

STEWARDSHIP CODE

Evergrow Capital Opportunities Fund, a scheme of Evergrow Alternatives Investment Fund

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I. Introduction

The purpose of this policy is to describe the approach taken by **Evergrow Alternative Advisors LLP** (‘the IM/ Investment Manager’) to stewardship based on the principles indicated by Securities Exchange Board of India (‘SEBI’) vide circular no. CIR/CFD/CMD1/168/2019 dated December 24, 2019 (‘SEBI Circular’). 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 with a view to enhance long term returns to the investors and the governance responsibilities.

II. Scope

This note covers the policy framework and the various processes that need to be followed for discharging Stewardship responsibilities and its disclosure by the IM. This policy is applicable to AIF (Alternative Investment Fund) activities undertaken by Evergrow Alternative Advisors LLP.

III. Policy Statement

AIFs are significant institutional investors particularly in listed companies. Given the above, it is desired that AIF should play an active role in the general meetings of investee companies and engage with the managements at a greater level to improve their governance standards and practices. This will result in informed decisions by the parties and enable protection of contributorss/investors’ interest.

Therefore, based on the principle and in accordance with SEBI Circular, this Policy is being framed to implement a code for stewardship for the AIF.

IV. What is the Stewardship Code?

Stewardship Code is in the form of a set of principles that are being uniformly adopted for institutional investors like Mutual Funds, Portfolio Management Service (PMS), Insurance Companies, Pension Funds, Foreign Portfolio Investors (FPIs), Alternate Investment Funds (AIFs), etc. The AIF’s commitment to effective corporate governance and adherence to the Stewardship Code is to ensure that its investee companies, the contributorss/investors and the economy as a whole benefit and minority interest also remains protected. Stewardship includes voting as well as monitoring and engaging with investee companies on matters such as strategy, performance, risk, capital structure and corporate governance and avoidance of conflict of interest.

This Code/Policy broadly requires the AIF to follow below principles as regards their conduct at general meetings of the Investee Company and disclosures thereto.

V. Stewardship Principles

Principle 1: Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically.

A. Policy on Engagement with Investee Companies and Shareholder Stewardship Activities

AIF, as part of its investment activities, invests in listed equities of various investee companies. This policy aims to define the kind of engagement required to be maintained with the investee companies. Such engagement may be through detailed discussions with management, interaction with investee company representatives, voting in shareholders meetings etc. An illustrative list of engagements on various matters is given below.

- Strategy and Performance of the investee companies (operational, financial, etc.)
- Industry-level monitoring and possible impact on the investee companies
- Corporate Governance matters, merger/acquisition, other corporate restructuring, and antitakeover 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.
- Risk including environmental, social, and governance (ESG) opportunities or risks
- Any other issue that may affect the interest of Shareholders.

We will endeavour to engage actively with the investee companies only where we hold 5% or more of its outstanding equity shares.

The Investment Manager shall be in charge of shareholder engagement activities and voting rights, and shall utilize corporate monitoring materials provided by the analysts/associate. Separately, the compliance team shall monitor the potential conflicts of interests, which may arise during the course of carrying out the stewardship activities.

B. Utilization of Third-Party Professionals

To enhance the effectiveness of its stewardship responsibilities, the AIF may engage external professionals or third-party service providers. Leveraging such expertise not only brings added professional insight but also helps mitigate potential conflicts of interest that could arise during stewardship activities. Notwithstanding the involvement of third-party professionals, the ultimate accountability for all stewardship actions and decisions will remain with the AIF.

C. Importance of Non-financial Factors

To ensure robust stewardship during investment decision-making, the Investment Manager (IM) is expected to evaluate not only the financial health of potential investee companies but also their non-financial factors, including environmental, social, and governance (ESG) considerations. Recognizing that strong financial performance alone is insufficient for sustainable value creation, the IM acknowledges that shortcomings in ESG or other non-financial areas can impede a

company's long-term growth prospects. Accordingly, the AIF's team of experienced analysts and fund managers will undertake a holistic assessment of both financial and non-financial parameters, placing particular emphasis on the quality of corporate governance, as an integral part of the investment selection process.

D. Training

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

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.

A. Prevention of Conflicts of Interests

With investors' best interests at IM's utmost priority, the IM has fiduciary duty to the assets that they are in charge of. They shall have in mind the possibility of conflicts of interests between interested parties in the course of carrying out our stewardship responsibilities. In order to ensure strict management of such issues, the IM shall thus enact a separate Policy for Conflicts of Interests.

