Proxy Voting Responsibility and Delegation

Extract from Investment Target Governance Policy Version 3.3

December, 2024

QUILVEST CAPITAL PARTNERS AM

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Introduction

This document is an extract from Quilvest Capital Partners AM's Investment Target Governance Policy, Version 3.3, which was approved by Management Committee on October 14, 2024 and by the Board of Directors on December 12, 2024.

Equity holdings that an asset manager owns in a particular company through the investment vehicles it manages result in a number of obligations in the exercise of proxy voting in connection with the relevant shares.

The document describes a set of guidelines for monitoring corporate events and exercising voting rights with regards to shares held by the investment structures Quilvest Capital Partners AM manages in the best interest of the investors and the related investment vehicle. Furthermore, the document provides guidance in order to address potential conflict of interest issues and delegating proxy voting. Lastly it sets the requirements for keeping adequate records on how proxy voting has been exercise.

1. Summary of Applicable Regulations

This section summarizes the key regulations that apply to proxy voting of equity holdings by an AIMF in both traded and non-traded securities. Nevertheless, in each applicable section there is a more detailed discussion of the dispositions and norms that apply to each matter.

Subject Matter	EU Directives	EU Regulations	Luxembourg Laws and other Dispositions	ESMA Guidelines
Proxy voting requirements	• 2007/36-SHLRD • 2017/828-SHLRD	• 2013/231-CDR	• 2011-SHRL • 18/698-CSSFC • 2019-SHRL	

2. Proxy Voting in Respect of Equity Holdings

Quilvest Capital Partners AM (QCP AM or the Company) in its role as asset manager has implemented a specific policy for determining when and how to monitor corporate events and how to exercise those voting rights held by the investment structures it manages in the best interest of the investors and the related investment vehicle.

2.1. Regulatory Background

As it is summarized in section 2 above, the main applicable dispositions are the following:

DIRECTIVE 2007/36/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 11 JULY 2007 ON THE EXERCISE OF CERTAIN RIGHTS OF SHAREHOLDERS IN LISTED COMPANIES (2007/36-SHLRD).

Article 10-1. Proxy voting

Every shareholder shall have the right to appoint any other natural or legal person as a proxy holder to attend and vote at a general meeting in his name. The proxy holder shall enjoy the same rights to speak and ask questions in the general meeting as those to which the shareholder thus represented would be entitled.

DIRECTIVE (EU) 2017/828 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 17 MAY 2017 AMENDING DIRECTIVE 2007/36/EC AS REGARDS THE ENCOURAGEMENT OF LONG-TERM SHAREHOLDER ENGAGEMENT (2017/828-SHLRD).

Article 1. Amendments to Directive 2007/36/EC: Article 1-1:

This Directive establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market situated or operating within a Member State. It also establishes specific requirements in order to encourage shareholder engagement, in particular in the long term. Those specific requirements apply in relation to identification of shareholders, transmission of information, facilitation of exercise of shareholders rights, transparency of institutional investors, asset managers and proxy advisors, remuneration of directors and related party transactions.

Article 3g. Engagement policy

1. Member States shall ensure that institutional investors and asset managers either comply with the requirements set out in points (a) and (b) or publicly disclose a clear and reasoned explanation why they have chosen not to comply with one or more of those requirements.

a) Institutional investors and asset managers shall develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy. The policy shall describe how they monitor investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance, conduct dialogues with investee companies, exercise voting rights and other rights attached to shares, cooperate with other shareholders, communicate with relevant stakeholders of the investee companies and manage actual and potential conflicts of interests in relation to their engagement.

b) Institutional investors and asset managers shall, on an annual basis, publicly disclose how their engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors. They shall publicly disclose how they have cast votes in the general meetings of companies in which they hold shares. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company.

2. The information referred to in paragraph 1 shall be available free of charge on the institutional investor's or asset manager's website. Member States may provide for the information to be published, free of charge, by other means that are easily accessible online.

Where an asset manager implements the engagement policy, including voting, on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager.

3. Conflicts of interests rules applicable to institutional investors and asset managers, including Article 14 of Directive 2011/61/EU, point (b) of Article 12(1) and point (d) of 14(1) of Directive 2009/65/EC and the relevant implementing rules, and Article 23 of Directive 2014/65/EU shall also apply with regard to engagement activities.

