

3P INVESTMENT
MANAGERS PRIVATE
LIMITED

PROXY VOTING
POLICY

Version- First

Policy Owner- Sharad Mohnot

Approved By- Board of Directors

Approved Date- March 03, 2023

Background

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019 (SEBI Circular) has prescribed stewardship principles to be adopted and implemented by all categories of Alternative Investment Funds (AIFs).

3P Investment Managers Private Limited ("Company") is the investment manager of 3P India Equity Fund ("Trust") – Category III Alternative Investment Fund (AIF) registered with SEBI bearing registration number [IN/AIF3/22-23/1221] and such other AIFs as may be launched from time to time in accordance with the provisions of SEBI (Alternative Investment Funds) Regulations, 2012 ("Regulations").

The Company has adopted the Stewardship Code ("the Code") which lays down the principles and guidelines to monitor and engage with the investee companies on various matters including performance, strategy, corporate governance, material environmental, social and governance (ESG) opportunities and risk, capital structure and exercising voting rights on shareholder resolutions of Investee companies. The fifth principle provides the requirement for disclosure of the policy and procedure, for exercising the voting rights in respect of shares held on behalf of the schemes on their website.

The Company has set out Policy for exercising voting in respect of shares held by Schemes ('Proxy Voting Policy'). The Proxy Voting Policy contains the principles that form the basis for exercising the voting rights attached to shares in which Schemes have invested and the processes that would be followed by the Company towards exercising said voting rights. The Company shall endeavor to vote on all resolutions which may affect its unitholders interests, either by electronic means, postal ballot or through attendance.

This Policy is approved by Board of the Company and shall be effective from date March 03, 2023. The Board has authorized Stewardship Committee to carry out any changes in this Policy followed by ratification by Board of the Company.

Philosophy of Proxy Voting Policy

The Proxy Voting Policy covers the framework and principles that need to be followed for exercising voting rights. Proxy voting guidelines set out in the Proxy Voting Policy are designed with an intent to promote accountability of a company's management and board of directors to its shareholders; to align the interests of management with those of shareholders; and, to encourage companies to adopt best practices in terms of their corporate governance.

The Company recognizes the paramount, fiduciary duty that requires it to vote on behalf of unit holders considering the economic interest of unit holders and protecting their rights as beneficial owner of the companies in whose securities the company has invested through the scheme it manages.

The Company may also at its discretion choose to abstain from participating in any resolution and hold a neutral stance for the following reasons.

- i. The notices were received late.
- ii. The information available in the notices is not enough to take any decision to vote for or against a resolution
- iii. The issues presented in the resolutions which the Fund Manager/Committee feels are unlikely to have a material impact on shareholder value and its unitholders.

Managing Conflict of Interest:

The Company recognizes that there may be a potential conflict of interest when it votes on an entity with the Company/Fund may have some relationship. However, the Company will ensure to vote in the interest of the unit holders.

Mechanism of Voting

With the introduction of voting through electronic means, the Investment Manager cast its votes on the voting platforms offered by NSDL/CDSL and other service providers. At times, even after voting through the 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 of e-voting is not possible, Investment Manager endeavors to vote through proxy.

Voting Guidelines

The voting will be exercised in respect of investments held by the schemes of the Fund.

1. Corporate governance matters are diverse and continually evolving. Whilst it is difficult to provide an exhaustive list of such issues, the following guidelines/policies reflect what Investment Manager believes to be good corporate governance measures and the stance it may generally take with respect to the below matters:

i. Corporate Governance Proposals (including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions): Investment Manager supports resolutions like change in state of incorporation, merger and other corporate restructuring, which are in the interest of the unit holders of the Fund. Investment Manager will analyze various economic and strategic factors in making the final decision on a merger, acquisition, or any other corporate restructuring proposals.

ii. Changes to Capital Structure (including increases and decreases of capital and preferred stock issuances):

