

Policy governing shareholder commitment and exercising voting rights

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Regulatory provisions:

- French Decree no. 2019-1235 of 27 November 2019 transposing Directive (EU) 2017/828
- Provisions of the French Monetary and Financial Code: Articles L533-22 et seq., R533-16 and Article L214-24-21
- Provisions of the AMF General Regulation: Articles 319-21

Foreword

The European “Shareholders’ Rights” Directive transposed into French law is intended to strengthen long-term investment in companies and to promote the transparency of investments by “institutional investors”. BlackFin Capital Partners is required to describe and make publicly available its long-term commitment to the portfolio companies in which it invests.

This policy describes how BlackFin Capital Partners incorporates its role as shareholder into its investment strategy. It fully covers the voting policy and describes the additional mechanisms put in place by BlackFin Capital Partners to strengthen dialogue with its portfolio companies.

With the exception of its voting policy applied regularly to each portfolio company in a general meeting, BlackFin Capital Partners follows the various shareholder engagement criteria described below to the extent possible. Where it does not apply them, or not fully, it explains why in this policy.

1. Scope

The shareholder commitment policy describes how the company incorporates its role as shareholder into its investment strategy. It thus covers investments in equities.

2. Policy objectives

The shareholder engagement policy describes how the following are in particular ensured:

- Monitoring the strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance;
- Dialogue with portfolio companies;
- Exercise of voting and other rights attached to shares;
- Cooperation with other shareholders;
- Communication with relevant stakeholders;
- Preventing and managing actual or potential conflicts of interest in relation to their engagement

3. Policy provisions

3.1. Monitoring of portfolio companies

The monitoring of the strategy, financial performance, risks, capital structure and governance are inherent in the selection of portfolio companies at BlackFin Capital Partners.

BlackFin Capital Partners undertakes to fully exercise its responsibilities as shareholder in the interest of investors by investing with a long-term horizon, analysing portfolio companies in detail with a view to creating value. To this end, the managers analyse the economic and financial performance of the portfolio companies in which they invest and pay particular attention to their good governance as well as their social and environmental footprint.

3.2. Dialogue with portfolio companies

BlackFin Capital Partners strives to understand the approach taken by management of portfolio companies in order to assess their managerial capabilities.

Shareholder dialogue takes place through meetings, conference calls and correspondence.

As a management company that primarily invests in unlisted companies, BlackFin Capital Partners seeks to add value by supporting portfolio companies to make the most of the opportunities available to them, while helping them anticipate and prepare for risks. Prior to any investment, BlackFin Capital Partners carries out various types of due diligence (commercial, acquisitions, tax, financial, social, strategic, etc.). The analyses carried out prior to each investment are presented to the investment committee and the files are voted on by the committee members.

Post-investment, these items continue to be monitored: BlackFin Capital Partners regularly meets with the managers and senior executives of the portfolio companies. The dialogue is structured through governance bodies (board of directors or supervisory board), working meetings or ad hoc requests.

3.3. Exercise of voting and other rights attached to shares

- **General principles applicable to analysing resolutions**

The principles of the Management Company are:

1. Act in the interests of investors, in compliance with the Fund bylaws and the applicable rules for managing conflicts of interest;
2. Ensure that the information provided to shareholders is transparent, and that the powers of the general meeting are preserved;
3. Ensure the independence of the statutory auditors;
4. Act in compliance with ESG and good governance criteria.

In accordance with these principles, BlackFin Capital Partners examines the resolutions tabled on a case-by-case basis and in particular:

1. Decisions resulting in the amending of the articles of association (extraordinary general meetings);
2. Equity security issue and redemption programs;
3. Approval of the financial statements and appropriation of earnings;
4. The creation and removal of corporate bodies;
5. Related-party agreements;
6. Appointment of statutory auditors.

The application of the procedure of BlackFin Capital Partners for exercising voting rights is based on the monitoring and analysis of the resolutions tabled at general meetings, in accordance with the basic principles of good governance, set out below:

- Monitoring compliance with shareholder rights in the articles of association (application of the "one share, one vote" principle);
- Monitoring the quality and powers of the members of the board of directors or supervisory board (application of the principles of separation of powers and independence of the board);
- Monitoring executive compensation and, in general, verifying the appropriateness and proportionate nature of executive and employee equity packages (application of the principles of transparency and equitable compensation);
- Monitoring the appropriation of earnings and the use of capital (application of the principle of "reasoned management" of capital, including executives' cash compensation);
- The approval of the financial statements, management, related-party agreements and the reappointment of the Statutory Auditors (application of the principles of integrity of the financial statements, quality of communication and limitation of conflicts of interest situations when reappointing the statutory auditors);
- Analysis of strategic developments and capital transactions such as share buyback programmes or new share issues, as well as all the various proposals that may be submitted to shareholders (directors' fees, other amendments to the articles of association, etc.).

- **Organization of the exercise of voting rights**

The persons authorised to vote are those employees that BlackFin Capital Partners has appointed as directors / agents who are responsible for examining and analysing the resolutions tabled by management at the funds' portfolio companies.

They are responsible for organising the exercise of voting rights.

The direction of the vote to be cast is decided by the partners of BlackFin Capital Partners.

The Management Company usually participates in general meetings. It is generally represented by a partner. If this is not possible, the Management Company will vote by proxy or by post.

The minutes of general meetings and the related documents are stored on an internal network at BlackFin Capital Partners.

- **Conditions for exercising voting rights**

Voting rights will be exercised regardless of the percentage of voting rights held in the investments.

3.4. Cooperation with other shareholders

BlackFin Capital Partners invests in unlisted companies. Dialogue with the company and between shareholders is governed by the articles of association. Usually, and because the number of shareholders is limited in unlisted companies, the articles of association are supplemented by a shareholders' agreement. The agreements supplement the articles of association and allow for the organisation of shareholders in terms of decision-making, governance and looking to the liquidity of the funds managed.

3.5. Communication with relevant stakeholders

BlackFin Capital Partners interacts with various stakeholders on a case-by-case basis (shareholders and in particular co-investors, managers and top executives, bankers, legal advisers, consultants, certain clients/suppliers, etc.).

3.6. Prevention and management of conflicts of interest

BlackFin Capital Partners has a policy for managing and preventing conflicts of interest. This is available from its website. In accordance with this policy, the Company must exercise its voting rights:

- Fairly and equitably in the collective interest of its investors;
- Acting in compliance with the applicable rules;
- In compliance with all regulations applicable to the conduct of its business;
- In compliance with all the provisions of the Procedures Handbook provided to the management company's employees;
- In a manner that ensures, depending on its function, that the information provided to it is solely used for the benefit of investors.

Members of the investment team must immediately inform the Compliance and Internal Control Manager of any conflict of interest that may impinge on the free exercise of voting rights. The Management Company will then assess the desirability of voting after first obtaining the opinion of the Compliance and Internal Control Manager.

4. Reports on the exercise of voting rights and the shareholder commitment policy

In accordance with the provisions of the common France Invest/AFG code of ethics, BlackFin Capital Partners reports on how it has exercised its voting rights and its shareholder commitment policy in a report appended to the annual management report, which can be sent on request. The Finance department is responsible for drawing up this report on the exercise of voting rights within six months of the end of the Management Company's financial year.

5. Dissemination and review of the policy

BlackFin Capital Partners makes this policy and the annual reports on its application available to its investors upon request.

A reference to the existence of this policy is also available on the BlackFin Capital Partners website.

BlackFin Capital Partners plans to update this policy if its implementation changes.