

Nippon Life India Asset Management Limited

Proxy Voting Policy

For

Nippon India Mutual Fund (NIMF)

Version 13.0

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Nippon Life India Asset Management Limited

Proxy Voting Policy and Procedures for Nippon India Mutual Fund

Background

Securities & Exchange Board of India (SEBI), vide circular numbers SEBI/IMD/CIRNo18/198647/2010 dated March 15, 2010, CIR/IMD/DF/05/2014 dated March 24, 2014, SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016, CIR/CFD/CMD1/168/2019 dated December 24, 2019 and SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 05, 2021 prescribed the guidelines for votes cast by mutual funds. SEBI has mandated that mutual funds should actively and diligently exercise their voting rights in a transparent manner in the best interest of the unitholders.

In terms of the above circulars and other relevant guidelines issued by SEBI from time to time, Nippon Life India Asset Management Limited ("NAM India" or "AMC"), the Investment Manager of Nippon India Mutual Fund ("NIMF"), has formulated the general voting policy and procedure for exercising the voting rights for the schemes of NIMF.

General Voting Policy and Procedure

Nippon Life India Asset Management Limited ("NAM India" or "AMC") is the Investment Manager to the Nippon India Mutual Fund (NIMF). Proxy voting is the paramount, fiduciary duty of the AMC on behalf of the unit holders. The AMC recognizes that this duty requires it, to vote on behalf of the unit-holders in a timely manner and make voting decisions in advancing the economic interests of the unit-holders and protecting their rights as beneficial

owners of the companies in whose securities the AMC invests through the schemes of NIMF that it manages.

The AMC shall compulsorily cast votes for all the schemes of mutual fund including passive schemes like index funds, exchange traded funds, etc., in respect of the resolutions which includes the following:

- A. **Corporate Governance matters** (including changes in the state of incorporation, merger and other corporate restructuring and anti takeover provisions): Mergers and acquisitions and corporate restructuring proposals will be subject to appropriate review on a case-to-case basis to determine whether they would be beneficial to shareholders' interest.
- B. **Changes to capital structure**, (including increases or decreases of capital and preferred stock issuances): The proposals for approval to alter the capital structure of the company, such as an increase in authorized capital will generally be supported. However, each proposal shall be evaluated on a case-to-case basis, to determine whether the proposed changes are in the best interest of the shareholders.
- C. **Stock option plans and other management compensation issues**: In general, compensation matters are normally determined by the Company's Board of Directors, rather than the shareholders. The AMC would generally support proposals for Employee Stock option plans and other management compensation plans, but would oppose excessive compensation, if it feels that approval of the plan would be against shareholder interest.
- D. **Social and Corporate Responsibility Issues**: The AMC would generally support proposals on social and corporate responsibility issues that have demonstrable economic benefit to the issuer and long-term economic value of the securities held in the scheme on case-to-case basis.

E. **Appointment and Removal of Directors:** The foundation of good corporate governance is in the selection of responsible and qualified, Independent Directors who are likely to diligently represent the interest of the shareholders and oversee management of the Company in the manner that will seek to maximize shareholder value over time. Hence, the AMC would generally support the Board's nominees in the election of Directors and generally support proposals that strengthen the independence of Board of Directors. However, each such proposal shall be evaluated on a case-to-case basis.

F. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

G. Related party transactions of the investee companies (excluding own group companies).

Compulsorily casting of votes may be exempted in case of NIMF having no economic interest on the day of voting.

The vote shall be cast at Mutual Fund Level. However, in case Fund Manager/(s) of any specific scheme has strong view against the views of Fund Manager/(s) of the other schemes, proxy voting committee shall allow the voting at scheme level subject to recording of detailed rationale for the same.

Fund Managers / Decision Makers (i.e., proxy voting committee members) shall submit a declaration on quarterly basis to the Trustees that the votes cast by them have not been influenced by any factor other than the best interest of the unit holders. Further, Trustees in their Half Yearly Trustee Report to SEBI, shall confirm the same.

