

**MARCELLUS INVESTMENT MANAGERS PRIVATE LIMITED**

**VOTING POLICY**

<b>Document Control</b>	
<b>Title</b>	Voting Policy
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<b>Approver</b>	Board of Directors
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<b>Sr. No</b>	<b>Details of Changes</b>	<b>Date of creation / Change</b>	<b>Author</b>	<b>Version Number</b>	<b>Approved By</b>
1	1 <sup>st</sup> Policy	30 <sup>th</sup> July 2021	Compliance Team	V.1	Board of Directors
2	To widen the scope of the policy to make it applicable for the associates of the company	27 <sup>th</sup> May 2022	Compliance Team	V.2	Board of Directors
3	Annual Review (to align with changes in procedures during last one year and adding Marcellus subsidiaries details)	16 <sup>th</sup> August 2023	Compliance and Risk Team	V.3	Board of Directors

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## **I. INTRODUCTION**

1. Marcellus Investment Managers Private Limited and its subsidiaries (“Marcellus” or “Investment Manager”) are SEBI regulated Portfolio Manager, Investment Adviser and is registered with the U.S Securities and Exchange Commission. Marcellus also manages SEBI regulated Alternative Investment Funds (“Fund” or “Schemes”) and is regulated as Fund Management Entity (Non-Retail) under IFSCA (Fund Management) Regulations, 2022 through its GIFT City branch. As an investment manager, it has a fiduciary responsibility to act in the best interest of its investors.
2. This responsibility also includes exercising voting rights towards the securities of its investee companies, either at the general meetings of the investee companies or through postal ballots. Marcellus has adopted this Voting Policy (“Policy”) to follow a structured approach while exercising its voting rights in respect of the securities over which Marcellus has discretionary powers of management and voting.
3. Marcellus believes that voting on matters brought by investee companies to shareholders is an important tool to influence positive Environmental, Social and Governance outcomes from investee companies.
4. This Policy contains the principles that form the basis of all votes. Considering our long term approach to investing, these principles are essential to ensure the consistency and compounding we aim to achieve for the assets under our management.

## **II. OBJECTIVES OF THE POLICY**

This Policy lays down:

1. Typical matters put up for voting by investee companies and our approach.
2. Mechanisms to be used for voting on the proposals.
3. Guidelines to assess proposals and take decisions
4. Using proxy advisors, if found appropriate
5. Guidelines for handling conflicts of interests that may arise during voting

## **III. MATTERS PUT UP FOR VOTING**

1. The investee companies put the following matters to vote either through general meetings of the shareholders or through postal ballots:
  - a. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring;
  - b. Changes to capital structure, including increases and decreases of capital and preferential allotments;
  - c. Appointment, remuneration, retirement and removal of Directors;
  - d. Stock option plans and other management compensation issues;
  - e. Changes to the Memorandum and Article of Association of the Company;
  - f. Social and corporate responsibility issues;
  - g. Appointment and remuneration of Statutory Auditors;
  - h. Transactions with Related Party(ies); and
  - i. Other issues affecting the interest of the Shareholders.

## **IV. APPOINTMENT OF PROXY ADVISORY FIRMS**

1. Marcellus uses services of a proxy voting advisory firm (IIAS - Institutional Investor Advisory Services India Limited) for assistance in voting on various matters that are put to vote by the investee companies. The scope of service for such mandate includes providing voting recommendations for

shareholders meetings and to get access to the online voting platform to enable system-based review of recommendations, and instructions for casting of vote and maintaining records.

2. The recommendations of the proxy advisory firm are non-binding and final decisions are taken by Marcellus considering the best interests of the Funds under its care.

#### **V. VOTING MECHANISM**

1. Marcellus uses voting advisory firm which inform us in advance on matters to vote for investee companies including general meetings and postal ballots.
2. For Every voting recommendation by advisory firm, Marcellus's Research Analyst finalize their views in consultation with Fund Manager or Head of Research. The views are reviewed by Senior Analyst before casting. For execution, voting instructions are passed to custodian as per available infrastructure facility. Voting instructions can be via emails or through online digital platform as facilitated by custodian.
3. Unless called for under specific situations, Marcellus does not intend to be physically present at the site of the Investee company's annual general meeting / extra-ordinary general meeting to exercise their right to vote. Marcellus shall use E-Voting system provided by investee companies through service providers such as NSDL, CSDL, Karvy etc. or by appointing a Proxy.
4. There may be situations in which Marcellus may not be able to vote, or may choose not to vote, such as but not limited to: (i) Proposal was not received from the proxy voting service provider; (ii) a meeting notice was received late; (iii) Our Funds held shares on the record date but sold them prior to the meeting date; (iv) the cost benefit analysis suggests that cost for voting shall surpass the perceived benefits to the clients/Funds; (v) inability of custodians to provide the voting infrastructure to Marcellus to vote on behalf of Portfolio Management Services Clients; (iv) inability to vote for Foreign Equity holding due to logistical challenges (vii) Advisory business where securities are not held by Marcellus (viii) Marcellus believes it is not in the best interest of the clients to vote for any other reason not enumerated herein.

#### **VI. CONFLICT OF INTEREST**

1. Conflicts of Interest is a situation where Marcellus' interests (including our directors, employees) are not aligned to the interests of the Funds and clients we serve. Such conflicts may be actual or perceived.
2. In case there are actual or perceived conflicts, they are established before Marcellus votes on matters brought by investee companies. In any case, Marcellus takes steps to avoid actual or potential conflicts of interests. Even if they arise, they are resolved in favor of our clients.

#### **VII. GOVERNANCE**

1. The Investment Committees of respective Funds or services shall be responsible to have an oversight on the voting activity Marcellus undertakes for assets under its management. The Investment Management Team, Compliance Team and/or Operations team are deemed to be authorized to exercise voting rights in case of e-voting facility.
2. By virtue of the approval given to this Policy, the following officers shall be deemed to be authorized to attend and vote at physical meetings of the investee companies
  - a. Chief Investment Officer;
  - b. Fund Managers,
  - c. Any employee in the Research Team
  - d. Head of Compliance & Legal
  - e. Head of Operations
  - f. Company Secretary

3. The records of all voting decisions, any conflicts identified during voting, rationale for voting decisions, voting reports to investors, etc. shall be maintained for a period of at least 5 years.
4. This Policy shall be reviewed annually.

#### VIII. DISCLOSURE

1. We have made a copy of this policy available at [www.marcellus.in](http://www.marcellus.in).
2. The report on voting activity undertaken shall be made available to our investors as required under the applicable regulations.

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