POLICY ON DISCHARGE OF STEWARDSHIP RESPONSIBILITIES

APRIL 2026

Edelweiss Asset Management Limited

Version 7

A. Title:

Policy on discharge of Stewardship Responsibilities (‘Policy”)

B. Applicability

The Policy is applicable to Edelweiss Asset Management Ltd. (“the Company”/ “AMC”) as an investment manager to its Mutual Funds and Specialized Investment Fund (SIFs), in relation to their investment in listed equities.

C. Objective:

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.

Securities and Exchange Board of India (SEBI) vide its circular CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019 has issued Guidelines on Stewardship Code for all Mutual Funds and Specialized Investment Fund (SIFs), in relation to their investment in listed equities.

As per the SEBI circular institutional investor like Mutual Fund and SIFs should have comprehensive policy on the discharge of their stewardship responsibilities. This Policy has been made to comply with the SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, SEBI circular no. SEBI/IMD/CIR No.18/198647/2010 dated March 15, 2010 and circular no. CIR/IMD/DF/05/2014 dated March 24, 2014 prescribed detailed mandatory requirements for Mutual Funds in India to disclose their voting policies and actual voting by Mutual Funds on different resolutions of investee companies.

Mutual Fund and SIF are significant institutional investors and the investments are held by them as custodians of the Investor. Therefore, in an endeavor to safeguard the interests of the Investor. The Policy defines the stewardship responsibilities to be undertaken by the Company and processes that the Company intends to follow in order to safeguard the interests of its Investor.

D. Responsibility

The roles and responsibilities are defined as below:

<u>Investment team</u>
The respective 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 team may seek guidance from the Investment Committee in matters pertaining to intervention in investee companies or conflict of interest.

Compliance Team

The Compliance Team shall be responsible for disclosures pertaining to stewardship activities including voting report at a frequency stated by SEBI. The 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 herein has been identified.

E. Implementation / Process as laid down in the Regulation

The term 'investee companies' used in this Policy herein shall mean investee companies in which equity investments are above the threshold limit prescribed by IC.

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 the Company 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 Investor, and;
iv. To maintain transparency in reporting its voting decisions and other forms of engagement with investee companies.

The Company shall fulfil its stewardship responsibilities in the following manner:

i. The Company shall frame procedures on voting to deal with the exercise of the Company's voting rights in investee companies.
ii. The Company 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, 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.
iii. The Company shall endeavor to work collectively with other institutional investors and support collaborative engagements organised by representative bodies and others
iv. The Policy will be reviewed and updated as and when there are regulatory requirement or business need. However, the Policy will be reviewed by the Board of Company at least annually. The updated policy will be publicly disclosed on the Company website.
v. A training program shall be formulated for training of Investment team and Investment Committee explaining the responsibility under the Code along with amendments, if any. This may be done through external agency or internal team presentations. Investment Committee is empowered to decide or amend the frequency and modalities of training under this Code.

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.*

The Company should handle the matters carefully when the interests of clients or beneficiaries diverge from each other. The Company will ensure that the interest of the client/beneficiary is placed before the interest of the entity.

The Company has detailed out below the process of identifying and managing conflict of interest.

Avoiding conflict of interest: The Company shall undertake reasonable steps to avoid actual or potential conflict of interest situations. In the event of any doubt as to whether a particular transaction would create (or have the potential to create) a conflict of interest situation, the IC will be consulted and suitable steps to avoid such conflict of interest will be taken.

Identifying conflict of interest: While dealing with investee companies, the Company may be faced with various conflict of interest situations. Given below are a few instances where conflict of interest may arise:

1. The investee company is an associate of the Company;
2. The investee company is also an institutional client of the Company;
3. The Company is a lender to the investee company;
4. The investee company is a partner or holds an interest, in the overall business or is a distributor for the Company;
5. A nominee of the Company has been appointed as a director or a key managerial person of the investee company; or
6. The Company and the investee company are part of same group (fellow subsidiary);
7. A director or a key managerial person of the Company has a personal interest in the investee company

In order to manage/avoid the above conflicts of interest, the Company will undertake the following steps:

1. A conflict of interest in relation to an investee company shall be highlighted to the management of the Company / IC.
2. The employees in the investment teams shall comply with the Policy for Prevention of Insider Trading of the Company.
3. Rationale for voting on each shareholder resolution shall be recorded by the Company. The Company may consider abstaining from voting when the Company and the investee company are part of the same group, unless the Company records rationale for voting on such resolutions.
4. Rationale behind a new investment decision shall berecorded.
5. Blanket bans on investments in certain cases
6. Client relations/ sales functions should not be involved in voting decision making function.
7. Employee should recuse from decision making in case of the they are having any actual/ potential conflict of interest in the transaction.
8. The Company should maintain records of decisions taken to address such conflicts.

