

POLICY ON DISCHARGE OF STEWARDSHIP RESPONSIBILITIES

East72 Capital Fund 1

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1. INTRODUCTION

East72 Capital Fund 1 (“Fund”) is the first scheme of East72 Capital Trust (“Trust”) which is registered with SEBI as a category III Alternative Investment Fund (“AIF”) vide registration number IN/AIF3/24-25/1695. The Fund is an open-ended fund and is managed by the East72 Capital Management and Advisors LLP (“IM”).

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.

This policy outlines how the AIF shall proactively and systematically discharge its stewardship responsibilities in accordance with SEBI’s Stewardship Code.

2. OBJECTIVE

To ensure that stewardship practices align with the best interests of the investors and beneficiaries and contribute to long-term value creation in investee companies.

3. ENGAGEMENT APPROACH

The AIF shall engage with investee companies through the following means:

- One-on-one meetings with senior management to understand strategic direction and assess performance.
- Attendance at shareholder meetings to voice concerns and support value-enhancing proposals.
- Written correspondence to management and board in case of material issues requiring formal attention.

4. INTERNAL PROTOCOL

The AIF shall adopt a structured internal engagement protocol that governs how it interacts with investee companies in a consistent and effective manner. An internal engagement protocol shall guide:

- Frequency and nature of engagement based on investment significance.
- Focus areas, including performance (operational, financial, etc.), corporate strategy, governance (including board structure, remuneration, etc.), ESG, capital structure etc.
- Materiality thresholds that determine escalation or deeper intervention.

This protocol shall include:

A. Engagement Frequency and Triggers:

- Periodic check-ins for high-exposure investee companies.
- Event-driven engagements in response to material corporate developments, ESG incidents, or performance deviations.

B. Engagement Focus Areas:

- Review of business strategy, capital structure, and financial performance.
- Assessment of board effectiveness, governance standards, and shareholder treatment.
- Evaluation of ESG practices and sustainability disclosures.

C. Modes of Engagement:

- Direct meetings (physical or virtual) with key executives and board members.

- Written communications on specific observations or concerns.
- Participation in AGMs, EGMs, and voting in board or shareholders meetings.

D. Documentation and Oversight:

- Maintenance of engagement logs detailing discussion points, outcomes, and follow-ups.
- Escalation of unresolved concerns to the Stewardship Intervention Committee.
- Periodic review of engagement effectiveness by the investment committee.

This protocol ensures that engagements are evidence-based, goal-oriented, and aligned with the long-term interests of the AIF's investors.

5. DELEGATION AND OVERSIGHT

Where any aspect of stewardship is delegated (e.g., to proxy advisors), the AIF shall:

- Define clear scopes of responsibility.
- Conduct periodic reviews of their performance.
- Retain full accountability for stewardship outcomes.

7. REVIEW AND UPDATE OF POLICY

The policy will be reviewed by the compliance officer annually or as required due to regulatory changes. Any material changes shall be approved by the Partners of the Investment Manager.