

The Securities and Exchange Board of India vide its circular SEBI/MD/Cir18/19647/2010 dated March 15,2010, mandated all the AMC's to disclose their policies for voting rights in listed companies and their proxy votes exercised in AGM/EGM of the investee companies of mutual fund. Further the AMC's are required to frame a general policy and procedure for exercising the voting rights in respect of securities held by them and display the same on the website of the concerned AMCs as well as in the Annual Report distributed to the investors, The AMCs are also required to disclose the actual exercise of their proxy votes in the AGMs/EGMs of the investee companies in respect of the following matters:

1. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti- takeover provisions.
2. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
3. Stock option plans and other management compensation issues;
4. Social and corporate responsibility issues.
5. Appointment and Removal of Directors.
6. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

Sundaram Asset Management Company Limited has adopted the Sundaram Finance Group's corporate core values stressing Ethical business practices with transparency and accountability, dedicated investor service and prudent efficient policies since inception. As an Investment Manager to various schemes of Sundaram Mutual Fund, the AMC believes in creating and protecting investment of our investors. Sundaram Mutual schemes are primarily subscribed by the retail investors. As the retail investors form the constituents of the schemes, it is considered essential to put in place a policy to protect the interests of the fund as well as the investors. To achieve these objectives, the Voting Policy enable Sundaram Asset Management to participate and vote at the general meetings of the Investee Companies in whose securities the schemes of the Mutual Fund have invested.

Policy on Exercising Voting Rights

1. **Applicability:** The policy applies to exercise of the voting rights/proxy votes by the schemes of Sundaram Mutual Fund, the AGMs /EGMs /meeting of creditors/preference shareholders of the investee company.
2. **Voting Policy:** While voting at the AGM/EGM of the investee company of the schemes, the AMC generally follows the following guidelines. However, if the relevant facts and circumstances so warrant, the AMC may act differently to protect the interest of our unit holders.
 - i. The listed Companies are mandatorily required to follow the Code of Corporate Governance prescribed by the Stock Exchanges under the listing agreement. Accordingly, taking into consideration the observance of the code of Corporate Governance and prudent

management practices by Investee companies, Ordinary business like approval of Profit and Loss account and Balance sheet, Declaration of dividend, re-appointment of directors, appointment and remuneration of Auditor may not be objected by the AMC in the normal course unless otherwise it affects the interest of the unit holders.

- ii. Voting at the Extraordinary General Meetings or in respect of items requiring approval by special resolution on the following matters will be decided after taking into consideration percentage of equity holdings in the Investee Company, materiality and impact of the investment, conflict of interest, protection of shareholders interest etc.
 - i. Merger, demerger, acquisition, hiving off division, takeover and other corporate restructuring;
 - ii. Expansion, diversification, incorporation of subsidiary;
 - iii. Preferred stock issue, capital structure, stock option plan;
 - iv. Unusual high payments of royalty, compensation, etc.;
 - v. Corporate Social Responsibility matters ; and
 - vi. Such other matters that may affect the investors' interest.
 - iii. Depending on the nature of the agenda, the AMC after consulting the fund managers and the Board of Directors, where necessary, may vote against the disapproved agenda to protect interest of unit holders.
3. **Abstain from voting:** Taking into consideration, the nature and importance of the items contained in the agendas, the AMC may not attend the meetings, in case it is not materially affecting the investors' interest or any other reasons.
 4. **Conflict of interest:** Wherever Sundaram AMC comes to know that there may be potential conflict of interest when it votes on an entity with which it may have some relationship or otherwise, the AMC will exercise discretion carefully keeping in mind the best interest of the unit holders.
 5. **Process:** Before exercising the voting, senior management personnel will review the Annual Reports and the Notice of the meeting and recommend to the Managing Director/Deputy Managing director for approval and issue of mandate for attending/voting at the meetings.

The Executives and Officers for the Investment Manager are authorised to attend and vote at the meetings of the investee companies
 6. **Disclosure:** The information on voting exercised by the AMC will be disclosed on www.sundarammutual.com as well as in the Annual Report distributed to the unit holders as per the format prescribed by SEBI from time to time.
 7. **Review:** The policy has been approved by the Board of Directors of the Sundaram Asset Management Company limited and will be reviewed every year based on the change in regulation and other factors.