



**Policy name**

**Shareholder Engagement Policy**

**Objective**

The objective of the following policy is:

- To set out the principles that should govern the two-way interaction between the management company and its portfolio companies and its shareholders.
- How voting is exercised,
- Explanation of the choices made on the most important votes,
- Information on the possible use of services rendered by proxy advisers,
- Orientation of votes cast during general meetings, excluding insignificant votes because of their object or the size of the participation in the company.

**Content owner**

RCCI

**Concerned staff**

Entire staff of Jolt Capital

**Regulatory framework**

- Article L533-22 of the Monetary and Financial Code
- Article R533-16 of the Monetary and Financial Code

**Main related policies and procedures**

- Jolt Capital ESG Policy
- Jolt Capital Voting Policy
- Jolt Capital Investment Monitoring Policy

**Network Location**

## Versioning

Version	Date	Approved by	Comments
1.0	01.01.22		



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## **I. Introduction**

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### **A. Objective**

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The following shareholder Engagement policy has been written in response to the requirements listed below which places an obligation on management companies to publicly disclose their policy on shareholder engagement, including the approach to voting at a portfolio company level and at a management company level.

The content of this policy includes voting policy, monitoring of strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance, dialogue with the companies held, the exercise of voting rights and other rights attached to shares, cooperation with other shareholders, communication with relevant stakeholders, prevention and management of actual or potential conflicts of interest in relation to their engagement.

Each year Jolt Capital presents through its website a report on the implementation of the shareholder engagement policy, which includes the following elements:

- general description of how the voting rights were exercised, explanation of the choices made on the most important votes,
- information on the possible use of services rendered by proxy advisers,
- the orientation of votes cast during general meetings, this information being able to exclude insignificant votes because of their object or the size of the participation in the company.

These objectives are reinforced through the active monitoring, engagement and involvement with companies on matters such as risk, capital structure, corporate governance, ESG, and overall performance. Engagement takes form through constant communication and through votes at various meetings.

### **B. Scope of application**

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Under Article 533-16 S1, directive 2007-36, as amended by directive 2017-828 of the Monetary and Financial Code the Shareholder Engagement Policy must include the following elements concerning how the management company:

- monitors the portfolio companies on relevant matters, including on their strategy and on financial matters (including financial performance, ESG matters, and general matters relating to corporate governance,
- interacts with portfolio companies.
- exercises the voting rights within the administration of these portfolio companies.
- co-operates with investors within the fund's managed by the management company, and other investors and co-investors of the portfolio companies.
- manages actual and potential conflicts of interests in relation to its involvement.

## II. Regulatory Framework

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### A. Main applicable texts

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#### I. Article L533-22 of the Monetary and Financial Code:

The portfolio management companies mentioned in article L. 532-9, with the exception of those which exclusively manage AIFs falling under I of article L. 214-167, AIFs falling under IV of Article L. 532-9, AIFs falling under the second paragraph of III of the same article L. 532-9 or which manage other collective investments mentioned in article L. 214-191, develop and publish a policy of 'shareholder engagement describing how they integrate their shareholder role into their investment strategy. Each year, they publish a report on the implementation of this policy.

The shareholder engagement policy mentioned in I of article L. 533-22 describes the way in which the following elements are notably ensured:

- monitoring of strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance.
- dialogue with the companies held.
- the exercise of voting rights and other rights attached to shares.
- cooperation with other shareholders.
- communication with relevant stakeholders.
- the prevention and management of real or potential conflicts of interest in relation to their commitment.

One or more of this information may not appear in the shareholder engagement policy if the reasons for which it was excluded appear there.

As part of their shareholder engagement policy, portfolio management companies exercise the rights attached to securities held by UCITS and AIFs falling under paragraphs 1, 2 and 6 of subsection 2, paragraph 2 or sub-paragraph 1 of paragraph 1 of sub-section 3, or of sub-section 4 of section 2 of chapter IV of title I of book II of this code that they manage in the exclusive interest of the shareholders or unitholders of these UCITS and AIFs.

