

Nippon Life India AIF Management Limited

Proxy Voting Policy

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Version 1.0

Proxy Voting Policy and Procedures for schemes of Nippon Life India AIF Management Limited

Background

Securities & Exchange Board of India (SEBI), vide circular ref. CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019 Principle 5 stipulated that institution investors like AIF schemes should play an active role in ensuring better corporate governance of listed Companies. In this regard, SEBI has mandated that, AIF Management Company Limited shall disclose their policy and procedure, for exercising the voting rights in respect of shares held on behalf of the schemes on their website as well as in the annual reports of the schemes.

Pursuant to the aforesaid SEBI circular, Nippon Life India AIF Management Limited (NAIF India), (henceforth referred to as “ AIF”), the Investment Manager of AIF Schemes, has formulated the Proxy Voting Policy and Procedure (‘the Policy’) for its equity schemes

Voting Guidelines

Proxy voting is the paramount, fiduciary duty of the AIF on behalf of the unit holders. The AIF recognizes that this duty requires it, to vote on behalf of the unit-holders in a timely manner and make voting decisions in advancing the economic interests of the unit-holders and protecting their rights as beneficial owners of the companies in whose securities the AIF invests through the schemes that it manages.

AIF will generally vote with the issuer company’s management on routine matters. With respect to non-routine matters such as proposed anti-takeover provisions or mergers, the financial impact will be analyzed, and the proxy will be voted on a case-by-case basis, in the best interest of the unit-holders.

While arriving at the decision to vote, views of the Fund Managers, Research Analysts and other executives and sources may be considered. The requirements from SEBI shall be complied with as may be applicable from time to time.

A. **Corporate Governance matters (including changes in the state of incorporation, merger and other corporate restructuring and anti takeover provisions)**: Mergers and acquisitions and corporate restructuring proposals will be subject to appropriate review on a case-by-case basis to determine whether they would be beneficial to shareholders' interest.

B. **Changes to capital structure, (including increases or decreases of capital and preferred stock issuances)**: The proposals for approval to alter the capital structure of the company, such as an increase in authorized capital will generally be supported. However, each proposal shall be evaluated on a case-by-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**: In general, compensation matters are normally determined by the Company's Board of Directors, rather than the shareholders. The AIF would generally support proposals for Employee Stock option plans and other management compensation plans, but would oppose excessive compensation, if it feels that approval of the plan would be against shareholder interest.

D. **Corporate Social Responsibilities**: The AIF would generally support proposals on social issues that have demonstrable economic benefit to the issuer and long-term economic value of the securities held in the scheme on case-by-case basis.

E. **Appointment and Removal of Directors**: The foundation of good corporate governance is in the selection of responsible and qualified, Independent Directors who are likely to diligently represent the interest of the shareholders and oversee management of the Company in the manner that will seek to maximize shareholder value over time. Hence, the AIF would generally support the Board's nominees in the election of Directors and generally support proposals that strengthen the independence of Board of Directors. However, each such proposal shall be evaluated on a case-by-case basis.

There may be circumstances where the AIF believes it is in the best interests of a Fund to vote differently than the manner contemplated by the Guidelines. The ultimate decision to vote rests with Proxy Voting Committee

Voting Procedures

The AIF may seek services from the available proxy advisor service. If the proxy advisor service is sought, then the following procedure would be followed:

- Scope of the above advisor is limited to assisting the AIF with research and recommendations pertaining to the proposed resolutions of the investee companies.
- Proxy voting committee of the AIF will consider the recommendations of the above advisor as a supplementary information to decide on the various resolutions of the investee companies. Final decision to vote (for / against / abstain) will be taken by the AIF, through the proxy voting committee, in the best interest of the unitholders.

All the decisions regarding Proxy voting as per the principles set out in this policy would be taken by the Proxy Voting Committee. The Proxy Voting committee shall consist of senior members of AIF 's Management & NAM India as approved by the Board.

The Proxy Voting Committee would consist of the following members:

Head – Alternative Assets

Fund Manager-Equities

Chief Compliance, Legal and Secretarial Officer – NAM India

Head of Operations-AIF Business

Chief Risk Officer -NAM India

Quorum

Minimum 3 members.

For the purposes of quorum, the presence may either be in person or via teleconference or video conference.

Members and personnel from various departments may be asked to participate when considered necessary.

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.

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 schemes of AIF.

3) The Committee would meet as envisaged in this policy and decide whether to vote for / against / abstain on each of the resolutions.

4) The committee may if it considers it necessary take note of the views of any third party or any member of the Fund Management teams before taking any decision.

5) The committee will generally Abstain from voting for the following reasons:

i) The notices were received late from the investee Company or any service provider.

ii) The information available in the notices is not enough to take any decision to vote for or against a resolution

iii) The holding is in Group Companies

iv) Corporate Governance standards, disclosure requirements, and voting mechanisms vary greatly among the markets outside India in which the schemes may invest. AIF will accordingly cast the vote in a manner believed to be consistent with the policy, while considering differing practices by market. In addition, there may be instances in which AIF may refrain from voting if, the cost of voting in foreign markets may be substantially higher.

v) The Schemes of NAIF India held the securities as on record date, but these have been sold prior to the date of the meeting of the Proxy Voting committee.

vi) 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 unit-holders.

There may be circumstances where the AIF 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 way the AIF's representatives/proxies will vote rests with Proxy Voting Committee.

The minutes of the proxy voting committee meeting would be placed before the stewardship committee. Along with the minutes of the meeting of the stewardship committee, all the proxy voting committee minutes would be placed before the Board of Directors of AIF held after the quarterly stewardship committee.

Conflict of Interest

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

Disclosure of Proxy Voting and other matters associated with such disclosures

In terms of SEBI circular CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019 and AMC 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) Format for disclosures will be as prescribed in the relevant SEBI Circulars from time to time.
- e) Board of NAIF India Management Company Limited shall review and ensure that AIF 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.