



CANARA ROBECO ASSET MANAGEMENT COMPANY LIMITED

STEWARDSHIP CODE
AND
VOTING RIGHTS POLICY

History log

<i>Policy Name</i>	<i>Version</i>	<i>Date</i>	<i>Changed By</i>	<i>Short description modification</i>	<i>Next Review</i>
Voting Rights Policy	1.6	August 2018	Ashutosh Vaidya	No change	August 2019 or change in regulations whichever is earlier
Voting Rights Policy	1.7	August 2019	Ashutosh Vaidya	Format changes for the purpose of establishing uniformity in all policies	August 2020 or change in regulations whichever is earlier
Stewardship Code	1.01	June 2020	Compliance	Stewardship Code is drafted pursuant to SEBI Circular No. CIR/CFD/CMD1/168/2019 dated 24 th December 2019	July 2021 or change in regulations whichever is earlier.
Voting Rights Policy	1.8	July 2020	Ashutosh Vaidya	Annual Review	August 2021 or change in regulations whichever is earlier
Voting Rights Policy	1.9	November 2021	Ashutosh Vaidya	Change in SEBI guidelines for votes cast by Mutual Funds (AMFI mail dated 9/3/21 and SEBI Circular dated 5/3/21)	October 2022 or change in regulations whichever is earlier
Voting Rights Policy	1.10	December 2022	Ashutosh Vaidya	Annual Review – No Change	December 2023 or change in regulations whichever is earlier
Voting Rights Policy	1.11	October 2023	Ashutosh Vaidya	Annual Review – No Change	October 2024 or change in regulations whichever is earlier
Stewardship Code and Voting Rights Policy	1.02	January 2025	Investment Team & Compliance Team	- Stewardship Code & Voting Rights Policy has been merged - 'Conflict of Interest' & 'Procedure to address any conflict' section has been reviewed and rationalized to achieve better compliance to policy guidelines.	January 2026 or change in regulations whichever is earlier

1. Objective

Canara Robeco Asset Management Co. Ltd. ("CRAMC") is the asset management company for Canara Robeco Mutual Fund ("CRMF"). In terms of paragraph 6.16 of the SEBI Master Circular for Mutual Funds dated June 27, 2024 issued by Securities Exchange Board of India (SEBI) and subsequent communication(s) in this regard, CRAMC has drawn up this Stewardship Code and Voting Rights Policy (hereinafter referred to as "**this Policy**").

Stewardship is the responsibility attributed to an institutional investor to monitor, oversee and manage the capital invested in companies in order to create long-term value for its clients /beneficiary. Stewardship code is a set of principles or guidelines aimed primarily at institutional investors, who hold shares, and thus, voting rights in investee companies to fulfil its fiduciary obligations towards clients /beneficiaries.

Whilst the Investment Policy of CRMF governs the investment function, this Policy contains the set of stewardship principles and guidelines to engage with the management of investee companies and to exercise voting rights on shareholder resolutions of Investee companies. This Policy contains the stewardship principles as prescribed by SEBI and the principles that form the basis for exercise of all voting rights attached to the securities issued by the Investee Companies.

As the Investment Manager to CRMF, CRAMC is obliged to act in the best interests of the unit holders. CRAMC believes that the principles as laid down in this Policy are essential to ensure long-term performance of the assets managed by CRAMC. CRAMC will exercise voting rights with the same level of care and skill as it manages the funds. CRAMC will endeavour to use its influence as a shareholder amongst others by exercising its voting rights in the best interests of the unit holders.

2. Roles and Responsibilities:

Investment Committee (IC): IC shall be responsible for the overall implementation and execution of this Policy. The threshold of investment in the investee company beyond which the Company shall perform its stewardship activities shall be prescribed by the IC.

The Stewardship Committee ("Committee") shall comprise of Head – Investments (Equity), Head – Equity and Fund Managers – Equity. This Committee will review the stewardship responsibilities discharged by the research analysts and recommend actions / interventions, if any, to the IC. The committee shall also be responsible for identifying situations which may give rise to a conflict of interest. The Committee shall review the Code on annual basis (or earlier if there are any material developments). Equity Research Analysts (ERA) shall be responsible for ongoing monitoring of the investee companies, for engaging with the management of the investee companies.

