

Livingbridge Stewardship Policy

I. Introduction

I.A. Why has this policy been developed?

Livingbridge (“the Firm”) is a mid-market private equity firm. The Firm invests primarily in businesses in four sectors: (i) technology, (ii) services, (iii) healthcare and education, and (iv) consumer. The Firm has a strong track record of being a responsible investor and believes it is important to formalise its commitment to Responsible Investment and Stewardship. This Stewardship Policy should be read in conjunction with the Firm’s Responsible Investment Policy.

I.B. What does Stewardship mean to the Firm?

The Firm views stewardship as the way it engages with portfolio companies during the hold period to maximise shareholder value, while at the same time, being mindful of their impact on people, society and the environment.

The Firm is an active investment partner, regardless of the size or type of stake it invests. The Firm draws upon its strong in-house expertise and wider connections to support its portfolio companies to set and refine their business strategies and processes to add value sustainably.

I.C. Scope

This Policy is reviewed and updated, if necessary, on at least an annual basis by the Livingbridge Partnership Board. All staff are required to adhere to it, and it applies to the Firm’s investment activities in respect of new investments and its existing portfolio.

Additionally, all staff are required to confirm that they have read and understand the Policy and agree to adhere to and implement it in the performance of their roles and responsibilities. Staff are trained on how to interpret and implement the Policy as part of the in-house training program and in-house experts are able to provide guidance on a case-by-case basis.

II. Stewardship

The Firm is an active investment partner, regardless of the size or type of stake it takes in a portfolio company. The Firm believes that this enables it to reduce risks and maximise returns, while being mindful of its impact on people, society and the environment.

II.A. Engagement

As per Livingbridge's Standard Terms of Investment, all new portfolio companies are contractually required to comply with relevant laws and regulations and maintain high corporate, ethical, environmental and social standards.

The Firm engages with the board of a portfolio company immediately following completion to address any recommendations arising from the pre-investment process (screening, due diligence etc.) and to identify further opportunities for improvement.

Throughout the Firm's investment period it supports portfolio companies implement the fundamentals of good governance and risk management and identify and manage any material risks and opportunities through the implementation of the Livingbridge Cyber, Risk, Environmental, Social & Stewardship (CRESS) Programme.

Livingbridge CRESS Programme

The Livingbridge CRESS programme is the umbrella scheme through which the Firm assists its portfolio companies to meet certain best practice standards or requirements relating to, amongst other things, cyber resilience, legal and regulatory compliance, risk management (including insurance), governance, business ethics and ESG.

In practice, the Livingbridge CRESS Programme focuses on three main areas:

1. Cyber

Portfolio companies are required to undergo a bespoke cyber risk review to assess the company's cyber security posture and resilience. Following this review, a set of remedial actions are agreed between Livingbridge investment professionals and the company board to ensure adherence with best practice cyber security standards. The review process and remedial actions are tailored to the individual company recognising that each company is unique and has different cyber security requirements depending on the size and operations of

the business, the vulnerability of that business or sector to a potential cyber-attack, and the potential financial impact of a successful cyber-attack (both at a company and fund level).

2. Risk

Portfolio companies are required to undergo an annual or bi-annual review of key corporate housekeeping, regulatory, legal and compliance matters and a gap analysis to identify areas of improvement.

Separately, the Firm works with an independent insurance adviser to ensure that portfolio companies have adequate levels of insurance cover and, working through a third-party adviser, the Firm is able to provide access to a panel of brokers who, in conjunction with the adviser, are able to provide portfolio companies with best-in-class insurance cover and terms at wholesale prices.

3. Environmental, Social and Stewardship

Portfolio companies are encouraged to undergo an ESG 'health check' with an external consultant who typically works with the board of directors of the portfolio company to assess their ESG maturity and set an ESG action plan incl. priorities, actions, and measurable KPIs / targets. ESG KPIs are collected from portfolio companies on an annual basis and monitored via an online platform.

Additionally, as part of the Firm's portfolio-wide science-based target commitment, the firm will support eligible portfolio companies (i.e., where Livingbridge has a 25% ownership stake or greater) to measure their carbon footprint, develop a decarbonisation plan and set validated science-based targets.

Finally, the Firm works with portfolio companies on a case-by-case basis to ensure they have the appropriate governance and risk management frameworks in place.

The outcome of all CRESS interventions are tabled at the next board meeting so that any risks and / or issues can be addressed by the board. The Firm makes it clear to existing and new portfolio companies that it expects ESG topics to be discussed regularly during board meetings, and it is the responsibility of the Firm's investor directors to facilitate these discussions. Beyond individual engagement with company boards, the Firm also engages

throughout the year with portfolio companies on ESG topics at annual CPO, CEO and CFO forums.

II.B. Voting and escalation

The Firm has one or more seats on the board of the majority of its portfolio companies which enables it to exercise active stewardship by contributing to discussions around strategy and also ensuring that all matters surfaced through the portfolio company's participation in the Livingbridge CRESS Programme are addressed at the board-level.

In the limited circumstances where the Firm does not have a board seat, such as where it has maintained a small minority stake in a substantially exited portfolio company, the Firm will take steps to ensure that there is an appropriately robust governance framework in place prior to our investment (or reinvestment), whether as a consequence of our existing Stewardship or otherwise. In addition, a Livingbridge investment executive will be responsible for engaging with the portfolio company during our hold period in a shareholder capacity and with the benefit of various contractual consent and veto rights. In the limited circumstances where the Firm is unable to influence a management team, it will use its board seat allocation to escalate to the Board of the portfolio company any matters which are fundamental to the value creation strategy of that business.

III.D. Collaboration and Accountability

New portfolio companies are onboarded to a cloud-based collaboration platform which connects the relevant individuals within the Firm, the portfolio company and, where relevant, professional advisers, and acts as a repository for material information relevant to the portfolio company, including CRESS Programme assessments and guidance. This platform also has an inbuilt "dashboard" and "traffic light" functionality which enables the Firm to monitor and track the progress of each company (and its portfolio as a whole) against key risk, compliance and ESG metrics. These dashboards are regularly monitored by various members of the Livingbridge team, including the board executives and the Legal & Compliance team. Any material or persistent non-compliance with rules, regulations or recommendations from third party advisers in relation to CRESS matters are identified quickly and elevated to the appropriate person or persons within the portfolio company for resolution.

Additionally, the Firm recognises the value of collective action through its membership and engagement with various industry bodies. Firm employees are members of the British Private

Equity and Venture Capital Association (BVCA) Committees (Legal and Accounting, Regulatory and Taxation) which collectively act as an interface between the FCA, other relevant industry bodies and the private equity industry to shape and influence policy to accommodate the needs of the private equity community.

III.E. Conflicts of Interest

The Firm manages any conflicts of interest in relation to its stewardship of portfolio companies through reference to a comprehensive internal Conflicts Policy. The Conflicts Policy identifies specific circumstances in which the risk of a conflict of interest arising is elevated and provides proposed steps to manage this risk and to mitigate any conflict of interest which does arise. Conflicts of interest which do arise are managed centrally by a conflicts committee comprised of senior Livingbridge staff. The Conflicts Policy includes guidance on record keeping and communication of potential conflicts to investors and stakeholders.