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**VOTING POLICY**

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## Voting Rights Policy

### *I. Introduction*

1. Unifi Asset Management Private Limited ("**UNIFI AMC**") is the asset management company for Unifi Mutual Fund ("**MF**"). As an Investment Manager, UNIFI AMC will have fiduciary responsibility to act in the best interest of the unit holders of the Fund. This responsibility also includes exercising voting rights towards the securities in which the Schemes of the Fund will have invested ("**Investee Company**"), either at the general meetings of the Investee Company(s) or through postal ballots. In accordance with Securities and Exchange Board of India ("SEBI") circular no. SEBI/IMD/CIR No.18/198647/2010 dated March 15, 2010 read with clarificatory email received from SEBI on June 23, 2011 and subsequent SEBI Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021 and Para 6.16 of the SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 for Mutual Funds dated June 27, 2024, UNIFI AMC has set out this Voting Policy.
2. This Policy contains the principles that form the basis for all votes exercised on behalf of the Schemes of MF. UNIFI AMC believes that these principles are essential to ensure the long-term performance of assets managed by UNIFI AMC. UNIFI AMC will manage voting rights with the same level of care and skill as it manages the Schemes of the MF. The basic principle that would guide the policy on dealing with voting rights in investee companies is that the exercise of voting rights would be in the perceived best interests of the unitholders of its schemes. In the event of any conflicts of interest between those of the Investment Manager and the unitholders, the latter will prevail.
3. The exercise of voting rights requires the ongoing review of the corporate governance and management performance of an issuer and the consideration of the potential impact of a vote on the value of the securities of the issuer held by the Funds. In order to discharge its obligations under this policy, the UNIFI AMC accesses and utilizes research on management performance and corporate governance issues, drawn from portfolio manager and analyst due diligence and information provided by leading independent research firms. This Voting Policy will be applicable to all equity holdings of public listed companies including Listed Invits & Reits (including passive investment schemes viz. Index Funds, Exchange Traded Funds etc.). across all its mutual fund schemes.

## **II. Applicability and general voting matters**

The policy applies to exercise of the voting rights/proxy votes by the schemes of Unifi MF at Postal Ballot (PB)/ AGMs /EGMs /meeting of creditors/preference shareholders of the investee company. Voting will be cast for all schemes including passive investment schemes like Index funds, Exchange Traded Funds etc. The voting will be exercised in respect of investments held by the schemes of the MF. However, in the event, the schemes of the Fund have no economic interest in the Investee Companies on the day of voting, the Investment Manager may exercise its discretion with regard to compulsory casting of votes:

1. Corporate governance matters are diverse and continually evolving. Whilst it is difficult to provide an exhaustive list of such issues, the following guidelines/policies reflect what Investment Manager believes to be good corporate governance measures and the stance it may generally take with respect to the below matters
  - Change in the fundamental objectives of the company and in its character or name
  - Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions
  - Stock option plans and other management compensation issues
  - Change in the capital structure, including increase and decrease of capital, and issue of shares and convertible securities
  - Changes in debt security structure or special rights currently available with the Fund including priority of repayment
  - appointment, remuneration, retirement and removal of directors, remuneration of the chief executive officer and other executive directors, and the issue of stock options to directors and executives
  - other corporate governance issues that include related party transactions
  - appointment and remuneration of statutory auditors
  - any scheme of arrangement, merger and other corporate restructuring and antitakeover proposals
  - social and corporate responsibility issues
  - Appointment and Removal of Directors
  - any other matters that may affect the interests of the shareholders/holders of debt instruments
  - Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular
  
2. Related Party Transactions (excluding own group companies):

Investment Manager would evaluate proposal of Related Party Transactions of Investee Companies (excluding own group companies) after considering inter-Alia compliance with

the provisions of Companies Act ,2013, SEBI Listing Regulations, 2015 , disclosures made in this regards by the Investee Companies, etc. However, Investment Manager would not support related party transactions which are not in best interest of unit holders. *For this purpose, "Related Party Transactions" shall have same meaning as assigned to them in clause (zc) of Sub Regulation (1) of Regulation (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.*

