

Voting Policy

VVD Asset Managers LLP

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Contents

1. Preamble & Regulatory Basis.....	1
2. Objectives underlying voting exercise	2
3. Scope.....	2
4. Guiding Principles.....	2
5. Voting Guidelines	2
6. Decision-Making Process	3
7. Disclosure & Reporting	4
8. Conflicts of Interest.....	4

1. Preamble & Regulatory Basis

VVD AIF Trust (“the Fund”) is registered with the Securities and Exchange Board of India (“SEBI”) as a Category III Alternative Investment Fund under the SEBI (Alternative Investment Funds) Regulations, 2012, bearing registration number **IN/AIF3/25-26/2085**. VVD Asset Managers LLP (“VVD” or the “Investment Manager”) acts as the Investment Manager to the Fund and is committed to safeguarding investor interests and promoting sound corporate governance in investee companies. As fiduciaries, the Partners of the LLP recognize their responsibility to exercise voting rights diligently, transparently, and in alignment with long-term investor value.

This Policy is framed in accordance with:

- **SEBI Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019** prescribing stewardship principles for Mutual Funds and Category III AIFs.
- **SEBI Circular on Stewardship Code (2020)** mandating adoption of a voting policy and disclosure of voting rationale.
- **SEBI (Alternative Investment Funds) Regulations, 2012**, as amended.

By adopting this Policy, VVD Asset Managers LLP affirms its commitment to regulatory compliance, ethical standards, and investor trust, ensuring that voting rights are exercised in a manner consistent with SEBI’s expectations and the Investment Manager’s stewardship philosophy.

2. Objectives underlying voting exercise

- To support proposals that maximize shareholder value and, in turn, unitholder value.
- To signal dissent against proposals that disproportionately benefit promoters or dominant shareholders at the expense of minority shareholders.
- To ensure voting decisions are free from conflicts of interest and uphold fiduciary responsibility.

3. Scope

- Applies to all listed equity investments held by the Fund.
- Covers voting at shareholder meetings (AGMs, EGMs, postal ballots).
- Excludes unlisted investments where rights are governed by shareholder agreements.

4. Guiding Principles

- **Investor First:** Decisions will prioritize long-term investor value.
- **Transparency:** Rationales for significant votes will be disclosed to investors.
- **Governance:** Support proposals that strengthen board independence, accountability, and ESG practices.
- **Compliance:** Ensure adherence to SEBI regulations and stewardship obligations.

5. Voting Guidelines

- **Board Composition & Governance**
 - Support appointment of independent directors.
 - Oppose proposals that reduce board accountability or entrench promoter control.
 - Encourage diversity and balanced representation.
- **Executive Remuneration**
 - Approve remuneration aligned with performance and shareholder value.
 - Oppose excessive or unjustified compensation packages.
 - Require clear disclosure of pay structures and incentives.
- **Capital Structure & Shareholder Rights**
 - Support fair and transparent capital raising (rights issues, bonus issues).
 - Oppose proposals that dilute minority shareholder interests.
 - Evaluate buybacks and preferential allotments case-by-case.
- **Mergers, Acquisitions & Restructuring**
 - Support transactions that enhance long-term value.
 - Oppose deals that disadvantage minority shareholders or lack transparency.
 - Assess synergies, valuation fairness, and governance impact.
- **Employee Stock Option Plans (ESOPs)**
 - Support ESOPs that foster employee ownership and value creation.

- Oppose ESOPs that disproportionately benefit promoters or lack transparency.
- **Environmental, Social & Governance (ESG) Matters**
 - Support proposals that strengthen sustainability, disclosure, and risk management.
 - Encourage adoption of responsible business practices.
 - Oppose measures that weaken ESG accountability.
- **Related Party Transactions**
 - Approve only if conducted at arm's length and beneficial to all shareholders.
 - Oppose transactions that create conflicts of interest or unfair advantage.
- **Auditors & Financial Reporting**
 - Support appointment of auditors with proven independence and competence.
 - Oppose reappointment where audit quality or independence is compromised.
 - Encourage transparent and timely financial disclosures.
- **Charter/By-law Amendments**
 - Evaluate case-by-case, focusing on shareholder rights and governance impact.

6. Decision-Making Process

All voting decisions are taken by the Fund Manager, with execution delegated as required.

- **Agenda Analysis**
 - Investment Team reviews agenda items of investee company meetings.
 - Preliminary note prepared highlighting key issues, risks, and opportunities.
- **Fund Manager Authority**
 - Fund Manager reviews recommendations and takes the **final decision**.
 - Divergences resolved through documented deliberation.
 - Fund Manager may authorize a Designated Partner or other representative to submit or execute the vote.
- **External Consultation (if required)**
 - VVD may consult proxy advisory firms or custodians for recommendations.
 - Advisory inputs are considered, but the final decision always rests with Fund Manager.
- **Vote Execution**
 - Voting may be exercised through e-voting, physical or proxy voting.
 - Abstentions, if any, are recorded with rationale.
- **Documentation & Record-Keeping**
 - Voting Register updated after each meeting, capturing:
 - Agenda item
 - Decision (For/Against/Abstain)
 - Rationale
 - Approval authority
 - Records retained for SEBI inspection and investor reporting.

7. Disclosure & Reporting

- **Frequency & Format**

Voting disclosures shall be published quarterly on VVD's website in spreadsheet format and shared with investors as per SEBI requirements.

- **Content of Disclosure**

- Summary of votes cast across all investee companies (For / Against / Abstain)
- Rationale for each voting decision, especially significant or dissenting votes
- Voting mechanism used (e-voting, physical, proxy)

- **Proxy Advisory / External Inputs**

If proxy advisory firms or custodians are consulted, VVD shall disclose:

- Scope of services
- Details of service providers
- Extent of reliance on their recommendations

- **Governance Oversight**

The Fund Manager and Designated Partners shall ensure voting decisions are made in the best interests of unitholders, with rationale documented and disclosed.

8. Conflicts of Interest

The Investment Manager will, on a best-efforts basis, ensure that voting decisions are free from conflicts of interest. However, conflicts may arise in certain situations — for example, where an investee company is a client of the Investment Manager or its affiliates, or where the investee company has subscribed to units of any scheme of the Fund.

In such cases, the Investment Manager shall endeavour to resolve conflicts in the best interests of unitholders. Where conflicts cannot be satisfactorily resolved, the Investment Manager will **abstain from voting and make appropriate disclosures** to investors and regulators, ensuring transparency and adherence to fiduciary responsibility.

The Investment Manager shall periodically review and oversee both the voting guidelines and the execution of proxy voting activities. Updated versions will be approved by the Designated Partners and posted on the website.
