



PGIM INDIA STEWARDSHIP POLICY

Policy Ref : 58 /24

Ver. 1.0

This document is updated as on July 2024 and approved by Board of the AMC on 11th July,2024..

Document Change Control

Date	Section	Change	Prepared by	Approved by

Version Control

Version	Approval Date
Version 1.0	11 th July 24

Table of Contents

1. Preamble and Scope of Policy on Stewardship Responsibilities	3
2. Stewardship Principles	3
3. Policy Ownership	7
4. Policy Review	7
5. Policy Attestation	7

1. Preamble and Scope of Policy on Stewardship Responsibilities

This Stewardship policy is framed by PGIM India Asset Management Private Limited (PGIM AMC) to discharge its Stewardship responsibilities in accordance with the guidelines set out by Securities and Exchange Board of India (SEBI) vide its circular ref. CIR/CFD/CMD1/168/2019 dated December 24, 2019, in relation to investments in listed equities held by funds/strategies launched by PGIM India Alternative Investment Fund. Further, SEBI vide paragraph 13.4 of SEBI Master Circular dated May 7, 2024 has notified the 'Stewardship Code', applicable to all AIFs in relation to their investment in listed equities.

'PGIM India Alternative Investment Fund' is organised as a determinate trust settled in India by the Settlor under the provisions of the Indian Trusts Act, 1882, pursuant to an Indenture entered into between the Settlor and the Trustee and registered under the provisions of Registration Act, 1908. The Trust is registered with SEBI as a Category III AIF bearing registration no. IN/AIF3/18-19/0615.

PGIM India Asset Management Company Private Limited (PGIM India AMC) is the investment manager for PGIM India Alternative Investment Fund (PGIM India AIF). In its capacity as Investment Managers to strategies of PGIM India AIF, the investment management team of PGIM India AMC is expected to monitor and engage with investee companies on matters concerning performance (operational, financial, etc.), corporate governance (including board structure, fairness of remuneration etc.), material environmental, social and governance (ESG) issues, capital structure etc. and any other issues that may affect interest of unitholders of PGIM India AIF.

This policy defines responsibilities of PGIM India AMC and the processes that PGIM India AMC intends to follow in order to discharge its stewardship obligations. This policy contains the stewardship principles as prescribed by SEBI and the principles that form the basis for exercise of all voting rights. In general, the AMC does not have the intention to participate directly or indirectly in the management of the companies but it will use its influence as the representative of the shareholders amongst others by exercising its voting rights in accordance with the best interests of its unit holders. The AMC for the purpose of this Code, would refer to the Investment Team led by the Chief Investment Officer.

References to investee company in this policy shall mean investee companies in which strategies of PGIM India AIF hold equity investments.

2. Stewardship Principles

PGIM India AMC shall at all times discharge its stewardship obligations on behalf of and in the best interest of the unit holders of PGIM India AIF taking into account the below listed principles:

Principle 1: Key Stewardship Responsibilities

Primary Stewardship Responsibilities

The primary Stewardship responsibilities of PGIM India AMC shall be:

Monitoring and actively engaging with investee companies on matters of concern to unit holders / shareholders by participating in the meetings called by the company or joining other institutional investors in meetings / representations / teleconferences, etc where the investments exceed threshold of significant investments. Significant investments would constitute companies where the :

- a) The holdings in the investee company (across AIF Strategies put together) exceeds 3% of overall Equity AUM;
- b) The holdings in the investee company (across AIF Strategies put together) exceeds 1% of the paid-up capital of the investee company as on the end of a quarter.

To vote and engage with investee companies.

Discharge of Stewardship Responsibilities

PGIM India AMC shall discharge its stewardship responsibilities as under :-

Voting on shareholders' resolutions, as may be necessary to protect the long-term interest of its unitholders.

PGIM India AMC shall appropriately monitor and engage on any issue which may potentially, affect an investee company's ability to deliver shareholder value.

Where appropriate, PGIM India AMC shall endeavour to work collectively with other institutional investors and support collaborative engagements organized by representative bodies and others for threshold of significant investments, so long as such action is in the best interest of the funds' unitholders.

The Fund Managers / relevant team members shall undergo training with regard to implementation and compliance of the principles as enumerated in the Policy.

PGIM India AMC shall disclose compliance with the Policy and the Principles therein at such places and at such periodicity as defined by SEBI from time to time.

Oversight of the Stewardship Activities

The AIF CIO of PGIM India AMC shall have oversight of its stewardship activities. The AIF CIO shall monitor and oversee the AMC's stewardship activities during its periodic meetings viz., review all the stewardship decisions taken with respect to investee companies that are of concern to unit holders.

Disclosure of Stewardship Code

The Stewardship policy, including any amendments thereto, shall be disclosed on the website of PGIM India AMC.

Principle 2: Managing Conflict of Interest

The term “conflict of interest” refers to instances where personal or financial considerations may compromise or have the potential to compromise the judgment and execution of professional duties.

Identifying Conflict of Interest

While dealing with investee companies, PGIM India AMC may be faced with a conflict of interest on some aspects. Given below are a few instances where conflict of interest may arise:

- the AMC and the investee company are part of the same group or are associates; or
- the investment team is conflicted with the members of board / KMPs of the investee company
- the AMC has proprietary investments in the investee company; or
- the Investment Team of the AMC has personal investments in the investee company.

