

## PROXY VOTING POLICY

Quantum Asset Management Company Private Limited (“Asset Management Company /AMC”) is the Investment Manager to the Scheme’s of Quantum Mutual Fund (the Fund). The AMC has a fiduciary duty to act in the best interest of the scheme(s) / unit holders of the Fund. This responsibility includes exercising voting rights attached to the securities of the companies in which the schemes of the Fund invest (“Investee Company”) at the general meetings of the Investee Companies in the best interest of the scheme(s) / unit holders. This Voting Policy shall be applicable to all securities including equity holding across all schemes of the Fund.

SEBI vide its circular no. SEBI / IMD / CIR No.18/198647/2010 dated March 15, 2010 has advised all the Asset Management Companies to disclose general policies and procedure for exercising the voting rights in respect of shares held by the Mutual Funds in the Investee Company and play an active role in ensuring better corporate governance.

SEBI vide its circular no. CIR/IMD/DF/05/2014 dated March 24, 2014, has advised all the Asset Management Companies to record and disclose specific rationale supporting their voting decision (for, against or abstain) with respect to each vote proposal, publish a summary of the votes cast across all its investee company and make disclosure of votes cast on their website (in spreadsheet format) on a quarterly basis, within 10 working days from the end of the quarter.

The AMC shall disclose the following on the AMC website and in the Annual Report of the Fund in accordance with the SEBI Circulars:

- a) the general policies and procedure for exercising voting rights in respect securities held by the Fund in the Investee Company
- b) the actual exercise of votes in the AGMs / EGMs of the investee companies in the following matters:
  - (i) Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.
  - (ii) Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
  - (iii) Stock Option Plans and other management compensation issues
  - (iv) Social and corporate responsibility issues
  - (v) Appointment and Removal of Directors

(vi) Any other issue that may affect the interest of the shareholders in general and interest of the unit holders in particulars.

- c) specific rationale supporting the voting decision with respect to each vote proposal mentioned above.
- d) summary of the votes cast across all the investee company and its break-up in terms of total number of votes cast in favor, against or abstained from.
- e) the votes cast on the website on a quarterly basis, within 10 working days from the end of the quarter.
- f) the annual Auditor's certification on the voting reports.

### **Voting Guidelines / Philosophy of Voting**

The Investment Policy for the schemes of the Fund is to invest in companies which have good business with good management and follows corporate governance norms.

The AMC's policy is to vote for all the "schemes" of the Fund with regard to an "investee company" in the same manner. The AMC will always vote in the best interest of the schemes/unit holders.

All voting decisions are taken by us on a case to case basis. The concerned Research Analyst / Fund Manager at the AMC reviews carefully the different proposals put before the Shareholders / Management and arrives at a final decision of how to vote, keeping in mind the long term interest of the scheme(s) / unit holders, the detailed guidelines put in place by the Research and Investment Team and investment philosophy of the Fund.

If there is some serious corporate governance issue in the Investee Company then the AMC will vote against the proposal and in many cases will also exit from the investment.

In case of the Index Scheme the AMC would "Abstain" from voting on matters concerning the Investee Company.

If the AMC decides not to vote on a proposal, the Research Analyst / Fund Manager shall document the reasons for that decision.

### **Conflicts of Interest**

While voting, the AMC will identify any conflicts that exist between the interests of the AMC and the scheme / unit holders. It shall do so by reviewing the relationship of the AMC with the Investee Companies to determine;

- a) If the AMC or any of its employees or schemes has any financial, business or personal relationship with the Investee Company or
- b) Whether the Investee Company is a group company of the AMC or
- c) Whether the Investee Company has investments in the Schemes of the Fund.

Examples of potential conflicts of interest include;

- a) The AMC / Fund Manager / Research Analysts has a material business relationship with a proponent of a proposal, or directors or director candidates of a investee company; and
- b) An employee of the AMC has a personal interest in the outcome of a particular proposal (which might be the case if, for example, a member of an employee's immediate family were a director or executive officer of the relevant company).
- c) The Investee Company has invested more than 5% of the net asset value of a scheme

If a material conflict of interest exists, the Compliance Officer will determine whether it is appropriate to disclose to the Key Employee Investment Committee to give the Committee the discretion to vote or to vote according to an independent third party voting recommendation.

### **Voting Procedure**

The decision of the Research Team on voting shall be communicated by the Back office team to the Agency appointed by the AMC to attend, represent and vote on behalf of the Trustee / Fund or vote through Evoting for the shareholders resolution to be passed at all the general meeting or through postal ballot of the investee company.

The vote exercised and rationale recorded from vote decision will be placed before the Board of Director of the AMC and Trustee Company from time to time to review that the AMC has voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate.

### **Recordkeeping**

The Back Office Team along with the Research Team of the AMC shall maintain records of the voting and any document the AMC created that was material to making a decision of how to vote on proposals, or that memorializes that decision.

## **Policy Monitoring**

The Compliance Officer of the AMC has the responsibility for monitoring the implementation of the Company's proxy voting policy, practices, and disclosures and reviewing the proxy procedure.

The Compliance Team conducts a monitoring exercise every month and details of vote exercised during the previous month will be placed before the Risk Management Committee of the AMC.