

CORPORATE GOVERNANCE POLICY

1. For ensuring better corporate governance of listed companies, JM Financial Mutual Fund (“the Mutual Fund”), shall endeavor to vote on all resolutions which may affect its interests, either by postal ballot or through attendance..

2. The Mutual Fund should not give proxy to brokers, for voting on its behalf.

3. Where the holding of the Schemes is 5% or more of the paid up capital of the investee Company, the Mutual Fund should be represented by the concerned Fund Manager or any other Equity Fund Manager. In their absence, the Mutual Fund may be represented by any one of the following:

Chief Executive Officer (“CEO”), Chief Operating Officer, Head – Legal and Compliance, Head of Operations, Directors of the AMC or the Trustee Company.

4. Where the holding of the Schemes is less than 5% of the paid up capital of the investee Company, the Mutual Fund can vote through the postal ballot method.

5a. 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.

5b. A note shall be presented to the Investment Executive Committee (“IEC”) by the Fund Manager/ any other person who will be voting 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 attendance is through a physical meeting.

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

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.

7. Whenever there is a change in Auditors, Independent Directors, Key Management personnel of the investee companies, the Mutual Fund shall be vigilant and make more enquiries, including asking the Company / Issuer to provide reasons for the same.

8. Any Corporate Governance Issues requiring support from other shareholders may be discussed with them by the Mutual Fund.

9. The IEC will note the action taken in respect of Corporate Governance in its meetings.

10. 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.

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)