Avoiding Conflict of Interest

PGIM India AMC shall undertake reasonable steps to avoid actual or potential conflict of interest situations. 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 Investment Committee may be consulted.

Since PGIM India AMC makes investments in investee companies solely acting as an Investment Manager of PGIM India AIF i.e. PGIM India AMC does not invest in equity shares on its own account, it is always ensured that there is no conflict of interest as regards to this aspect.

Manner of Managing Conflict of Interest

To manage the above conflicts of interest, PGIM India AMC shall ensure that:

1. A conflict of interest in relation to an investee company shall be highlighted to the Investment Committee and gets recorded.
2. The employees shall comply with code of conduct for prevention of Insider trading in compliance with SEBI (Prohibition of Insider Trading) Regulations.
3. The voting function will be independent of other functions including client relations and sales functions and will be done by the analyst which covers the company.
4. Rationale for voting on each shareholder resolution shall be recorded by the operations team of PGIM India AMC.
5. The Strategies of PGIM India AIF shall not be taking exposure to any and all issues of Sponsor or group company (ies) or any other entity related to the Sponsor either directly or indirectly.
6. The investment team decisions will be guided by the advisory services of proxy advisory companies where available.
7. In case a conflict of interest emerges in the course of the implementation of its stewardship initiatives, PGIM India AMC shall ensure that the interest of unitholders are protected.
8. Once the conflict of interest has been appropriately disclosed, the Investment Committee (excluding individuals disclosing conflict of interest) will take the required decisions and record the same. If any member from the investment committee has a conflict in participating / voting on the matter in an unbiased manner, such members shall recuse themselves from the decision process.

Principle 3: Monitoring of Investee Company**Monitoring of Investee Company**

The Investment Team of the AMC shall be guided by the Investment Policy of PGIM India AIF and this Policy for the continuous monitoring of the investee companies in respect of all aspects which the AMC considers important which shall include performance of the companies, corporate governance, strategy, risks etc.

Manner of Monitoring

The Investment Team shall actively engage with investee companies for significant investments. The Investment Team led by the Chief Investment Officer shall be responsible for monitoring and responding to reported developments of the investee company's performance, quality of company management, board, corporate governance including remuneration, structure of the board (including board diversity, independent directors etc.), related party transactions, risks, including Environmental, Social and Governance (ESG) risks, Shareholder rights, their grievances etc., which shall be on a best effort basis.

The investment team will endeavour to assess if there are enough system checks and balances in the governance structure of the issuer to prevent wrong doing and also assess the track record or history of the issuer to monitor the trend of their past behaviour. The Investment Team may use publicly available information, management meetings, sell side research and industry information and may engage with the investee companies through investor analyst calls/meetings, if held, to monitor the investee companies, in addition to maintaining records of meetings held with companies.

The Investment Team, may to the extent feasible attend general meetings and other meetings conducted by the management of the investee company to which it is invited. The monitoring could also be through other external sources, where required.

While dealing with the investee companies, the AMC shall ensure compliance with the SEBI (Prohibition on Insider Trading) Regulations, 2015, the related SEBI circulars and the Prohibition of Insider Trading Policy of the AMC, as amended from time to time.

Principle 4: Active Intervention in the Investee Companies Including Collaboration with Other Institutional Investors

PGIM India AMC may intervene in case of significant investments, 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 of the company corporate governance related practices, remuneration, strategy, ESG risks, leadership issues, litigation etc.

The decision for intervention shall be taken by the AIF CIO of the AMC on a case-to-case basis based on all available facts of the investee company at that point of time. The AIF CIO may decide to intervene or authorise the investment team members to intervene if it believes that intervention is required to protect value of the investment and for discharging its stewardship responsibility. Intervention may also be considered even when the volume of investment is low, if the circumstances so demand.

PGIM India AMC would consider acting collectively with other institutional investors when:

1. it is in the best interests of unitholders of the strategies,
2. it is likely to enhance the ability of PGIM India to purposefully engage with a company, and
3. it is permitted by governing laws and regulations.

Principle 5: Voting and Disclosure of Voting Activity

PGIM India AMC shall adhere to its AIF Proxy Voting Policy formulated along with the various circulars issued by SEBI from time to time while discharging this principle. The disclosures in adherence to this principle shall be made as prescribed by SEBI from time to time.

Principle 6: Reporting of Stewardship Activities

PGIM India AMC shall follow the reporting requirements in accordance with the guidelines set out by SEBI and as may be modified from time to time.

PGIM India AMC shall disclose the report on implementation of every Principle as enumerated in the policy on its website at least once a year. The report may also be sent as a part of the annual intimation to the unit holders.

3. Policy Ownership

This policy is owned by the AIF Chief Investment Officer of PGIM India AMC. Any matters concerning this policy may be addressed to the below people :

	Name	Department	E-mail
SPOC 1	Aniruddha Naha	Investments	aniruddha.naha@pgimindia.com

4. Policy Review

The policy will be updated as and when appropriate or as and when there are regulatory changes, atleast once in two years. Changes, if any, may be recommended based on the AMC's experience, industry practices or developments in applicable laws and regulations. The reviewed policy with the changes, if any, will be placed before the Board of Directors of the AMC for approval.

5. Policy Attestation

This policy document has been attested for compliance by the policy owner and future attestation will be done on a half-yearly basis.