#### I. The annual report on the implementation of the shareholder engagement policy mentioned in I of article L. 533-22 includes in particular:

- a general description of how the voting rights have been exercised.
- an explanation of the choices made on the most important votes.
- information on the possible use of services rendered by proxy advisers.
- the orientation of the votes cast during general meetings, this information being able to exclude the insignificant votes because of their object or the size of the participation in the company.

One or more of this information may not appear in the annual report if the reasons for which it was discarded appear there.

#### II. The shareholder engagement policy and its annual report are made available to the public on the websites of the companies concerned, free of charge.



- III. The legislative and regulatory provisions governing conflicts of interest of companies to which Article L. 533-22 applies also apply with regard to the development and implementation of the shareholder engagement policy.

### III. The Policy

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Jolt Capital is an AIFM registered in Paris, France. We are also present in Lausanne (Switzerland), Copenhagen, and Boston. Our team has over 200 years of combined experience in relevant technology, executive management, operating, and investment experience acquired through a variety of different networks. As industry insiders with an important understanding of the constraints facing SMEs in Europe, we are able to provide strong insights both from an operational and financing perspective.

#### A. Communication with Portfolio Companies

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Jolt Capital is required to monitor the assets acquired on behalf of each Fund. These follow-up obligations stem from either Jolt Capital's reporting requirements imposed by the AMF General Regulations or by the rules of each Fund.

Jolt Capital's representative to the board of a Portfolio company is appointed by the Investment Committee. The representative is an Investment Partner of Jolt Capital. The appointment is notified to the portfolio company by the Lead Partner (who led the investment process) or by the Managing Partner. The Investment Committee can also revoke the representative. In such situation, the portfolio company shall also be notified by the Lead Partner or the by the Managing Partner.

This Lead Partner oversees all matters concerning the company and reports back to the Investment Committee at a management company level on a weekly basis. The Lead Partner in charge of the relevant portfolio company is assured to have the knowledge, experience, and skills to identify any growth strategies and take any action should any issues arise.

The Investment Committee fully understand that they are responsible as a representative of Jolt Capital within the company

The Investment Committee and the Lead Partner encourage the portfolio companies to discuss any governance matters with both the Lead Partner and the Investment Committee. If necessary, the discussions may be expanded to include the support of additional Partners at Jolt Capital as needed.

Engagement is a critical in our investment approach. We actively interact with all the portfolio companies in which we invest on financial and ESG matters which we believe may affect the company in the long term or any of the relevant shareholders.

This engagement takes form through:

- site visits to the portfolio company and any places of manufacture.
- weekly/Monthly meetings with the management of the company (either physical or through conference calls).
- active interaction (by phone or email).
- voting at all General Assemblies.

In addition, where Jolt Capital's concerns are not adequately addressed, Jolt Capital may consider a private meeting with the Chairman, Independent Director, or other Board Members, or where appropriate a letter to these individuals. This engagement is directly linked to any decision to re-invest or divest, or to highlight any issues we believe the company might face. The lead partners also assists the company on implementing all ESG related commitments and engagements.



## **B. The Monitoring of Portfolio Companies'**

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- **The Investment Committee:**

Monitoring and communicating with portfolio companies' is carried out by both the Investment Committee, the Lead Partner, and any co-investors, this ensures that all parties involved work together as a team.

Jolt Capital's investment committee will discuss on a weekly basis and review the portfolio of Jolt Capital's business, to discuss deal flow, and any other relevant issues. The minutes of these meetings are stored and archived in line with Jolt Capital's archiving policy.

- **Financial Performance and Risk:**

Jolt Capital actively measures the financials of a portfolio companies. This includes the reviewing of annual reports, financial statements, and any relevant public announcements. Financial performance is assessed by the Investment Committee and the Valuation Committee. This process is carried out in the form of an in-depth analysis conducted internally by the Investment Committee and the various back-office transaction teams. The methods used in evaluating these include:

- company financial reports, presentations, and various media releases.
- studies available on information platforms (Prequin, Bloomberg etc.)
- conferences and trade shows.
- research
- any other additional and relevant data.

