Granahan Investment Management
Governance Policy

As the preamble to the Organization for Economic Co-operation and Development (OECD) Principles states, "the degree to which corporations observe basic principles of good corporate governance is an increasingly important factor for investment decisions." Granahan Investment Management monitors portfolio companies through a combination of processes as we agree wholeheartedly with the OECD Principles. Our company has been engaging with companies for over 40 years to ensure good corporate governance in the companies we invest in. We view good governance as essential to preserving and creating long-term value for our clients' portfolios. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations, and policies. We expect portfolio companies to institute rules, controls, policies, bylaws, and resolutions to dictate positive, ethical corporate behavior.

The Board of Directors of the companies we own must ensure the company's corporate governance policies incorporate the corporate strategy, risk management, accountability, transparency, ethical business practices, and focus on sustainable success over the long term. Ideally, companies in our portfolios will have board independence, strong board engagement and challenge and embrace board diversity in all facets, including skills, experience, gender, ethnicity, and race. The Board of Directors at each firm should have committees that address specific topics, such as auditing and compensation. Good corporate governance creates a transparent set of rules and controls in which shareholders, directors, and officers have aligned incentives. The expectation would be that all directors and employees would conduct themselves in accordance with the highest moral and ethical standards, informed by a Code of Conduct and Ethics at each firm. Policies against discrimination and harassment, and to ensure a fair workplace with respect for human rights, should be in place.

The ultimate decision making with respect to strategy is expected to be in the hands of the Board of Directors and senior management. Prior to purchasing a company for a portfolio, GIM, to the best of its ability, ensures that the strategy, objectives, and culture of that company are consistent with the interests and values of GIM and their clients. Our PMs meet with senior representatives of prospective companies to understand the corporate strategy and medium-to-long term objectives, which may inform the portfolio manager's decision-making process.

Granahan Investment Management has a goal of maximizing the long-term value of the investments we make on behalf of our clients. To be strong stewards of that capital, we engage continuously with the companies in which we invest in and strive to help management teams build long-term sustainable value for their enterprises.