Article 3h. Investment strategy of institutional investors and arrangements with asset managers

1. Member States shall ensure that institutional investors publicly disclose how the main elements of their equity investment strategy are consistent with the profile and duration of their liabilities, in particular long-term liabilities, and how they contribute to the medium to long-term performance of their assets.

2. Member States shall ensure that where an asset manager invests on behalf of an institutional investor, whether on a discretionary client-by-client basis or through a collective investment undertaking, the institutional investor publicly discloses the following information regarding its arrangement with the asset manager:

a) how the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the liabilities of the institutional investor, in particular long-term liabilities;

b) how that arrangement incentivises the asset manager to make investment decisions based on assessments about medium to long-term financial and non-financial performance of the investee company and to engage with investee companies in order to improve their performance in the medium to long-term;

c) how the method and time horizon of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the profile and duration of the liabilities of the institutional investor, in particular long-term liabilities, and take absolute long-term performance into account;

d) how the institutional investor monitors portfolio turnover costs incurred by the asset manager and how it defines and monitors a targeted portfolio turnover or turnover range;

e) the duration of the arrangement with the asset manager.

Where the arrangement with the asset manager does not contain one or more of such elements, the institutional investor shall give a clear and reasoned explanation why this is the case.

3. The information referred to in paragraphs 1 and 2 of this Article shall be available, free of charge, on the institutional investor's website and shall be updated annually unless there is no material change. Member States may provide for that information to be available, free of charge, through other means that are easily accessible online.

Member States shall ensure that institutional investors regulated by Directive 2009/138/EC are allowed to include this information in their report on solvency and financial condition referred to in Article 51 of that Directive.

Article 3i. Transparency of asset managers

1. Member States shall ensure that asset managers disclose, on an annual basis, to the institutional investor with which they have entered into the arrangements referred to in Article 3h how their investment strategy and implementation thereof complies with that arrangement and contributes to the medium to long-term performance of the assets of the institutional investor or of the fund. Such disclosure shall include reporting on the key material medium to long-term risks associated with the investments, on portfolio composition, turnover and turnover costs, on the use of proxy advisors for the purpose of engagement activities and their policy on securities lending and how it is applied to fulfil its engagement activities if applicable, particularly at the time of the general meeting of the investee companies. Such disclosure shall also include information on whether and, if so, how, they make investment decisions based on evaluation of medium to long-term performance of the investee company, including non- financial performance, and on whether and, if so, which conflicts of interests have arisen in connection with engagements activities and how the asset managers have dealt with them.

2. Member States may provide for the information in paragraph 1 to be disclosed together with the annual report referred to in Article 68 of Directive 2009/65/EC or in Article 22 of Directive 2011/61/EU, or periodic communications referred to in Article 25(6) of Directive 2014/65/EU.

Where the information disclosed pursuant to paragraph 1 is already publicly available, the asset manager is not required to provide the information to the institutional investor directly.

3. Member States may where the asset manager does not manage the assets on a discretionary client-by-client basis, require that the information disclosed pursuant to paragraph 1 also be provided to other investors of the same fund at least upon request.

COMMISSION DELEGATED REGULATION (EU) NO 231/2013 OF 19 DECEMBER 2012 SUPPLEMENTING DIRECTIVE 2011/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL WITH REGARD TO EXEMPTIONS, GENERAL OPERATING CONDITIONS, DEPOSITARIES, LEVERAGE, TRANSPARENCY AND SUPERVISION (2013/231-CDR).

Article 37. Strategies for the exercise of voting rights

1. An AIFM shall develop adequate and effective strategies for determining when and how any voting rights held in the AIF portfolios it manages are to be exercised, to the exclusive benefit of the AIF concerned and its investors.

2. The strategy referred to in paragraph 1 shall determine measures and procedures for:

   a) monitoring relevant corporate actions;

   b) ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant AIF;

   c) preventing or managing any conflicts of interest arising from the exercise of voting rights.

3. A summary description of the strategies and details of the actions taken on the basis of those strategies shall be made available to the investors on their request.

