

FUND PHILOSOPHY

Tata Asset Management Limited (The AMC) is the Asset Management Company for Tata Mutual Fund (Fund). The AMC has set out this Voting policy. The Policy contains the principles that form the basis of all votes. The AMC believes that these principles are essential to ensure the long-term performance of assets managed by the AMC. The AMC will endeavour to manage voting rights with the same level of care and skill as it manages the funds. As a broad principle, the AMC does not have intention to participate directly or indirectly in the management of the companies but it will use its influence as the representative of the shareholder amongst others by exercising its voting rights in accordance with the best interests of its funds unit holders as and when required. The AMC will follow a common voting policy for all its holdings including group companies and companies which have subscribed to the units of the schemes of the AMC without any bias towards any company. The interests of its unitholders being of prime importance.

The Schemes are entitled to exercise the voting rights attached to the shares. The shareholders do not necessarily need to be physically present at the site of the company's annual meeting / extra-ordinary general meeting in order to exercise their right to vote. It is common for shareholders to voice their vote by proxy.

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 unitholders, without taking into consideration the interest of any particular lobby/business group / promoter etc of such company.

PRINCIPLES TO BE FOLLOWED VOTING PROXIES

The following principles are grouped according to types of proposals usually presented to the shareholders in the voting proposals:

- 1. Corporate Governance matters** (including proposals for merger, demerger, corporate restructuring, Takeovers, Buy-back etc): The AMC would generally support the proposals which are in the interest of the unitholders. The investment committee would decide the same on various parameters based on economic and strategic factors. The fund would vote against the proposals pertaining to takeover of the company etc which are not in the interest of unitholders. The fund would decide on the voting process on a case to case basis. The fund may abstain from voting for proposals which do not have any significant impact on the interest of the unitholders.
- 2. Capital Structure:** These proposals relate to various requests, principally from management, for approval of amendments that would alter the capital structure of the Company, such as an increase in authorized shares. As a general matter, AMC will not object proposal for changes in the capital structure of the company unless such proposals appear to be unreasonably dilutive. The Fund will vote against the proposal of preferential allotment to promoters which without any reasonable cause appear to allot equity / equity related instruments to the promoters at an unreasonably lower price as compared to its market value/fair value.
- 3. Stock Options and proposals for management compensation:** The fund will support such proposals which reward the performance of the staff and enhance shareholder value. Stock options which in the opinion of the investment committee excessively dilute the shareholder value and are over generous will be voted against.
- 4. Social and Corporate Social Responsibility:** The fund will support all instances of corporate social responsibility undertaken by the companies. The contribution made to the up-liftment of the underprivileged, any cause of environment protection and any proposal having socio- economic benefits will be supported by the Fund.
- 5. Board of Directors:** The fund believes that the foundation of good corporate governance comes from appointing responsible, qualified, and independent directors hence the appointment of directors will be considered with due care and caution.

6. **Other matters:** Any other matter which in the opinion of the investment committee is adversely affecting the interest of the funds unitholders will be voted against.

INTERNAL REVIEW & CONTROLS:

Particulars	Responsibility
Ownership of the Voting Policy	Investment Committee
Evaluation of Voting Proposals and Decision Making on Proxy Voting	Investment Committee
Monitoring of Adherence to Voting Policy	Risk & Compliance Function

The AMC will present the details of proxies exercised to the Trustees annually.

DISCLOSURES

In accordance with the regulatory guidelines, AMC will make following disclosures to the unitholders

Particulars	Medium
Disclosure of Voting Policy	Website – www.tatamutualfund.com
Details of Proxies exercised	Website – www.tatamutualfund.com Annual Report of the Schemes