- **Measuring Environmental, Social and Governance Factors:**

The review of ESG factors is an important part of Jolt Capital's ESG process. We have developed a set of Key Performance Indicators that identify ESG issues that are material to the risk and return of portfolio companies across a standard classification system, these KPI's cover all ESG issues. The Environmental factors include impacts and management of emissions. Social Issues cover employment, retention policies, diversity and inclusion. Governance matters cover the composition of the relevant authoritative bodies within a portfolio company including the composition of the board's, any committees, and how diverse these are at a company level. These indicators are reviewed annually, and action is taken where necessary. (For More information, please consult Jolt Capital's ESG Policy).

Finally, an ESG report is provided annually which provides the team with an in-depth understanding of the company. The purpose of this ESG approach is to ensure that Jolt Capital's ESG effort remains coordinated across the management company and portfolio company level.

At a management company level, the ESG team meets formally with the assistance of a third-party provider on a frequent basis. This team will seek to actively review ESG of portfolio companies, ESG reporting requirements to the Limited Partner's in the funds, and any regulatory reporting requirements. This team will then raise any issues with the Investment Committee and the Lead Partner raising any issues that they believe might arise.

- **Strategy:**

This factor is typically monitored at a management level, upon investment we place emphasis on the importance of being a part of the boards of the companies' we manage. Through this participation we are better able to measure the performance of a company's management team and Board. Emphasis is placed



on the management's remuneration as well as the internal policies the company has in place to promote optimal functioning. The boards of these portfolio companies are composed of fully independent Directors. These include but are not limited to:

- **Board of Directors:** The Board of Directors are charged with supervising the process of information and communications relating to the company, as well as approving and promoting any matters within the company.
- **Audit Committee:** The audit committee of the portfolio companies supervise the process of preparing and reporting financial information, in line with the applicable regulations in place.
- **Compensation Committee:** This committee, which is typically comprised of the Board of Directors, reviews and approves any compensation related to any high-level officers.
- **Supervisory Committee:** The supervisory committee typically represents the shareholders of the company at a board level. This committee is in charge of representing the shareholder interests by taking part in the decision to elect any high-level officers.

Through these various ways the management company is able to better monitor any issues that may require action at a portfolio company level. Where possible, we aim to identify potential issues before they fully develop, the open-dialogue relationship we seek to develop with these portfolio companies allows them time to improve any potential issues that may arise, prior to action being taken.

- **Engaging with portfolio companies:**

Jolt Capital may engage with portfolio companies on a variety of subjects, these may range from matters which have a positive impact on the company or issues which might present a material risk to the company's performance. Jolt Capital believes its investment team is in the best position to evaluate any potential matters or the outcome of any decision that will affect the value of our investor's investment. As such, all of Jolt Capital's engagement activities are handled by the Partners directly instead of being delegated to any other individuals.

- **Communicating with other co-investors:**

Jolt Capital will communicate with other investors' where necessary. This is assessed on a case-by-case basis and in line with the relevant laws, rules and regulation and the relevant investment policy.

## C. Voting

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- **Principles applied by Jolt Capital when exercising voting rights:**

Jolt Capital has adopted a Voting Policy with the purpose of ensuring that any voting rights acquired or exercised at a portfolio company level are exercised in the best interest of the company. Voting rights are always exercised in the best interest of all relevant parties.

The voting policy lays down the procedures for:

- Monitoring any corporate events.
- Ensuring that the voting rights are exercised and implemented in line with the investment objectives.
- Preventing any conflicts of interests arising from these rights.

Voting is a vital part of our engagement with companies. This is why we vote at all General Meetings at a portfolio company level.

