

NEGEN CAPITAL SERVICES PRIVATE LIMITED



STEWARDSHIP CODE

❖ **DOCUMENT CONTROL**

Version	Owner of this Policy	Approved by	Approval date
1.0	Compliance Officer	Board of Directors	04/04/2024
2.0	Compliance Officer	Board of Directors	19/05/2025

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❖ **INTRODUCTION:**

This document on Stewardship Code (“Code/Policy”) sets out the framework and guidelines on discharge of the stewardship responsibilities by Negen Capital Services Private Limited in its capacity as Investment Manager SEBI registered Alternative Investment Funds (‘AIFs/Funds’).

The Code has been framed in accordance with Guidelines on Stewardship Code for Alternative Investment Funds issued by SEBI vide its circular no. CIR/CFD/CMD1/168/2019 dated December 24, 2019.

❖ **PURPOSE:**

The Code enumerates the processes that the Investment Manager intends to follow in order to safeguard the interests of the investors of the Fund while managing the investments in listed equities. The purpose of the Code is to enhance the quality of engagement between institutional investors and the investee companies as a step towards improved Corporate Governance practices with a view to enhancing long-term returns to investors and the governance responsibilities.

❖ **KEY PRINCIPLES:**

PRINCIPLE 1: INSTITUTIONAL INVESTORS SHOULD FORMULATE A COMPREHENSIVE POLICY ON THE DISCHARGE OF THEIR STEWARDSHIP RESPONSIBILITIES, PUBLICLY DISCLOSE IT, REVIEW AND UPDATE IT PERIODICALLY

The Investment Manager manages various asset classes and has various investment capabilities. As sustainability is an important part of the investment philosophy of the Investment Manager, the following primary stewardship responsibilities shall be considered throughout these capabilities and asset classes:

- corporate governance practices of investee companies, when undertaking buy and sell decisions;
- policies and practices on environmental, social and governance matters followed by the investee companies;
- enhance investor value through productive engagement with investee companies;
- vote and engage with investee companies in a manner consistent with the best interests of investors;
- be accountable to investors within the parameters of professional confidentiality and regulatory regime; and
- maintain transparency in reporting its voting decisions and other forms of engagement with investee companies.

Discharging Stewardship Responsibilities:

The Investment Manager on behalf of the Funds shall discharge its stewardship responsibilities through:

- voting on shareholders resolutions, with a view to enhance value creation for the investors and the investee companies;
- advocating for responsible corporate governance practices, as a driver of value creation; and
- Intervening on environmental, social and governance opportunities or risks in the investee companies.

Responsibility for oversight of the stewardship activities:

- The Investment Team of the Investment Manager shall ensure that there is an effective oversight of stewardship activities.
- The Investment Manager may avail the services of external agencies (institutional advisors) in discharging its Stewardship responsibilities.
- Notwithstanding the above, the ultimate stewardship responsibilities shall be discharged by the Investment Manager.

Disclosure of Code:

This Code and any amendment thereto shall be disclosed on the website of the Investment Manager.

Training:

The Investment Manager shall provide training at regular intervals to its employees involved in implementation of the principles laid in the Code.

PRINCIPLE 2: INSTITUTIONAL INVESTORS SHOULD HAVE A CLEAR POLICY ON HOW THEY MANAGE CONFLICTS OF INTEREST IN FULFILLING THEIR STEWARDSHIP RESPONSIBILITIES AND PUBLICLY DISCLOSE IT

The Company has formulated Conflict of Interest Policy to address potential areas of conflicts as well as to ensure compliance with relevant regulatory requirements.

PRINCIPLE 3: INSTITUTIONAL INVESTORS SHOULD MONITOR THEIR INVESTEE COMPANIES

The research team of Investment Manager shall be responsible for monitoring all the investee companies. Frequency and process to monitor the activities of Investee Company shall be annual at minimum.

Key areas for monitoring include strategy and business outlook, financial performance, management evaluation, remuneration, corporate governance issues, related party transactions, board structure, capital structure, shareholder rights, risks including Environmental, Social & Governance etc.

The mechanism adopted for monitoring purposes shall be including but not be limited to:

- Publicly available information
- Management interaction through meetings/ con-call

- Broker research and inputs
- Industry information

While dealing with the investee company, the Investment Manager shall ensure compliance with the SEBI (Prohibition on Insider Trading) Regulations, 2015 and adjudication orders by SEBI/BSE/NSE, etc. while seeking information from the investee companies for the purpose of monitoring.

