



Eurazeo Infrastructure Partners

Shareholders' engagement policy


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I. Preamble

1.1 Objective

The following shareholder engagement policy has been written with respect to the requirements listed below which foresees an obligation for management companies to publicly disclose their policy on shareholder engagement.

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

1.2 Content of the Shareholder Engagement Policy

According to Article R.533-16 of the Monetary and Financial Code, the shareholder engagement policy shall include the way the management company deals with the following elements :

1. Monitoring of strategy, financial and non-financial performance (ESG), risks, capital structure, social and environmental impact and corporate governance;
2. Dialogue with the portfolio companies;
3. Exercise of voting rights and other rights attached to shares;
4. Cooperation with other shareholders;
5. Communication with relevant stakeholders;
6. The prevention and management of existing or potential conflicts of interest in relation to their commitment.

If any of these elements are not relevant with respect to the activity of the management company, reasons for which these are not relevant shall be described, in accordance with the principle “Comply or Explain”.

1.3 Annual report on the implementation of the shareholder engagement policy

According to Article L. 533-22 of the Monetary and Financial Code, Eurazeo Infrastructure Partners (EIP) shall publish on its website a report on the implementation of the shareholder engagement policy.

This report is related to the preceding year and shall be established by the 28th of February.

The report shall include in particular 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.

If any of these elements are not relevant with respect to the activity of the management company, reasons for which these are not relevant shall be described, in accordance with the principle “Comply or Explain”.

II. Shareholder engagement policy

2.1 Communication with Portfolio Companies

EIP is a management company which primarily invests in infrastructure companies, in particular transition infrastructure, notably energy and digital transition. Shareholder Engagement is a critical part of all aspects of investment strategy.

The companies that EIP invest in are followed by an Investment Director who is assigned to the company. This Investment Director oversees all matters concerning the company and reports back to the Investment Committee at a management company level on a regular basis. The Investment Directors in charge of the relevant portfolio companies have the knowledge, experience, and skills to identify any growth strategies and take any action should any issues arise.

The Investment Directors fully understand that they are responsible for running these companies and managing investments on behalf of investors who invest in the fund or in Managed Accounts (the “Portfolios”).

The Investment Committee and the Investment Director encourage the portfolio companies to discuss any governance matters with both the Investment Director and the Investment Committee.

EIP ensures that prior to investment the boards of the portfolio companies are balanced and represent different abilities, knowledge and experience.

Engagement is a critical part of the investment approach run by EIP. EIP actively interacts with all the portfolio companies in which the Portfolios invest on financial and ESG matters, which EIP believes 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 manufacturing;
- Regular meetings with the management of the company (either physical or through conference calls);
- Active interaction (by phone or email);
- Voting at all General/Board Meetings.

In addition, where EIP’s concerns are not adequately addressed, EIP 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 EIP believes the company might face.

For each company the Portfolios invest in, the Investment Director oversees the decision making of the company, and also assists the company in implementing all ESG related commitments and engagements.

2.2 Monitoring of Portfolio Companies

- **Financial Performance and Risk**

EIP actively measures the financial performance of portfolio companies. This includes the review of annual reports, financial statements and any relevant public announcements. Financial performance is assessed by the Investment Director and the investment team by analyzing revenues, EBITDA and other relevant metrics. This process is carried out in the form of an in-depth analysis conducted internally by the Investment Director and the Investment team. 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 data.

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

The review of ESG/Sustainability factors is an important part of EIP's ESG process. EIP has 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 KPIs cover all ESG matters :

- The Environmental factors include impacts and management of emissions.
- Social factors 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 boards, any committees, and how diverse these are at a company level.

These indicators are reviewed annually, and action is taken where necessary. 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 EIP's ESG effort remains coordinated across the management company and portfolio company level. At a management company level, the ESG team meets formally on a monthly basis. This team will seek to actively review ESG of portfolio companies, ESG reporting requirements to the Limited Partner's in the Portfolios, and any regulatory reporting requirements (eg. With regards to the SFDR requirements). The team will then raise any issues or relevant matters with the Investment and Executive Committees.