Typically, there are two types of general shareholder meetings:



- Ordinary General Shareholder Meetings:

Also known as Annual General Meeting or AGM. These are the main events at a portfolio company level and take place within the calendar year. The AGM reviews corporate management decides on the approval of financial statements from the previous fiscal year and approves the annual accounts. More details on the composition of the AGM can be found in Jolt Capital's Voting Policy.

- Extraordinary General Shareholder Meetings:

Any general shareholder meetings not listed are deemed extraordinary shareholder meetings.

- **The voting policy covers the following main categories of resolutions:**

- management boards and bodies
- management compensation
- shareholder rights
- approval of financial statements and management budgets
- financial decisions
- ESG related issues

- **The factors considered when exercising voting rights:**

The decision to exercise voting rights is based on what is reasonable and effective from an investment perspective. The Lead Partner therefore exercises his/her sole discretion on participation and the importance of exercising voting rights.

In determining how these are exercised the following factors are considered:

- the size of Jolt Capital's position in the portfolio
- the country in which the vote is occurring (including any legal/regulatory constraints).
- the strategy behind the decision
- the cost/consequences of any decision.

When exercising the voting rights the Lead Partner will aim to always vote for:

- an effective governance plans
- fair treatment of all individuals involved
- transparency of any financial information
- responsibility, competence, and good performance of board members.
- the appointment of independent external auditors.

- **External Advisors:**

Currently, Jolt Capital does not use voting advisors.

- **Boards and Meetings:**

The Lead Partner oversees attending these meetings in accordance with the Bylaws and any applicable regulations. Where attendance is not possible voting takes form through either a postal vote, an electronic vote, or through a proxy. These are issued in line with the Bylaws and in line with our Voting Policy.

- **Filing and Archiving of Information:**

Our back-office services enable us to meet the traceability requirements specified in the General Regulations of the AMF. The following information is therefore recorded for every meeting at which we cast our vote.

- the method in which the vote was cast (direct, postal, electronic or proxy).
- the direction of the vote (for, against or abstention).
- the reasons for any abstentions of vote.





- the date and location of the vote.

Upon request from our investors, this information is made available at Jolt Capital's head office.

- **Communication:**

This is ensured in that all our voting decisions are independently made; we aim to discuss any issues with the management prior to casting a vote. In addition to this we apply the same standards across all portfolio company levels. All records of any casted vote are kept and archived in accordance with our internal archiving policy. Further information can be found in Jolt Capital's - Voting Policy.

#### **D. Communicating with our Investors**

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Jolt Capital communicates with our investors in a wide variety of ways, which include:

- the website ([www.jolt-capital.com](http://www.jolt-capital.com))
- annual and quarterly financial reports
- conference calls (where necessary)
- news releases
- meetings with Investors (one-on-one meetings or general meetings).
  
- these communications include the disclosure or approval of a variety of matters including:
  - corporate strategy
  - financial performance.
  - changes in management
  - other events regarding the management company's activity.

Aside from these matters, Jolt Capital welcomes an open and transparent process for investors to contact the management company when necessary. All such communication is carried out in accordance with the applicable law and regulation and Jolt Capital's Conflict of Interest Policy.

#### **E. Managing Any Conflicts of Interest**

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Regarding the exercise of voting rights:

- Voting rights are exercised in complete independence, in compliance with the principles defined by Jolt Capital on managing any conflicts of interest.
- If any conflict of interest is identified, it is highlighted by the management company in its annual report on the exercise of voting rights.

Regarding the operation of Jolt Capital:

- Jolt Capital employees manage all Conflicts of Interest in line with the dedicated Conflicts of Interest Policy, this is signed by all employee's when they begin their employment of Jolt Capital.

#### **F. Shareholder Engagement Policy: Dissemination and Reporting**

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This shareholder engagement policy is published on the Jolt Capital website. This annual disclosure includes

- a description of the voting methods used by Jolt Capital.



- an explanation of the most significant votes.
- the use of the services of proxy advisors.
- a description of how Jolt Capital has cast votes in the general meetings of portfolio companies.

This information is also available upon request. This policy is also reviewed and approved annually or more frequently as needed.