

# ALPHA ALTERNATIVES

## Proxy Voting Policy

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## 1. 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 the fund management company 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, Alpha Alternatives Fund Advisors LLP (Alpha Alternatives), the Investment Manager of AIF Schemes, has formulated the Proxy Voting Policy and Procedure ('the Policy') for its equity schemes

## 2. Voting Guidelines

Proxy voting is a fiduciary duty of Alpha Alternatives Fund Advisors LLP (Alpha Alternatives) on behalf of the unit holders. Alpha Alternatives 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 Alpha Alternatives invests through the schemes that it manages.

Alpha Alternatives will generally vote with the issuer company's management on routine matters. With respect to non-routine matters such as corporate governance matters, proposed anti-takeover provisions or mergers or corporate restructuring, appointment or removal of directors, management compensation including stock options schemes, corporate social responsibility matters or capital raising or changes to the capital structure, 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. The guiding principle will be to have a balanced view including demonstrable economic benefit to the issuer and long-term economic value of the securities, upholding good corporate governance, and having people with the requisite experience, relevance and reputation sit in the Board to oversee the management of the company.

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. There may be circumstances where Alpha Alternatives 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.

### **3. Voting Procedures**

Alpha Alternatives 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 Alpha Alternatives with research and recommendations pertaining to the proposed resolutions of the investee companies.
- Proxy voting committee of Alpha Alternatives 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 Alpha Alternatives 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 the Fund Manager Equities, the Chief Financial Officer and the Chief Operating Officer. The quorum requirement will be to have at least 2 members out of the committee present, among others who may be invited to participate, in person or via teleconference or video conference. For holdings that are more than 2% of the outstanding shares of the investee, full quorum of all 3 members will be required for the committee's meeting. The committee will be convened as and when required. Either of the Chief Financial Officer or the Chief Operating Officer will be the chairperson for the meeting. 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 Alpha Alternatives
- 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) Alpha Alternatives held the securities as on record date, but these have been sold prior to the date of the meeting of the Proxy Voting committee.
  - v) 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 Alpha Alternatives 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 Alpha Alternatives' 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 Alpha Alternatives held after the quarterly stewardship committee.

#### **4. Conflict of Interest**

Alpha Alternatives recognizes that there may be a potential conflict of interest when it votes on an entity with which Alpha Alternatives may have some relationship. However, Alpha Alternatives Fund Advisors

LLP (Alpha Alternatives) will ensure to vote in the interest of the unit holders.

## **5. Disclosure of Proxy Voting**

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, 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 Alpha Alternatives shall review and ensure that Alpha Alternatives 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.