

POLICY FOR EXERCISING VOTING RIGHTS IN RESPECT OF SHARES HELD BY ALL THE SCHEME(S) OF ALTERNATIVE INVESTMENT FUNDS MANAGED BY PURNARTHA INVESTMENT ADVISERS PVT. LTD. (INVESTMENT MANGER TO “PURNARTHA TRUST”.

(Version V1/ 2023-24)

I. PREAMBLE

Purnartha Investment Advisers Pvt. Ltd. (hereinafter referred to as “Purnartha” or “Company”) is a Securities and Exchange Board of India (hereinafter referred to as “SEBI”) registered intermediary offering investment advisory, portfolio management and alternative investment fund services (Category III) to investors in securities markets.

This Voting Policy (hereinafter referred to as the “Policy”) is framed pursuant to the Securities and Exchange Board of India Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019 wherein it has prescribed stewardship principles to be adopted and implemented by all categories of Alternative Investment Funds (AIF).

II. PURPOSE

Purnartha Investment Advisers Pvt. Ltd. as an Investment Manager to Purnartha Trust (a Category III Alternative Investment Fund), invests in various securities as per the Investment Objectives of the respective Schemes. In this respect, we have an obligation to act in the best interest of clients while managing the funds as an Investment Manager to the AIF fund. This responsibility includes exercising the voting rights attached to securities while managing the investments of the fund in capacity of an Investment Manager.

Purnartha has adopted the Stewardship Code (hereinafter referred to as “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. According to the fifth principle of the SEBI Circular Institutional investors should have a clear policy on voting and disclosure of voting activity. The Voting Policy contains the principles that form the basis for exercising the voting rights attached to shares in which Scheme(s) have invested and the processes that would be followed by Purnartha towards exercising said voting rights. The circular also mandates that voting policy, voting decisions (including rationale for decision), use of proxy voting/voting advisory services, etc. should be publicly disclosed. This Policy contains the principles that form the basis of all votes.

The main purpose of the policy is 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

III. OBJECTIVE OF THE POLICY

The policy shall determine measures and procedures for voting in the investee companies and will cover the following matters and objectives. It is to be noted here that not all criteria as listed below can be considered at the same time. It may also be noted that criteria other than mentioned below can also be considered for voting in the investee company.

- For Monitoring relevant corporate actions.
- For ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant Fund.
- For preventing and managing any conflicts of interest arising from the exercise of voting rights.
- To support such proposals that tend to maximise shareholders' value and in turn value of unit holders;
- To signal dissent to proposals that favour promoters / dominant shareholders at the expense of other (minority)shareholders;
- To assent to proposals which are in favour of investors.
- To ensure that the decision to cast a vote is not influenced by conflict of interest
- For Monitoring Financial results of the investee company.
- For Restructuring and reorganizing of the company
- For Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions
- For remuneration of the members of the Board of Director. Etc.
- For Social and corporate responsibility issues.
- For Appointment and Removal of Directors.
- Any other issue that may affect the interest of the shareholders in general and interest of the clients in particular

IV. MECHANISMS TO BE USED FOR VOTING

In most of the cases e-voting would be preferable by the Investment manager as it saves time and is cost effective. Purnartha will casts its votes on the e- voting platforms offered by CDSL, NDSL, KFin, and other service providers. In cases where e-voting is not possible or not mandated, Purnartha endeavors to exercise its vote at such meetings through a proxy appointed in accordance with Companies Act, 2013 or by physical attendance of the meeting through authorized signatories/ Fund manager or through Postal Ballot.

Further, even after a vote has been cast through the electronic means/otherwise, the fund managers is of the opinion that attending meeting in person would be beneficial to protect the interest of the investors, he may attend the general meetings of the investee companies, to ask questions to the management of the Investee Company pertaining to various matters.

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.

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.

V. GUIDELINES FOR EXERCISING A VOTE:

Specific decision on a particular resolution i.e. to support, oppose or abstain from voting, shall be taken on a case-to case basis considering potential impact of the vote on shareholder value and interests of the unitholders of the Schemes at large. Purnartha may also at its discretion choose to abstain from participating in any resolution and hold a neutral stance, should the concerning issue be of no major relevance for the shareholder value and/or unitholder interest.

The decision regarding voting on the resolution, i.e. whether the Investment Manager will vote for or against the resolution proposed by the Company/Issuer, will be taken by the CIO or Th Fund Manager on voting.

Voting Procedure:

The decision of the respective CIO/Fund Managers 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 of the following personnel/ representatives of the Company or an externally authorised agency such as a custodian would be delegated the responsibility for exercising the physical votes by the CIO or Fund Manager:

1. Chief Investment Officer (CIO)
2. Fund Manager (s)
3. Head – Research/ Research Analyst(s)
4. Head – Compliance

5. Head-Operations

6. Representative of an externally authorized agency such as the Custodian

7. Representative of the company employee as may be appointed by the Senior Management and Board of Directors.

A report on votes exercised by the Company and the rationale recorded for each voting decision will be placed before the Board of Directors of the Company 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 which determine 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.

The Company may take the help of a proxy voting advisory services for providing recommendations in order to assist the CIO/Fund Managers in the decision – making process:

The Company will make following disclosure to investor in respect of votings exercised by it:

a. Details of actual voting for every proposed resolution in investee companies i.e.

For, Against or Abstain

b. Rationale for voting

VI. DECISION MAKING PROCESS:

The decision regarding the voting on the resolutions of the Investee companies, i.e. whether Purnartha will vote for or against the resolution or refrain from voting shall be taken by CIO or The Fund Manager of the respective scheme, Purnartha may also may consult and consider the inputs from external agencies to arrive at the decision, if so required.

VII. CONFLICT OF INTEREST:

Currently Purnartha does not have any investments in its Group Companies / Company(ies) that have subscribed to the Units of the Schemes of Alternative Investment Funds, so there is no question of Conflict of Interest.

VIII. DISCLOSURES

This Policy shall be put up on the website: www.purnartha.com

The following periodical disclosures shall be made available on the aforesaid website:

The Company will make following disclosure to investor in respect of voting exercised by it, as per the regulatory requirement or on Annual Basis, as per the Annexure I :

a. Details of actual voting for every proposed resolution in investee companies i.e.

For, Against or Abstain