### **III. Voting Guidelines**

1. Mutual Funds will compulsorily vote for all resolutions i.e. "vote for" or "against". Unifi AMC will be required to record and disclose specific rationale supporting their voting decision (for and against) with respect to each vote proposal
2. The voting will be exercised in respect of investments held by the MF schemes.
3. UNIFI AMC will exercise votes in the direction of improving the economic value of the portfolio and protecting the rights of the unitholders considering the following factors:
  - a. Protecting the rights of unitholders
  - b. Improving operating profits
  - c. Raising the intrinsic value of the Company
  - d. Improving the Company's governance and financial structure.
4. Corporate governance matters are diverse and continually evolving. Whilst it is difficult to provide an exhaustive list of such issues, the following guidelines/policies reflect what the Investment Manager believes to be good corporate governance measures and the stance it may generally take with respect to the below matters:

#### **a. Boards of directors**

UNIFI AMC supports resolutions that promote the effectiveness of boards in acting in the best interests of shareholders. The board of directors of a company shoulders the primary responsibility for managing it in such a manner as would protect or enhance shareholder value while also ensuring that the company complies with statutory and regulatory requirements and adopts good corporate governance practices. The board should, therefore, comprise individuals who can be expected to help the board perform its role satisfactorily.

While considering a proposal for appointment or reappointment of a director of an investee

company, the Investment Manager will take into account such factors as the person's qualifications and relevant experience, any instances of his misconduct as would reflect on his ability to function effectively as a director, any history of legal proceedings against him, and (in the case of an independent director) the degree of independence that he could be expected to bring to his tasks.

The fund management team will on a case-to-case basis and based on the available criteria's vote on the independent and non-independent directors and chairperson. The academic, and professional experience of the independent directors and their relevance to the company will be duly considered.

**b. Changes to the Memorandum and Articles of Association**

The reasons for the proposed change (especially of the objects clause) and its likely impact on the investee company's character, business operations and financial condition will be taken into consideration while determining the voting decision.

**c. Changes to the capital structure**

Proposals to increase the capital, whether through a rights issue or other means, should be examined to see why it is needed, and if it would have a significant impact on the existing shareholders' rights and their existing or potential value. Changes in capitalization will generally be supported where a reasonable need for the change is demonstrated. All proposals will be evaluated on a case-to-case basis. Investment Manager believes that a company's decisions pertaining to financing has a material impact on its shareholders, in particular when they involve the issuance of additional shares or the assumption of additional debt. However, changes resulting in excessive dilution of existing shareholder value will not be generally supported.

**d. Corporate governance matters**

UNIFI AMC supports resolutions that change the state of incorporation, merger and other corporate restructuring which are in the interest of the unitholders. Investment Manager will analyze various economic and strategic factors in making the final decision on a merger, acquisition or any other corporate restructuring proposals. All proposals will be evaluated on a case-to-case basis.

**e. Auditors and auditor compensation**

Where all members of an audit committee of the investee company are independent, UNIFI AMC will generally support the appointment of auditors and the approval of the recommended auditor compensation. It is expected that the proposed audit firm should have credentials which commensurate with the scale of the investee company. The Investment Manager will give due consideration to factors such as the auditor's performance vis-à-vis the company, its overall experience and track record, and any known instances of professional misconduct, the costs with reference to levels of business amongst others.

**f. Management compensation**

While considering proposals for remuneration (including any stock options) of directors and the chief executive and senior executives, the Investment Manager will consider such factors as the company's business volume, income, and profits, statutory or regulatory limits, and comparable industry practices. It is clearly in the interests of shareholders that an investee company should have the ability to attract and retain personnel of high quality. The Investment Manager would normally support proposals for remuneration of the chief or senior executives linked to the company's long-term performance, as reflected in enhanced shareholder value. Employee stock-option and stock incentive plans that result in excessive dilution of shareholder value, or are considered to be excessively generous, will not be supported. Further, any record of unsatisfactory performance or misconduct by personnel who will significantly benefit from approval of such proposals will be kept in view.

**g. Changes in capitalization**

UNIFI AMC recognizes the need for management of an investee company to have flexibility in the issue or buyback of shares to meet changing financial conditions. Changes in capitalization will generally be supported where a reasonable need for change is demonstrated, however changes resulting in excessive dilution of existing shareholder value will not be typically supported.

