

Engagement Policy

Last Update: December 31st, 2023.

Preamble

Keensight Capital is a European growth buyout investor with deep expertise in Technology and Healthcare. We partner with the management teams of fast-growing and profitable companies providing capital, strategic guidance and operational support.

The Engagement Policy outlines the long-term commitment of Keensight Capital to the companies in which its Funds invest. This policy aligns with the transposition of the European Directive 2017/828, commonly known as the “Shareholders' Rights Directive”, which aims to promote long-term shareholder engagement to ensure that decisions are made for the long-term stability of a company and take into account environmental and social issues.

Portfolio management companies are required to establish a shareholder engagement policy that describes how their investment strategy and its implementation contributes to the medium to long-term performance of its invested companies. Annually, they have to disclose information on how they have implemented this policy, and how they voted at significant votes.

The content of this policy encompasses the following elements: voting policy, monitoring of financial and non-financial performance, risk assessment, capital structure, social and environmental impact, corporate governance, interaction with held companies, exercise of voting rights and other attached rights, collaboration with other shareholders, communication with relevant stakeholders, and the prevention and management of actual or potential conflicts of interest in relation to their engagement.

1. Monitoring of strategy, financial and non-financial performances, risks, capital structure, social and environmental impact, and corporate governance

Keensight Capital has set several objectives, including:

- Promoting the development of positive and sustainable corporate practices through dialogue and exercising voting rights at company general meetings;
- Implementing a rigorous and structured investment policy to serve as the foundation for selecting investments.

The investment team regularly monitors the evolution of strategy, financial performance, risks, and financial structure for both current portfolio companies and investment targets, primarily through the analysis of revenue and financial results publications.

This monitoring is carried out by teams, working in pairs to offer contingency in the event of the primary contact's departure and to enhance information sharing. Keensight Capital, through its shareholder agreements, ensures the inclusion of clauses for regular information rights.



The data collected allows Keensight Capital's team to conduct an internal semi-annual assessment of the investments, considering both quantitative and qualitative criteria. Every quarter, Keensight Capital provides its subscribers with a report, including a descriptive sheet for each investment.

Keensight Capital also integrates an analysis and monitoring of non-financial performance, including the social, environmental, and corporate governance impact through an approach described in its Responsible Investment Policy. ESG criteria are thus considered throughout the lifecycle of our investments, from the initial analysis to the exit. In this regard, Keensight Capital has established an annual reporting process and implemented dedicated ESG software to track progress, identify areas of improvement, and generate detailed reports on sustainability performance. This comprehensive approach ensures portfolio companies are meeting their ESG objectives and staying on track for long-term success.

2. Dialogue with portfolio companies

The investment team regularly meets with the management of portfolio companies where they discuss financial and non-financial matters concerning the investments. Keensight Capital's team promotes best practices related to ESG issues and maintains ongoing dialogue, including regular meetings and feedback with company management regarding their implementation and progress.

Furthermore, they promptly receive or stay informed about company communications and actively participate in shareholders' general meetings.

3. Exercise of voting rights and other rights attached to shares

3.1. Organization enabling Keensight Capital to exercise its mandates

Keensight Capital holds mandates within the oversight bodies (Board of Directors or Supervisory Committee) of its Funds' investment portfolio company. Keensight Capital delegates authority to one or more members of the investment team to fulfil its responsibilities in accordance with the shareholder agreements established for each investment. These mandates usually have a one-year duration and are automatically renewed by Keensight Capital on an annual basis.

3.2. Organization enabling the company to exercise its voting rights

The voting decision is made by the Partner or Investment Director overseeing the investment. Keensight Capital consistently participates in voting on resolutions presented at the general meetings of the investments. The voting decision is made on a case-by-case basis based on the proposed resolutions, including changes to articles of association, approval of financial statements and profit allocation, appointment and removal of corporate officers, related-party transactions, share issuance and buyback programs, amendments to shareholder agreements, etc. In all cases, the voting decision is made in the best interests of the investors of the Funds.



3.3. Report on the Exercise of Voting Rights

Within four months of the end of its fiscal year, Keensight Capital prepares the annual report of the Funds, which includes a report detailing the manner it has exercised the voting rights associated with the securities held by its Funds. This report, which is sent to all the Fund's investors, and to the AMF specifically includes:

- The number of portfolio companies in which Keensight Capital exercised its voting rights in relation to the total number of companies in which it had voting rights;
- Cases in which Keensight Capital deemed it unable to adhere to the principles outlined in its Engagement Policy; and
- Instances of conflicts of interest that Keensight Capital has had to address.

4. Dialogue with other shareholders

Dialogue and cooperation with other shareholders may happen to protect the rights of minority shareholders, including the interests of the holders or shareholders of Keensight Capital's Funds, who might be disadvantaged in some way by the portfolio company. This cooperation can rely on the established shareholder agreement to safeguard the interests of investors, particularly when they are minority shareholders.

An ESG clause has been included in every shareholder agreement since 2013. This commitment ensures that all stakeholders adhere to laws and regulations pertaining to ESG.

5. Dialogue with other relevant stakeholders

Keensight Capital regularly participates in market discussions with various stakeholders to raise awareness among management teams about long-term issues, thereby improving the identification of financial challenges faced by portfolio companies.

This communication is beneficial as it initiates a constructive and transparent dialogue with several stakeholders, including financial management bodies (France Invest and AFG), the regulator (AMF), and institutional investors.

Keensight Capital also frequently engages with independent experts and advisors through external organizations to delve deeper into specific topics, stay informed about regulatory changes, enhance its Responsible Investment approach, and share best practices with portfolio companies. Those discussions are carried out transparently without sharing confidential data on Keensight Capital, its Funds, or the portfolio companies.



6. Prevention and Management of Real or Potential Conflicts of Interest

Keensight Capital acts independently and exclusively in the best interests of its managed Funds and its investors.

Keensight Capital maintains a conflict-of-interest management policy designed to implement organizational and administrative measures for the prevention, detection, and effective handling of real or potential conflicts of interest that may arise during the provision of investment services.

The Chief Compliance Officer establishes and maintains of a register, detailing situations of conflicts of interest encountered, including the individuals involved, the potential impacts, and their resolutions.

The management of conflicts of interest is also subject to internal controls at several levels (permanent and periodic controls) to prevent any risk of conflict.

7. Shareholder Engagement Report

Keensight Capital publishes on its website an annual report regarding the implementation of its Engagement Policy. This report includes the following elements:

- A general description of how voting rights were exercised;
- An explanation of the choices made regarding the most significant votes.