



White Oak Capital Management Consultants LLP

Stewardship Policy

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Version 1

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1. Introduction

White Oak Capital (“White Oak”, “White Oak Group” or “The Group”) is an India-focused investment management and investment advisory firm. At White Oak, we strive to help our clients achieve their long-term financial goals through a thoughtful and disciplined approach to managing investments. At the core of our investment philosophy, we focus on driving returns by investing in high-quality businesses. To assess the quality of a business, we seek to determine the long-term sustainability of return on capital, potential scalability of the business, execution capability of the management, and the organization’s corporate governance culture.

Further, so that the interest of the clients are protected, the investment team monitors and engages with the investee companies on issues like business strategy and performance, corporate governance, material environmental, social and governance areas (ESG) and other related issues. The investment team exercises the voting rights from time to time attached with these investments that are held by White Oak as custodians of client’s investments.

This document sets the guidelines to be followed by White Oak in monitoring of investee Companies, engagement with the management of the investee companies, voting on resolutions pertaining to the investee companies, addressing any conflict of interest and disclosures related to the Stewardship Code prescribed by The Securities and Exchange Board of India (SEBI) and thereby protecting the interest of its clients.

This policy will be referred to as the 'Stewardship Policy' for White Oak.

2. Effective Date

This Policy will be effective from July 01, 2020.

3. Disclosure

This policy, as amended from time to time will be disclosed on the website of the company along with other public disclosures under the conflict of interest policy and voting policy.

4. Key Principles

- Oversight of Stewardship activities of White Oak shall be undertaken by the Governance Board/Board of Partners of White Oak (“Board”). The Board shall be responsible for monitoring implementation and review of the Stewardship Code.
- The Stewardship Code will presently apply to only those investee companies, where the Funds/segregated mandates that White Oak manages and advises, together hold at least 2% of the paid-up equity share capital. The Board shall have powers to set a different threshold level beyond which the exposure to the investee company will be deemed to be ‘meaningful’ and would require White Oak to apply the principles of the Stewardship Code. The threshold level will provide for determining the level of engagement and intervention with the investee company.

- The investment team at White Oak will be responsible for ongoing monitoring of the investee companies through engaging with the management of the investee companies, review of publicly available information, industry collaborations etc. The investment team may seek guidance and approvals from the Governance Board/Investment Committee with respect to the engagement and intervention with the investee companies from time to time. An appropriate operating framework/guideline may be put in place by the Investment Team for assisting with effective monitoring of Investee Companies and adhering with requirements of the Stewardship Policy on an ongoing basis.
- The Board may also review along with the Investment Team, to look for services of any external service provider to support the Investment team in discharging its stewardship responsibilities.

5. Managing Conflicts of Interest

White Oak has a separate 'Conflict of Interest Policy' to guide it on managing conflict of interests in its operations. The Investment Team/Trading team and all other employees are required to strictly adhere with the provisions prescribed in the Conflict of Interest Policy. The Conflict of Interest Policy addresses conflict of interest as that between clients, between the White Oak and its clients and conflict between White Oak and its vendors/suppliers. The voting for company resolutions may entail some instances of a conflict of interest which is to be addressed by keeping the interest of the clients as paramount and by addressing such conflicts in terms of the 'Voting Policy' of White Oak.

6. Monitoring of Investee Companies

- While the Investment team monitors investment made by the Funds/Segregated Mandates in all the investee companies, this policy in keeping with the 'materiality concept' will require the investment team to undertake enhanced monitoring measures as described in this policy in cases of investee companies in which the Funds/Segregated Mandates that White Oak act as Investment Manager/Adviser holds 2% of the paid-up equity share capital.
- The Investment Team will through publicly available information, management meetings, sell side research and industry information monitor companies. The Investment Team should look at having at least one meeting with the investee company management/board in a year. In case of investee companies where the management/board is not accessible or not accessible at appropriate levels or cases where the investment team believes that there is no incremental information which is being provided by the management, in such cases, monitoring should be carried out through other all other sources that are available. It is strictly required that the Investment Team in meetings with the management are not seeking any unpublished price sensitive information and if some information is received that is perceived to be unpublished price sensitive information, the same needs to be shared with the Compliance Team at White Oak.

- Monitoring needs to be on a continuous basis and will include but not be restricted to strategy and business outlook and strategy, financial performance, management evaluation, capital structure and key risk areas.
- Other Monitoring areas will include the following:
 - Industry-level monitoring and possible impact on the investee companies.
 - Quality of company management, board, leadership etc.
 - Corporate governance including remuneration, structure of the board (including board diversity, independent directors etc.) related party transactions, etc.
 - Risks, including Environmental, Social and Governance (ESG) risks
 - Litigations
 - Shareholder rights, their grievances etc.
 - Monitoring on areas like succession planning, remuneration, on a best effort basis.

