



**Proxy Voting Policies**

**For all the Schemes of DSP Alternate Investment Fund**

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**Table of contents**

I. INTRODUCTION..... 3  
II. PROXY VOTING POLICY..... 3  
III. PROXY ADVISORY ..... 5  
IV. REPORTS TO THE BOARD ..... 6  
V. DISCLOSURES..... 6  
VI. POLICY REVIEW ..... 6

## PROXY VOTING POLICY

### I. INTRODUCTION

The Stewardship Committee (**the Committee**) of DSP Asset Managers Private Limited (**DSPAM**), Asset Management Company to DSP Alternate Investment Fund (**Fund**), *inter alia* addresses proxy voting issues on behalf of all the Schemes of the Fund. The Committee comprises of Managing Director & Chief Executive Officer, Chief Operating Officer, Head of Equities, Head of Passive Investments, Head of Fixed Income, Head of Legal & Compliance, Chief Risk Officer and Head of Quantitative Investments and Analytics. In keeping with its fiduciary responsibilities, the Committee reviews all proposals put up for voting even though they may be considered to be routine matters and exercises the votes in the best interest of its unitholders. Each proposal is considered based on the relevant facts and circumstances. From time to time, the Committee can avail/engage professional Proxy Voting advisory firms to obtain research and voting recommendations on resolutions proposed by investee companies. The Committee shall not be bound by the recommendations and shall act at its discretion keeping unit holders interest paramount. The Committee may deviate from the general policies and procedures when it determines the particular facts and circumstances warrant such deviation to protect the interest of the unit holders. This Policy takes into account the relevant regulatory guidelines issued by Securities and Exchange Board of India (SEBI) from time to time.

The provisions of SEBI (Alternative Investment Funds) Regulations, 2012 and circulars/notifications/letters issued thereunder from time to time read with guidelines/notifications issued by AMFI shall prevail over the provisions of the Policy.

#### **Mechanism for Voting**

Since the introduction of voting through electronic means, DSPAM casts its votes on the voting platforms offered by Central Depository Services Limited (CDSL), National Securities Depository Limited (NDSL), KFin Technologies Private Limited (KFin), Link Intime India Private Limited (Link Intime) and Broadridge Financial Solutions and other service providers. In cases where e-voting is not possible or not mandated, DSPAM endeavours to exercise its vote at such meetings through a proxy appointed in accordance with Companies Act, 2013.

Further, even after a vote has been cast through the electronic means/otherwise, the fund managers may attend the general meetings of the investee companies, to pose questions to the management of the Investee Company pertaining to various matters.

### II. PROXY VOTING POLICY

**A. Corporate Governance matters (including changes in the state of incorporation, merger and other corporate restructuring and anti takeover provisions)** Mergers and acquisitions will be subject to careful review by the research analyst to determine whether they would be beneficial to shareholders. DSPAM will analyze various economic and strategic factors in making the final decision on a merger or acquisition resolution. Corporate restructuring proposals are also subject to a thorough examination on a case-by-case basis.

## **B. Capital Structure**

These proposals relate to various requests, principally from management, for approval of amendments that would alter the capital structure of the Company, such as an increase in authorized shares. As a general matter, DSPAM will support requests that it believes enhance the rights of common shareholders and oppose requests that appear to the unreasonably dilutive.

## **C. Compensation and Benefits**

We generally support proposals for employee equity compensation plans and other employee ownership plans provided our research does not indicate that approval of the plan would be against shareholder interest. These proposals concern those issues submitted to shareholders related to management compensation and employee benefits. As a general matter, we favor disclosure of a Company's compensation and benefit policies and oppose excessive compensation but believe that compensation matters are normally best determined by a corporation's Board of Directors, rather than shareholders. Proposals to "micro-manage" a Company's compensation practices or to set arbitrary restrictions on compensation or benefits should therefore generally not be supported.

