

# YK2 PARTNERS PRIVATE LIMITED

## STEWARDSHIP POLICY

<b>Background &amp; Objective</b>	<p>This stewardship policy ("<b>Policy</b>" or "<b>this Policy</b>") has been established by YK2 Partners Private limited ("<b>YK2 Partners</b>") to ensure adherence with the guidelines issued by Securities and Exchange Board of India ("<b>SEBI</b>") vide its circular ref CIR/CFD/CMD1/168/2019 dated December 24, 2019 ("<b>Circular</b>"). YK2 Partners is currently the Investment Manager to the following Alternative Investment Fund ("<b>Fund</b>")</p> <p>1. YK2 Partners India Equity Fund</p> <p>The purpose of the Stewardship Code is to enhance the quality of communication between the Fund and its investee companies to help improve long term returns to shareholders and the proper exercise of governance responsibilities.</p>
<b>Rationale &amp; Scope</b>	<p>The Circular has mandated all Alternative Investment Funds to frame a stewardship policy in relation to their investment in listed securities to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.</p> <p>This Policy shall include responsibilities to be undertaken by YK2 Partners and the processes that it intends to follow to safeguard the interest of the investors of the Fund managed by it.</p>
<b>Applicability</b>	<p>This Policy applies to YK2 Partners and the Fund managed by YK2 Partners towards their investment in listed portfolio companies ("<b>Investee Companies</b>").</p> <p>This Policy shall be effective from January 02, 2024</p>
<b>Approved By</b>	<p>The Policy is approved by the Board of Director of YK2 Partners</p>
<b>Review History</b>	<p>This Policy is to be reviewed and updated annually. It may be amended from time to time at the discretion of YK2 Partners.</p>

<b>THE POLICY</b>	
<b>Primary Stewardship Responsibilities</b>	<p>YK2 Partners shall monitor and actively engage with the Investee Companies on various matters including operational performance, financial performance, strategy, corporate governance matters such as board structure and director remuneration, environmental, social and governance (ESG) opportunities or risks, capital structure, etc. YK2 Partners shall vote and engage with Investee Companies in a manner consistent with the best interests of its shareholders/investors. This engagement may be through detailed discussions with management, interaction with investee Company Boards, voting in Board or Shareholders Meetings, etc.</p> <p>YK2 Partners shall maintain transparency in reporting its voting decisions and other forms of engagement with Investee Companies.</p>
<b>Discharge of Stewardship Responsibilities</b>	<p>To adopt the principles under the Circular, the following measures shall be followed:</p> <ul style="list-style-type: none"> <li>• YK2 Partners shall vote as per the voting guidelines formulated herein and any modifications/amendments thereto to deal with the exercise of its voting rights in Investee Companies.</li> <li>• YK2 Partners shall appropriately monitor and engage on an issue which may potentially affect an Investee Company's ability to deliver long term sustainable performance and value for investments.</li> <li>• YK2 Partners shall endeavor to work collectively with other institutional investors and support collaborative engagements organized by representative bodies and others for investments.</li> </ul>

## YK2 PARTNERS PRIVATE LIMITED

	<ul style="list-style-type: none"> <li>• YK2 Partners shall disclose its compliance with this Policy and the principles therein to its employees. The personnel involved with implementation of this Policy shall be adequately trained and instructed with regards to implementation of this Policy.</li> </ul>
<p><b>Voting Policy</b></p>	<ul style="list-style-type: none"> <li>• Voting policy is adopted to govern YK2 Partners' power and fiduciary responsibility to its investors, in the matters concerning its Investee Companies, in the capacity of a shareholder.</li> <li>• This Policy attempts to promote accountability of its Investee Companies, align their interests with those of shareholders by adopting best corporate governance practices.</li> <li>• The decision to vote for/against/abstinence from voting, shall be made through either the investment team of YK2 Partners or through any other mode as may be suggested by the management of Investee companies; either through self or representation; either by physical presence at the meeting, through a decision communicated in writing; through proxy or through audio visual or other electronic mode.</li> <li>• The voting decision shall be arrived on a case-to-case basis by considering all available information including but not limited to contents and nature of the notice, interpretation and application of the proposed items, impact of exercising or not exercising the vote. The team considers information from many sources, including a company's management and board, shareholder groups, and various research and data resources.</li> <li>• YK2 Partners may abstain from voting if insufficient information is available on the topic or due to conflict of interest situation or if the shareholding in an Investee Company is below 2% of the outstanding shares of the Investee Company.</li> <li>• In instances where there might exist a conflict of interest, YK2 Partners shall exercise voting responsibilities with due care and shall ensure that voting decisions are taken independently and in the best interest of investors.</li> <li>• YK2 Partners may use the services of proxy advisor(s) to support its proxy voting decisions. Scope of such service provider shall be limited to only assisting YK2 Partners with research and non-binding recommendation pertaining to the proposed resolutions of the portfolio entities. YK2 Partners shall have the final authority to decide the manner of exercising votes. This Policy shall not supersede or impede upon the inherent powers as enshrined in the Fund documents, SEBI (Alternative Investment Funds) Regulations, 2012 and other applicable laws.</li> </ul>
<p><b>Monitoring</b></p>	<ul style="list-style-type: none"> <li>• YK2 Partners shall continuously monitor the functioning of Investee Companies.</li> <li>• The level of scrutiny and monitoring will partly depend on the percentage of stake in the Investee Companies and quality of their governance framework.</li> <li>• The investment team of YK2 Partners ("<b>Investment Team</b>") shall monitor Investee Companies in respect of important aspects which may include, but not be limited to:             <ul style="list-style-type: none"> <li>○ Company strategy, operational performance and financial performance, etc.</li> <li>○ Industry level monitoring and possible impact on the Investee Companies.</li> <li>○ Quality of company management, board, leadership etc.</li> <li>○ Corporate governance matters including remuneration, structure of the board, related party transactions, etc.</li> <li>○ Risks, including Environmental, Social and Governance (ESG) risks.</li> </ul> </li> </ul>