The Investment Committee is expected to meet on a half yearly and review the outcome of the monitoring of the investee companies and provide guidance on any significant findings and further suggest any new measures to enhance monitoring of the investee companies or course of actions basis any significant events that have/could have bearing on the performance of the Investee Company.

The Investment Committee should note at its meetings, various monitoring measures taken by the Investment Team for review of the investee companies and adherence with best practices in monitoring of the investee companies. Basis the review at the Investment Committee meeting, the Board should also be apprised of any significant events at the meeting of the Board.

7. Need for intervention in the investee companies

Interventions may be required from the Investment Team from time to time, where concerns with respect to the investee companies on account of insufficient disclosures being made by the investee companies, non-compliance to regulations, performance parameters, governance issues, remuneration, litigations, corporate plans/ strategy, CSR and environment and social related matters etc. are observed.

Active engagement with management and through other means as discussed below is essential to protect value of the investment made in such investee companies and is a key requirement for effectively discharging stewardship responsibility.

Decision for intervention will be decided by Investment Team based on the following broad parameters.

- Where the investment in the investee company is above the threshold level defined under the Policy. However, depending on the seriousness of the issue/concern areas the

Investment team in consultation with the Investment Committee can decide to intervene in companies where the investment is below threshold level.

- Where a decision has been taken for divestment from the investee company or post divestment holding will be below threshold level, intervention may not be considered, unless there are other factors which warrants intervention.
- if the concern area has potential to spread through and disrupt the overall corporate governance atmosphere, intervention so as prevent replication in other corporates in the same line of business.

Intervention Levels

Direct Interaction

In such case, the Investment team should reach out directly to the investee company's management to discuss the concerns and apprehensions and actions and take note of actions by the management to mitigate the concerns. Endeavour should be made to have interactions with the company personnel authorised and empowered to act on the areas of concerns.

Follow-up

If there is no response from the management or there is any lack of action as promised despite the passage of a reasonable period of time, White Oak may re-engage with the management to reiterate the course of action or the plans of action discussed at the prior meetings. The Investment Team should try to look from the management for a time bound plan to rectify the areas of concern.

Escalation

In case there is no progress despite the first two steps, the matter should be discussed with the Board of White Oak for further escalation with the Board of Directors of the investee company.

Reporting to regulators/authorities

In cases where the concerns relate to matters of public interest and security or public laws and where there is no response or no action taken by the investee company despite the interactions, the Investment Committee may decide to report to the relevant regulator, authority or any Government body as may be required.

In all cases of engagement with the management and / or the Board of Directors of the investee company, the objective of the interactions should be to play a constructive role in enhancing the value of the investment in the equity of the investee companies and that would ultimately benefit the clients of White Oak.

It is to be strictly ensured that no unpublished price sensitive information is obtained while seeking information from the management/board of the investee companies.

8. Intervention by collaboration with other Institutional Investors

- Where there are issues involved that have to be voted upon or issues where the other institutional shareholders interests in the investee company are also aligned with White Oak's, then collaboration with such institutional investors should be contemplated for a joint intervention in such companies for a more effective resolution of issues.
- Collaboration other than above with other investors at times of significant corporate or wider economic stress, or when the risks posed threaten to destroy significant value, may be the most effective and potent manner to engage with the investee companies to deliver the desired results.
- Use and involvement of industry associations or forums to engage with the investee company, where appropriate may also be explored.

In taking collaborative action White Oak/Investment Team should be cognizant of legal and regulatory requirements, including on market abuse, insider dealing and concerted party regulations.

9. Disclosure of voting activity

White Oak has a 'Voting Policy' in place. The Voting Policy lays down the rules related to voting on the issues related to the investee companies. The Voting Policy provides for mechanisms to be used for voting, guidelines on how to vote on certain specific matters/ circumstances including list of such possible matters/circumstances and factors to be considered for a decision to vote for/ against/ abstain, conflict of interest issues, mechanism to be used for voting, use of proxy advisors and disclosure of voting, rationale for voting etc.

10. Other Disclosures

On an annual basis, White Oak will disclose a report on the stewardship policy implementation, as mandated under this Policy, on its website as part of public disclosures. The disclosures will also include the Disclosure under the Voting Policy on the resolutions put forth by the investee companies.

11. Operating framework/manual

The Investment Team, in line with the requirement of the Stewardship Policy, look at having in place an operating framework / manual for detailing on how actions / decisions will be taken in respect of various activities required to be adhered as per this Policy.