

Stewardship Code

ITI Asset Management Limited

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Version	4.0

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1. Background:

SEBI has implemented principles on voting for Mutual Funds through Master Circular dated May 19, 2023, which prescribed detailed mandatory requirements for Mutual Funds to disclose their voting policies and actual voting by Mutual Funds on different resolutions of investee companies.

SEBI vide its circular dated December 24, 2019, has mandated all Mutual Funds to follow the Stewardship Code, in relation to their investment in listed equities effective from April 01, 2020.

The purpose of this policy is to describe the approach taken by ITI Asset Management Limited (“ITIAML” / “the AMC”) to stewardship based on the principles indicated by Securities and Exchange Board of India (“SEBI”) Master circular.

In case of any conflict between the provision laid down in this code and the circular, the Circular shall prevail.

2. Stewardship Code

This Code shall act as guidance to the investment team for discharging the Stewardship responsibilities. Stewardship code is a principles-based framework that assists institutional investors in fulfilling their responsibilities to help them protect and enhance the value of their clients and beneficiaries.

Under the stewardship code, the AMC is required to monitor and actively engage with investee companies on various matters including performance (operational, financial), strategy, corporate governance (including board structure, remuneration, 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.

The purpose of the Stewardship Code is to enhance the quality of engagement between institutional investors and the investee companies to help improve the Corporate Governance practices in the investee companies and gives a greater fillip to the protection of the interest of investors in such companies.

3. Stewardship Responsibilities

The Stewardship responsibilities will be inclusive of and not restricted to monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure, and corporate governance, including culture and so encompasses more than the exercise of votes in investee companies at general meetings. As a part of this activity the investment management team, which includes the Fund Managers, Dealers and common research team shall be responsible for overall implementation and execution of this Code.

The Investment Committee of ITIAML shall be responsible for monitoring implementation of the Stewardship Code duly approved by the Board.

ITIAML may engage the services of any external service providers in discharging some of its stewardship responsibilities. In case, the services of an external agency are engaged, scope of services must be clearly laid down and noted by the Investment Committee. However, the responsibility for stewardship activities shall lie with ITIAML only. ITIAML shall ensure that its stewardship responsibilities under this code are duly discharged in the interest of the investors and also ensure that the same are in-line with SEBI guideline on Outsourcing of Activities.

The policy on Stewardship Responsibilities will be uploaded on the website of the Company.

4. Managing Conflict of Interest

ITIAML shall ensure that the interest of the client/beneficiary is placed before the interest of the entity. In case the interests of clients or beneficiaries diverge from each other, ITIAML shall report such conflict.

The voting on company resolutions may entail some instances of a conflict of interest between ITIAML and the Unit holders' interests in the following cases:

- a) Any group company of Investment Trust of India (ITI Group) is the shareholder of the investee company;
- b) The investee company has invested more than 5% in any of the schemes of ITI Mutual Fund;

- c) The product / services of the Investee Company are critical to the ITIAML's business;
- d) The Investee Company is an entity participating in the distribution of products of ITI Mutual Fund;
- e) Key managerial personnel of ITIAML (including investment committee member and other personal involved in implementing the stewardship code) may have personal interests that may conflict with their responsibility to act in the best interests of the Company. A conflict of interest may be actual, potential or perceived and may be financial or nonfinancial.
- f) Relative of any member of the investment team hold senior position in the investee company (e.g. Chairman, Executive Director, CEO or CFO)
- g) Any other circumstances where interest of investors of the funds are at a conflict with the Company.

Wherever, ITIAML comes to know that there may be potential conflict of interest when it votes on an entity with which it may have some relationship or otherwise, the ITIAML will exercise discretion carefully keeping in mind the best interest of the unit holders in line with the regulatory requirements. However, if, in the opinion of the Investment Committee, ITIAML is highly conflicted in any particular resolution, the ITIAML may refrain from voting of such investee company in such a case. Rationale for each investment decision shall be recorded.

Any conflicts of interest encountered by Investment team with respect to voting or otherwise, may be placed and discussed at the Investment Committee. In case of conflicts, the Investment Committee may collectively decide approach on investment in the particular company; person having direct conflict must recuse from decision making in case person has any actual/ potential conflict of interest in the transaction.

The company shall have clear segregation of investment function and client relations / sales functions.

The investment team shall maintain record of conflict-of-interest situations and report the same on periodic basis to Board of directors of Trustee Company.

5. Monitoring of Investee Companies

The Investment team will be responsible for monitoring all the companies in which ITIAML invests in. The monitoring involves both financial (quarterly results, annual

reports, expansion plans etc.) and non-financial activities (strategy, capital allocation, management evaluation, remuneration to top management, independence of the Board of Directors, corporate governance issues etc).

Monitoring essentially involves using all publicly available information, interactions with the management of investee companies, discussion with various stake holder, reliance on third party sell side research report on Company and / or industry and industry news flows to monitor these companies.

The investment team would ensure to meet every company atleast once in a year (in person or through a call, meetings or emails) to get a business update. There may be instances, where Investee Company does not meet investors as a part of their own investor interaction policy. In such cases, financial reports of Investee Company as well as any other publicly available information will be monitored and reviewed on best effort basis.

6. Policy on Intervention and Collaboration with Other Institutional Investors

In case of any perceived concern identified on account of insufficient disclosures, regulatory announcements, business performance, governance, capital allocation, business strategy etc of the Investee Company, ITIAML may intervene, where it believes a need for intervention has arisen to protect value of its investment and discharging its responsibility to Unit holders.

In such scenarios, the following steps may be taken in the interest of Unit holders on best effort basis.

- a) ITIAML would communicate to Investee Company about the concern (through any mode of communication);
- b) To seek appointment with the senior management of the Investee Company to know the company's view;
- c) voting on shareholders' resolutions, as may be necessary to protect the long term interest of its shareholders and Unit holders;
- d) Based on the severity of the issue, ITIAML would collaborate with other Institutional Investors to take up the matter to the Senior Management of Investee Company to arrive at common stance in the best interest of the unit holders.

7. Voting and disclosure of voting activity

Voting policy, approved by the Board of ITI AMC and trustee Co. is disclosed on the website of the company. ITIAML has formulated a separate voting policy and the same shall be followed / adhered so the voting in Investee Company is concerned. ITIAML also take inputs from professional voting advisory services providers. Such inputs are recommendatory in nature and not binding on ITIAML, which take the final decision in case of voting on proposal.

At present, ITI AMC has engaged the services of SES.

In term of SEBI guideline ,among other, ITIAML records and discloses specific rationale supporting its voting decision (For or against) with respect to each vote proposal in respect of investment company. Further, the details of votes cast are disclosed on company website (in spreadsheet format) on a quarterly basis.

8. Disclosure and Reporting

In addition to the regular fulfillment of their stewardship activities, ITIAML will disclose all the activities undertaken & responsibilities discharged in regard to implementation of stewardship policy. Compliance with the aforesaid principles does not constitute an invitation to manage the affairs of a company or preclude a decision to sell a holding when this is considered in the best interest of clients or beneficiaries. This information is available on the website as part of public disclosure on annual basis.

9. Review and Control

The Stewardship Code will be reviewed once in two years or earlier, if required. Any change in the guideline by the Regulators will be incorporated appropriately and duly complied with.