

Voting Policy

Kotak Mahindra Asset Management Company Limited (KMAMC) is a believer in the principle that the good Corporate Governance enhances the value of the company.

As an investment adviser with a fiduciary responsibility towards its unitholders, KMAMC believes that it should exercise its right to vote neither for nor against management, but always in the best interests of unitholders of its schemes.

One of the primary factors KMAMC considers when determining the desirability of investing in a particular company is the quality and depth of its management. We recognize that a company's management is entrusted with the day-to-day operations of the company, as well as its long-term direction and strategic planning, subject to the oversight of the company's board of directors.

Accordingly, our proxy voting guidelines are not intended to substitute our judgment for management's with respect to the company's day-to-day operations. Rather, our voting guidelines are designed to promote accountability of a company's management and board of directors to its shareholders; to align the interests of management with those of shareholders; and, to encourage companies to adopt best practices in terms of their corporate governance. We rely on a company's disclosures, its Board's recommendations, a company's track record, specific best practices codes, our research analysis and, most importantly, our Fund Management Departments views, in making voting decisions.

KMAMC will follow the following policy and procedure for exercising voting rights:

1. Appointment of Voting committee

A Voting Committee comprising of a Director of the AMC, Chief Executive Officer, Chief Strategist and Global Head Equities, Head of Equities and Head of Fixed Income, will be appointed. The Committee will decide on voting on issues in the AGMs/EGMs for which notice is received.

The Voting Committee may delegate the rights under this policy to the Fund Managers of the Schemes, subject to such controls as they deem fit.

2. Principles for Voting

i) Voting is completely discretionary i.e. the decision may include “abstaining from voting” or to “vote for” or “against” or divide votes between “for” and “against”, or not vote at all. The rationale for decision taken on “voting for /voting against/ abstaining from voting” shall be recorded in writing by the Voting Committee.”

ii) The Voting Committee will exercise proxy voting discretion on particular types of proposals 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.

iii) Assessment of implication of voting: The Voting Committee has the responsibility for the content, interpretation and application of the proxy votes and assessing the impact on the company of such voting. All the matters will be addressed on a case to case basis keeping in view the interest of unitholders.

iv) Cost of Voting: The Committee may take in to account the location of the general body meeting, number/percentage of shares held, impact of exercising or otherwise of Voting on the possible outcome, cost of voting (cost of travel and executive time) and determine whether it is not in the best economic interests of unitholders/scheme to vote proxies.

3. Governance measures

- For investments in group companies of the AMC

As a policy, KMMF does not invest in the shares of Kotak group companies,, The said policy would not apply to investments by index funds / ETF's , where the underlying indices include Kotak group entities as one of its constituents. In such cases, since the investments are done in accordance with the index weights, AMC shall refrain from voting in such cases.

- Investment in companies that have subscribed to the units of their schemes.

KMMF shall not make any distinction between companies that have invested in our schemes vis a vis other companies. All companies will be treated on par for the purpose of this voting policy.

4. Decision making process on voting

KMMF has currently defined a holding of 4% of the individual scheme net assets as a threshold for voting considerations, under this policy. However, the fund manager may in the interest of the unit holders decide to vote on any matter as he may deem fit, even where the holding is below the said threshold.

5. Decision making in the Committee

Each matter submitted to the Committee will be determined by the vote of a majority of the members present at the meeting. Should the vote concerning one or more recommendations be tied in a vote of the Committee the final voting decision will be taken by the CEO.

6. Resolving conflicts of interest

The Committee is also responsible for monitoring and resolving possible material conflicts between the interests of KMAMC and those of unitholders with respect to proxy voting. The Committee shall always ensure that voting will be in the exclusive interest of the unitholders of the schemes.

7. Representation at the general body meeting

The Committee may through a suitable delegation, exercise its decision on voting at the meetings in favour of any of its authorized representatives.

This policy has been approved by the Board of Directors of Kotak Mahindra Asset Management Company Limited and Board of Directors of Kotak Mahindra Trustee Company Limited at their meeting held on June 18, 2014.

Date: 30/09/2015

Voting Committee

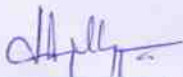
Subject: Changes to Voting Policy - delegation of voting rights to Equity Fund Managers and Chief Investment Officer – Equity of KMAMC

The Voting Policy of Kotak Mahindra Asset Management Company Ltd, which is in force currently, has listed policy and procedure for exercising voting rights as an investment manager with a fiduciary responsibility towards its unit holders.


The policy allows the Voting Committee to delegate the rights under the voting policy to the Fund Managers of the Schemes, subject to such controls as they deem fit.

It has been decided by the Voting Committee that from October 1, 2015 onwards, the voting rights under the policy be delegated to all such Equity Fund Managers of the schemes where there is holding in the company (subject to limits set within the policy) and Chief Investment Officer – Equity of KMAMC.

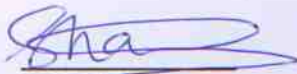
All other clauses of the Voting Policy remain unaltered.



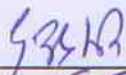
Head of Equities



Head of Fixed Income



Managing Director



President-Asset Management, Insurance and International Business