

## **VOTING POLICY**

### **1. INTRODUCTION:**

- 1.1. Azure First Light Alternate Investment Fund (“**Fund**”) is set up in the form of a trust under the Indian Trusts Act, 1882, to carry out the function of Alternative Investment Fund (“**AIF**”) as permitted under the Security and Exchange Board of India (Alternative Investment Fund ) Regulations, 2012 ( “**AIF Regulations**”). The Fund is registered with Securities and Exchange Board of India (“**SEBI**”) as Category II –AIF having Registration no. IN/AIF2/1617/0249. The First Light Opportunities Fund is a scheme of the Fund (“**Scheme**”).
- 1.2. The First Light Capital Advisors LLP, an LLP incorporated under the Limited Liability Partnership Act, 2008 with Identity number AAF-6213 is acting as the Investment Manager (“**Investment Manager**”) of the Fund and its Scheme.
- 1.3. While managing the securities held by the Fund, the Investment Manager has a fiduciary duty to act in the best interests of its Unitholders (“**Unitholder(s)**”) and shall mean, any eligible person, who has agreed to make or has, pursuant to drawdown notices or otherwise, made or agreed to make capital payments to the Fund, in order to subscribe to a particular class of units in accordance with the provisions of their relevant contribution agreement(s), and any permitted transferee, successor or assignee of any such contributor)
- 1.4. The Principle 5 of the Stewardship Code for AIFs managed by the Investment Manager stipulates that institution investors like AIF schemes should play an active role in ensuring better corporate governance of listed companies and, has prescribed to have a clear policy on voting and disclosure of voting activity in respect of shares held on behalf of the schemes on their website as well as in the annual reports of the schemes to protect and enhance the wealth of Unitholders and to improve governance of investee companies.
- 1.5. In furtherance of the aforementioned circular and obligation therein, this Voting Policy (“**Policy**”) outlines the principles guiding all voting activities ensuring better corporate governance for the listed and/or unlisted companies that the Fund would invest in.

### **2. GUIDELINES FOR VOTING:**

- 2.1. The Fund recognises that proxy voting on behalf of the Unitholders is its paramount fiduciary duty. Consequently, the Fund has appointed Investment Manager to vote on behalf of the Unitholders in a timely manner and make voting decisions in advancing the economic interests of the Unitholders and protecting their rights as beneficial owners of the companies in whose securities the Investment Manager invests through the schemes of the Fund that it manages.
- 2.2. The Investment Manager will generally vote with the investee company’s management on routine matters. With respect to non-routine matters the financial impact will be analyzed in the best interest of the Unitholders.
- 2.3. With the introduction of voting through electronic means, the Investment Manager may cast its votes on the voting platforms. At times, even after voting through electronic means, the

Investment Manager may decide to attend the general meeting(s) of the investee companies as it provides an opportunity to pose questions to directors or any other Key Managerial Personnel (“**KMPs**”) of the investee companies. Where e-voting is not mandated or in cases where e-voting is not possible, the Investment Manager may endeavor to vote through a proxy.

- 2.4. Matters generally presented for voting at the general meeting(s) of the investee companies include but are not limited to:
  - 2.4.1. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti-takeover provisions;
  - 2.4.2. Changes to capital structure, including increases and decreases of capital and preferred stock issuances;
  - 2.4.3. Stock option plans and other management compensation issues;
  - 2.4.4. Social and corporate responsibility issues;
  - 2.4.5. Appointment and removal of directors; or
  - 2.4.6. Any other issue that may affect the interest of the shareholders in general and interest of the investor in particular.
- 2.5. Decisions regarding a specific resolution—whether to support, oppose, or abstain from voting—shall be made on a case-by-case basis. Factors to be considered include the level of exposure (typically exceeding 2% of the aggregate listed assets under management across the schemes of the Fund), the potential impact of the vote on shareholder value, and the overall interests of the Unitholders in the schemes of the Fund. The Investment Manager may also, at its own discretion, choose to abstain from voting and adopt a neutral position if the issue at hand is deemed to have no significant relevance to the interests of the Unitholders.

### **3. USE OF PROXY ADVISORS:**

- 3.1. The Investment Manager, on its own discretion, may engage the services of proxy advisory firms and/or third parties to assist decision making process pertaining to any of the matters provided for in Clause 2.4 of this Policy, or any other matter upon the discretion of the Investment Manager.
- 3.2. In such instances, the Investment Manager shall take into account the proxy advisory reports from the proxy advisory firms and/or third parties, so appointed/employed, while also conducting additional due diligence on various relevant parameters before arriving at a final voting decision.
- 3.3. The Investment Manager retains the discretion to either adhere to the voting recommendations provided by the proxy advisory firms and/or third parties or to modify those recommendations based on its own due diligence.

### **4. OVERSIGHT COMMITTEE:**

- 4.1. A Committee of Executives (“**Committee**”) shall be established to serve as an escalation mechanism for matters arising during the voting process that require further review or resolution.

- 4.2. The Committee shall consist of 3 members, including senior management and/or independent experts, ensuring a balanced and impartial perspective.
- 4.3. The responsibilities of the Committee will be as follows:
  - 4.3.1. Reviewing and addressing disputes or significant issues that arise from voting activities.
  - 4.3.2. Providing recommendations on complex decisions that require additional scrutiny.
  - 4.3.3. Ensuring compliance with relevant regulations and the principles of good governance.
- 4.4. Any voting matter deemed contentious or unresolved may be escalated to the Committee by the Investment Manager. The Committee shall evaluate the matter and provide a recommendation or decision within reasonable timeframe.
- 4.5. The decisions of the Committee shall be made by a majority vote and will be documented in writing, with all members required to comply with the final outcome.
- 4.6. The Committee shall report its findings and recommendations to the Investment Manager at regular intervals or upon request.

**5. CONFLICT OF INTEREST:**

- 5.1. From time to time, the Investment Manager may face conflicts of interest in relation to obligations under this Policy. However, the approach adopted by the Investment Manager will always be to keep the best interest of the Unitholders at paramount. As a rule, in all cases of conflicts of interest, the voting decision will be based on the best interest of the Unitholders.
- 5.2. The Fund has adopted a Conflict Management Policy for prevention and management of potential conflicts of interest and the Investment Manager shall abide by the framework set out therein.

**6. MANNER OF DISCLOSURE:**

- 6.1. The Policy shall be made available on the website at the following link: [www.firstlightcap.in](http://www.firstlightcap.in)
- 6.2. The disclosure of a particular voting exercise in the general meeting(s) of the investee companies shall be disclosed to the Unitholders on a quarterly basis and will include the following:
  - 6.2.1. Details of the actual voting for every proposal i.e. for, against or abstain; and
  - 6.2.2. Rationale employed for the voting.

**7. REVIEW OF THE POLICY:**

- 7.1. The Policy is applicable across all the schemes of the Fund may review this Policy as required under the applicable laws or as it may deem necessary, in adherence of change in regulatory compliance and is business reasons.
- 7.2. This version of the Policy supersedes all previously issued versions, if any, including any inconsistent policy statements, whether oral or written.