

PROXY VOTING:

The Securities & Exchange Board of India (SEBI), with a view that Mutual Funds should play an active role in ensuring better corporate governance of listed companies, has directed Mutual Funds/AMCs to 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 from the financial year 2010-11.

AIG AMC's approach to proxy voting decisions will be consistent with our approach to investment decisions: we evaluate proposals on economic merit and support those that are reasonably likely to enhance shareholder returns.

One of the broad parameters we consider when investing in strong, healthy and fairly valued companies is the Management Quality where key attributes such as the quality, ability and integrity of the management team help us in assessing the performance of the management in terms of total return to the shareholders.

We have formulated guidelines for proxy voting which are aimed at promoting the management's accountability and responsibility towards its shareholders. This also includes aligning the interests of the management with those of the shareholders and improving corporate governance practices.

General Policy and Procedure on exercising Proxy Voting Rights

Name of the Mutual Fund: AIG Global Investment Group Mutual Fund (AIGGIGMF)

Name of the Asset Management Company: AIG Global Asset Management Company (India) Private Limited (AIG AMC)

Name of the Trustee Company: AIG Trustee Company (India) Private Limited

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I. Introduction

Background:

This policy is prepared in compliance with the SEBI Circular No. SEBI/IMD/CIR No.18/198647/2010 dated March 15, 2010 and subsequent SEBI email dated June 23, 2011.

The circular mandates:

Role of Mutual Funds in Corporate Governance of Public Listed Companies by making following disclosures:

1. Disclosure of general policies and procedures for exercising the voting rights in respect of shares held by the Mutual Fund in Public Listed Companies on the website of the respective AMC as well as in the annual report distributed to the unit holders from the financial year 2010-11.
2. Disclosure of the actual exercise by Mutual Funds of proxy votes in the Annual General Meetings / Extra-ordinary General Meetings of the investee companies on the website of the respective AMC and in the annual report distributed to the unit holders from the financial year 2010-11 in the prescribed format as mentioned in **Annexure A** in respect of the following matters:
 - 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. Appointment and Removal of Directors.
 - f. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

II. Meaning of Proxy and Application

Meaning of Proxy:

The term “proxy” denotes a written authorization empowering another person to vote or act for the signer, as at a general meeting.

A proxy is an authority given by a person to another person (the proxy holder) to attend a meeting as his representative. Proxy is a person who acts in the place of a member of a company at a company meeting. A special proxy is empowered to act at one specified meeting; a general proxy is authorised to vote at any meeting.

Proxies have value and therefore must be managed with “care, skill, prudence and diligence”. Proxy voting is an important right of shareholders for which reasonable care and diligence must be undertaken to ensure such rights are properly and timely exercised. AIGGIGMF, as a fiduciary for its Clients, must vote proxies in each Client’s best interest.

Application:

The notice of the meeting as well as the proxy forms are received by the Custodians. They forward it to the AMC/Fund Manager to take an analytical decision for proxy voting. It would be Fund Manager’s discretion to take decisions on proxy voting. Proxy voting has to be assessed on a case by case basis. The decision to vote in favour of or against the resolution will be of the Fund Manager of the respective schemes. The Fund Manager may do it personally or send a proxy in this regard or do not act at all.

III. Process

1. The notice of the meeting as well as the proxy forms are received by the Custodians. They forward it to the AMC/Fund Manager for further action.
2. The Fund Manager will decide on the matter and the action to be taken.
3. The Fund Manager may go personally or nominate somebody to vote on behalf of the Mutual Fund.
4. In case of nomination, instructions to this regards will be communicated to Operations Team / Third Party Vendor for execution.
5. The AMC may opt to cast its vote via postal ballot if such facility is available.
6. Investment Committee may opt for appointment of a Third Party Entity (some Foreign Banks or CA/CS Firms offer such services) to act as a Proxy as per its instructions/decisions on its behalf.
7. Website of the AMC and the Annual Report (of the schemes of Mutual Fund) distributed to the unit holders will contain the disclosure of the actual exercise of proxy votes by Mutual Fund in the Annual General Meetings / Extra-ordinary General Meetings of the investee companies. (Annexure A)

IV. General Principles of Proxy Voting

The Fund Managers of AIGGIGMF will follow the internal standard investment process, based on analysis and evaluation of the Companies' performance and fundamentals. AIG's approach to proxy voting decisions will be consistent with our approach to investment decisions: we evaluate proposals on economic merit and support those that are reasonably likely to enhance shareholder returns. AIG will endeavor to exercise their proxy votes in the AGMs/EGMs of the investee companies. With the focus on enhancing shareholder returns as the guiding theme, social considerations will generally not be emphasized in voting decisions. To the extent that a company's management is committed and incentivised to maximize shareholder value, we will generally vote in favor of management's proposal.

1. Voting on proposals will be conducted in a manner consistent with the best interests of Unitholders.
2. AIG AMC will endeavour to cast its vote on all resolutions affecting interest of shareholders/unitholders.

Decision making process on voting on various proposals

1. To the best of our abilities, the Mutual Fund shall attend/ appoint proxy to attend the meetings of the companies where the schemes of the Funds hold shares as on the record date specified for the purpose of eligibility to vote.
2. The Fund shall endeavour to cast its vote on all resolutions affecting the interest of the shareholders/ unitholders. The Fund Manager may abstain from voting on a specific proposal in certain cases where there is insufficient information e.g. where a Director from the shareholders will be elected at the meeting, as we may not have the list of nominations beforehand.
3. The decision whether voting for or against will be taken keeping in mind the best interests of the shareholders/ unitholders. In the opinion of the Fund Manager, if any proposal is detrimental to the interests of the shareholders, the Fund Manager

may decide to vote against the proposal e.g. sale of business at lower than market price or purchase of a business at a price detrimental to the future profitability.

V. Policy for voting in special cases

The voting policy is agnostic to the investors in the scheme. In case of AGMs/ EGMs of companies who have invested in the schemes of the Mutual Fund, the Fund Manager will adhere to the same principles as laid out in the policy irrespective of whether the said company is an investor in the scheme.

Similarly, the Fund Manager will adhere to the same principles as laid out in the policy for voting at meetings of the associate companies or group companies of AIG AMC, the voting being conducted keeping the best interests of the unit holders in mind.

VI. Review and control of voting as per policy

The Compliance department shall review the documentation as maintained in this respect periodically to ensure that the voting on proposals is being done as per the policy set in this behalf.

Annexure A

Management

Proposals

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

Shareholder

Proposals

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