

# **Commitments by institutional investors to help fund the technology leaders of the future**

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## **Appendix 1: Governance charter**

### **I. Aims of the governance charter**

This charter sets out the governance arrangements relating to the partnership agreement between institutional investors (hereinafter the “Agreement”) signed on 13 January 2020.

### **II. Governance structure**

The aim of the governance entities created by this charter is to ensure that the Agreement is implemented and monitored. For that purpose, it is proposed that the following three governance entities be created:

- An Executive Committee to oversee the initiative, monitor it and define the specifications;
- An “Unlisted investments” Technical Committee to gauge the suitability of proposals in the unlisted segment based on the specifications;
- A “Listed investments” Technical Committee to gauge the suitability of proposals in the listed segment based on the specifications.

### **III. Executive Committee**

#### **a) Roles and objectives**

The Executive Committee’s role is to oversee the initiative as a whole. Accordingly, the Executive Committee shall:

- Jointly define the intended investment strategy and related arrangements by drafting specifications;
- Amend those specifications as necessary, particularly according to the changing needs of the start-up market and as the investor-partners make progress with their investments;
- Coordinate the investor-partners’ implementation of the strategy, through:
  - The sharing and adoption of best practice in terms of investment selection and due diligence;
  - The formation of theme-based working groups to define and put together industry initiatives to promote investment in technology start-ups;
  - Any adjustments deemed necessary by the Executive Committee;
- Carry out overall monitoring of the initiative under the Agreement, based on quantitative and qualitative criteria regarding the fulfilment of objectives adopted by the investor-partners;
- Determine arrangements for communication and publicity to ensure that the investor-partners’ investments have a sufficient profile to stimulate the ecosystem’s development and encourage broader participation in the initiative both in France and abroad;
- Examine proposals from potential new partners, French or foreign, that might wish to take part in the initiative;
- Amend this governance charter subject to the agreement of all members of the Committee or failing that a simple majority vote.

#### **b) Composition**

The Executive Committee shall consist of representatives of the investor-partners that wish to be represented, a qualified person appointed by the Minister for the Economy and Finance and the Minister of State with responsibility for Digital Affairs, a representative of Bpifrance and a representative of the State (represented by the Directorate General of the Treasury, part of the Ministry for the Economy and Finance). The composition of the

Executive Committee shall be validated by the representative of the Directorate General of the Treasury, based on a proposal by the investor-partners.

The Executive Committee shall be chaired by the qualified person appointed by the Minister for the Economy and Finance and the Minister of State with responsibility for Digital Affairs.

The Executive Committee shall not deliberate if a meeting is not attended by at least: (i) its Chairperson and (ii) half of its members (rounded up to the nearest whole number).

Representatives of industry associations may be invited to attend Executive Committee meetings as observers, subject to the Executive Committee's agreement.

#### c) Operational arrangements

The Executive Committee shall preferably take decisions on a consensus basis. Failing that, Executive Committee decisions shall be put to the vote and taken based on a simple majority of members with voting rights who are present or represented in the meeting, subject to at least half of members taking part in the decision.

Each Executive Committee member shall have one vote, except for the representative of the Directorate General of the Treasury, the representative of Bpifrance and the Chairperson.

If a member is unable to attend a meeting of the Committee, that member shall inform the Chairperson and request permission to delegate his/her authority to another Committee member.

#### d) Organisation

The Executive Committee shall meet at regular intervals and at least three times per year, with meetings chaired by its Chairperson.

Meetings may take place by videoconference, conference call or other remote communication methods, subject to the agreement of all Executive Committee members.

Except in urgent cases where reasons are given to justify a shorter period, notice of an Executive Committee meeting – including points on the agenda and proposed decisions – shall be sent electronically at least ten business days before the date of the meeting.

The representative of the Directorate General of the Treasury shall act as the Executive Committee's secretary, prepare progress reports on investments made by investors and report on them to the Executive Committee.

### **IV. “Unlisted investments” Technical Committee**

#### a) Roles and objectives

The role of the “Unlisted investments” Technical Committee shall be to implement the specifications jointly defined by all partners in the unlisted investments segment (late-stage/growth funds). In that capacity, this Technical Committee shall:

- Gauge the suitability of proposals (existing or planned funds), it being understood that
  - Proposals shall first and foremost be presented to the governance body by at least one partner-investor, which must inform the representatives of the Directorate General of the Treasury and Bpifrance of its proposals a reasonable time in advance of the Technical Committee meeting;
  - That partner-investor must prepare the proposal on the basis of the enclosed analysis matrix, and the extent to which the proposal meets the listed criteria shall be one of the factors – although not the only one – taken into account when gauging its suitability with respect to the specifications;
  - If there are no proposals on the agenda, the representatives of the Directorate General of the Treasury and Bpifrance may present proposals to the governance body;
- Determine the suitability, subject to a discussion and possibly a simple majority vote (with an explanation of vote) if it was not possible to reach consensus, of the proposals based on their suitability with respect to the specifications. It is understood that this Technical Committee shall not take investment decisions, and that each partner shall subsequently remain sovereign, autonomous and independent regarding:
  - The investment decision;
  - The investment process (due diligence, implementation, relations with the asset management company);

- Coordinate the implementation of the strategy while allowing the investor-partners to discuss investment opportunities and, as the case may be, develop co-investments in the target funds, for investors that wish to do so;
- Carry out quantitative monitoring of the investments made by the investor-partners under the Agreement and ensure transparency regarding the fulfilment of objectives adopted by the investor-partners.

b) Composition

This Technical Committee shall consist of representatives of the investor-partners that wish to be represented, a qualified person appointed by the Minister for the Economy and Finance and the Minister of State with responsibility for Digital Affairs, a representative of Bpifrance and a representative of the Directorate General of the Treasury. The composition of this Technical Committee shall be validated by the representative of the Directorate General of the Treasury, based on a proposal by the investor-partners.