LAW OF 24 MAY 2011 ON THE EXERCISE OF CERTAIN RIGHTS OF SHAREHOLDERS IN GENERAL MEETINGS OF LISTED COMPANIES AND IMPLEMENTING DIRECTIVE 2007/36/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 11 JULY 2007 ON THE EXERCISE OF CERTAIN RIGHTS OF SHAREHOLDERS IN LISTED COMPANIES, AS AMENDED BY THE LAW OF 18 DECEMBER 2015 (IMPLEMENTING DIRECTIVE 2014/59/EU) AND THE LAW OF 1ST AUGUST 2019 (IMPLEMENTING DIRECTIVE (EU) 2017/828) (2011-SHRL AND 2019-SHRL).

Chapter 1st – General Provisions. Art. 1. Subject-matter, scope and definitions

1. This law establishes requirements in relation to the exercise of certain rights attaching to voting shares, profit units and non-voting shares [hereafter the "shares"] in relation to general meetings of a company under Luxembourg law whose shares are admitted to trading on a regulated market.

   It also establishes specific requirements to encourage shareholder engagement, in particular in the long term. Those specific requirements apply in relation to identification of shareholders, transmission of information, facilitation of exercise of shareholders rights, transparency of institutional investors, asset managers and proxy advisors, remuneration of directors and related party transactions.

   This law is also applicable to those companies whose securities are traded on a market of a non-Member State, which is regulated, operates regularly, is recognized and open to the public, and which, by an express provision in their articles, have declared this law applicable.

5. Chapter 1ter applies:

   1. to institutional investors, in so far as they invest directly or through an asset manager in shares traded on a regulated market;

2. to asset managers, in so far as they invest in such shares on behalf of investors;

3. to proxy advisors, in so far as they provide services to shareholders regarding the shares of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market established or operating within a Member State.

Chapter 1ter – Transparency of institutional investors, asset managers and proxy advisors.

Art. 1sexies. Engagement policy.

(1) Institutional investors and asset managers must comply with the requirements set out in points 1 and 2 or publicly disclose a clear and reasoned explanation why they have chosen not to comply with one or more of those requirements.

1. Institutional investors and asset managers shall develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy. The policy shall describe how they monitor investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance, conduct dialogues with investee companies, exercise voting rights and other rights attached to shares, cooperate with other shareholders, communicate with relevant stakeholders of the investee companies and manage actual and potential conflicts of interests in relation to their engagement.

2. Institutional investors and asset managers shall, on an annual basis, publicly disclose how their engagement policy has been implemented, including a general description of voting behavior, an explanation of the most significant votes and the use of the services of proxy advisors. They shall publicly disclose how they have cast votes in the general meetings of companies in which they hold shares. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company.

(2) The information referred to in paragraph 1 shall be available free of charge on the institutional investor's or assets manager's website.

Where an asset manager implements the engagement policy, including voting, on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager.

(3) Conflicts of interest rules applicable to institutional investors and asset managers, including Article 13 of the amended Law of 12 July 2013 on alternative investment fund managers, Article 109, paragraph 1 point b) and Article 111 point d) [of the]497 amended Law of 17 December 2010 on collective investment undertakings and the relevant implementing rules , as well as Article 37-2 of the amended Law of 5 April 1993 on the financial sector, shall also apply with regard to engagement activities.

Art. 1septies. Investment strategy of institutional investors and arrangements with asset managers

(1) Institutional investors must publicly disclose how the main elements of their equity investment strategy are consistent with the profile and duration of their liabilities, in particular long-term liabilities, and how they contribute to the medium to long-term performance of their assets.

(2) Where an asset manager invests on behalf of an institutional investor, whether on a discretionary client-by-client basis or through a collective investment undertaking, the institutional investor publicly discloses the following information regarding its arrangement with the asset manager:

1. how the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the liabilities of the institutional investor, in particular long-term liabilities;

2. how that arrangement incentivises the asset manager to make investment decisions based on assessments about medium to long-term financial and non- financial performance of the investee company and to engage with investee companies in order to improve their performance in the medium to long-term;

3. how the method and time horizon of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the profile and duration of the liabilities of the institutional investor, in particular long-term liabilities, and take absolute long-term performance into account;

4. how the institutional investor monitors portfolio turnover costs incurred by the asset manager and how it defines and monitors a targeted portfolio turnover or turnover range;

5. the duration of the arrangement with the asset manager.

Where the arrangement with the asset manager does not contain one or more of such elements, the institutional investor shall give a clear and reasoned explanation.

(3) The information referred to in paragraphs 1 and 2 shall be available, free of charge, on the institutional investor's website and shall be updated annually unless there is no material change.