The term 'investee companies' used in this code herein shall mean investee companies in which equity investments are above the threshold limit (across all schemes and mandates) as prescribed by IC.

PRINCIPLE 1 - STEWARDSHIP RESPONSIBILITIES

Stewardship responsibilities include monitoring and actively engaging with investee companies on various matters including performance (operational, financial, etc.), strategy, corporate governance (including board structure, remuneration, etc.), material environmental, social, and governance (ESG) opportunities or risks, capital structure, etc. Such engagement may be through detailed discussions with management, interaction with investee company boards, voting in board or shareholders meetings, etc.

The Committee and ERA shall ensure that there is an effective oversight of Canara Robeco's stewardship activities. Canara Robeco will facilitate suitable training in implementing the Stewardship Principles.

Primary Stewardship Responsibilities: Canara Robeco shall:

- a) in the investment process, in addition to financial and operational performance metrics, take into consideration the investee companies' policies and practices on environmental, social and corporate governance matters;
- b) enhance investor value through productive engagement with investee companies, their board of directors and their management, on various matters including performance, corporate governance (board structure, executive remuneration), material environmental, social and governance ("ESG") risk or opportunities, capital requirements and deployment, strategy, entering a new sector or jurisdiction, etc.;
- c) vote and engage with investee companies in a manner consistent with the best interests of its shareholders/investors;
- d) influence the development of corporate governance standards and corporate responsibility;
- e) maintain transparency in reporting its voting decisions and other forms of engagement with investee companies.
- f) disclose its stewardship policy and activities to its shareholders/investors on a periodic basis.

Discharge of Stewardship Responsibilities

Canara Robeco shall discharge its stewardship responsibilities through:

- a) using resources, rights and influence available at their disposal;
- b) detailed discussions with the management and interactions with the investee company boards;
- c) voting on shareholders' resolutions, with a view to enhance value creation for the shareholders/investors and the investee companies;
- d) advocating for responsible corporate governance practices, as a driver of value creation; and
- e) intervening on material ESG opportunities or risks in the Mutual Fund's investee companies.

Disclosure of Stewardship Code

This Policy, as amended from time to time, shall be disclosed on the website of Canara Robeco i.e. <https://www.canararobeco.com>.

Periodic review of Stewardship Code

This Policy shall be reviewed and approved annually (or earlier if there are any material developments) by the Investment Committee and the Board of Directors of CRAMC and Trustees.

PRINCIPLE 2 – MANAGING CONFLICT OF INTEREST

Canara Robeco has formulated a Conflict of Interest Policy.

All Investment Committee members and Equity Investment Team members will strive to:

- Avoid actual or potential conflict of interest.
- Disclose any conflict of interest and adequately manage the conflict by ensuring that the disclosing member is not involved in the decision-making process.
- Voting decisions will be taken to protect the interests of the Organisation and investors.

In the event of any doubt as to whether a particular transaction would create (or have the potential to create) a conflict of interest the employees shall consult with the Investment Committee.

Conflict of Interest may arise in the following situations:

1. Canara Robeco and the investee company are associates or are part of same group; or
2. The investee company is a distributor for Canara Robeco;
3. Investment Team of Canara Robeco has a personal interest in the investee company;

Procedure to address any conflict

- a) Any potential conflict of interest in relation to an investee company shall be reasonably highlighted to the Investment Committee. The records of minutes of decisions taken to address such conflicts shall be maintained.
- b) Save as in the ordinary course of business, the members of the Investment Committee shall not engage with the investee companies outside the scope of their duties under the Stewardship Code.
- c) There is a clear segregation of voting function and sales function / client relations.
- d) Blanket bans on investments in certain cases may be implemented in consultation with IC.
- e) Investment team will be guided by the Voting Guidelines and Disclosures for all resolutions as mentioned in this Policy.
- f) CRAMC shall be guided by the Conflict of Interest Policy of CRAMC and this Policy to manage conflicts of interest in fulfilling its stewardship responsibilities. Further, with regard to voting in cases where conflict of interest exists, refer the point on 'Conflict of Interest' under Principle 5 on 'Voting and disclosure of Voting Activity' in this Policy.

