

ALPHAGREP INVESTMENT MANAGEMENT PRIVATE LIMITED

PROXY VOTING POLICY

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1. Introduction and Objective

AlphaGrep Investment Management Private Limited ("**AMC**") is the asset management company of AlphaGrep Mutual Fund. AlphaGrep Mutual Fund ("**Mutual Fund**") is registered with the Securities and Exchange Board of India under the SEBI (Mutual Funds) Regulations, 1996.

In connection with the investments made by schemes of the Mutual Fund in companies (hereinafter referred to as "**Investee Company**"), the AMC exercises voting responsibilities for these investments through the corporate proxy voting process available to the members of the Investee Companies. The AMC intends to exercise its votes in the best interest of unit holders of the Mutual Fund.

This Proxy Voting Policy ("**Policy**") defines the principles that form the basis of all votes exercised by the AMC. When voting proxies, the AMC shall take utmost care to ensure that all decisions are made solely in the interests of the unit holders and with the goal of maximizing the value of their investments. However, the AMC, at no point in time, intends to participate directly or indirectly in the management of the Investee Companies.

As a fiduciary, it is the responsibility of the AMC to consider relevant and key factors that may affect the value of securities of Investee Companies into which schemes of the Mutual Funds have invested, when exercising votes.

2. Scope

The Policy applies to the exercise of the proxy votes either through online mode or in the AGMs/EGMs/meetings of creditors/preference shareholders of the investee companies.

3. Procedure for use of Voting Guidelines

SEBI vide the Master Circular for Mutual Funds dated June 27, 2024, requires asset management companies to comply with their stewardship responsibilities, which include proxy voting responsibilities on the part of asset management companies.

A decision to invest in an issuer is based in part on a fund manager's analysis of the performance of management and the corporate governance of the issuer. Since a decision to invest is generally an endorsement of management of the issuer, the AMC will generally vote with management on routine matters. However, since a fund manager must be focused on shareholder value on an ongoing basis, it is the responsibility of the fund manager to be aware of the potential investment implications of any issue on which security holders are asked to vote.

The Guidelines indicate the principles of corporate governance which the Funds will generally support through the exercise of votes.

While the AMC will generally vote the Funds' proxies strictly in accordance with the Funds' Voting Guidelines, there may be circumstances where it believes it is in the best interests of a Fund to vote differently than the manner contemplated by the Guidelines. The ultimate decision as to the manner in which the Funds' proxies will be voted rests with the AMC. The AMC shall abide by the following procedure for exercising the voting rights:

1. The Investment team shall examine and decide on AGMs/EGMs which have been submitted to its authority. If a consensus cannot be achieved, the final voting decision will be taken by the Chief Investment Officer.
2. In most cases, the AMC exercises its funds' voting rights by appointing an authorized agent. It may, however, if deemed necessary, be physically present at a meeting and vote in person.
3. Where the Mutual Fund has engaged the Custodian/Service Provider to vote on any proposal, the Investment Team shall communicate decision to the Custodian/Service Provider on voting along with justification for the same..
4. The AMC may also abstain from voting for the Investee Companies in case the Mutual Fund has no economic interest on the day of voting.
5. The vote shall be casted for the schemes at the Mutual Fund level. However, in case any Fund Manager/(s) of a scheme of the Mutual Fund has strong view against the views of another Fund Manager/(s) of the other schemes of the Mutual Fund, the voting at scheme level shall be done, subject to recording of detailed rationale for the same.
6. The AMC shall also look at material Environmental, Social and Governance (“ESG”) issues before casting votes.

In case of any escalation or conflict, it may be referred to the Investment Committee.

Mechanism of Voting

With the introduction of voting through electronic platforms, the Investment Manager casts its votes on the voting platforms offered by CDSL/NSDL and other service providers. At times, even after voting through electronic means, the fund managers may attend the general meetings of the Investee Companies as it provides an opportunity to pose questions to the directors of the investee companies. Where e-voting is not mandated or in cases where e-voting is not possible, Investment Manager endeavours to vote through proxy.