PRINCIPLE 4: INSTITUTIONAL INVESTORS SHOULD HAVE A CLEAR POLICY ON INTERVENTION IN THEIR INVESTEE COMPANIES. INSTITUTIONAL INVESTORS SHOULD ALSO HAVE A CLEAR POLICY FOR COLLABORATION WITH OTHER INSTITUTIONAL INVESTORS WHERE REQUIRED TO PRESERVE THE INTERESTS OF THE ULTIMATE INVESTORS, WHICH SHOULD BE DISCLOSED.

The Investment Manager may intervene on a case-by-case basis if it feels that its intervention is required to protect the value of its investment and discharging its stewardship responsibility. The decision for intervention will be decided by the Investment Team if, in its opinion, any act/omission of the investee company is considered material including but not limited to the disclosures, non-compliance with regulations, performance parameters, governance issues, corporate plans/strategy, CSR, litigations, etc.

STEPS FOR INTERVENTION ARE:

The Investment Manager shall engage with investee companies through both formal and informal channels including private meetings and attendance at company meetings as well as telephone and electronic methods.

1. **Communication:** If concerns regarding an investee company's approach or decisions arise, initial discussions would, if appropriate, take place on a confidential basis and where possible as part of the Investment Team's ongoing discussion.
2. **Engagement:** In the event the above communication fails in undertaking constructive steps within a reasonable timeframe, the Fund Manager shall take all reasonable steps to engage with the investee company to resolve such concerns.
3. **Escalation:** In case there is no progress despite multiple interactions with the Investee Company, the matter shall be discussed at the Board Meeting of Investment Manager for further escalation to the Board of Directors of the investee company.
4. **Reporting to regulators/authorities:** Despite escalation if there is no response or action taken by Investee Company, the Board of Investment Manager may decide to report to the relevant regulatory authorities as may be required.

In case the Investment Manager's intervention is not successful (either fully or partially), it will not automatically result in the requirement to exit the Fund's investment in the investee company. The decision to purchase more equity or sell all or part of the Fund's investment in the investee company shall be made by the Board of Investment Manager, which may consider the outcome of the intervention as an input in its decision-making process.

Collaboration with other Institutional Investors:

The Investment Manager shall consider collective engagement with other institutional investors, professional associations, advisors and any other entities where it deems necessary on a general basis and in particular, when it believes a collective engagement will lead to a higher quality and/or a better response from the investee company.

The Investment Manager may approach, or may be approached by, other Investment Manager/Asset Managers/Insurers/Mutual Funds etc. to provide a joint representation to the investee companies to address specific concerns.

PRINCIPLE 5: INSTITUTIONAL INVESTORS SHOULD HAVE A CLEAR POLICY ON VOTING AND DISCLOSURE OF VOTING ACTIVITY

The Investment Manager has formulated a Voting Policy which shall be adhered to while exercising voting rights. The Investment Manager shall disclose all voting activity on its website or report the same to investors annually.

PRINCIPLE 6: INSTITUTIONAL INVESTORS SHOULD REPORT PERIODICALLY ON THEIR STEWARDSHIP ACTIVITIES

The Investment Manager shall provide a report of the discharge of its Stewardship Responsibilities annually on its website or as a part of annual intimation to its clients as per '*Annexure - I*' to this Code. Any deviation from this Code must be approved by the Board of Directors.

❖ **AMENDMENTS & REVIEW:**

This Code is subject to an annual review or as and when required for enhancement and keeping it abreast with the relevant laws and regulatory updates, and as per discretion of the Board of Directors of the Company. In the event of any conflict between this Code and the extant law/regulations, the law/regulations shall prevail. Any subsequent amendments/modification in the Circulars shall automatically apply to this Code.

ANNUAL STEWARDSHIP REPORT

Principle No.	Principle Description	Status	Remarks
Principle 1	Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically.		
Principle 2	Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.		
Principle 3	Institutional investors should monitor their investee companies.		
Principle 4	Institutional investors should have a clear policy on intervention in their investee companies. Institutional investors should also have a clear policy for collaboration with other institutional investors where required, to preserve the interests of the ultimate investors, which should be disclosed.		
Principle 5	Institutional investors should have a clear policy on voting and disclosure of voting activity.		
Principle 6	Institutional investors should report periodically on their stewardship activities.		