PRINCIPLE 3 – MONITORING OF INVESTEE COMPANIES

The Committee may adopt with the approval of the IC, different levels of monitoring in different investee companies based on the size of investments made in them.

Areas of monitoring which shall, *inter-alia*, include:

- a. Company strategy and performance - operational, financial etc.
- b. Industry-level monitoring and possible impact on the investee companies.
- c. Quality of company management, board, leadership etc.
- d. Corporate governance including remuneration, structure of the board (including board diversity, independent directors etc.) related party transactions, etc.
- e. Risks, including Environmental, Social and Governance (ESG) risks
- f. Shareholder rights, their grievances etc.

The ERAs shall actively monitor the investee companies, through internal and external research, in respect of all important aspects including performance of the companies, corporate governance, strategy, risks etc. As far as feasible the Equity investment team will avoid private meetings / calls with investee companies where there exists inherent conflict of interest. The Committee shall be responsible for the supervision of monitoring of the investee companies and shall lay down guidelines for the purpose.

At the time of review of each of the investee companies the compliance to the stewardship code by monitoring the above areas has to be separately documented and the action, if any, to be initiated has to be decided by the Committee. The Committee shall with its recommendation place such reports at least monthly before IC and seek IC approval / concurrence.

The Committee and ERAs shall ensure compliance with the SEBI (Prohibition on Insider Trading) Regulations, 2015 while seeking information from the investee companies for the purpose of monitoring.

PRINCIPLE 4 – ACTIVE INTERVENTION IN THE INVESTEE COMPANY AND COLLABORATION WITH OTHER INSTITUTIONAL INVESTORS

Canara Robeco 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 poor financial performance, insufficient disclosures, inequitable treatment of shareholders, non-compliance with regulations, performance parameters, ESG issues, leadership concerns, related party transactions, corporate plans/ strategy, CSR, litigation or any other related matters.

The Committee shall, with the approval of the Investment Committee, engage with the investee company's management to resolve any concerns of Canara Robeco. In the event the management of the investee company fails to undertake constructive steps to resolve the concerns raised by Canara Robeco within a reasonable timeframe, the Investment Team shall escalate the matter to the Investment Committee. If the Investment Committee decides to escalate, Canara Robeco shall engage with the board of the investee company (through a formal written communication) and elaborate on the concerns. Canara Robeco may also consider discussing the issues at the general meeting of the investee company (either called by the investee company or requisitioned by Canara Robeco) and voting against the relevant matters.

The Investment Committee shall consider other intervention mechanisms such as (i) expressing their concern collectively with other investors or through mutual funds associations; (ii) making a public statement; (iii) submitting shareholders resolution or voting against decisions etc.; (iv) submitting one or more nominations for election to the board as appropriate and convening a shareholders meeting; (v) seeking governance improvements and/or damages through legal remedies or arbitration; and (vi) exit or threat to exit from the investment as a last resort.

The committee shall review the effect of intervention and place at least once in a month before IC such reviews as well as future course of actions and seek the guidance from IC.

Collaboration with other institutional investors

Canara Robeco shall, with the approval of the Investment Committee, agree to collaborate with other Institutional investors to ensure that its interests in the investee company stand protected on a case to case basis.

Canara Robeco shall determine individually its position on any issue requiring collaborative engagement and shall not act or be construed as acting as a 'person acting in concert' with other shareholders and market manipulation.

PRINCIPLE 5 – VOTING AND DISCLOSURE OF VOTING ACTIVITY

Scope of Voting: The exercise of voting rights requires ongoing review of the corporate governance, industry performance, financial performance of the company and changes in management of the investee companies and also the consideration of the potential impact of a vote on the value of the securities of the investee companies held by the Schemes. For effective discharge of the obligations under this Policy, CRAMC accesses and utilizes research on financial performance and corporate governance issues, drawn from its in-house research team and also from the independent research firms on need basis.

The Fund Managers of the respective Schemes shall review all the routine as well as non-routine proposals for which voting rights are to be exercised and shall determine its impact on the interest of the unitholders of the respective scheme.

