performance-related incentive schemes, thereby preserving their independence.

The Board considers that the Company's remuneration framework supports its long-term strategy, promotes alignment with shareholders and is consistent with the principles of good corporate governance.

*Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders*

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the AGM, EGM's as required, and one-to-one meetings with large existing or potential new shareholders. A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website, [www.dukecapital.com](http://www.dukecapital.com). The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Company's broker. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views. The Company also communicates to individual investors and private client brokers through a dedicated email address, investor roadshows, presentations at investor conferences and retail investor webinars through platforms such as Investor Meet Company.