

Voting Policy

Background

To protect and enhance wealth of the clients/ beneficiaries and to improve governance of the investee companies, it is critical that the institutional investors take their own voting decisions in the investee company after in-depth analysis rather than blindly supporting the management decisions. As an Investment Manager, it has a fiduciary responsibility of the Company to act in the best interest of the investor of the AIF. This responsibility also includes exercising voting rights towards the securities in which the AIF have invested ("Investee Company"), either at the general meetings of the Investee Company(s) or through postal ballots, in the best interest of the investor. The Company will manage voting rights with the same level of care and skill as it manages the funds. In general, the Company does not have the intention to participate directly or indirectly in the management of the companies, but it will use its influence as the representative of the shareholders amongst others by exercising its voting rights in accordance with the best interests of its investor subject to criteria and thresholds as prescribed in the voting policy.

Philosophy of Voting Policy:

Voting Right means, the right of a Shareholder to vote on matters of corporate policy and other resolutions. The exercise of voting rights will require regular monitoring of financial performance, corporate governance matters, industry performance and subsequent consideration of the potential impact of a vote on the value of the securities of the issuer held by the AIF. In order to discharge its obligations under this policy, the Company will access and utilize research on management performance and corporate governance issues of the Investee Company(ies), drawn either from its in-house Fund Management team or from an independent consultants/firms amongst others.

The AIFs are entitled to exercise the voting rights attached to the shares of the Investee Company (ies). The shareholders do not necessarily need to be physically present at the site of the Investee company's annual general meeting / extra-ordinary general meeting in order to exercise their right to vote. It is common for shareholders to voice their vote through an E-Voting system provided by entities such as NSDL, CSDL, etc. or by appointing a Proxy.

In connection herewith, the Company will exercise adequate safeguards to address any conflicts of interest with regard to any individual investments made by the fund. This may imply that the Company may decide to refrain from exercising its voting rights if considered appropriate. However, the Company will make its best efforts to avoid such conflicts and ensure that any conflicts of interest are resolved in the best interests of unit holders of the fund.

The decision regarding voting for a particular resolution, i.e., whether the Company will vote for/against or abstain, will be essentially taken by the CEO of the respective AIFs. The CEO may also seek the analysis and recommendations of a research firm or a proxy voting advisory service agencies to aid such decision(s) and also to assist in exercising of votes.

Matters generally coming up for voting:

Following are some of the general matters that come up for voting either at the general meetings of the Investee Company(s) or through postal ballots:

- Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions.
- Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
- Appointment, remuneration, retirement, and removal of Directors.
- Stock option plans and other management compensation issues.
- Changes to the Memorandum and Article of Association of the Company.
- Social and corporate responsibility issues.
- Appointment and remuneration of Statutory Auditors.
- Transactions with Related Party(ies).
- Other Corporate governance matters; and
- Other issues affecting the interest of the shareholders and investor of fund in particular.

Voting Procedure:

The decision of the CEO on voting for shareholders resolution(s) to be passed at the general meeting or through postal ballot of the investee company, shall be executed by the Company by casting votes through the e-voting facility provided by NSDL/CDSL, by physically attending the meeting or voting through proxy.

However, in case the e-voting facility is not offered by any Investee Company or the Company is not in a position to cast its vote through e-voting, any personnel/ representative of the Company or an externally authorised agency such as a custodian would be delegated the responsibility for exercising the physical votes by the CEO.

The following procedures would generally be followed by the Proxy Voting Committee:

- 1) All notices for which a decision needs to be made regarding voting would be sourced from the Custodian or other specialized agencies providing this service.
- 2) It would be determined whether the holdings are in the actively managed scheme of AIF.
- 3) The CEO will meet and decide whether to vote for / against / abstain on each of the resolutions.
- 4) The CEO may if it considers it necessary take note of the views of any third party before taking any decision.
- 5) The committee will generally Abstain from voting for the following reasons:
 - The information available in the notices is not enough to take any decision to vote for or against a resolution.
 - The holding is in Group Companies
 - The AIF held the securities as on record date, but these have been sold prior to the date of the meeting of the Proxy Voting committee.
 - It may also refrain from voting on the issues presented in the resolutions which the committee feels are unlikely to have a material impact on shareholder value and its unitholders or if the AIF's holding is below 1% of the investee company's paid-up share capital.

A report on votes exercised by the Company and the rationale recorded for each voting decision will be placed before the CEO/Stewardship committee from time to time to review that the Company has voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate.

Although the Company will generally vote in accordance with the Policy, there may be circumstances where the Company may believe it is in the best interests of the Company to vote differently than in the manner contemplated by the guidelines. Hence, the company may deviate from these guidelines if it determines that the deviation is necessary to protect the interests of the Unit holders. The ultimate decision as to the manner in which the company's representatives / proxies will vote rests with the Company.

Manner of disclosure:

The Company will make following disclosure to investor in respect of voting's exercised by it:

- a. Details of actual voting for every proposed resolution in investee companies i.e. For, Against or Abstain on quarterly basis.
- b. Rationale for voting
- c. Disclosures in the Annual Report of the AIF on an annual basis.