

CORPORATE GOVERNANCE POLICY

In order to ensure that an active role is played in better Corporate Governance of the Listed Companies where investment of Mutual Fund Schemes is made and in compliance with SEBI guidelines, JM Financial Asset Management Pvt. Ltd. (the “AMC”) shall adhere to the following policy guidelines.

1. This Policy is effective from June 30, 2011 in supersession of the existing practice and policies.
2. This Policy will be effective for all listed companies, wherein equity schemes of JM Financial Mutual Fund (except JM Arbitrage Advantage Fund) have invested.
3. The AMC shall endeavour to participate in voting process of the Companies on all Ordinary and Extra-ordinary resolutions in all AGMs/ EGMs which may affect the interest of its investors.
4. The voting may be done by Postal Ballot or through physical attendance by any of its authorized officials. The AMC may decide not to attend the meeting/ vote in postal ballot in case the proposals do not materially impact the interests of the unitholders.
5. The Mutual Fund should not give proxy to any broker or outsider for voting on its behalf.
6. Personal Attendance - The AMC will ensure personal attendance for voting on best efforts basis subject to certain conditions,
 - i. Where the Mutual Fund Schemes hold 5% or more (on the date of review of the resolutions or the holding as of the end of the previous month) of the Paid up Capital of the investee Company.

Or
 - ii. The minimum investment of any Scheme of the Mutual Fund in the particular investee company is not less than Rs. 15 crore

Or
 - iii. Where any company has invested more than 10% of the corpus of all the equity schemes of JM Financial Mutual Fund and the Mutual Fund has in turn invested in the said Company

Or

- iv. Where any company has invested 10% or more of the corpus of any of the equity scheme of JM Financial Mutual Fund and the Mutual Fund has in turn invested in the said Company

Provided

- a. The proposed meeting is held in cities in which the AMC has its offices
- b. The resolutions are not ordinary resolutions as mentioned in point no. 9 hereunder

Exception to the above

In cases where any of the Special resolutions is relating to Merger/Demerger/ Hive Off/ Amalgamation/ Sale/ Acquisitions/ Preferential Allotment or Issue of FCCB/ECB/ Financial Restructuring or Reschedulement, Capital Reduction or any other Capital Restructuring, Closure or Sale any plant etc. which is expected to impact the valuations of the investments, the respective Fund Manager/CEO may decide to depute its official in person even if the above criteria are not fulfilled .

The AMC may authorize any of its officials (Any Director of the AMC or Trustee Company) Chief Executive Officer (CEO)/Chief Operating Officer (COO) , Chief Investment Officer (CIO), concerned Fund Manager , Head- Legal & Compliance, Head – Operations or any other Officers of the rank of Manager and above, who is authorised) from Corporate Office/Branch Offices to attend the meeting in person and to vote as approved internally by the Competent Authority.

7. Voting by Ballot:

In other cases, the AMC shall endeavor to cast its votes on all resolutions if the facility of voting through postal ballots has been provided and subject to having received the communication in time.

8. The decision regarding the voting on the resolution, i.e. whether the Mutual Fund will vote for or against the resolution proposed by the Company/Issuer, will be taken by the Fund Manager in consultation with the CEO/ Chairman of the AMC/ Equity CIO. In the absence of the CEO/ Chairman of the AMC/ Equity CIO, the concerned Fund Manager shall keep them informed.

9. The actual exercise of the votes in the AGMs/EGMs of the investee companies or through postal ballot will cover the following matters and will be reported in the SEBI prescribed format (Annexure A attached)

A. Ordinary Resolutions :

- a. Adopting the Annual Accounts (P&L & Balance Sheet)
- b. Declaration of Annual or Interim or Final or Special Dividend
- c. Appointment or removal or retirement of Directors
- d. Appointment or Re-appointment of Auditors

B. Special Resolutions;

- a. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.
- b. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
- c. Stock option plans and other management compensation issues;
- d. Social and corporate responsibility issues.
- e. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular e.g. stock split, etc.

10. Whenever there is a change in Auditors, Independent Directors, Key Management personnel of the investee companies or restructuring, etc., the Mutual Fund shall be vigilant and may make more enquiries and seek valuation reports, latest shareholding pattern, etc., including asking the Company / Issuer to provide reasons for the same.

11. Any Corporate Governance Issues requiring support from other shareholders may be discussed with them by the AMC officials.

12. A report shall be presented to the Investment Executive Committee ("IEC") in its forthcoming meeting by the Fund Manager/ any other designated person who has voted at meetings/ through postal ballot on the reasons / justifications for so voting as well as the events which transpired at the said meeting/ voting, if the attendance is through a physical meeting.

13. The general policies and procedures stated above for exercising the voting rights in respect of shares held by the AMC, to be disclosed on the website of the Mutual Fund as well as in the Annual Report distributed to the unit holders from the financial year 2010-11 onwards.

14. Investments in group companies of the AMC:

In case of investments in group companies of the AMC, the Mutual Fund, through the authorized personnel of the AMC, will attend all the general meetings in person. Further while reporting regarding the voting to the IEC, separate disclosures shall be ensured by the concerned personnel.

15. Abstain from voting:

In case of late receipt/ non receipt of notice/ postal ballot papers in time, it shall be deemed that the Mutual Fund has abstained from voting.

16. This Policy is a broad framework and only seeks to serve as a guide. However, the CEO/ Chairman of the AMC/ Equity CIO may take a call based on other supporting data and documents and proceed accordingly. The AMC further shall have an internal process note for implementation of the Policy, covering the operational part and assigning responsibilities to the designated personnel.

17. Notwithstanding anything to the contrary contained in this Policy, as amended from time to time, the relevant Regulations for the time being in force shall have effect. In the event of conflict or inconsistency between the provisions of the relevant Regulations for the time being in force and this Policy, the former shall prevail to the extent of such conflict or inconsistency.

In case of any change in this Policy due to amendment in the relevant Regulations, the Board of Directors will be kept informed of the changes. However, for any amendment in the Policy other than due to change(s) in the relevant Regulations, prior approval of the Board of Directors of the AMC and Trustee Company shall be obtained.

Annexure A

Management Proposals

Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)

Shareholder Proposals

Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)