

STEWARDSHIP CODE & POLICY

Geojit Yield Plus Fund by Geojit Alternates

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1. Introduction

Geojit Yield Plus Fund ('the Fund') by Geojit Alternates ('the Trust') is managed by Geojit Financial Services Limited ('Investment Manager'). Geojit Alternates is registered as a Category III Alternative Investment Fund ('AIF') under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("SEBI AIF Regulations"). Geojit Alternates has been organised as a Trust, settled in India under the provisions of the Indian Trusts Act, 1882. The Trustee of the Fund - Catalyst Trusteeship Limited, has appointed Geojit Financial Services Limited as the investment manager of the Trust and the Fund. Geojit Yield Plus Fund is the first scheme of the Geojit Alternates.

The primary objective of the Fund is to generate absolute returns over the medium term, while investing in instruments like cash equities, equity derivatives including futures and options, debt and debt related instruments, warrants, index derivatives including index futures and options and other permissible securities/products. For paying necessary margins for derivatives strategies, the Fund may provide such margins in the form of permissible instruments as notified by the stock exchanges.

2. Purpose & Regulatory Requirement

Securities and Exchange Board of India ('SEBI') vide Circular No. CIR/CFD/CMD1/168/2019 dated 24 December 2019 and Master Circular for Alternative Investment Funds No. SEBI/HO/AFD~1/AFD-1-PoD/P/CIR/2024/39 dated 7 May 2024 ('Master Circular for AIF') has stated that all AIFs shall mandatorily follow the Stewardship Code as prescribed in relation to their investment in listed equities.

As per SEBI, the importance of institutional investors in capital markets across the world is increasing the world over; they are expected to shoulder greater responsibility towards their clients/ beneficiaries by enhancing monitoring and engagement with their investee companies. Such activities are commonly referred to as 'Stewardship Responsibilities' of the institutional investors and are intended to protect their clients' wealth. Such increased engagement is also seen as an important step towards improved corporate governance in the investee companies and gives a greater fillip to the protection of the interest of investors in such companies.

As per the aforesaid circulars, the Fund being institutional investor should have a comprehensive policy on the discharge of their stewardship responsibilities. This Stewardship Code & Policy ('the Policy') documents the guiding principles to be adopted and followed by the Key Investment team ("Investment team") of Investment Manager vis-à-vis activities of the Fund. The Policy is prepared on the basis of principles enumerated in the SEBI circulars. While, the Policy shall act as guidance to the Investment team for discharging the stewardship responsibility, however, the same is not intended to curtail/ restrict the fund management activities of Investment Manager.

3. **Responsibility**

The Investment team shall be responsible for ongoing monitoring of the investee companies, for engaging with the management of the investee companies and for identifying situations which require intervention in the investee companies and manner of this intervention. The Investment team shall also be responsible for identifying situations which may give rise to a conflict of interest. The Investment team shall also be responsible for disclosures pertaining to stewardship activities including voting reports at a frequency stated under various SEBI circulars. The Investment Team shall also be responsible for maintaining the records pertaining to the voting activities and maintaining a list of investee companies in which conflict of interest, as defined below, has been identified.

4. **Implementation / Process**

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 primary stewardship responsibilities of Investment Manager shall be:

- i. To take into consideration, in the investment process, the investee companies' policies and practices on corporate governance matters;
- ii. To seek productive engagement with the investee companies;
- iii. To exercise voting rights in the investee companies in a manner consistent with the best interests of its Fund's Contributors, and;
- iv. To maintain transparency in reporting its voting decisions and other forms of engagement with investee companies.

Investment Manager shall fulfil its stewardship responsibilities in the following manner:

- i. Investment Manager shall frame procedures on voting to deal with the exercise of the Company's voting rights in investee companies.
- ii. Investment Manager shall appropriately engage and intervene on any issue/matter which may, potentially, affect an investee company's ability to deliver long-term sustainable performance and value. The matter may include performance (operational, financial, etc.), strategy, corporate governance (including board structure, salary, etc.), material environmental, social and governance (ESG) opportunities or risks, capital structure, etc. Such engagement may be through detailed discussions with management, interaction with investee company boards, voting in board or shareholders meetings, etc.
- iii. Investment Manager shall endeavour to work collectively with other institutional investors and support collaborative engagements organized by representative bodies and others
- iv. The Policy will be reviewed and updated by the head of the Investment team as and when there are regulatory requirement or business need and recommend the same for approval by Investment Manager. However, the Policy will be reviewed by Investment Manager at least annually. The updated Policy will be publicly disclosed on the Company's website.
- v. The Investment team will be provided necessary training explaining the responsibility under the Code along with amendments, if any atleast once in a year. This may be done

through external agency or internal team presentations. The head of the Investment team is empowered to decide or amend the frequency and modalities of training under this Policy.

