



**PROXY VOTING POLICY FOR  
FUNDS UNDER MANAGEMENT  
OF AWT INVESTMENTS  
LIMITED**



## **PROXY VOTING POLICY FOR FUNDS UNDER MANAGEMENT**

### **INTRODUCTION:**

The Management Company of the funds managed by AWT Investments Limited (“AWTIL” or “the Company”) has a responsibility to vote relating to the securities held in the portfolios of the respective funds (“the Funds”).

### **Authority and Responsibility**

The Board of Directors of the Company hereby authorizes the Investment Committee of AWTIL to vote such proxies in accordance with this Policy, and any other regulation that may be issued by the SECP from time to time.

The Investment Committee of the Fund (the “Committee”) will decide voting (proxy) issues on behalf of the Funds.

The Committee is authorized to nominate any officer of the Company to participate in the Shareholders/debt holders meetings and to vote on behalf of the funds as per the guidelines given herein below.

In some cases, the Company may determine that it is in the best interest to refrain from exercising the Fund’s proxy voting rights (such as, the Fund may hold small number of shares that are insignificant in proportion to the paid up capital of the investee company or voting may be costly in terms of travelling cost etc..

The Company will normally vote on specific issues in accordance with the proxy voting guidelines of the Company in the best interest of the Funds and its Unit Holders. The Company’s proxy voting guidelines provide detailed guidance as to how to vote proxies on certain important or commonly raised issues, The Company will vote (or refrain from voting) without regard to the relationship of the issuer of the Security (or any shareholder of such issuer) to the Fund, the Fund’s affiliates (if any), the Company or the Company’s affiliates. When voting proxies, the Company will attempt to encourage companies to follow practices that enhances shareholder value and increase transparency.

### **Voting Procedures**

The Board of Directors of the Company hereby delegates the responsibility for voting proxies relating to the securities held by the Schemes to the Investment Committee. The Investment Committee may direct any appointed staff member /or any other specified person to vote such proxies consistent with the duties and procedures set forth below.

### **Proxy Proposal Evaluation**

The Investment Committee will have the discretion in deciding whether or not to take part in the proxy voting and evaluation of the Proxy Proposal.

Where the Investment Committee decides to take part in the proxy voting, it is the policy of the Company to exercise such voting rights of the Schemes in accordance with the best interests of the Unit Holders.

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## **Fiduciary Duty**

The right to vote a proxy with respect to securities held by the Schemes is an asset of the Scheme. The Investment Committee to which the authority to vote on behalf of the Schemes is delegated, acts as a fiduciary of the Schemes and must vote proxies in a manner consistent with the best interest of the Schemes and their Unit Holders. In discharging this fiduciary duty, the Investment Committee must avoid conflicts of interest and must vote in a manner consistent with guidelines set out in this policy.

## **Conflicts of Interest**

The Company recognizes that there is a potential conflict of interest when we vote a proxy solicited by an issuer with whom we have any material business or personal relationship that may affect how we vote on the issuer's proxy. We believe that oversight by the Investment Committee ensures that proxies are voted with only the Unit Holders' best interests in mind.

## **PROXY VOTING GUIDLINES**

### **ELECTION OF BOARDS OF DIRECTOR**

The Company on behalf of the Funds will support proposals that strengthen the independence of board of directors. As a general matter, the Company believes that a company's board of directors is most likely to have access to important, non-public information regarding a company's business and prospects, and is therefore best-positioned to set corporate policy and oversee management. The Company therefore believes that the foundation of good corporate governance is the election of responsible, qualified, independent corporate directors who are likely to diligently represent the interests of shareholders and oversee management in a manner that will seek to maximize shareholder value over time.

**While exercising the proxy voting on behalf of CIS, it will be ensures that right to exercise the proxy voting on behalf of CIS did not result in attaining the management control of the investee company.**

### **APPOINTMENT OF AUDITORS AND APPROVAL OF THE FINANCIAL STATEMENT**

Auditors have a responsibility to represent the interests of shareholders and provide an independent opinion the financial statements whether those Financial Statements are free from Material Misstatements. The Company will support the appointment of Auditors who have a good market standing and international affiliations.

Fund management department will review the financial statements and any observation of the Auditors in the report will be carefully examined. The investment committee of the Fund, after carefully examining each case will determine the course of action (such as raising a concern in the AGM and asking the company to record the dissent in the minutes of the meeting).

### **CORPORATE ACTIONS AND CAPITAL STRUCTURE:**

These proposals relate to various requests such as approval of dividend, Bonus shares, increase or decrease in authorized share Capital. The decision will be taken by the Investment Committee after analysing each case independently. If determined appropriate by the Investment Committee, concern will be raised in the shareholder meeting and the company will be asked to record the dissent in the minutes of the meeting.



## **Management Compensation**

The goal of the Company is to support compensation arrangements that are tied to long-term corporate performance and shareholder value. Arrangements that are considered to be overly generous or excessively dilutive to other shareholders will not be supported.

## **INVESTMENT IN ASSOCIATED COMPANIES**

These proposals relate to various requests for approval of investments (loan, advances, equity or by whatever name it is called) in associated companies. The Investment Committee will make a decision after giving due consideration to the merits of the requests made.

## **Mergers and Corporate Restructurings**

Proposal on mergers and acquisitions taking into account the following based on publicly available information:

1. Valuation;
2. Market reaction;
3. Strategic rationale;
4. Management's track record of successful integration of historical acquisitions;
5. Presence of conflicts of interest; and
6. Governance profile of the combined company.

## ***Other Issues***

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 a focus on the potential impact of the vote on shareholder value.

## **RECORD KEEPING AND REPORTS TO THE BOARD AND UNIT HOLDERS'**

The Company will maintain a proper written record of decisions made by the Investment Committee with regard to proxy voting.

Further Record of actual exercise of votes in the meeting i.e. for/against/abstain on the investee company's proposals will be maintained by the Compliance Department of the Company.

A proxy register will be maintained where complete record of all proxies granted will be kept. At minimum, following records will be maintained in relation to proxy voting:

1. Name of investee
2. Name of major beneficial owner(s)
3. Number of Shares holding in CIS
4. Voting date
5. Voting results



## DISCLOSURES

The Company shall disclose in the annual report of CIS the cases where the Company on behalf of CIS did not participate in shareholders' meetings. Further, the Company shall include in the annual report of the CIS a statement that the proxy voting policy of the CIS is available on the website of the Company and detailed information regarding actual proxies voted by the Company in respect of the CIS is also available without charge, upon request, to all unit holders.

The Company in the annual report of CIS shall also disclose the summary of actual votes during the year in the prescribed manner:

Details	Resolution	For	Against	Abstain*
Number				
Percentages (%)				

\*Reason for abstaining shall be disclosed

## REVIEW OF THE POLICY, OWNERSHIP AND CUSTODY

This policy may be reviewed by the Company as and when deemed appropriate and if amended, shall require approval of the Board of Directors of the Company. However, change in applicable laws and regulations shall be deemed to be made part of this policy without requiring any amendment as such.

The responsibilities relating to operations of this policy are of the Investment Committee of AWTIL. The custodian of the original copy of this policy and procedures manual is the office of Company Secretary.