- **Strategy**

This factor is monitored at a management level. Upon investment, EIP places emphasis on the importance of being a part of the boards of the portfolio companies. Through this participation, EIP is

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.

EIP seeks to promote efficient governance at the management level of the portfolio companies. This may include :

- Board of Directors: The Board of Directors are tasked 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 comprised of the Board of Directors, reviews and approves any compensation related to any high-level officers.
- Supervisory Committee: The supervisory committee, if relevant, 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, EIP is able to monitor any issues that may require action at a portfolio company level. Where possible, EIP aims at identifying potential issues before they fully develop, the open-dialogue relationship EIP seeks to develop with these portfolio companies allows them time to improve any potential issues that may arise, prior to action being taken.

- **Dialogue with portfolio companies**

EIP engages and maintains constant dialogue with the portfolio companies on any relevant subjects, including any matters which have a positive impact on the company and issues which might present a material risk to the company's performance.

EIP 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 EIP's engagement initiatives are handled by the Investment Directors.

- **Communicating with other co-investors**

EIP maintains relevant communication 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.

2.3 Voting policy

- **Principles applied by EIP when exercising voting rights**

EIP shall ensure that any voting rights 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 EIP's engagement with companies. EIP shall vote at all General Meetings at a portfolio company level.

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 decides on the approval of financial statements from the previous fiscal year and approves the annual accounts.

- Extraordinary General Shareholder Meetings: Any general shareholder meetings not listed are deemed extraordinary shareholder meetings.

- **The voting rights include notably the following resolutions :**

- Management boards and bodies
- Management compensation
- Shareholder rights
- Approval of financial statements and management
- 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 Investment Director exercises his/her sole discretion on participation and the importance of exercising voting rights.

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

- The size of EIP's position in the portfolio company;
- 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 Investment Director will aim at voting for:

- An effective governance plan;
- Fair treatment of all individuals involved;

- Transparency of any financial information;
- Responsibility, competence, and performant Board;
- Independent external auditor.

- **External Advisors**

EIP does not use external voting advisors.

- **Filing and Archiving of Information**

EIP shall keep records of all documents and information used with respect to the voting rights exercise, in particular the following information :

- The method in which the vote was cast (direct, postal, electronic or proxy);
- The way of the vote (for, against or abstention);
- The reasons for any abstentions ;
- The date and location of the vote.

Upon request from investors, this information is made available at EIP's office.

- **Communication**

EIP aims to discuss any issues with the management of the portfolio companies prior to the vote. All voting decisions are made independently.

2.4 Communication with other shareholders

EIP maintains an ongoing dialogue with its co-investors with the main objective of acting in the best interest of the Portfolio and, therefore, of its investors. This cooperation takes shape in the decisions taken by the bodies in place within the Portfolio.

2.5 Communication with investors

EIP communicates with the investors in different ways, which include:

- The website (www.eurazeo.com/fr/metiers/real-assets/infrastructure);
- Annual and quarterly reports;
- Conference calls;
- News release;
- Meetings with Investors (one-on-one meetings or general meetings).

These communications include the disclosure or approval of relevant matters including:

- Corporate strategy;
- Financial performance;
- Mergers, acquisitions or exits;
- Changes in management;

- Dividends, financing; and
- Other events regarding the management company's activity.

Aside from these matters, EIP 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 the Conflict of Interest Policy.

2.6 Managing any conflicts of interests

Regarding the exercise of voting rights:

- Voting rights are exercised in full independence, in accordance with the principles defined by EIP on managing any conflicts of interest.
- If any conflict of interest is identified, it is highlighted by EIP in its annual report on the implementation of the shareholder engagement policy.

EIP employees manage all Conflicts of Interests in line with the Conflict of Interest Policy, which is communicated to all employees when they join EIP, and which remain available at any time for all employees.

2.7 Website

This shareholder engagement policy and the report on the implementation of the shareholder engagement policy are published on the EIP website.