



Taurus Mutual Fund

Guidelines for voting at shareholder meetings

Taurus Asset Management Co Ltd ('Taurus AMC') is the asset management company for Taurus Mutual Fund. In this role, Taurus AMC has an obligation to act in the best interests of the Funds and protect the interests of its unit holders. This responsibility includes exercising the voting rights of the Funds in accordance with the best interests of the Funds and its unit holders.

This Policy contains the principles that form the basis of all votes. Taurus AMC believes that these principles are essential to ensure the long term performance of assets managed by Taurus AMC. Taurus AMC will manage voting rights with the same level of care and skill as it manages the funds. In general, Taurus AMC does not have the intention to participate directly or indirectly in the management of the companies but it will use its influence as a shareholder amongst others by exercising its voting rights in accordance with the best interests of its funds' unit holders.

The exercise of voting rights requires ongoing review of the corporate governance and performance of management of an issuer and the consideration of the potential impact of a vote on the value of the securities of the issuer held by the Funds. In order to discharge its obligations under this policy, Taurus AMC accesses and utilizes research on management performance and corporate governance issue, drawn from portfolio manager and analyst due diligence, information provided by leading independent research firms and involvement in organisations.

What Does Voting Right Mean?

Voting Right means, the right of a stockholder to vote on matters of corporate policy. Voting often involves decision on issuing securities, initiating corporate actions and making substantial changes in the corporation's operations such as the election of the company's directors, merger / amalgamation, appointment of auditors, etc.

Equity mutual fund schemes and other mutual fund schemes with an equity component, hold shares of companies. The funds are entitled to exercise the voting rights on those shares. The shareholders do not necessarily need to be physically present at the site of company's annual meeting / extraordinary general meeting in order to exercise their right to vote. It is common for shareholders to communicate their vote by proxy or by ballot.

Procedure for use of Voting Guidelines

A decision to invest in an issuer is based in part on a fund manager's analysis of the performance of management and the corporate governance of the issuer. Since a decision to invest is generally an endorsement of the management of the issuer, Taurus AMC will generally vote with management on routine matters. However, since a fund manager must be focused on shareholder value on an ongoing basis, it is the responsibility of the fund manager to be aware of the potential implication of any issue on which security holders are asked to vote.

The Guidelines indicate the principles of corporate governance which the Funds will generally support through the exercise of votes.

While Taurus AMC will generally vote strictly in accordance with the Funds' Voting Guidelines, there may be circumstances where it believes it is in the best interests of a Fund to vote differently than the manner contemplated by the Guidelines. The ultimate decision as to the manner in which the Funds' proxies will be voted rests with Taurus AMC.

The Head of Equity of Taurus AMC is responsible for exercising the voting rights or authorizing any representative to exercise voting rights, in consultation with the CEO. In the absence of the Head of Equity, the CEO will approve or authorize another competent person to exercise the voting rights.

Voting Guidelines

Issuers' proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans and to amend the capitalization of the company.

The company shall exercise the votes in the direction of improving the economic value of the portfolio and protecting the rights of the unit holders. These guidelines summarize the corporate governance principles which Taurus AMC will generally support through the exercise of votes on these issues.

•Board of directors

Taurus AMC supports resolutions that promote the effectiveness of boards in acting in the best interests of shareholders. For every such matter, the main consideration should be whether the proposed action increases the effectiveness and independence of the Board of Directors.

•Corporate Governance matters

Taurus AMC supports resolutions that change the state of incorporation, merger and other restructuring which are in the interest of the unit holders. However, Taurus AMC could vote against resolutions pertaining to takeover by an acquirer, etc which are against the interest of the unit holders.

•Auditors and auditor compensation

Taurus AMC will review these proposals carefully as they have a bearing on the quality and reliability of financial statements. Generally, Taurus AMC will support the Management proposals unless it has a view that is divergent from the position of the company.

•Management compensation

The goal of Taurus AMC is to support compensation arrangements that are tied to long – term corporate

performance and shareholder value. These arrangements should induce management to purchase and hold equity in the company to better align management's interest with those of shareholders. Stock option plans that are overly generous or excessively dilutive to other shareholders may not be supported.

•Changes in capitalisation

Taurus AMC recognizes the need for management of an issuer to have flexibility in the issue or buyback of shares to meet changing financial conditions. Changes in capitalization will generally be supported where a reasonable need for the change is demonstrated; however changes resulting in excessive dilution of existing shareholder value may not be supported.

•Social and corporate responsibility issues

Taurus AMC recognizes the need of role of government, demands for greater disclosures, increased investor education, environmental benefits to the community and the general public.

Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case – by – case basis with focus on the potential impact of the vote on shareholder value. Taurus AMC reserves the right to vote against any resolution that goes against the interests of its unit holders.

The above voting guidelines will apply to all companies whose shares are held by any of the schemes of Taurus Mutual Fund. These companies will include group companies of the AMC as well as those companies that have invested in the schemes of Taurus Mutual Fund. These factors should not have any impact on the manner in which it is decided as to how to vote in the respective company.

Voting records

Taurus AMC will maintain records of how it has voted in respect of each resolution for each company.

Internal guidelines:

The custodian of the schemes of Taurus Mutual Fund will track the forthcoming Annual General Meetings and Extraordinary General Meetings of those companies whose shares are held by any of the schemes which are eligible to vote on the resolutions at the respective meetings. A weekly report will be sent on all the forthcoming meetings. They will follow up for the Annual Reports and the Proxy forms. These documents will be hand delivered to us. The Custodian will act on our instructions and submit our votes by postal ballot. Currently, they are not offering proxy services. Hence, where postal ballots are not considered, Taurus AMC will have to appoint an employee to act as a proxy. Due to logistical constraints, it may not be possible to attend each meeting and the same will be recorded. -

Further, as per SEBI, we need to disclose the manner in which Taurus AMC has voted on the website in the following format. It is suggested that the same format be used to communicate to the Custodian the manner in which we want to vote for each issue. The below format will be used for each company separately and will be signed by the Head – Equity or by the CEO or any other person authorised by the CEO to do so and faxed to the Custodian.

Name of Company:

Management Proposals

Date	Type of meeting (AGM/EGM)	Proposal	Attended / No attended	Management Recommendation	Vote / Abstain / Against

Shareholder Proposals:

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

Once the Custodian confirms that the postal ballots have been sent or the proxy confirms that the votes have been cast as above, the fund managers will send a copy of the above to the Marketing team for uploading the data on the website. This needs to be done for all meetings to be held henceforth. A copy will also be sent to the operations team who will collate all the data for reporting in the Annual Report for FY 2010-11.

A copy of this policy needs to be approved by the Boards of the AMC and the Trustee companies. Thereafter, the policy (excluding the internal guidelines) will be uploaded on the website. A separate section can be created on the website for upload of the policy and the record of all votes.

The CEO shall be the owner of this Guideline and will approve any modification to the same.

The above guidelines have been created on June 15, 2010. These guidelines have been modified on June 28, 2011.