## **D. Social and Corporate Social Responsibilities**

These are shareholder proposals addressing either corporate social and environmental policies or requesting specific reporting on these issues. We generally do not support proposals on social issues that lack a demonstrable economic benefit to the issuer and the Fund investing in such issuer. DSPAM seeks to make proxy voting decisions in the manner most likely to protect and promote the long term economic value of the securities held in the scheme's accounts. We intend to support economically advantageous corporate practices while leaving direct oversight of the Company management and strategy to the Board of Directors. We seek to avoid micromanagement of Companies, as we believe that the Company's Board of Directors is best positioned to represent shareholders and oversee management on shareholders behalf. Issues of corporate social and environmental responsibility are evaluated on a case –by –case basis within the framework.

## **E. Board of Directors**

DSPAM generally supports the Board's nominees in the election of Directors and generally supports proposals that strengthen the independence of the Board of Directors. As a general matter, we believe that a Company's Board of Directors (rather than shareholders) is most likely to have access to important, nonpublic information regarding a Company's business and prospectus, and is therefore best-positioned to set corporate policy and oversee management. We therefore believe that the foundation of good corporate governance is the selection of responsible, qualified, independent corporate Directors who are likely to diligently represent the interest of the shareholders and oversee management of the corporation in the manner that will seek to maximize shareholder value over time. In individual cases, consideration may be given to a Director nominee's history of representing shareholder interests as a Director of the company issuing the proxy or other companies, or other factors to the extent deemed relevant by the Committee.

## **F. Other issues**

### **i. Auditors**

These proposals concern those issues submitted to shareholders related to the selection of the auditors. As a general matter, we believe that corporate auditors have a responsibility to represent the interest of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. While we will generally agree to a corporation's choice of auditor, in individual cases, consideration may be given to an auditors' history of representing shareholder interests as auditor of the Company issuing the proxy or other Companies, to the extent deemed relevant by the Committee.

### **ii. Corporate Charter and By-Laws**

These proposals relate to various requests for approval of amendments to a corporation's charter or by-laws. We generally vote against antitakeover proposals and proposals that would create additional barriers and costs to corporate transactions that are likely to deliver premiums to shareholders.

### **iii. Conflict of Interest and governance measures for investment in group companies of DSPAM (AMC) and investment in companies that have subscribed to the units of any scheme of the Fund:**

DSPAM is an affiliate of a large, diverse financial services firm with many affiliates and makes its best efforts to avoid conflicts of interest. However, conflict of interest can arise in certain situations. Few examples of such situations are:

- Investee Company is a client of DSPAM or its affiliates
- Investee Company is an entity participating to a material extent in the distribution of products managed or advised by DSPAM
- Investee Company has subscribed to the units of any of the schemes of Fund

None of the schemes of the Fund shall invest in DSP Group of companies. Further, DSPAM shall endeavor to resolve conflicts of interest in the interest of the unitholders. Nonetheless, in above cases DSPAM may vote as per recommendation by proxy advisors.

### **iv. Internal Control Mechanism:**

Internal controls and checks are in places at various key steps in the process of exercise of votes as considered relevant/material by DSPAM. The Committee periodically reviews the implementation of the policy and disclosure requirements.

## **III. PROXY ADVISORY**

DSPAM may use its discretion to avail the services of Proxy Advisor(s) to arrive at a suitable decision for voting. The fund managers shall, subject to the Stewardship Policy, use their discretion whether to rely and/or act on the suggestions/recommendations given by such Proxy Advisor(s).

#### **IV. REPORTS TO THE BOARD**

DSPAM will report to the DSP Trustee Pvt. Ltd. on proxy votes it has made on behalf of the Fund at least annually.

#### **V. DISCLOSURES**

This Policy shall be put up on the DSPAM's website: [www.DSPAM.com](http://www.DSPAM.com)

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

- a) Voting exercised and abstained along with the rationale on the quarterly basis within 15 (fifteen) working days from the end quarter in the specified format. Additionally, a summary of the voting exercised across all the investee companies and its break-up in terms of number of votes cast in favour, against or abstained from shall be updated.
- b) Voting exercised and abstained along with the rationale on an annual basis in the specified format.

#### **VI. POLICY REVIEW**

The policy shall be reviewed on a periodic basis and necessary changes, regulatory or otherwise, shall be carried out and updated in the said policy.

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