

## **Balderton Capital (UK) LLP**

### **Engagement Policy**

#### **Purpose**

Balderton Capital (UK) LLP ("**Balderton**") is authorised and regulated by the Financial Conduct Authority ("**FCA**") as a full-scope UK AIFM.

From time to time, alternative investment funds (each a "**Fund**", and collectively the "**Funds**") managed by Balderton invest in shares traded on regulated markets.

Balderton is required by the FCA's Handbook, in particular COBS 2.2B (transposing Article 3(g) of the EU Shareholder Rights Directive ((EU) 2017/828)), to develop and publicly disclose an engagement policy describing certain matters, or to otherwise explain why adopting such policy is not deemed necessary or appropriate for Balderton. This Engagement Policy (this "**Policy**") has been developed in accordance with such requirements.

In this Policy, "Balderton" shall be deemed to refer, where relevant, to each Fund. Nothing in this Policy shall modify or qualify such Funds' investment objectives and policies as set out in the relevant offering documents of the Funds.

This Policy will be available free of charge on Balderton's website at [www.Balderton.com](http://www.Balderton.com)

This Policy shall not apply to Balderton's investments which are not shares traded on regulated markets (including investments in private equity).

#### **Integration of shareholder engagement into Balderton's investment strategy**

Balderton takes investment decisions following fundamental analysis of investee companies. This includes, amongst other things, consideration of the investee company's accounts, management team, shareholders and corporate governance arrangements.

#### **Monitoring of investee companies**

Balderton shall, when monitoring each Fund's investments, monitor (amongst other things) the investee company's approach towards matters, such as its strategy, financial and non-financial performance and risk, capital structure, and social, environmental impact and corporate governance ("**Relevant Matters**").

Balderton may base such monitoring on a variety of sources and mechanisms, including, without limitation:

- a) reviewing financial and non-financial information, such as annual reports, financial statements and public announcements released on the relevant regulated market by the investee company; and
- b) engaging in dialogue with the board of directors and management of the investee company; and
- c) considering third party analysis of the investee company, wider market developments and competitors of the investee company.

The purpose of the assessment is to ensure that the investee company remains an attractive proposition, is still in compliance with the relevant Fund's investment policy and has the ability to contribute towards the Fund achieving its investment objective.

For the avoidance of doubt, Balderton does not assume any responsibility for the investee company's conduct of its business or compliance with its legal, regulatory, corporate governance and other obligations.

### **Engagement with investee companies**

Balderton may, at its discretion and having regard to the investment strategy of the relevant Fund, engage with the investee company when Balderton has concerns about any of the Relevant Matters.

Balderton may engage with the investee company through dialogue with its board of directors or management team, or by taking one or more of the following actions:

- a) expressing concerns with the investee company's advisors;
- b) meeting with the chairman or other board members of the investee company;
- c) submitting resolutions and speaking at shareholder meetings or voting against, or abstaining from voting on, resolutions at shareholder meetings;
- d) reducing, or disposing of its holding in, or otherwise adjusting its exposure to, the investee company; and
- e) undertaking such other engagement as it determines to be appropriate in the circumstances.

### **Exercise voting rights and other rights attached**

In accordance with Article 37 of Commission Delegation Regulation (EU) No 231/2013 (the "**Level 2 Regulation**"), Balderton has adopted a policy in relation to the exercise of voting rights. A summary description of those strategies and details of the actions taken on the basis of those strategies shall be made available to investors in the Funds on their request.

Balderton intends to exercise any other rights attaching to shares in investee companies in a manner consistent with the investment strategy of the relevant Fund.

### **Cooperation and communication with other shareholders and stakeholders**

Balderton may, at its discretion and having regard to the investment strategy of the relevant Fund, enter into dialogue and/or collaborate with shareholders and other stakeholders in investee companies (e.g. employees, suppliers, creditors, etc.).

Any such collaboration must be carried out in accordance with the applicable law and regulation and Balderton's policy on conflicts of interest.

### **Conflicts management**

As a full scope UK AIFM, Balderton is required to take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, manage, monitor and (where applicable) disclose those conflicts of interest, in order to prevent them from adversely affecting the interests of the Funds and their investors, and to ensure that the Funds it manages are fairly treated. This applies not just in the context of the Funds' investments in shares in regulated markets, but in the management of the Funds more generally.

Balderton has adopted a conflicts of interest policy in accordance with the requirements of Chapter III, Section 2 of the Level 2 Regulation, which identifies, with reference to the activities carried out by or on behalf of Balderton, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the Funds and their investors, and sets out procedures to be followed and measures to be adopted to prevent, manage and monitor such conflicts.

### **Significant votes**

Balderton is required to disclose on an annual basis how this Policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and reporting on the use of the services of proxy advisors. This disclosure will be made following the first year of operation of this Policy.