Regulated institutional investors within the meaning of Article 1, paragraph 6, point 7, letter a), are allowed to include this information in their report on solvency and financial condition referred to in Article 82 of the amended Law of 7 December 2015 on the insurance sector. »

«Art. 1octies. Transparency of asset managers.

(1) Asset managers must on an annual basis disclose to the institutional investor with which they have entered into the arrangements referred to in Article 1stsepties how their investment strategy and implementation thereof complies with these arrangements and contributes to the medium to long-term performance of the assets of the institutional investor or of the fund. Such disclosure must include reporting on the key material medium to long-term risks associated with the investments, on portfolio composition, turnover and turnover costs, on the use of proxy advisors for the purpose of engagement activities and, if applicable, their policy on securities lending and how it is applied to fulfil its engagement activities if applicable, particularly at the time of the general meeting of the investee companies. Such disclosure must also include information on whether and, if so, how, they make investment decisions based on evaluation of medium to long-term performance of the investee company, including non-financial performance, and on whether and, if so, which conflicts of interest have arisen in connection with engagements activities and how the asset managers have dealt with them.

(2) Where the information disclosed pursuant to paragraph 1 is already publicly available, the asset manager shall not be required to provide the information to the institutional investor directly.

CIRCULAR CSSF 18/698 RELATED TO AUTHORISATION AND ORGANISATION OF INVESTMENT FUND MANAGERS INCORPORATED UNDER LUXEMBOURG LAW. SPECIFIC PROVISIONS ON THE FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING APPLICABLE TO INVESTMENT FUND MANAGERS AND ENTITIES CARRYING OUT THE ACTIVITY OF REGISTRAR AGENT (18/698-CSSFC).

Section 5.1.4. Clarifications on the premises in Luxembourg. Sub-chapter 5.2. General internal governance arrangements.

159. These internal governance arrangements must be structured around the following areas, which have essentially been elaborated in CSSF Regulation 10-4 and Delegated Regulation (EU) 231/2013:

- …
- exercise of voting rights;
- …

Section 5.5.10. Exercise of voting rights

392. Pursuant to Article 23 of CSSF Regulation 10-4 and Article 37 of Delegated Regulation (EU) 231/2013, the IFM must, among others, develop an adequate and effective strategy for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the UCI concerned and its investors.

393. Any UCI that has not specifically mandated the IFM to exercise the voting rights attached to the instruments held in its portfolio, must develop its own strategy for the exercise of voting rights.

394. It is also acceptable for an IFM to refer either to the strategies developed in this regard by the group to which it belongs or to the recognised international standards when developing its own strategy for exercising voting rights. The use of a delegate's strategy, where appropriate, is allowed provided that the IFM ensures during its initial due diligence and ongoing monitoring as referred to in Section 6.2.3. (Initial due diligence and ongoing monitoring of delegates) that the delegate's strategy complies with the provisions of point 392 above.

395. A brief description of this strategy must be made available to investors free of charge, in particular by way of a website.

396. At the moment of its authorisation, the IFM must confirm that an adequate and effective strategy has been put in place permitting the exercise of voting rights attached to the instruments held in the portfolios in the exclusive interest of the UCIs concerned. This procedure must be regularly updated. The CSSF reserves the right to request a copy of this procedure at any time.

2.2. Proxy Voting Policy Guidelines

QCP AM has implemented a specific policy for determining when and how to monitor corporate events and how to exercise those voting rights held by the investment structures it manages in the best interest of the investors and the related investment vehicle.

The strategies herein mentioned define the measures and procedures to ensure the exercise of voting rights in accordance with the investment objectives and policies of the relevant portfolios, taking into account relevant facts and circumstances, and to prevent any conflict of interest that could arise from the exercise of these voting rights.

The investment strategy of each portfolio managed by the Company has to take into account the following subjects:

- shareholder engagement in respect of the target investments;
- communicate and cooperate with other shareholders and stake holders;
- monitor target's strategy, financial and non-financial performance, risk management, capital structure, and ESG (environmental, social, governance) matters;
- monitor target's relevant corporate actions;
- determine who has retained the voting rights (AIFM, investment company, sub-manager, or any other proxy voter);
- exercise of voting rights, monitoring and assessing that voting is done in accordance with investment objectives and policy of the target investments;
- management of actual and potential conflict of interest in the exercise of proxy voting; and
- disclosure (see section 3.6 below) on proxy voting matters that will include the publication on the Company's web page of:
    - Policy on voting matters; and

- annual report of how policy has been applied, including the exercise of voting rights and how conflict of interests have been managed.

