

PROXY VOTING POLICY

FOR ALL EQUITY SCHEMES OF LIC MUTUAL FUND

Introduction

In terms of SEBI Circular no. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010, Circular no. CIR/IMD/DF/05/2014 dated March 24, 2014, Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019 and Circular No. SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021 and other relevant guidelines issued by SEBI from time to time in this regard, a general voting policy is framed for exercising the voting rights vested in the AMC as an Investment Manager. This Voting Policy shall be applicable to all equity holdings across all our mutual fund schemes.

The exercise of voting rights requires the ongoing review of the corporate governance and performance of management of an issuer and the consideration of the potential impact of a vote on the value of the securities of the issuer held by the Funds. The AMC can avail/engage professional Proxy Voting advisory firms to obtain research and voting recommendations on resolutions proposed by investee companies. The AMC shall not be bound by the recommendations and shall act at its discretion keeping unit holders interest paramount. The AMC may deviate from the general policies and procedures when it determines the particular facts and circumstances warrant such deviation to protect the interest of the unit holders.

The vote shall be casted at Fund level. However, in case Fund Manager/(s) of any specific scheme has strong view against the views of Fund Manager/(s) of the other schemes, then the voting shall be done at scheme level and the detailed rationale supporting their voting decisions shall be recorded.

The actual exercise of the proxy votes in the AGMs/EGMs of the investee companies will cover the following matters and will be reported in the SEBI prescribed format:

- **Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.**
- **Changes to capital structure, including increases and decreases of capital and preferred stock issuances.**
- **Stock option plans and other management compensation issues;**
- **Social and corporate responsibility issues.**
- **Appointment and Removal of Directors.**
- **Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.**
- **Related Party Transactions (excluding own Group Companies)**

“Related Party Transactions” shall have same meaning as assigned to them in clause (zc) of Sub-Regulation (1) of Regulation (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The interest of unitholders would be

paramount while determining voting on resolutions involving Related Party Transactions.

The AMC will evaluate each of the above matter Individually instead of having a broad generalise policy and will vote in the best interest of the unitholders.

Further, for all remaining resolutions which are not covered above, AMC shall compulsorily cast its votes with effect from April 01, 2022.

Managing Conflict of interest:

The AMC is a part of large diversified financial service group with many affiliates which may lead to conflict of Interests. Conflict of Interest may arise in certain situations where:

- i) The investment is made into group companies of the AMC, or
- ii) The investee companies have subscribed to the units of their schemes, may lead to conflict of interest.

The AMC will make its best efforts to avoid any conflicts and ensure that any conflicts of interest are resolved in the best interest of the unitholders.

Further, the AMC has Stewardship Policy in place which has been drafted in accordance with SEBI Circular no. CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019.

Procedure for use of Voting Guidelines

A decision to invest in an issuer is based in part on a fund manager's analysis of the performance of management and the corporate governance of the issuer. The AMC will generally vote with management on routine matters. However, since a fund manager must be focused on shareholder value on an ongoing basis, it is the responsibility of the fund manager/ Equity Investment team to be aware of the potential investment implications of any issue on which security holders are asked to vote.

The AMC shall abide by the following procedure for exercising the voting rights:

1. The Investment team shall examine and decide on resolutions proposed in AGMs/EGMs. If a consensus cannot be achieved, the final voting decision will be taken by the Chief Investment Officer/ Head Equity.
2. In most cases, the AMC will exercise Voting on platforms offered by NSDL/CDSL and other service providers. However, the Fund Managers/ Authorised Official may physically attend and vote in General Meetings, if required.
3. The AMC may also abstain from voting for the Investee Companies in case the Mutual Fund has no holdings on the day of voting.

In case of any escalation or conflict, it may be referred to the Investment Committee.

Disclosure of Proxy Voting Records:

This policy will be uploaded on the Website of Asset Management Company.

Further following periodical disclosures pertaining to the exercise of votes cast will be made available on the website of the Asset Management Company:

a) Voting decisions along with the rationale supporting the voting decisions shall be disclosed as per the timelines prescribed by SEBI from time to time. Additionally, a summary of the voting exercised across all the investee companies and its break-up in terms of total number of votes cast in favor, against or abstained from shall also be uploaded.

b) Disclosure of votes cast on the website, on an annual basis. Further, the AMC shall provide the web link in the annual report regarding the disclosure of voting details.

c) Scrutinizer's certification on the Voting Reports shall be disclosed in the annual report and on the website.