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.

Investment Manager should handle the matters carefully when the interests of Fund's Contributors diverge from each other. Investment Manager will ensure that the interest of the Fund's contributor's is placed before the interest of the entity.

Investment Manager has adopted "CONFLICT OF INTEREST POLICY" on _____ which sets out procedure on how Investment Manager will:

- a) identify circumstances which may give rise to conflict of interest entailing material risk of damage to contributors' interests in the Fund; and
- b) put in place appropriate measures to mitigate any conflict of interests, should it arise.

Principle 3: Institutional investors should monitor their investee companies

Investment Manager while monitoring of the investee companies will consider the following:

- i. The Investment team of Investment Manager shall have the threshold level as defined by the investment team for the investee company, beyond which the exposure to the investee company will be deemed to be 'material'. The threshold level will help in determining the level of engagement, monitoring and intervention with the investee company.
- ii. The Investment team will monitor following areas which shall, inter-alia, include:
 - a. Investee Company strategy and performance - operational, financial etc.
 - b. Industry-level monitoring and possible impact on the investee companies.
 - c. Quality of company management, board, leadership etc.
 - d. Corporate governance including remuneration, structure of the board (including board diversity, independent directors etc.) related party transactions, etc.
 - e. Risks, including Environmental, Social and Governance (ESG) risks
 - f. Shareholder rights, their grievances etc.
 - g. Succession planning
- iii. The Investment team shall engage with investee companies as part of the research process that leads to an investment in an investee company, which might include meetings with management.
- iv. Once an investment is made, the Investment team shall continue to monitor each investee company and as a part of this process, the fund manager/ member of key investment team shall, where feasible, attend meetings/conference calls conducted by the management of the investee company. Fund Manager/ member of key investment team may also use publicly available information, sell side research and industry information.

- v. While dealing with the investee company, Investment Manager shall ensure compliance with respect to its Regulations / Policy on Prohibition of Insider Trading.
- vi. Investment Manager may nominate its representative on the Board of Directors of an investee company, wherever it deems necessary.
- vii. The Board of Directors / respective Committees shall review the monitoring and engagement activities being carried out by the Investment team on an annual basis.

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.

Investment Manager shall intervene if, in its opinion, any act/omission of the investee company is considered material on a case to case basis, including but not limited to poor financial performance of Investment Manager, corporate governance related practices, remuneration, strategy, ESG risks, leadership issues, litigation, insufficient disclosures, inequitable treatment of shareholders, non-compliance with regulations, performance parameters, related party transactions etc.

The Investment team may consider intervening in matters below the thresholds level, if in the reasonable opinion of the Investment team of Investment Manager, the issue involved may adversely impact the overall corporate governance or the AIF's investment.

In case the investment is already earmarked for divestment or post planned divestment holding will be below threshold level, intervention may not be considered, unless there is reasonable opinion of the Investment team of Investment Manager and there are other factors which warrants intervention.

The matrix that should be followed by Investment Manager for intervention is as follows:

- i. **Communication:** The Investment team shall communicate to the investee company's management about any concerns including steps to be taken to mitigate such concerns with a written notice by a registered post/email.
- ii. **Engagement:** In the event the management of the investee company fails to undertake constructive steps to resolve the concerns raised by Investment Manager within a reasonable timeframe, Investment Manager shall take all reasonable steps to engage with the management of the investee company for constructive resolution of Investment Manager's concerns.
- iii. **Collaboration:** Investment Manager shall also consider collaboration with other institutional investors, professional/industry associations, regulators, and any other entities where it

deems necessary and in particular, when it believes, a collective engagement will lead to a higher quality and/or a better response from the investee company. Investment Manager may approach, or may be approached by, other institutional shareholders to provide a joint representation to the investee companies to address specific concerns. The act of collaboration with other institutional investors shall not be deemed to be an act of collusion or persons acting in concert.