Proxy Advisory Services

The AMC is currently seeking the services of the following two proxy advisory service providers:

- Institutional investor advisory services (IIAS)

- Stakeholders empowerment services (SES)

The AMC would be free to appoint any other service providers as felt appropriate from time to time.

Scope of the above proxy advisory services is limited to only assisting the AMC with research and recommendations pertaining to the proposed resolutions of the investee companies.

Fund management/ Risk Team of the AMC will consider the recommendations of the above proxy advisory service providers as a supplementary information which will help them to decide on the various resolutions of the investee companies. Final decision to vote (for / against) will be taken by the AMC, through the Fund management/ Risk Team, in the best interest of the unitholders.

Proxy Voting Committee

Decisions regarding proxy voting where Fund Management/Risk Team feel the need for further deliberation would have to be approved by Proxy Voting committee.

The Proxy Voting committee shall consist of senior members of AMC's Management as appointed by the Board.

The Proxy Voting Committee would consist of the following members:

Chief Risk Officer

Chief Legal and Compliance Officer

Equity Research Head

Chief Investment Officer – ETF

Quorum

Minimum 3 members.

For the purposes of quorum, the presence may either be in person or via teleconference or video conference.

Members and personnel from various departments may be asked to participate when considered necessary.

Frequency

As and when required.

The above committee composition and quorum would be subject to approval and revision by the board of directors from time to time.

The following procedures would generally be followed at the time of voting:

1. All notices for which a decision needs to be made regarding voting would be sourced from the Custodian or other specialized agencies providing this service.
2. It would be determined whether the holdings are in the schemes of Nippon India Mutual Fund on record date.
3. The Fund management/ Risk team may if it considers it necessary take note of the views of any third party or any member of the NIMF's Research teams before taking any decision.
4. The AMC will be exempted from compulsorily voting in cases where:
 - a. Notices were either not received or received late from the investee company or custodian / service provider.
 - b. NIMF having no holdings on the record date / day of voting.
 - c. Holdings are in the group companies.

d. Investments in overseas securities.

There may be circumstances where the AMC 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 AMC's representatives/proxies will vote rests with Fund Management/ Risk Team/ Proxy Voting Committee.

The minutes of the proxy voting committee meeting (if any) would be placed before the stewardship committee. Minutes of the meeting of the stewardship committee, would be placed before the Board of Directors of Nippon Life India Trustee Limited and Nippon Life India Asset Management Limited.

Conflict of Interest

AMC recognizes that there may be a potential conflict of interest when it votes on an entity with which AMC may have some relationship. However, AMC will ensure to vote in the interest of the unit holders in line with the stewardship policy and relevant regulations.

The fund managers / decision makers shall intimate the Risk Management team in case of any conflict of interest and shall not participate in any recommendation / decision making process on the resolutions of the underlying company.

Disclosure of Proxy Voting and other matters associated with such disclosures

In terms of SEBI circular numbers SEBI/IMD/CIRNo18/198647/2010 dated March 15, 2010, CIR/IMD/DF/05/2014 dated March 24, 2014 and SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, the AMC shall make disclosure of votes cast on its website (in machine readable spreadsheet format) on a quarterly basis, within 10 working days from the end of

the quarter and on an annual basis within 10 working days from the end the financial year, as per the format prescribed by the SEBI from time to time. A detailed report in this regard along with summary thereof shall also be disclosed on the website of the AMC. Further, AMCs shall provide the web link in its annual reports regarding the disclosure of voting details.

Further, in terms of SEBI circular number SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016, AMC shall obtain annual certification on the voting reports being disclosed by the AMC for the NIMF schemes. Such certification shall be obtained from a "scrutinizer". The same shall be submitted to the trustees and also disclosed in the relevant portion of the Mutual Funds' annual report & website.

Board of Nippon Life India Trustee Limited and Nippon Life India Asset Management Limited shall review and ensure that AMC has voted on important decisions that may affect the interest of investors and the rationale recorded for vote decision is prudent and adequate. The confirmation of the same, along with any adverse comments made by the scrutinizer, shall be reported to SEBI in the half yearly trustee reports.

Policy Review

This policy shall be reviewed at annual intervals or earlier, if required.