DARWIN GROWTH ADVISORS LLP

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STEWARDSHIP CODE

Name of the Trust: Darwin Evolution Trust
Name of the Scheme: Darwin Evolution Growth Fund
Name of the Investment Manager: Darwin Growth Advisors LLP
Name of the Trustee: Axis Trustee

1. INTRODUCTION AND BACKGROUND

SEBI vide Master Circular no. SEBI/HO/AFD-1/AFD-1-PoD/P/CIR/2024/39 dated May 07, 2024, or such other amendment/ supplemental made thereto ("SEBI Master Circular") has mandated all AIFs to follow the stewardship code in relation to their investments in listed equities. The Code enumerates the processes that the Investment Manager may intend to follow in order to safeguard the interests of the investors/unitholders of the Fund while managing the investments in listed equities.

Darwin Growth Advisors LLP (hereinafter referred to as "the Investment Manager"), acting as the investment manager to Darwin Evolution Trust (hereinafter referred to as "the AIF") and its scheme Darwin Evolution Growth Fund (the "Fund"), recognizes stewardship as a step towards improved corporate governance and shall ensure compliance with SEBI's guidelines on stewardship code and effectively manage conflicts in that regard.

2. PURPOSE

The purpose of the Code is to enhance the quality of engagement between institutional investors and the investee companies of the Fund as a step towards improved Corporate Governance practices with a view to enhance long term returns to investors and the governance responsibilities.

The Code is prepared based on principles enumerated in the said SEBI Master Circular. The Code shall act as guidance to the Investment Manager and the Investment Team for discharging stewardship responsibilities as per the SEBI Master Circular. The Investment Team shall ensure that they act in the interest of the investors/ unitholders.

3. APPLICABILITY

This Code applies to all investments made by the Darwin Evolution Growth Fund in listed equities within India. It defines the systematic framework for monitoring, engaging, intervening, and exercising voting rights on matters related to the investee companies.

4. KEY PRINCIPLES

PRINCIPLE 1: The Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, and review it periodically.

The Investment Manager manages various asset classes and has various investment capabilities. As sustainability is an important part of the investment philosophy of the Investment Manager, the following primary stewardship responsibilities shall be considered throughout these capabilities and asset classes:

- **Investment Integration:** Incorporating corporate governance quality, financial performance consistency, capital structure optimization, and Environment, Social and Governance factors into the core investment research and decision-making matrix.
- **Active Engagement:** Initiating and sustaining active dialogue with the management and boards of investee companies where it is possible on matters of strategic importance, operational performance, and corporate governance standards.
- **Voting Execution:** Where it is possible to exercise voting rights in a manner that meticulously aligns with the best long-term economic interests of the Fund’s Unitholders, without undue influence from corporate management.

Reliance on Proxy Advisors

The Investment Manager may engage the services of independent proxy advisory firms to receive research reports, governance scores, and voting recommendations. However, the ultimate decision and fiduciary responsibility for voting and engagement rest solely with the Investment Manager. The Investment Manager will not default to proxy advisor recommendations but will rigorously evaluate them alongside its proprietary internal research.

Training and Resourcing

The Investment Manager shall ensure that the investment analysts, fund managers, and compliance teams receive adequate and ongoing training regarding stewardship responsibilities, changing regulatory landscapes, and global corporate governance best practices. Resources will be allocated to ensure the team can effectively analyze complex resolutions and governance structures.

PRINCIPLE 2: The Investment Manager should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Given the dynamic nature of financial markets, conflicts of interest may arise in several scenarios. These include, but are not limited to:

- The investee company is a client of the Investment Manager or its associates/sponsors for other financial services.
- The investee company is a group company or direct affiliate of Darwin Growth Advisors LLP.
- Key Managerial Personnel (KMP), the Principal Officer, Designated Partners, or investment team members have a material personal, financial, or familial interest in the investee company.

- The AIF holds substantial investments (where they hold more than 2% of the market cap of the company) in competing companies within the same sector, leading to cross-interest dilemmas.

  The Investment Manager may follow following process to avoid potential conflicts:

- Avoid conflicts of interest wherever possible
- Identify and disclose any conflicts of interest in a timely manner; and carefully manage any conflicts of interest.
- Where a potential / actual conflict of interest is identified, the matter will be referred to the Compliance Officer or Designated Partner of the Investment Manager, who if deems appropriate, shall record the decision taken and supporting rationale.
- As a rule, in all cases of conflicts of interest the voting decisions of the Investment Manager will be based on the best interests of the investors/ unitholders.
- The voting decision of the Investment Manager in the investee company, as the case may be, will be guided by the Voting Policy of the Company.

PRINCIPLE 3: The Investment Manager should monitor their investee companies.

The investment team will continuously monitor investee companies as an extension of its ongoing momentum/fundamental analysis. Monitoring is viewed as a continuous feedback loop driven by the Fund's core investment thesis and risk management protocols.

Key areas for monitoring include strategy and business outlook, financial performance, management evaluation, remuneration, corporate governance issues, related party transactions, board structure, capital structure, shareholder rights, risks including Environmental, Social & Governance etc.