The Company shall only exercise the voting rights associated with an investment if it is deemed to be in the best interest of the investment vehicle and its investors. In general, voting rights will be exercised when the voting rights equal or exceed three percent of the capital of the targeted company, considering that a position reaching or exceeding the mentioned percentage would allow to exercise a relevant influence in the management and governance of the target company. Nevertheless, QCP AM may exercise the voting rights related to a portfolio under management under other circumstances at its discretion.

In Annex I, these proxy voting requirements apply to the eight elements of the taxonomy.

2.3. ICGN Governance Principles

In designing and applying its Proxy voting policy, QCP AM relies on the internationally accepted set of principles of the International Corporate Governance Network (ICGN). ICGN was established in 1995 as an investor-led and non-profit organization, its mission is to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide.

ICGN's policy positions are guided by its Global Governance Principles and by its Global Stewardship Principles supplemented by a series of guidance documents on specific matters. Annex III includes an introduction to these principles and a complete detail of them.

2.4. Conflict of Interest

QCP AM will manage and mitigate those conflict of interest that could arise from the exercise of voting rights according to the Conflict of Interest Policy and the present Policy. QCP AM will strive to identify the existence of any conflict of interest relating to the securities to be voted whether it is a personal or business relation between QCP AM (and any of its staff members), any other QCP AM's client, and/or the company (securities issuer), and will disclose it to the concerned parties. When a material conflict of interest between QCP AM's interests and its clients 'interests appears to exist, QCP AM may choose among the following options to eliminate such conflict:

(1) vote in accordance with these Policies and Procedures if it involves little or no discretion;

(2) vote as recommended by a third party service if QCP AM utilizes such a service;

(3) "echo vote" or "mirror vote" the proxies in the same proportion as the votes of other proxy holders that are not QCP AM's clients;

(4) if possible, erect information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; and

(5) if practical, notify affected clients of the conflict of interest and seek a waiver of the conflict.

2.5. Proxy Voting Responsibility and Delegation

Based on asset management contractual arrangements, proxy voting on respect of a particular investment vehicle may be exercised by the investment vehicle, by the Company, or by the appointed portfolio sub-manager in those cases where portfolio management has been delegated.

When the exercise of the voting rights has not been delegated to the Company, the related investment vehicle shall remain responsible and shall implement its own strategy for the exercise of the voting rights relating to the financial instruments held in its portfolio. In that case, the Company shall systematically refrain from exercising the voting rights linked to shares which are also held by the funds under the management of the Company.

QCP AM may delegate the management of the AIF's portfolio to a licensed professional third party entity (portfolio sub-manager). In these situations, QCP AM would trust on the delegate's professional experience to take the best decision regarding the exercise of investment targets' voting rights, having always in mind the best interests of the AIF's investors and the related investment policy and objectives. QCP AM will assess, through a due diligence process and questionnaire, the appropriateness of the voting right policy of the delegate and its actual implementation, and will assess the compliance with QCP AM's own Proxy Voting Policy, and potentially the direct application of QCP AM's policy if the delegate has not any specific policy regarding the exercise of voting rights.

2.6. Record Keeping and Reports

Within six months after the annual closing of the fiscal year, QCP AM (Portfolio Management) will establish a report summarizing how proxy voting has been executed and monitored during the annual period.

This report will include at least information in respect of:

- number of companies where QCP AM has exercised voting rights in comparison to the total number of companies where QCP AM had voting rights;
- situations where QCP AM considered that it could not follow or abide to its proxy voting guidelines; and
- conflict of interest situations that QCP AM has faced and treated while exercising voting rights.

This report will be submitted to the Board of Directors of the Company and for traded securities a separate report will be made available at the Company's website. This report will not be produced if no voting right has been exercised.

All documents and related information regarding the exercise of voting rights are kept to be able to maintain an audit trail of the resolutions taken and to inform any related stakeholder. The proxy voting record must contain:

- issuer's provided documentation;
- portfolio manager analysis;

- decisions taken for each resolution;
- list and reasons of a negative vote;
- circumstances where QCP AM could not respect the voting policy and the reason of this non-respect; and
- identified conflict of interest and related mitigation measures.