Generally, for all routine proposals of the investee companies which have no impact on unitholders' interest, the Fund Manager shall vote in favour of the investee company's Management proposals ("**Proposals**"). Further, if thought fit, the Fund Manager/Analyst may attend the general meetings of the investee companies. However, according to the views of the Fund Managers, if any proposal of the investee company(ies) has any adverse impact on the unitholders' interest, they shall vote against such proposal.

Voting Guidelines: AMFI had communicated that it would be mandatory for the Mutual Funds to cast their votes 'For' or 'Against' the Proposals and abstention will not be counted as having voted.

Further, SEBI, vide Para 6.16.10 and 6.16.11 of SEBI Master Circular for Mutual Funds dated June 27, 2024, has specified additional guidelines requiring the Mutual Funds to compulsorily cast votes in respect of all the resolutions of the investee companies.

In view of the above, the following guidelines will be adhered to by the Fund Managers while voting.

A. Vote in favour of the proposals:

The Fund Manager(s) of each scheme shall review on a case-to-case basis the economic and strategic aspects and may decide to vote in favour of the proposals if in the opinion of the Fund Manager(s), the said proposals are in the interest of the Unitholders.

B. To Vote against the proposals:

The Fund Manager(s) may vote against the following proposals:

- a) Merger and acquisitions, if based on the fund managers' review of the economic and strategic aspects are having adverse impact on the interest of the unitholders.
- b) Re-appointment of Statutory Auditor when there is convincing evidence of financial irregularities and negligence.
- c) Change in capital structure resulting in excessive dilution of existing shareholders' value.
- d) Generous stock options resulting in dilution of existing shareholders' value.
- e) Excessive remuneration to whole time directors/ executive directors/ Managing Directors/ Manager.
- f) Any other issue that may affect the interest of the unit holders.

The above guidelines are only indicative in nature. The decision of the Fund Manager/s of the respective schemes on the matter of voting shall be final.

- C.** In case of any Scheme having no economic interest on the day of voting, it may be exempted from compulsorily casting of votes.
- D.** The vote shall be cast at Mutual Fund Level. However, in case Fund Manager/(s) of any specific scheme has strong view against the views of Fund Manager/(s) of the other schemes, the voting at scheme level shall be allowed subject to recording of detailed rationale for the same.
- E.** The Fund Manager shall not 'abstain' from voting on any proposal.

Conflict of Interest: The following instances may result in conflict and therefore impact the decision on voting:

- a) Fund manager/s having personal investment in the investee company.
- b) Investee Company being the distributor to the products of CRMF.
- c) Investment in group companies of CRAMC.
- d) Investment by investee companies in the scheme(s) of CRMF.

In each of the above conflicting situations, the Fund Manager/s of the respective schemes shall ensure that the voting on the proposals of such investee Companies is always in the best interest of the unitholders.

Review & Control

Internal controls and checks shall be put in place encompassing the voting mechanism including periodical review of this Policy, voting process, voting records, disclosure of voting rights etc. The Compliance Officer in consultation with the Management shall review the effectiveness of the said checks and controls.

The Board of Directors of CRAMC and Board of Trustees of CRMF shall review and ensure that Management of CRAMC have voted on important decisions that may affect the interest of investors and the rationale recorded for voting decision is prudent and adequate.

Process for voting

- i. Custodian shall send the AGM/ EGM/ Postal ballot trackers to fund managers. Alternatively, CRAMC shall engage a Service Provider for providing voting recommendations on resolutions for the General Meetings or Court/Tribunal Convened Meetings and Postal Ballots ("collectively called as Meetings") of the investee companies of CRMF.
- ii. The Fund Manager shall review the proposal and the recommendation of the Service Provider and then decide on the manner of voting.
- iii. Pursuant to the authority given by the Board of Trustees and based on the recommendations of the Fund Manager on the manner of voting, the Chief Executive Officer/ Chief Operating Officer/ Compliance Officer/ Head-Equities/ Head-Fixed Income/ Head-Risk Management of CRAMC shall issue authorization in favour of any employee(s) of AMC/ employees of custodian or any employee of the agency hired for the purpose of representing and voting including Electronic Voting on behalf of the Scheme(s) of CRMF in Meetings of the Companies in which the scheme(s) of CRMF has invested alongwith necessary instructions in writing regarding the manner of voting i.e. in favour of or against any proposal.
- iv. The AMC record and disclose specific rationale supporting its voting decision (for, against or abstain) with respect to each vote proposal.