Monitoring Mechanisms

- Actively attending annual general meetings (AGMs) and extraordinary general meetings (EGMs) when needed.
- Participating comprehensively in quarterly earnings calls, analyst meets, and investor days when needed.
- Reviewing stock exchange disclosures, regulatory filings, and pertinent news flow on a daily basis.
- Direct, structured engagement with company management, boards of directors, or investor relations (IR) teams.

PRINCIPLE 4: The Investment Manager should have a clear policy on intervention in their investee companies. Investment Managers should also have a clear policy for collaboration with other institutional investors, where required, to preserve the interests of the ultimate investors.

The Investment Manager will proactively intervene when it identifies material, unmitigated risks to the Fund's investment. Triggers for immediate intervention include:

- Consistent, unexplained deterioration in financial performance or significant deviation from the stated business strategy.
- Poor capital allocation decisions, such as value-destructive M&A, unjustified equity dilution, or hoarding of excess cash without a clear deployment strategy.
- Lapses in corporate governance, including questionable or opaque related party transactions, lack of board independence, or auditor resignations.
- Non-compliance with regulatory requirements, accounting standards, or material ESG norms.
- Unjustified, excessive executive remuneration that is completely decoupled from company performance.

Intervention will generally follow a graded, measured escalation process to allow management the opportunity to rectify concerns:

1. **Level 1 - Confidential Engagement:** Initial, private dialogue with the Investor Relations team or key management personnel to express specific concerns, seek clarification, and request corrective data.
2. **Level 2 - Board Communication:** If Level 1 is unsatisfactory or ignored, formal communication (letters/emails) directed to the Board of Directors, specifically targeting Independent Directors, outlining the concerns and requesting a formal response.
3. **Level 3 - Collaborative Action:** Collaborating with other institutional investors, AIFs, mutual funds, or proxy advisory firms to build consensus and exert collective pressure on the management. This will be done strictly within the boundaries of SEBI's Insider Trading and Takeover Regulations to avoid acting as "Persons Acting in Concert" (PAC) unintentionally.
4. **Level 4 - Voting Actions:** Exercising voting rights to categorically vote against management resolutions at AGMs/EGMs to signal strong dissent.
5. **Level 5 - Divestment/Exit:** If all interventions fail, the governance structure is deemed irreparably flawed, and the investment thesis is structurally broken, the IC will mandate the divestment of the holding to protect Unitholder capital.

PRINCIPLE 5: The Investment Manager should have a clear policy on voting and disclosure of voting activity.

The Investment Manager retains the absolute right to vote on all resolutions of investee companies. The singular, uncompromising objective of voting is to protect and maximize the economic value of the AIF's investments.

- **Active Voting Mandate:** The Investment Manager aims to actively vote on all material resolutions across its portfolio holdings which are greater than 2% of the NAV. Abstaining will only be used in specific cases of conflict of interest or where information is severely inadequate.

- **Case-by-Case Assessment:** While standard guidelines apply, each resolution is evaluated on its specific merits, considering the unique context of the company.
- **Independence from Management:** The Investment Manager will not hesitate to vote against management resolutions if they are deemed detrimental to minority shareholders or violate governance principles.
- **Attendance at General Meetings:** The Investment Manager shall strive to attend general meetings of the investee companies (annual as well as any extra ordinary shareholders' meetings) where appropriate, and to the extent possible, actively speak and respond to the matters being discussed at such meetings if required.

Voting Mechanism and Record Keeping

The designated custodian or a specialized electronic voting platform (e.g., NSDL/CDSL e-voting systems) will execute the voting instructions. The Compliance Officer will maintain a comprehensive, auditable record of all votes cast, including the specific rationale for voting "For," "Against," or "Abstain."

PRINCIPLE 6: The Investment Manager should report periodically on their stewardship activities.

The Investment Manager will report its stewardship activities to the Unitholders of the Darwin Evolution Growth Fund through the following standardized mechanisms:

Annual Stewardship Report: A detailed, comprehensive report distributed annually to all Unitholders. This report will summarize all engagement activities, the escalation of any interventions, their outcomes, and a complete, resolution-by-resolution voting record for the financial year.

Periodic Fund Updates: Material stewardship interventions or significant votes against management may be highlighted in quarterly newsletters, fact sheets, or fund performance reports distributed to Unitholders.

Public Disclosures

In strict compliance with SEBI regulations, this complete Stewardship Code shall be made publicly available on the Investment Manager's official website. Any material updates or amendments to this Code will also be published promptly.

5. GOVERNANCE AND REVIEW

This Stewardship Policy has been meticulously formulated by the Investment Manager and formally approved by the Principal Officer and Designated Partners.

The Policy shall be reviewed and updated on a timely basis.

6. CONTACT INFORMATION

For any clarifications or compliance-related inquiries regarding this Policy, please contact:

Compliance Department Email: compliance@darwingroup.in
Address: Darwin Growth Advisors LLP, G-6, Amit Industrial Estate, Plot- 61, DR S S Rao Road, Parel, Mumbai – 400012.