Changes in capitalization will generally be supported where a reasonable need for the change is demonstrated. Investment Manager will review on a case-to-case basis, proposals by companies to increase authorized shares and the purpose for the increase. Investment Manager believes that a company's decisions pertaining to financing has a material impact on its shareholders, in particular when they involve the issuance of additional shares or the assumption of additional debt. However, changes resulting in excessive dilution of existing shareholder value will not be generally supported.

iii. Stock option plans and other management compensation proposals: . The Investment Manager would support such remuneration proposals, which are tied to achieving long-term performance and enhancing shareholder value. Stock option plans that are excessively generous or dilute other shareholders' value will not be generally supported.

iv. Social and corporate responsibility proposals: In light of the increasing need for fair disclosures, a growing need for social and corporate responsibility, the Investment Manager's responsibility increases. Investment Manager shall generally vote in favor of such matters which are believed to have significant socio-economic benefits.

v. Appointment and Removal of Directors: The Investment Manager believes in philosophy of having an independent board of directors as the same ensures compliance of good corporate governance norms.

vi. Any other proposals that may affect the interest of the shareholders in general and interest of the unitholders of the schemes of the Fund in particular.

2. Related Party Transactions (excluding own group companies):

Investment Manager would evaluate proposal of Related Party Transactions of Investee Companies (excluding own group companies) after considering inter-Alia compliance with the provisions of Companies Act ,2013, SEBI Listing Regulations, 2015, disclosures made in this regards by the Investee Companies, etc. However, Investment Manager would not support related party transactions which are not in best interest of unit holders.

For this purpose, "Related Party Transactions" shall have 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.

3. Stewardship Committee:

Decisions regarding proxy voting where Fund Management feel the need for further deliberation would have to be approved by the Stewardship Committee ("Committee").

The Committee is comprised of the Fund Manager, Chief Compliance officer, respective analyst, or any other person who the Fund Manager feels fit.

Quorum for the committee.

Minimum 2 Members

Frequency

As and when required

The above committee composition, quorum, and chairpersons would be subject to approval and revision by the board of directors from time to time.

Use of Services of voting advisor

The Investment Manager may use their discretion to avail the services of the Proxy advisor(s) to aid in arriving at decision for voting. The Stewardship Committee duly constituted by the Board of the Investment Manager is authorized to approve engagement of an external agency for proxy voting or other voting advisory services, scope of services, whenever the Investment Manager proposes to avail such services. The fund managers shall not be bound with the Proxy advisors' recommendations, and they are permitted to use their discretion whether to rely and/or act on the suggestions/recommendations given by such Proxy advisor(s).

Disclosure of voting

In accordance with the SEBI Circular, the Company shall annually disclose in such format as may be prescribed by SEBI from time to time the actual exercise of the votes in the general meetings of the investee company in the following manner:

- a) The specific rationale supporting the voting decision (for, against or abstain) with respect to each vote shall be recorded and disclosed.
- b) A summary of votes cast across all investee companies and its break – up in terms of total number of votes cast in favour, against or abstained from.
- c) The disclosures shall be made (in spreadsheet format) on a quarterly basis on website. Further voting details shall also be disclosed in the annual reports of the schemes to investors.
- d) The Board of Directors of the Company shall review and ensure that the Company on behalf of the Fund has voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate. The confirmation of the same, along with any adverse comments made by the auditors, shall be reported to SEBI in the yearly trustee reports.

Review and control

The voting guidelines and the actual exercise of proxy voting will be reviewed periodically by the management of the Investment Manager.

The Fund Managers may refer and/or escalate to the Committee those resolutions which are non-routine in nature and / or there is lack of consensus and/ or any other matter/ fact as deemed fit. The Committee shall look into various matters escalated for its review and guidance with respect to voting.

Amendment

In this Policy, any reference to any provision of law, regulations or circulars would be deemed to include a reference to every modification(s), amendment(s) and replacement(s) as may be effected from time to time with effect from the time at which such changes are given effect to.