This Technical Committee shall be chaired by the Chairperson of the Executive Committee.

This Technical Committee shall not deliberate if a meeting is not attended by at least: (i) its Chairperson and (ii) half of its members (rounded up to the nearest whole number).

c) Operational arrangements

This Technical Committee shall preferably take decisions on a consensus basis. Failing that, this Technical Committee's decisions shall be put to the vote (with a mandatory explanation of vote) and taken on the basis of a simple majority of members with voting rights who are present or represented in the meeting, subject to at least half of members taking part in the decision.

Each member of this Technical Committee shall have one vote, with the exception of the representative of the Directorate General of the Treasury, the representative of Bpifrance and the Chairperson of the Executive Committee.

If a member is unable to attend a meeting of this Technical Committee, that member shall inform the Chairperson and request permission to delegate his/her authority to another member of this Technical Committee.

d) Organisation

This Technical Committee shall meet at regular intervals and at least four times per year, with meetings chaired by its Chairperson. Except in urgent cases where reasons are given to justify a shorter period (proposals that require an ad hoc meeting for example), notice regarding a meeting of this Technical Committee – including points on the agenda and proposed decisions – shall be sent electronically at least ten business days before the date of the meeting.

Meetings may take place by videoconference, conference call or other remote communication methods, subject to the agreement of all members of this Technical Committee.

The Directorate General of the Treasury shall act as the secretary of this Technical Committee.

e) Duty of confidentiality

The members of this Technical Committee are required to protect the confidentiality of the information they receive and to use it strictly within the context of this Technical Committee.

f) Resolving conflicts of interest

Each member of this Technical Committee shall arrange his/her personal and professional interests so as to avoid any direct or indirect conflicts of interest.

If a member of this Technical Committee becomes aware of a conflict of interest concerning him/her, he/she must first inform this Technical Committee about that conflict of interest. This Technical Committee, excluding the relevant member, shall decide whether the member should take part in the decisions and/or vote regarding the matter related to the conflict of interest. If there is any doubt concerning the existence of a conflict of interest, the Technical Committee member shall refer the matter to the Chairperson.

## V. “Listed investments” Technical Committee

### a) Roles and objectives

The role of the “Listed investments” Technical Committee shall be to implement the specifications jointly defined by all partners in the listed investments segment (“global tech” investments). In that capacity, this Technical Committee shall:

- Gauge the suitability of proposals or legal documentation presented (existing or planned funds, mandates or asset management programmes), it being understood that proposals shall first and foremost be presented to the governance body by at least one partner-investor, which must inform the representatives of the Directorate General of the Treasury of its proposals a reasonable time in advance of the Technical Committee meeting;
- Decide the suitability of those proposals or legal documentation based on their compliance with the specifications, it being understood that this Technical Committee shall not take investment decisions, and that each partner shall subsequently remain sovereign, autonomous and independent regarding:
  - the investment decision;
  - the investment process (due diligence, implementation, relations with the asset management company);
  - the choice of asset management company as part of a request for proposals;
- Manage, for the investor-partners that wish it to do so, the design of requests for proposals sent to asset managers, and coordinate the schedules of those requests for proposals in order to raise their profile and enhance their appeal;
- Carry out quantitative monitoring of the listed investments made by the investor-partners under the Agreement and ensure transparency regarding the fulfilment of objectives adopted by the investor-partners.

### b) Composition

This Technical Committee shall consist of representatives of the investor-partners that wish to be represented, a qualified person appointed by the Minister for the Economy and Finance and the Minister of State with responsibility for Digital Affairs and a representative of the Directorate General of the Treasury. The composition of this Technical Committee shall be validated by the representative of the Directorate General of the Treasury, based on a proposal by the investor-partners.

This Technical Committee shall be chaired by the Chairperson of the Executive Committee.

This Technical Committee shall not deliberate if a meeting is not attended by at least: (i) its Chairperson and (ii) half of its members (rounded up to the nearest whole number).

### c) Operational arrangements

This Technical Committee shall preferably take decisions on a consensus basis. Failing that, this Technical Committee’s decisions shall be put to the vote (with a mandatory explanation of vote) and taken on the basis of a simple majority of members with voting rights who are present or represented in the meeting, subject to at least half of members taking part in the decision.

Each member of this Technical Committee shall have one vote, with the exception of the representative of the Directorate General of the Treasury and the Chairperson of the Executive Committee.

If a member is unable to attend a meeting of this Technical Committee, that member shall inform the Chairperson and request permission to delegate his/her authority to another member of this Technical Committee.

### d) Organisation

This Technical Committee shall meet at regular intervals and at least four times per year, with meetings chaired by its Chairperson. Except in urgent cases where reasons are given to justify a shorter period, notice regarding a meeting of this Technical Committee – including points on the agenda and proposed decisions – shall be sent electronically at least ten business days before the date of the meeting.

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If a member of this Technical Committee becomes aware of a conflict of interest concerning him/her, he/she must first inform this Technical Committee about that conflict of interest. This Technical Committee, excluding the relevant member, shall decide whether the member should take part in the decisions and/or vote regarding the matter related to the conflict of interest. If there is any doubt concerning the existence of a conflict of interest, the Technical Committee member shall refer the matter to the Chairperson.