



WEALTH ADVISORS

**ASK WEALTH ADVISORS PRIVATE LIMITED (ASKWA)**

**STEWARDSHIP CODE**

**(With effect from 27<sup>th</sup> May 2021)**

ASK Wealth Advisors Pvt. Ltd.

Regd. Office: Birla Aurora, Level 16, Office Floor 9, Dr. Annie Besant Road, Worli, Mumbai - 400 030

 +91 22 6613 2800  +91 22 6613 2828 • [www.askwealthadvisors.com](http://www.askwealthadvisors.com) • CIN No. U67190MH2006PTC162465



## INTRODUCTION

The Securities and Exchange Board of India (“SEBI”), Indian Regulator of Financial Markets, published Stewardship Code for all categories of AIFs, in relation to their investment in listed equities vide circular (Ref.: CIR/CFD/CMD1/168/2019) dated 24 December 2020. The Stewardship Code seeks to promote sustainable growth of companies through investment and dialogue. The stewardship principles reflect the responsibility of institutional investors to engage constructively with invested companies with the aim of enhancing medium to long term investment return for their clients and beneficiaries by improving and fostering the investee companies’ corporate value and sustainable growth through constructive engagement or purposeful dialogue based on in depth knowledge of the companies and their business environment. The Stewardship Code reflects the roles of a company’s Board of Directors and of its institutional investors in ensuring high standards of corporate governance and these stewardship activities of the institutional investor include proper monitoring of the investee companies and constructive engagement with them done to discharge the stewardship responsibilities to foster sustainable growth of the companies. The Stewardship Code provides framework for good practices in engaging with the investee companies and defines principles considered helpful to institutional investors in fulfilling their stewardship responsibilities with due regard to both their clients and to investee companies.

ASKWA - Stewardship Code is approved by the Chief Executive officer (CEO & MD) as on 26<sup>th</sup> May 2021. Any modifications/amendments to this policy will be made by the Compliance Officer (CO) and Chief Investment Officer (CIO) with the approval from CEO & MD. The CIO and CO would be jointly responsible to review compliances to this Stewardship Code. The Stewardship Code is formulated based on the stewardship principles laid down by the SEBI.

- **Principle 1** - Institutional Investors should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it, review and update it periodically.
- **Principle 2** - Institutional Investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.
- **Principle 3** - Institutional Investors should monitor their investee companies.
- **Principle 4** - Institutional Investors should have a clear policy on intervention in their investee companies. Institutional Investors should have a clear policy for collaboration with other institutional investors, where required, to preserve the interests of the ultimate investors, which should be disclosed.
- **Principle 5** - Institutional Investors should have a clear policy on voting and disclosure of voting activity.
- **Principle 6** - Institutional Investors should report periodically on their stewardship activities.



### **Principle 1 - Stewardship Responsibilities**

ASKWA, as part of its investment activities, invests in listed equities of various investee companies. This policy aims to define the kind of engagement required to be maintained with the investee companies. Such engagement may be through detailed discussions with management, interaction with investee company representatives, voting in shareholders meetings etc.

An illustrative list of engagements on various matters is given below.

- Strategy and Performance of the investee companies (operational, financial, etc.)
- Industry-level monitoring and possible impact on the investee companies
- Corporate Governance matters, merger/acquisition, other corporate restructuring, and anti-takeover provisions.
- Changes in capital structure, including increases and decreases of capital, preferred stock issuances, buy-back, dividend etc.,
- Stock Option Plans and Other Managerial Compensation issues.
- Appointment and Removal of Directors, Statutory Auditors etc.
- Risk including environmental, social, and governance (ESG) opportunities or risks
- Any other issue that may affect the interest of Shareholders.

We will endeavour to engage actively with the investee companies only where we hold 5% or more of its outstanding equity shares.