Principle 3: ***Institutional investors should monitor their investee companies***

The Company while monitoring of the investee companies will consider the following:

1. The Company will monitor following areas which shall, *inter-alia*, include:

a. 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

2. Investment Committee of the Company shall approve will set a threshold level primarily based on the materiality of the issue and the size of our exposure to the individual investee company, beyond which the exposure to the investee company will be deemed to be ‘meaningful’. The threshold level will help in determining the level of engagement, monitoring and intervention with the investee company. The Committee is empowered to modify the meaningful threshold level, as it deems appropriate.

3. 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.

   Once an investment is made, the Investment team shall continue to monitor each investee company. As a part of this process, the fund manager/ analysts shall, where feasible, attend meetings/Conference calls conducted by the management of the investee company. Fund Manager/ analysts may also use publicly available information, sell side research and industry information.

4. While dealing with the investee company, the Company shall ensure compliance its Policy on Prohibition of Insider Trading.

5. The Company may nominate its representative on the Board of an investee company, wherever it deems necessary.

6. The Management/IC 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.***

The Company 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 the company, 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 Company may consider intervening in matters below the thresholds as given in Principle 3, if in the reasonable opinion of the Management/IC, the issue involved may adversely impact the overall corporate governance or the Company’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 if in the reasonable opinion of the Management/IC and there are other factors which warrants intervention.

The matrix that should be followed by the company for intervention is as follows:

1. Communication: The Investment team shall communicate to the investee company's management about any concerns of the Company including steps to be taken to mitigate such concerns.

2. Engagement: In the event the management of the investee company fails to undertake constructive steps to resolve the concerns raised by the Company within a reasonable timeframe, the Company shall take all reasonable steps to engage with the management of the investee company for constructive resolution of the Company's concerns.

3. Collaboration: The Company shall also consider collaboration with other institutional investors, professional/industry associations (eg. AMFI), 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. The Company 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. The Company shall determine individually its position on any issue requiring collaborative engagement

4. Escalation: In case there is no progress despite the first three steps, the Company shall escalate the matter to the Management/IC. If the Management/IC decides to escalate, the Company shall engage with the Board of Directors of the investee company (through a formal written communication) and elaborate on the concerns. The Company may also consider discussing the issues at the General Body meeting of the investee company. The Company may vote against decisions at appropriate forum.

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

The Company has formulated a separate Voting Policy and the same shall be followed / adhered to for voting in Investee Companies. The updated Voting Policy is available on the website of the Company.

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

The Company shall report to their investors/ beneficiaries periodically on how it has fulfilled its stewardship responsibilities as per their policy in an easy-to-understand format.

The compliance with the aforesaid principles does not constitute an invitation to manage the affairs of a company or preclude a decision of the Company to sell a holding when it is in the best interest of the investors/beneficiaries.

The Company shall report periodically on their stewardship activities in the following manner:

- The Company will disclose on website the implementation of the principles enlisted in the Code. The format of disclosure will be approved by IC and is subject to regular updates.
- Disclosures on the votes cast by the Company 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.
- This Code, as amended from time to time, will be disclosed on the website of the Company along with other public disclosures. Any change or modification to the Code will also be disclosed at the time of updating the code on the website.
- The Company in addition to the disclosure on its website as specified above shall also circulate to unitholders a status report for every financial year, as part of annual intimation to the investors. The report shall inter alia include details indicating the compliance/ any variances with the principles laid down in this Code. The format and content of the status report will be decided by the Investment Committee.

F. Effective date

This Policy supersedes the earlier policy and has been approved by the Board of Directors on April 24, 2026, and shall be effective from April 24, 2026.