- iv. Escalation: In case there is no progress despite the first three steps, the Investment team shall escalate the matter to the Board of Directors / respective Committees of Investment Manager. If the Board of Directors / respective Committees decide to escalate, Investment Manager shall engage with the Board of Directors of the investee company (through a formal written communication) and elaborate on the concerns. Investment Manager may also consider discussing the issues at the General Body meeting of the investee company. Investment Manager may vote against decisions at appropriate forum on behalf of AIF.

Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Specific decision on a particular resolution i.e. to support, oppose or abstain from voting, shall be taken on a case-to case basis considering potential impact of the vote on shareholder value and interests of the contributors of the Fund at large. Investment Manager may also at its discretion choose to abstain from participating in any resolution and hold a neutral stance, should the concerning issue be of no major relevance for the shareholder value and/or contributors interest. The decision regarding voting on the resolution, i.e. whether Investment Manager will vote for or against the resolution proposed by the Company/Issuer, will be taken by the Head of the Investment team on voting.

Voting Procedure: The decision of the respective Head of the Investment team on voting for shareholders resolution(s) to be passed at the general meeting or through postal ballot of the investee company, shall be executed by Investment Manager by casting votes through the e-voting facility provided by NSDL/CDSL, by physically attending the meeting or voting through proxy. However, in case the e-voting facility is not offered by any Investee Company or Investment Manager is not in a position to cast its vote through e-voting, any of the following personnel/ representatives of Investment Manager or an externally authorised agency such as a custodian would be delegated the responsibility for exercising the physical votes by the Head of the Investment team:

- i. Head of the Investment team
- ii. Fund Manager (s)
- iii. Operations Head

A report on votes exercised by Investment Manager and the rationale recorded for each voting decision will be placed before the Board of Directors / respective Committee of Investment Manager from time to time to review that Investment Manager has voted on important decisions that may affect the interest of Fund's Contributors, and the rationale recorded for vote decision is

prudent and adequate. Although Investment Manager will generally vote in accordance with the Policy, there may be circumstances where Investment Manager may believe it is in the best interests of the Fund to vote differently than in the manner contemplated by the guidelines. Hence, Investment Manager may deviate from these guidelines. Which determine that the deviation is necessary to protect the interests of the unit holders. The ultimate decision as to the manner in which Investment Manager's representatives / proxies will vote rests with Investment Manager. Investment Manager may take the help of a proxy voting advisory services for providing recommendations in order to assist the Head of the Investment team in the decision - making process. Investment Manager will make following disclosure to investor in respect of voting exercised by it as a part of its annual reporting:

- a. Details of actual voting for every proposed resolution in investee companies i.e. for, against or abstain
- b. Rationale for voting.

Principle 6: Institutional investors should report periodically on their stewardship activities.

Investment Manager will report to the Fund Contributors periodically on how it has fulfilled its stewardship responsibilities in an easy-to-understand format in the following manner.

- a) Investment Manager will disclose on its website the implementation of the principles enlisted in the Policy / prescribed Stewardship Code. The format of disclosure will be approved by the head of Investment team and is subject to regular updates.
- b) Disclosures on the votes cast by Investment Manager for all the resolutions put forth by the investee companies for shareholders' approval will be published on quarterly basis, as required by prevailing SEBI guidelines.
- c) This Policy, as amended from time to time, will be disclosed on the website of the Investment Manager along with other public disclosures. Any change or modification to the Policy will also be disclosed at the time of updating it on the website.
- d) Investment Manager in addition to the disclosure on its website as specified above shall also circulate to Fund Contributors a status report for every financial year, as part of annual intimation to the Fund Contributors. The report shall inter alia include details indicating the compliance/ any variances with the principles laid down in this Policy.

However, the reporting does not constitute an invitation to manage the affairs of Investee Company or preclude a decision of Investment Manager to sell a holding when it is in the best interest of the Contributors of the Fund.

5. Communication of the Policy to all concerned

Procedure to comply with the Policy:

- (a) It shall be hosted on the website of the Investment Manager for every employee to view the policy.
- (b) The Investment team and employee's involved in the investment activities of the Fund will be provided necessary training explaining the responsibility under the Code along with amendments, if any at least once in a year.

6. Violation

If anyone is found in violation of this Policy, he/she will be liable for appropriate action by appropriate authority.

7. Review of Policy

Investment Manager has adopted the Policy on _____.

The Policy will be reviewed on an annual basis or earlier, if required, in light of any material changes in regulatory framework or for business or operational reasons. Any subsequent changes will form part of the Policy after the approval by Investment Manager.