### **Principle 2- Managing Conflict of Interest**

1. ASKWA may be subjected to certain conflicts of interest relating to the directors, employees, and affiliates of ASKWA and other funds managed / advised ASKWA. A number of examples of potential conflicts of interest are outlined below. However, the examples listed below are not intended to be exhaustive, and other types of conflicts of interest may arise during the course of business:
  - a. the interests of ASKWA in conflict with those of a client;
  - b. the interests of one client of ASKWA in conflict with those of another client of ASKWA;
  - c. ASKWA has obtained confidential information relating to an existing or former client, which could be of value to another part of ASKWA or to other clients of ASKWA;
  - d. ASKWA procures the services of related corporations or other entities in which the CEO or directors of ASKWA have controlling interests or substantial shareholdings.
2. In accordance with the general principles of dealing with Conflict of Interest, ASKWA shall;
  - at all times maintain high standards of integrity in the conduct of their business;
  - ensure fair treatment of their clients and not discriminate amongst them;
  - ensure that their personal interest does not, at any time conflict with their duty to their clients and client's interest always takes primacy in their advice, investment decisions and transactions;



- make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair their ability to render fair, objective and unbiased services;
  - endeavor to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, etc.;
  - place appropriate restrictions on transactions in securities while handling a mandate of client in respect of such security so as to avoid any conflict;
  - not deal in securities while in possession of material unpublished price sensitive information;
  - not to communicate the material unpublished price sensitive information while dealing in securities on behalf of others;
  - not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
  - not have an incentive structure that encourages sale of products not suiting the risk profile of their clients;
  - not share information received from clients or pertaining to them, obtained as a result of their dealings, for their personal interest;
3. ASKWA and its employees shall abide by these requirements, which includes compliance with the following controls, policies and procedures, specifically laid down to effectively manage such Conflicts of Interest;
- Personal Trading Policy
  - Whistle Blower Policy
  - Disclosure and approval of Outside Business Interests by directors, Leadership Team, Fund Management, research and Sales Team
  - Disclosure of such conflict in offering documents to be provided to Clients
  - Gifts Policy

### **Principle 3 and 4 - Monitoring of Investee Companies and Policy on Intervention**

A usual monitoring as part of investment evaluation process shall always continue however, we will endeavour to engage actively with the investee companies (Intervention) only where we hold 5% or more of its outstanding equity shares.

Intervention regarding issues as identified by the internal team and with the approval of the CIO will be taken up through direct one on one discussion in investee companies in which we are holding more than 10% of the outstanding equity shares.

The team should also keep in mind regulations and ASKWA's policy on insider trading while seeking information from the investee companies for the purpose of monitoring.



**Collaboration with Other Institutional Investors**

We shall with the approval of the CIO agree to collaborate with other Institutional investors to ensure that our interests in the investee company stand protected on a case to case basis.

**Principle 5 - Voting and disclosure of voting activity**

ASKWA with discretionary authority over the securities held by the Clients is viewed as having with proxy voting authority and has a duty to monitor corporate events and to vote proxies as well as a duty to cast votes in the best interest of Clients and not subrogate Client interests to its own interests.

ASKWA’s general policy is to abstain from voting proxies unless ASKWA believes the proxy voting will materially affect shareholder value and it is being done in the best interest of the Clients. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the interests of Clients, increase shareholder value, maintain or increase shareholder influence over the issuer’s board of directors and management, and maintain or increase the rights of investors. Generally, proxy votes will be cast against proposals having the opposite effect. However, ASKWA will consider both sides of each proxy issue. Clients typically are not able to instruct ASKWA on how to vote on any particular proxy.

ASKWA will monitor the potential conflicts of interest with respect to proxy voting as a result of personal relationships, significant Client relationships, and potential conflicts of interest among Clients or special circumstances that may arise during the conduct of ASKWA’s business. If a conflict of interest is identified, ASKWA will act according to the Conflict of Interest principles stated above.

**Principle 6 – Policy management, Disclosure and Reporting**

The CIO and the CO are jointly responsible for monitoring the effectiveness of this Stewardship Code.

Stewardship Code, a report on its Stewardship activities, including the votes cast (If any), would be uploaded on its website or portal, as part of SEBI requirements.

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