## YK2 PARTNERS PRIVATE LIMITED

	<ul style="list-style-type: none"> <li>○ Shareholder rights and their grievances.</li> <li>● YK2 Partners shall comply with the provisions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and shall also include in the restricted list, all stocks in which investment is to be made.</li> </ul>
<b>Intervention and Collaboration</b>	<ul style="list-style-type: none"> <li>● YK2 Partners may 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 insufficient disclosure, inequitable treatment of shareholders, non-compliance with regulations, performance parameters, governance issues, related party transactions, corporate plans/strategy, remuneration, ESG risks, leadership issues, litigation, or any other related matters.</li> <li>● In certain cases, the Investment Team may deem it necessary to escalate the engagement on a particular issue. YK2 Partners may consider intervening in matters if the issue involved may adversely impact the overall corporate governance or the investment made by the Fund.</li> <li>● The mechanism for intervention shall include: <ul style="list-style-type: none"> <li>○ YK2 Partners shall communicate and engage with the Investee Companies' management about any concerns including steps to be taken to mitigate such concerns.</li> <li>○ YK2 Partners may exercise its voting rights.</li> <li>○ YK2 Partners shall endeavor to engage with other funds while undertaking any voting and consider collaboration with other institutional investors, professional associations, regulators, and any other entities where it deems necessary.</li> <li>○ In case there is no progress despite the initial steps, YK2 Partners shall formally engage with the board of the Investee Company or at its general meeting to elaborate on the concerns.</li> </ul> </li> </ul>
<b>Conflict of Interest and Disclosure Policy</b>	<ul style="list-style-type: none"> <li>● YK2 Partners has a separate Conflict of Interest Policy which guides its employees on how to manage conflict of interest in its operations. All employees have to strictly adhere to the provisions of Conflict of Interest Policy</li> </ul>
<b>Disclosures</b>	<ul style="list-style-type: none"> <li>● YK2 Partners shall publicly disclose on its website the updated Policy as and when modified.</li> <li>● YK2 Partners shall publicly disclose the voting decision under the voting policy, with relevant and applicable details along with the rationale of the decision, in its annual report to the investors.</li> <li>● YK2 Partners shall place a report on its compliance status with the Circular on an annual basis and share the report as a part of annual communication to its investors.</li> <li>● It is hereby noted by YK2 Partners that compliance with the Circular and the resultant Policy does not constitute an invitation to manage the affairs of an entity or preclude a decision to sell a holding when it is in the best interest of the investors.</li> </ul>
<b>Compliance Officer</b>	<ul style="list-style-type: none"> <li>● Mr. Hemant Balyan acting as YK2 Partners' Compliance Officer shall ensure that there is an effective oversight of the Company's stewardship activities. The Compliance Officer is also entrusted with the power to engage or use the services of any external service providers to support the Investment Team in discharging its stewardship responsibilities</li> <li>● The Investment Team shall be responsible for the overall implementation and execution of this Policy.</li> <li>● YK2 Partners had also adopted Anti-Money Laundering Policy and Insider Trading Code to identify and manage of conflicts of interest.</li> <li>● All the employees of YK2 Partners shall adhere to the provisions of the said policies</li> </ul>

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<b>Version Number</b>	<b>Version Date</b>
1	02/01/2024