Availing Outside Advisory Services

The AMC may avail any other outside professionals' advisory services or proxy voting services to secure expertise and objectivity of voting rights and also to enhance the fidelity of voting rights execution.

However, even if such services are used, the obligation to faithfully execute voting rights is with the AMC. The AMC may utilise the services of an independent professional advisor for the purpose of seeking additional information on the resolutions proposed by the Investee Company which helps the AMC to take informed decisions on the proposals.

The advisor also provides its recommendation on the proposals along with rationale for the same. The recommendations from the external advisory professionals are utilized for reference purposes only, the final determination and decisions are made by the AMC. Further, the AMC may choose not to act upon the recommendations of the external advisors in case it has valid justification for the same.

4. Guidelines for proxy voting

The key considerations which the AMC may inter alia take into account for the purpose of exercising a vote shall include:

- Protection of interests of unitholders of the Mutual Fund;
- Impact on the growth, sustainability of the operations of the Investee Company;
- Impact on shareholders' value;
- Impact on other key stakeholders of the Investee Company;
- Conflict of interest, if any, in case the resolution pertains to a matter with associates or group companies of the Investee Company.

All schemes of the Mutual Fund, including passive investment schemes like Index Funds, Exchange Traded Funds etc. shall be required to cast votes compulsorily in respect of the following resolutions:

- (i) Matters as mentioned above with reference to Paragraph 6.16.3 of the SEBI Master Circular for Mutual Funds dated June 27, 2024, i.e.,
 - (a) *Corporate governance matters including changes in the state of incorporation, mergers, and acquisitions and other corporate restructuring exercises:* The AMC supports resolutions which may change the state of incorporation of the investee company, or matters pertaining to the merger and/or other corporate restructuring exercises, etc. of the investee company, which are in the interest of the shareholder (respective schemes of the Mutual Fund). However, each proposal shall be evaluated on a case-to-case basis, to determine whether the proposed changes are in the best interest of the shareholders.
 - (b) *Changes to capital structure including increases/decreases of capital and preferred stock issuance:* The changes to the capital structure proposed by the investee company's management, which the AMC believes to be in the long-term interest of the investee company and the shareholders, shall be supported by the AMC, and the AMC shall oppose such requests as are appearing to be unreasonably dilutive and which may have a bearing on the interest of investors/shareholders of the Mutual Fund. However, each proposal shall be evaluated on a case-to-case basis, to determine whether the proposed changes are in the best interest of the shareholders.
 - (c) *Stock option plans and other management compensation issues:* The AMC shall support proposals for employee equity compensation plans and other employee ownership plans, including management compensation and employee benefits provided, the same are perceived by the AMC to be in the long-term interest of the investee company and shall enhance shareholders' value. The AMC shall oppose overly generous stock options, which could dilute existing shareholders' value and also employee compensation perceived to be excessive. However, each proposal shall be evaluated on a case-to-case basis, to determine whether the proposed changes are in the best interest of the shareholders.
 - (d) *Social and corporate responsibility issues:* The AMC shall evaluate issues relating to social and corporate responsibilities and may support matters which are believed to have significant socio-economic benefits but are not at a cost to the shareholders' value.

- (e) *Appointment and removal of directors*: The AMC shall support the investee company's board's nominees in the election of directors and generally support proposals that strengthen the independence of the board of directors of such investee companies. The AMC believes that the foundation for good corporate governance is the selection of responsible, qualified, independent corporate directors who are likely to diligently represent the interests of the shareholders and oversee the management of the investee company in a manner that will seek to maximise shareholder value over time. However, each of such proposal will be evaluated on a case to case basis.
- (f) *Any other issue which may have a bearing on the interest of shareholders of the Investee Company in general and unitholders of the Mutual Fund, in particular*: Other proposals submitted to shareholders related to selection of the auditors, amendments to the investee company's charter or by-laws and issues, including business issues specific to the investee company or those raised by any shareholders of the investee company, would be addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value. The AMC reserves the right to vote against any resolution that goes against the interest of its unit holders.
- (ii) Related party transactions of the investee companies (excluding own group companies). For this purpose, "Related Party Transactions" shall have the same meaning as assigned to them in clause (zc) of Sub-Regulation (1) of Regulation 2 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (iii) Further, for all remaining resolutions, Mutual Fund shall also compulsorily be required to cast their votes.
- (iv) In matters where the Mutual Fund does not have any economic interest on the day of voting, the AMC shall be exempted from compulsorily casting its votes.