Reporting & Disclosure of Voting Details:

- a) CRAMC shall disclose this Policy on CRAMC's website as well as in the annual report distributed to the unit holders of CRMF.
- b) CRAMC shall make a disclosure of votes cast
 - ✓ on its website (in spreadsheet format) on a quarterly basis, within 10 working days from the end of the quarter. A detailed report in this regard along with summary thereof shall also be disclosed on their website. The format for disclosure of vote cast by Mutual Funds in respect of resolutions passed in general meetings of the investee companies and the format for presenting summary of votes cast by Mutual Funds is as per format enclosed in Annexure 1.
 - ✓ CRAMC shall provide the web link in its Annual Report regarding the disclosure of voting details. Further, on an annual basis, certification on the voting reports shall be obtained from a scrutinizer, appointed in terms of Rule 20 (3) (ix) of Companies (Management and Administration) Rules, 2014¹ and any future amendment/s to the said Rules thereof. Such certification shall be submitted to the Trustees and also disclosed in the relevant portion of the CRMF's Annual Report and website.

¹ As per Rule 20 (3) (ix) of Companies (Management and Administration) Rules, 2014, a Scrutinizer means a person who may be Chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an Advocate, or any other person who is not in employment of the company and is a person of repute who, in the opinion of the Board can scrutinize the voting and remote e-voting process in a fair and transparent manner.

- c) Fund Managers/Decision makers shall submit a declaration on quarterly basis to the Trustees that the votes cast by them have not been influenced by any factor other than the best interest of the unit holders. Further, Trustees in their Half Yearly Trustee Report to SEBI, shall confirm the same.
- d) Board of CRAMC and Trustees shall review and ensure that CRAMC has voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate. The confirmation to the same, along with any adverse comments made by the auditors, shall be reported to SEBI in half yearly trustee reports.

PRINCIPLE 6: REPORTING OF STEWARDSHIP ACTIVITIES

Canara Robeco shall, annually, disclose on its website a report on the implementation of every principle enlisted in this Policy in the format as approved by the Investment Committee. Different principles may also be disclosed with different periodicities. E.g. Voting may be disclosed on quarterly basis while implementation of conflict of interest policy may be disclosed on an annual basis. Any updation of policy may be disclosed as and when done.

The report shall also form part of Annual intimation to the investors.

Canara Robeco understands that the compliance with the aforesaid principles does not constitute an invitation to manage the affairs of a company or preclude a decision to sell a holding when it is in the best interest of the investors.

3. Review of this Policy:

This policy will be subjected to annual review. The reviewed policy with necessary changes, if any, will be placed for the approval before the Investment Committee of CRAMC and before the Board of the Directors of CRAMC and Trustees of CRMF.

Annexure 1**(i) Format for disclosure of vote cast by Mutual Funds - during an individual quarter**

Details of Votes cast during the quarter ended __, of the Financial year __ - __							
Meeting Date	Company Name	Type of meetings (AGM/EGM)	Proposal by Management or Shareholder	Proposal's description	Investee company's Management Recommendation	Vote (For/Against/Abstain)	Reason supporting the vote decision

(ii) Format for disclosure of voting by Mutual Funds/AMCs during a financial year

Details of Votes cast during the Financial year __ - __								
Quarter	Meeting Date	Company Name	Type of meetings (AGM/EGM)	Proposal by Management or Shareholder	Proposal's description	Investee company's Management Recommendation	Vote (For/Against/Abstain)	Reason supporting the vote decision

(iii) Format of providing the summary of proxy votes cast by Mutual Funds/AMCs across all the investee companies

Summary of Votes cast during the F.Y. __ - __					
F.Y.	Quarter	Total no. of resolutions	Break-up of Vote decision		
			For	Against	Abstained