

**VOTING POLICY FOR ALTERNATIVE INVESTMENT FUNDS (“THE POLICY”)**

**Version Control**

<b>Version Control</b>	<b>Date</b>	<b>Details</b>	<b>Maker/owner</b>	<b>Checker</b>	<b>Approver</b>
01/2021	July 2021	Drafting of Voting Policy	Compliance	Risk team	Board of Directors of AMC and Trustee
02/2022	July 2022	Review of Voting Policy	Compliance	Risk team	Board of Directors of AMC and Trustee
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**Objective & Background:**

The Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019 (SEBI Circular) has prescribed stewardship principles to be adopted and implemented by all Mutual Funds (MFs) and all categories of Alternative Investment Funds (AIFs) in relation to their investment in listed equities.

360 ONE Asset Management Limited (formerly known as IIFL Asset Management Ltd) (“360 ONE AMC”) as an Investment Manager to 360 ONE Venture Fund (formerly known as IIFL Venture Fund (A Category I- Alternative Investment Fund), 360 ONE Private Equity Fund (formerly known as IIFL Private Equity Fund) (A Category II – Alternative Investment Fund), 360 ONE Venture Capital Trust (Formerly known as Scale Venture Capital Trust) (A Category II – Alternative Investment Fund) and 360 ONE Opportunities Fund (formerly known as IIFL Opportunities Fund) (A Category III – Alternative Investment Fund) and invests in various securities as per the Investment Objectives of the respective Schemes.

The Policy is applicable for all Scheme(s) of Alternative Investment Funds managed by 360 ONE AMC and shall ideally be reviewed once a year. In case of any regulatory change(s) between two review cycles, the Policy shall be deemed as amended in accordance with the changed regulations/circulars. In other words, in case of conflict between applicable regulations and Policy, the applicable regulations shall prevail at all times. This version of the Code supersedes all previously issued versions and any inconsistent policy statements, oral or written.

360 ONE AMC has adopted the Stewardship Code (“the Code”) which lays down the principles and guidelines to monitor and engage with the investee companies on various matters including performance, strategy, corporate governance, material environmental, social and governance (ESG)

opportunities and risk, capital structure and exercising voting rights on shareholder resolutions of investee companies. The fifth principle provides the requirement for public disclosure of the voting policy, voting decisions (including rationale for decision), use of proxy voting/ voting advisory services for exercising the voting rights in respect of shares held on behalf of the schemes.

Pursuant to the aforesaid SEBI circular and the Code, 360 ONE AMC has set out this Policy for exercising voting in respect of shares held by Schemes ('Voting Policy'). The Voting Policy contains the principles that form the basis for exercising the voting rights attached to shares in which Schemes have invested and the processes that would be followed by 360 ONE AMC towards exercising said voting rights. In case of any conflict between the Policy and SEBI (Alternative Investment Funds) Regulations, 2012 ("the Regulations"), the Regulations shall prevail. This version of the Policy supersedes all previously issued versions and any inconsistent policy statements, oral or written.

**Objective underlying voting exercise:**

While deciding on exercising a vote, 360 ONE AMC's objective would be:

1. To support such proposals that tend to maximise shareholders' value and in turn value of unit holders;
2. To signal dissent to proposals that favour promoters / dominant shareholders at the expense of other (minority) shareholders;
3. To ensure that the decision to cast a vote is not influenced by conflict of interest;

**Guidelines for exercising a vote:**

Specific decision on a particular resolution i.e. to support, oppose or abstain from voting, shall be taken on a case-to case basis considering potential impact of the vote on shareholder value and interests of the unitholders of the Schemes at large. 360 ONE AMC may also at its discretion choose to abstain from participating in any resolution and hold a neutral stance, should the concerning issue be of no major relevance for the shareholder value and/or unitholder interest.

The general guidelines which the 360 ONE AMC would follow while evaluating voting decisions are as follows:

1. AMC shall support changes to the capital structure which appear to give better returns on capital employed and in the long-term interest of the shareholders.
2. Votes on key decisions concerning fundamental corporate changes, extraordinary transactions, key corporate governance decisions, shall be decided on the case to case basis in the long term interest of the Unit holders.
3. AMC shall support proposals for employee stock option plans which appear to have been designed for creating employee ownership culture which in turn would enable better employee participation and value creation.
4. The AMC shall generally support the proposal for appointment of independent directors as proposed by board of directors of the investee company and generally support proposals that strengthen the independence of the board of directors.
5. Other proposal submitted to shareholders related to selection of the auditors, amendments to the investee company's charter or by-laws and issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, would be addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.

**Decision Making & Voting Process:**

**a. For schemes majorly investing in listed equities only (Cat III schemes)**

- Upon receiving a recommendation from the externally empaneled Proxy Advisory firm, after thorough consideration, the in-house research team at 360 ONE AMC, recommends to the Fund Manager to vote in favour/ against the proposal or abstain from voting.
- The final decision on voting shall be taken by the Fund Manager(s) of the respective AIF schemes in consultation with the CIO of the respective vertical.
- The voting decision of the Fund Manager taken on behalf of the AIF Scheme(s) may be submitted/executed by any member of Investment Team or a representative of an externally authorized agency such as the Custodian as authorised by the CIO, either through e-voting, physical voting or voting through proxy.

**b. For schemes investing a portion of its investments in listed equities**

- The final decision on voting (i.e. for/against/abstain) shall be taken by the Fund Manager(s) of the respective AIF schemes in consultation with the CIO of the respective verticals.
- The voting decision of the Fund Manager taken on behalf of the AIF Scheme(s) may be submitted/executed by any member of Investment Team or a representative of an externally authorized agency such as the Custodian as authorised by the CIO, either through e-voting, physical voting or voting through proxy.

**Conflict of Interest:** 360 ONE AMC is part of a large and diversified financial services group with many affiliates and related companies. From time to time, 360 ONE AMC may face conflicts of interest in relation to our stewardship responsibilities. However, the approach adopted by the AMC will always be to keep the best interest of the investors ahead. As a rule, in all cases of conflicts of interest, the voting decision will be based on the best interest of the investors. There will be a clear segregation of the voting function and sales functions. Person authorised to vote on behalf of the Schemes who is interested or have any association with the Investee Company will not be allowed to participate in Proxy Voting related decision.

**Disclosures:** The actual exercise of the proxy votes in the AGMs/EGMs of the investee companies (including the rationale for voting decision) shall be disclosed to the Unit Holders and on the Website of the AMC on a quarterly basis at the following link: <https://aif.iiflamc.com/disclosures>