B. Identifying conflict of interest

Potential conflicts of interest may occur in, but are not limited to, the following situations:

- Where an investee company holds a material interest in the Fund's business or acts as a distributor for the Fund.
- Where a nominee of the Fund is appointed as a director or key managerial personnel of an investee company.
- Where the Fund and an investee company are part of the same corporate group or have overlapping business interests.
- Where employees or representatives of the Fund hold shares or financial interests in investee companies.

The Fund will continuously monitor for any other situations that may give rise to actual or potential conflicts of interest.

C. Management of Conflicts of Interest

To protect the interests of investors and ensure compliance with applicable regulations, the Fund has implemented the following measures:

- All engagements with investee companies, associates, sponsors, or group companies shall be conducted strictly on an arm's-length basis and in the best interests of the Fund and its investors.
- Any individual with an actual or potential conflict of interest in a transaction shall recuse themselves from all related decision-making processes.

- The Compliance Officer shall oversee the identification and management of conflicts of interest, maintaining appropriate records and reporting to the Board of partners as required.

D. Prevention of Conflicts of Interests in Exercising of Voting Rights

The Fund shall exercise its voting rights independently and in accordance with its fiduciary obligations, ensuring that all voting decisions are made in the best interests of investors. The Fund acknowledges that conflicts of interest may arise during voting, such as when voting on matters involving companies with which the Fund has business relationships or where Fund representatives serve as directors or significant shareholders. In such cases, the Fund will implement additional oversight and, where necessary, abstain from voting or take other actions to safeguard investor interests.

E. Response to Conflicts of Interest

While the Fund endeavors to prevent conflicts of interest wherever possible, it acknowledges that complete elimination may not always be feasible. In circumstances where a conflict arises despite preventive measures, the Fund will take all necessary steps to resolve the conflict in a manner that prioritizes and protects the interests of its investors.

Principle 3: Institutional investors should monitor their investee companies

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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

Ongoing Monitoring and Active Engagement

Routine monitoring will remain an integral part of our investment evaluation process. However, we will seek to engage actively with investee companies (through intervention) only when our Fund holds 5% or more of the company's outstanding equity shares. While requesting information from investee companies for monitoring purposes, the Fund will always adhere to applicable regulations and the AIF's insider trading policy.

Collaboration with Other Institutional Investors

With the approval of the Compliance Officer, we may collaborate with other institutional investors on a case-by-case basis to safeguard our interests in the investee company.

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

The AIF exercises its voting rights responsibly to enhance long-term value for unitholders and

uphold stewardship duties. Voting decisions are made in alignment with the best interests of unitholders, supporting proposals that promote good governance and long-term value, and opposing those that may harm shareholder rights or company value. While the AIF typically supports management on routine matters, it remains vigilant and will vote against any agenda that could negatively impact investor interests.

An Alternative Investment Fund (AIF) that has discretionary authority over securities held by Contributors is deemed to have proxy voting authority. Accordingly, the AIF is responsible for monitoring relevant corporate events and exercising proxy votes. The AIF must cast votes in the best interests of Contributors and must not place its own interests above those of the Contributors.

Evergrow Capital Opportunities Fund, a scheme of Evergrow Alternatives Investment Fund, generally abstains from voting proxies unless it determines that voting will have a material impact on shareholder value and is in the best interests of Contributors. When voting, proxies will typically be cast in favor of proposals that protect or enhance the interests of Contributors, increase shareholder value, strengthen shareholder influence over the issuer's board and management, and maintain or expand the rights of investors. Conversely, proxies will generally be voted against proposals that would have the opposite effect. Each proxy issue will be evaluated on its merits, and both sides of the issue will be considered.

Contributors do not typically have the ability to direct how the AIF votes on any specific proxy. The AIF will monitor for potential conflicts of interest that may arise from personal relationships, significant Contributor relationships, or special circumstances involving the investee company. If a conflict of interest is identified, the AIF will act in accordance with its established Conflict-of-Interest principles to ensure the interests of Contributors are protected

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

The AIF shall make annual public disclosures on its website detailing all stewardship activities undertaken by the equity investment team, in accordance with this stewardship policy. These disclosures will provide comprehensive information on the implementation of each stewardship principle and will also be included in the Annual Report circulated to unitholders.

It is clarified that adherence to these stewardship principles does not imply an intention to participate in the day-to-day management of investee companies, nor does it restrict the AIF's discretion to divest holdings when such action is deemed to be in the best interests of its clients or beneficiaries.

The Compliance Officer is responsible for monitoring the effectiveness of this Stewardship Code.