

**PROXY VOTING POLICY**  
**FOR ALL SCHEMES OF LIC NOMURA MUTUAL FUND**



## **Introduction**

In terms of SEBI Circular no. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010 read with circular no. CIR/IMD/DF/05/2014 dated March 24, 2014 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.

As per the SEBI circular, SEBI/IMD/CIR No.18/198647/2010, dated March 15, 2010, on the role of mutual funds in the Corporate Governance of listed companies, AMCs shall disclose their general policies and procedures for exercising the voting rights in respect of shares held by them on their website as well as in the annual report distributed to the unit holders under the schemes of the mutual fund run by them.

Further, AMCs are also required to disclose on their website as well as in the annual report distributed to the unit holders under the schemes of the mutual fund run by them, the actual exercise of their proxy votes in the Annual General Meetings ("AGM") / Extraordinary General Meetings ("EGM") of the investee companies in respect of the following matters:

- 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.

## **I. Proxy Voting Policy:**

In terms of SEBI Circular no. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010 read with circular no. CIR/IMD/DF/05/2014 dated March 24, 2014 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.

The AMC may obtain recommendations/ feedback/ opinion/ views from Chief Investment Officer (CIO), Fund Managers, Research Analysts or such other persons as may be felt necessary or may subscribe to services offered by an unaffiliated third party proxy advisory firm, to receive analyses and recommendations on the shareholder meetings of companies/ corporations. These

analyses will be reviewed and studied by CIO, Fund Managers, Research Analysts or such other persons as may be felt necessary before taking a final voting decision.

The AMC has set in place broad guidelines for exercise of the voting rights.

The AMC shall appoint/ authorise any official of the Company and/ or any such service provider to act as a representative to implement the decisions taken by the CIO/Fund Manager and take any necessary action as may be required. The exercise of voting decisions shall be recorded appropriately. AMC will have an option to cast their votes by electronic means.

## **II. General Voting Guidelines**

### **A. Corporate Governance matters (including changes in the state of incorporation, merger and other corporate restructuring and anti takeover provisions)**

Mergers and acquisitions will be subject to careful review by the CIO, Fund Managers, Research Analysts to determine whether they would be beneficial to shareholders in the long run.

### **B. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.**

The AMC will generally support the management recommendations for alteration in the capital Structure of the Company that generally are in the interest of the shareholders and will oppose recommendations which hinders the right of the shareholders.

### **C. Stock option plans and other management compensation issues**

The AMC generally support proposals for employee Stock option plans unless approval of the plan would be against shareholder interest. Management Compensation issues will be decided generally based on shareholder interest.

### **D. Social and Corporate Social Responsibilities**

The AMC generally support proposals which forms part of the Corporate Social Responsibilities (CSR) profile of the Companies.

### **E. Appointment and Removal of Directors**

A strong and ethical Board forms the corner stone of effective Corporate Governance and Management. The AMC will analyze the profiles of Directors before deciding on their appointment/ re-appointment.

### **F. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.**

All other matters will be analysed on a case to case basis and accordingly voting reasons will be decided.

### **III. Conflict of Interests**

The AMC will exercise adequate safeguards to address any conflicts of interest with regard to any individual investments. This may imply that the AMC through its representatives may decide to refrain from exercising its voting rights if considered appropriate. AMC will only be voting in the exclusive interest of the shareholder , without taking into consideration the interest of any particular lobby/business group / promoter etc of such company.

### **IV. 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 exercised and abstained along with the rationale supporting their voting decisions shall be disclosed on a quarterly basis within ten working days from the end of the quarter in the format prescribed by SEBI as amended 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) AMC shall disclose the proxy voting exercised on an annual basis in the Annual Report of the Schemes of LIC NOMURA Mutual fund along with due certification from the auditor.