5. Conflict of interest

The AMC is part of a large and diversified group with many related companies. The AMC may face conflicts of interest in relation to its stewardship responsibilities. However, the approach adopted by the AMC will always be to keep the best interest of the unitholders, while taking decisions.

Conflict of Interest may arise in certain situations where:

1. The investment is made into group companies of the AMC, or
2. The investee companies have subscribed to the units of AlphaGrep Mutual Fund schemes, may lead to conflict of interest.

The AMC will make its best efforts to avoid any conflicts and ensure that any conflicts of interest are resolved in the best interest of the unitholders.

Further, the AMC has Stewardship Policy in place which has been drafted in accordance with paragraph 6.16.15 of SEBI Master Circular for Mutual Funds dated June 27, 2024.

6. Reporting

The AMC shall disclose:

- (a) This Policy along with any other policy or procedure for voting, on its website;
- (b) Specific rationale for supporting the voting decisions on each vote proposal;
- (c) Votes cast (in machine-readable spreadsheet format) on a quarterly basis, within 10 working days from the end of the quarter;
- (d) Publish a summary of the votes cast across all Investee Companies and its break-up in terms of total number of votes cast in favour, against or abstained from;
- (e) The web link regarding the disclosure of voting details in the annual reports distributed to unitholders;
- (f) The format for disclosure of votes cast by Mutual Funds in respect of resolutions passed in AGMs/ EGMs/ meetings of shareholders of the investee companies and the format for presenting summary of votes cast by Mutual Funds will be as per the format enclosed as **Annexure A**;
- (g) The requisite certification as specified in para 6.16.7 of SEBI Master Circular for Mutual Funds dated June 27, 2024 will also be disclosed on the Fund's website and/or in the Annual Report of the Fund in the format as prescribed under SEBI circular and guidelines.

Fund Managers/Decision makers shall submit a declaration on quarterly basis to AlphaGrep Mutual Fund Trustee Private Limited that the votes cast by them (if any) in the relevant quarter, have not been influenced by any factor other than the best interest of the unit holders of the Mutual Fund. Further, on an annual basis, the AMC shall obtain a certification on the voting reports from a scrutinizer appointed in terms of Rule 20(3)(ix) of Companies (Management and Administration) Rules, 2014 where required under applicable law and the same shall be submitted to AlphaGrep Mutual Fund Trustee Private Limited and also disclosed in the Mutual Fund's annual report and website.

Further, any adverse comments made by the scrutinizer shall be reported to SEBI by the Trustee Company in its half yearly trustee report.

7. Review and Control

The Policy shall be reviewed on an annual basis. In case of any regulatory change between two review cycles, the Policy shall be deemed as amended/modified in accordance with the applicable law. In case of any conflict between the terms of the Policy and applicable law, the provisions under applicable law shall prevail.

Annexure A

1) Format for disclosure of vote cast by Mutual Funds - during an individual quarter:

Details of Votes cast during the quarter ended _____, of the financial year _____							
Meeting Date	Company Name	Type of meetings (AGM/EGM)	Proposal by Management or Shareholder	Proposal's description	Investee company's Management Recommendation	Vote (For/ Against/ Abstain)	Reason supporting the vote decision

2) Format for disclosure of voting by Mutual Funds/AMCs during a financial year

Details of Votes cast during the Financial year ____ - ____								
Quarter	Meeting Date	Company Name	Type of meetings (AGM/EGM)	Proposal by Management or Shareholder	Proposal's description	Investee company's Management Recommendation	Vote (For/ Against/ Abstain)	Reason supporting the vote decision

3) Format of providing the summary of proxy votes cast by Mutual Funds/AMCs across all the investee companies

Summary of Votes cast during the F.Y. ____ - ____					
Financial Year	Quarter	Total no. of resolutions	Break-up of Vote decision		
			For	Against	Abstained