**h. Social and corporate responsibility issues**

UNIFI AMC recognizes the importance of corporate governance and typically supports investee companies' initiatives relating to environmental, social and governance matters.

**i. Related Party Transactions:**

Investment Manager would evaluate proposal of Related Party Transactions of Investee Companies on a case-to-case basis. The Investment Manager will not support related party transactions which are not in best interest of unit holders.

**j. Other matters**

All other matters specific to investee company business or those raised by other shareholders of the company, would be addressed on a case-by-case basis with a focus on their potential impact on shareholder interests. UNIFI AMC reserves the right to vote against any resolution that goes against the interest of its unit holders.

UNIFI AMC will compulsorily vote in case of below mentioned matters:

- a. Corporate governance matters, including changes in the state of incorporation. merger and other corporate restructuring, and anti-takeover provisions.
- b. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
- c. Stock option plans and other management compensation issues.
- d. Social and corporate responsibility issues.
- e. Appointment and Removal of Directors.
- f. Any other issue that may affect the interest of the shareholders in general and the interest of the unit- holders in particular.
- g. Related party transactions of the investee companies (excluding own group companies). For this purpose, "Related Party Transactions" will have same meaning as assigned to them in clause (zc) of Sub-Regulation (1) of Regulation (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, Unifi AMC will compulsorily cast votes for any other resolutions which are not covered above. In case the schemes of the Fund do not have economic interest in the investee company on the day of voting, the AMC will not cast votes on proposals of that investee company.

The vote will be typically cast at the Mutual Fund level. However, in case Fund Manager/(s) of any specific scheme has a strong view against the views of Fund Manager/(s) of the other schemes, the voting at scheme level will be allowed subject to recording of detailed rationale for the same.

**IV. [Procedure for use of Voting Guidelines](#)**

1. A decision to invest in a company is based on fund manager's analysis of the performance of company, management and the corporate governance. Since a decision to invest is generally an endorsement of management of the Investee Company, UNIFI AMC will typically vote with management on routine matters. However, since a fund manager must be focused on shareholder value on an ongoing basis, it is the responsibility of the fund manager to assess the potential investment implications of any issue on which shareholders are asked to vote.
2. The Guidelines indicate the principles of corporate governance which the Funds will generally support through the exercise of votes. UNIFI AMC will abide by the following procedures for exercising the voting rights:
  - a. The fund managers of the respective schemes will examine and decide on AGMs / EGMs agenda items pertaining to their investee companies. If a consensus cannot be achieved, the final voting decision will be taken by the Chief Investment Officer.
  - b. The rationale for decision taken on "voting for /voting against" will be recorded in writing.
  - c. In most cases, UNIFI AMC exercises its funds' voting rights by appointing an authorized agent. It may, however, if deemed necessary, be physically present at a meeting and vote in person.
  - d. Authorized Officials and / or authorized representatives of Custodian of the Fund would submit voting instructions for General Meetings where UNIFI AMC chooses to vote i.e. either FOR or AGAINST.
  - e. UNIFI AMC may also abstain from voting for the Investee Companies in case the Mutual Fund has no economic interest on the day of voting.

#### **V. Mechanism of Voting**

1. With the introduction of voting through electronic platforms, UNIFI AMC and/or through its authorized custodian/s will cast its votes on the voting platforms offered by CDSL / NSDL and other service providers. At times, even after voting through electronic means, the fund managers may attend the general meetings of the Investee Companies since such meetings provide an opportunity to pose questions to the directors of the investee companies.
2. However, in case the e-voting facility is not offered by any Investee Company or UNIFI AMC is not in a position to cast its vote through e-voting, any of the following



personnel/ representatives of UNIFI AMC would be delegated the responsibility for exercising the physical voting rights:

- i. Chief Executive Officer
  - ii. Chief Investment Officer
  - iii. Fund Managers
  - iv. Compliance Officer
  - v. Head – Operations
3. Further, the Chief Executive Officer and / or the Compliance Officer of UNIFI AMC are authorized to empower in writing any of the senior executives of UNIFI AMC as authorized representatives enabling them to attend the meeting, to complete the attendance slip and sign the same on behalf of the schemes of Unifi Mutual Fund, present and exercise the voting at the meeting.

