

BLUEOCEAN ASSET MANAGEMENT PRIVATE LIMITED

(Alternative Investment Fund - Category III)

STEWARDSHIP POLICY

IMPORTANT INFORMATION

If at any point a conflict of interpretation / information between this Policy and any Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars issued by the Securities Exchange Board of India ("SEBI") arise then, interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master circulars issued by SEBI shall prevail.

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I. INTRODUCTION:

BlueOcean Asset Management Private Limited (hereinafter referred to as “AMC”) acts as an Investment Manager to SEBI registered Category III Alternative Investment Fund, BlueOcean Capital India Trust (“Fund”) bearing registration number IN/AIF3/25-26/1865.

II. PURPOSE:

The purpose of the Stewardship Code is to protect the interest of the unitholders who have invested in the scheme/s of BlueOcean/ Alternative Investment Funds. Stewardship responsibilities includes monitoring and actively engaging with investee companies on various matters including performance (operational, financial etc.), strategy, corporate governance (including Board structure, remuneration etc.) material Environmental, Social & Governance (ESG) opportunities or risks, capital structure and other related issues. The policy describes the approach taken by Company to stewardship based on the principles indicated by Securities and Exchange Board of India (SEBI) vide its Master Circular No. SEBI/HO/AFD-1/AFD-1- PoD/P/CIR/2024/39 dated May 07, 2024. The objective of the Code is to enhance the quality of engagement between institutional investors and the investee companies to help improve the Corporate Governance practices with a view to enhance long term returns to the unitholders and will therefore rely on following broad principles.

III. APPLICABILITY:

This policy shall apply to all the Schemes launched under the Trust from time to time, unless and until specifically exempted by SEBI. This policy is a natural extension of the Fund’s responsibility to protect and enhance the long-term economic value of the clients’ assets.

IV. STEWARDSHIP PRINCIPLES:

Principle 1: Policy on stewardship responsibilities

We believe in the principles of responsible investment and use a robust framework by analysis of every stock covered by the Scheme. Every investee companies we intend to invest or contemplate to be a part of the universe of the Fund is supported by a detailed investment rationale including reviewing key Investee companies for various parameters which might affect the Companies operational and financial performance. These engagements could be

either through direct interactions or voting mechanisms or tracking developments through publicly available data on a case to case basis.

Our primary stewardship responsibilities include:

- Monitor various matters including operational and financial performance, corporate governance, merger/acquisition, other corporate restructuring, Industry-level monitoring and possible impact on the investee companies, material environmental, social and governance (ESG) opportunities or risks, capital structure, Stock Option Plans and Other Managerial Compensation issues etc.
- Vote in Shareholders meetings with a view to enhance value creation for unitholders and investee companies.
- Accountable to unitholders within the parameters of professional confidentiality and regulatory regime.

Specific voting disclosures as prescribed would be made by the Investment Manager to ensure transparency. Also, we would be accountable to the investors of the Scheme by maintaining professional confidentiality.

We would also maintain oversight & control on the stewardship activities periodically by the above measures and including the following:

- Adequate disclosures on the website.
- Periodical trainings (at least annually) to the relevant personnel of the Fund.
- Review of the Policy periodically.

Principle 2: Conflicts Of Interest

(i) Conflicts of interest

The term “conflict of interest” refers to instances where personal or financial considerations may compromise or have the potential to compromise the judgment of professional activities. A conflict of interest exists where the interests or benefits of AMC (including its employee, officer or director) conflict with the interests or benefits of its unitholders or the investee companies.

The basic intent of the said policy is to ensure that the interest of the AMC’s clients is placed before the interest of the entity.

(ii) Identifying conflict of interest

While dealing with investee companies, the AMC may be faced with a conflict of interest, in an instance, where the investee company holds a material interest in the overall business or is a distributor for the AMC. The AMC would look out for any other situations that may potentially lead to a conflict of interest. Individual employees holding stocks of investee companies may also face conflict of interest when dealing with the same companies on behalf of the AMC.

(iii) Managing conflict of interest

In order to ensure the protection and primacy of client's interests and to comply with the applicable regulations, the AMC has implemented policy and procedures aimed at preventing situations involving conflicts of interests and resolving such situations should they arise. In order to manage conflict of interest AMC shall:

- At all times maintain high standards of integrity in the conduct of their business.
- Ensure fair treatment of their investors and not discriminate amongst them.
- Ensure that their personal interest does not, at any time conflict with their duty to their clients and client's interest always takes primacy in their advice, investment decisions and transactions.
- Make appropriate disclosure to the investors of possible sources or potential areas of conflict of interest which would impair their ability to render fair, objective and unbiased services.
- Ensure the transaction is in compliance with the applicable regulations and is at arm's-length.
- Not deal in securities while in possession of material unpublished price sensitive information.
- Ensure the conflict is disclosed to the management before entering into the transaction.
- Not to communicate the material unpublished price sensitive information while dealing in securities on behalf of others.
- Not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities.
- Not have an incentive structure that encourages sale of products not suiting the risk profile of their investors.
- Not share information received from investors or pertaining to them, obtained as a result of their dealings, for their personal interest.
- Implement a fair investment policy and make appropriate disclosures to the investors.
- Document the processes of resolving any identified conflict of interest.

