

**SUNDARAM ALTERNATE ASSETS LIMITED**  
**(SA)**

**STEWARDSHIP CODE**

**With effect from 1<sup>st</sup> April 2020**

The Stewardship Code is formulated in line with the circular (Ref.: CIR/CFD/CMD1/168/2019) issued by SEBI dated 24<sup>th</sup> December 2019.

The Stewardship Code is formulated based on the stewardship principles laid down by the SEBI–

- **Principle 1** - Institutional Investors should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it.
- **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 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.

The Stewardship Code is approved by the Board of Directors. The Management / Board constituted Committee will review compliance to the Stewardship Code. In line with the SEBI requirements, the approved policy is being disclosed on the Company website. Any modifications/amendments to this policy will be made with the approval of the Board and necessary disclosure of amendments will be made in the Company website.

**Principle 1 - Stewardship Responsibilities**

Our company as part of its investment portfolio invests in listed equities of various investee companies to enhance the portfolio returns and diversify its investments. This policy aims to define the minimum levels of engagement required to be maintained with the investee companies. The engagement will be inclusive of and not restricted to:

- Corporate Governance matters, merger/acquisition, other corporate restructuring and anti-takeover provisions.
- Changes in capital structure, including increases and decreases of capital, preferred stock issuances, buy-back, dividend etc.,
- Stock Option Plans and Other Managerial Compensation issues.
- Appointment and Removal of Directors, Statutory Auditors etc.
- Any other issue that may affect the interest of Shareholders.

We may use the services of institutional advisors to assist us. Where the services of external agency are availed, the responsibility for steward activities shall lie with SA only. We will endeavour to engage actively with all investee companies in which we hold 1% of its outstanding equity shares.

All the personnel involved in the implementation of the Stewardship Policy shall be trained to be made aware of their responsibilities.

### **Principle 2- Managing Conflict of Interest**

All Investment Committee members and Investment Team members involved in Managing the Investment portfolio will strive to:

- Avoid conflict of interest.
- Disclose any conflict of interest and adequately manage the conflict by ensuring that the disclosing member is not involved in the decision-making process.
- Voting decisions will be taken to protect the interests of the Organisation.

### **Principle 3 and 4 - Monitoring of Investee Companies and Policy on Intervention**

Active monitoring of investee companies through internal and external research will be part of the duties of the Investment team. The Investment team will be responsible for analysing publicly available information about investee companies and by attending

conference calls held by the management to ascertain the strategy, performance, risk assessment, capital structure and corporate governance of the investee companies. Intervention regarding issues as identified by our Internal Investment team and with the approval of the Management / Board constituted Committee will be taken up through direct one on one discussions in investee companies in which we are holding more than 1% of the outstanding equity shares. However, should the investee companies not adequately respond, then further action will be considered as approved by the Management / Board constituted Committee.

#### Collaboration with Other Institutional Investors

We shall with the approval of the Management / Board constituted Committee agree to collaborate with other Institutional investors to ensure that our interests in the investee company stand protected on a case to case basis.

#### **Principle 5 - Voting and disclosure of voting activity**

SA has formulated a separate voting policy and the same shall be followed.

#### **Principle 6 - Disclosure and Reporting**

Stewardship Policy would be uploaded on the website of the Company, within 30 days from the date of approval by the Board. In case of revision of the policy, the same would be displayed on the website of the Company, within 30 days from the date of approval by the Board.

SA shall disclose votes cast on their website on a quarterly basis, within 10 working days from the end of the quarter.

SA shall disclose a report on its Stewardship activities on its website, as part of Public Disclosures.