#### **VI. Use of Third-Party Services**

UNIFI AMC may utilize outside professional advisory services and obtain their recommendations on the agenda items. While the suggestions from the external advisory professionals are for reference purposes, the final decision rests with the AMC. With valid justifications, UNIFI AMC may choose not to act upon the recommendations of the external advisors and decides to take its own decisions.

#### **VII. Voting Records**

Disclosure of exercise of votes cast (for/against) in equity holdings across all schemes (including passive investment schemes like Index Funds, Exchange Traded Funds) of MF including the rationale supporting its voting decision will be made accessible in the Annual Report distributed to the Unitholders and / or on the website of UNIFI AMC in the format prescribed by SEBI from time to time.

#### **VIII. Conflict of interest provision**

Wherever, UNIFI AMC comes to know that there may be a conflict of interest when it votes on an entity with which it may have some relationship or otherwise, it will exercise discretion keeping in mind the best interest of the unit holders. However, UNIFI AMC will make its best efforts to avoid any conflicts and ensure that any conflicts of interest are resolved in the best interest of the unitholders. Additionally, UNIFI AMC would implement procedures, appropriate controls and monitoring routines in order to prevent conflict of interest.

It is the responsibility of the Fund Management personnel to exercise discretion, in a case, where there are any direct or indirect conflict regarding voting and should not be influenced by any overriding interests. The Compliance function should be consulted on any conflict concerns. Should there be any questions regarding how to carry out responsibilities with respect to proxy voting, the Investment Committee should be consulted.

Further, UNIFI AMC has put in place Stewardship Policy in accordance with SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024.

#### ***IX. Review and Control Process***

1. On analysis of AGM / EGM resolutions, if any conflict of interest is identified with UNIFI AMC's voting policy, then the same will be alerted to the Chief Investment Officer.
2. UNIFI AMC will be responsible for maintaining records for votes cast and abstentions (if any), proxy statements and any other relevant record in this regard.
3. All the voting rights exercised / abstentions (if any) in the previous month will be reported to the Investment committee at the ensuing meeting.
4. Every record, including the voting statements, abstentions will be retained for audit purpose.
5. The process of exercising voting rights as listed above will be reviewed by UNIFI AMC, from time to time.
6. The Fund Managers may refer and/or escalate to the Chief Investment Officer those resolutions which are non-routine in nature and / or there is lack of consensus and/ or any other matter/ fact as deemed fit. The Chief Investment Officer will look into various matters escalated for its review and guidance with respect to voting.

#### ***X. Disclosure Requirements***

1. The policy will be available on the Unifi AMC website <https://www.unifimf.com/>
2. Further, the following periodical disclosures will be made available on the website:

- a. Disclosure of vote cast on our website (in machine readable spreadsheet format) on a quarterly basis within 10 working days from the end of the quarter. A detailed report in this regard along with a summary thereof will also be disclosed on the website.
- b. Disclosure of votes cast on the website, on an annual basis. Further, UNIFI AMC will provide the web link in the annual report regarding the disclosure of voting details.
- c. The actual exercise of proxy votes in the AGMs/ EGMs/ meetings of creditors/ preference shareholders of the investee companies are disclosed on the company's website as well as in the annual report distributed to the unit holders from time to time.
- d. Scrutinizer's certification on the Voting Reports will be disclosed on an annual basis in the relevant portion of the Mutual Fund's annual report and on the website.
- e. Any adverse comments made by the Scrutinizer, Board or Trustees will have to be reported to SEBI in the half yearly trustee reports.
- f. At every meeting of the Board of AMC and Trustee Company, a statement will be placed for noting as regards meetings attended and voting made since previous meeting
- g. Board of UNIFI AMC and Trustees of Unifi Mutual Fund will review and ensure that UNIFI AMCs have voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate. Confirmation to the same, along with any adverse comments made by auditors, will have to be reported to SEBI in the half yearly trustee reports.
- h. To ensure that the Fund Managers submit a declaration on quarterly basis to the Trustees that the votes casted have not been influenced by any factor other than the best interest of the unitholders. Further, Trustees in their Half Yearly Trustee Report to SEBI, will confirm the same

**XI. Review by the Board of UNIFI AMC and Trustee**

UNIFI AMC will review this policy on an annual basis or earlier, if required, in light of change in applicable law and/or for business reasons and will be placed before the Board of AMC and Trustees.