Principle 3: Monitoring of investee companies

- The AMC is responsible for the monitoring of the investee companies' performance.
- The AMC considers the investee companies' business strategy, financial performance, capital structure, leadership effectiveness, succession planning, corporate governance, disclosures and other parameters they consider important while making investment decisions. Corporate Governance parameters especially include board composition (with respect to independence and diversity), size and quality (with respect to leadership and credentials of the board members), director remuneration and related party transactions. Any instances of violation of shareholder rights and their grievances are also actively monitored.
- The AMC carries out financial analysis of the investee companies, engages with the senior management / investor relations officials or any other management personnel / promoters of the investee companies as part of the research process that could lead to an investment in an investee company.
- While dealing with the investee company, Company shall ensure compliance with the SEBI (Prohibition on Insider Trading) Regulations, 2015.
- Once an investment is made, the AMC continues to monitor each investee company. As a part of this process, the AMC, where feasible, attend meetings/Conference calls conducted by the management of the investee company. AMC also uses publicly available information, sell side research and industry information.

Principle 4: Intervention in the Investee Companies

The AMC may intervene on a case-by-case basis if it feels that its intervention is required to protect the value of its investment and for discharging its stewardship responsibility.

The circumstances for intervention may, inter alia, include poor financial performance of the company, corporate governance related practices, ESG risks, leadership issues, litigation, Inequitable treatment of shareholders, Poor business strategy, Non-compliance with regulations etc.

Following methods shall be followed for intervention with the companies:

The meeting(s) with investee companies is to be conducted in a confidential manner with a view to resolve the issue constructively. If dissatisfied with the response of the investee company, the AMC will proceed to escalate the matter further.

- **Engagement:** Sending letters to individual investee companies, one-to-one meetings with the management team, engagement with specific teams etc. to resolve any concerns including steps to be taken to mitigate such concerns.
- **Collaboration:** The AMC shall also consider collaboration with other institutional investors, professional associations, regulators, and any other entities it deems necessary for a collective engagement or joint representation with the investee company.
- **Escalation:** In case there is no progress despite the above steps, the AMC may engage with the Board of the investee company (through a formal written communication) and elaborate on the concerns. Further, the AMC may take appropriate steps to resolve the concerns including exiting its investments.
- **Voting:** The AMC will vote against in case the governance practices of the investee company are improper.
- **Legal Recourse:** The AMC may take a legal recourse against a company if deemed necessary instead of exiting its investment.
- **Blanket Bans:** The AMC may consider extending a blanket ban on a section of companies or create a list of black-listed companies as required if there is no engagement or improvement from the companies' side.

Principle 5: Voting Policy

The AMC may vote on all shareholder resolutions of all investee companies. The AMC to make informed and independent voting decisions, applying due care, diligence and judgment across their entire portfolio in the interests of its investors.

The AMC is entitled to exercise the voting rights attached to the shares of the Investee Company (ies). The shareholders do not necessarily need to be physically present at the site of the Investee company's annual general meeting / extraordinary general meeting in order to exercise their right to vote. It is common for shareholders to voice their vote through an E-Voting system provided by entities such as NSDL, CSDL, etc. or by appointing a Proxy.

Voting Procedure:

The decision of the AMC on voting for shareholder's resolution(s) shall be executed by casting votes through the e-voting facility or by physically attending the meeting or voting through proxy. However, in case the e-voting facility is not offered by any investee company or the AMC is not in a position to cast its vote through e-voting, any of the representatives of the

AMC or an externally authorised agency such as a custodian would be delegated the responsibility for exercising the physical votes.

The AMC will monitor the potential conflicts of interest with respect to proxy voting as a result of personal relationships, significant investor relationships or special circumstances that may arise during the conduct of the Fund's business. If a conflict of interest is identified, the AMC will act according to the Conflict of Interest principles stated above and in the conflict of interest policy.

Principle 6: Reporting of Stewardship Activities

We are committed to providing transparency on our stewardship and voting activities. We will report our stewardship activities via our website, as per the stewardship code prescribed by SEBI.

However, it may be noted that the compliance with the aforesaid principles does not constitute an invitation to manage the affairs of a company or preclude a decision of the AMC to sell the holdings in the schemes, when it is in the best interest of investors.

V. REVIEW OF THIS POLICY:

The Policy shall be reviewed and updated on a timely basis.