

**NJ MUTUAL FUND**  
**PROXY VOTING POLICY**

**INDEX**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
<b>1.</b>	<b>BACKGROUND</b>	<b>3</b>
<b>2.</b>	<b>VOTING PHILOSOPHY &amp; GUIDELINE</b>	<b>3</b>
<b>3.</b>	<b>MECHANISM OF VOTING</b>	<b>4</b>
<b>4.</b>	<b>DELEGATION OF AUTHORITY</b>	<b>4</b>
<b>5.</b>	<b>REVIEW AND CONTROL</b>	<b>4</b>
<b>6.</b>	<b>CONFLICT OF INTEREST</b>	<b>4</b>
<b>7.</b>	<b>DISCLOSURE OF VOTING POLICY AND EXERCISE OF PROXY VOTES</b>	<b>5</b>

## **1. BACKGROUND**

SEBI vide its circular no. SEBI/IMD/Cir No 18/198647/2010 dated March 15, 2010 read with circular no. CIR/IMD/DF/05/2014 dated March 24, 2014, and other relevant guidelines / circulars issued by SEBI from time to time in this regard has stated that mutual funds should play an active role in ensuring better corporate governance of listed companies. Further, SEBI vide its circular no. CIRCULAR CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019 mandated Mutual Funds to have a clear policy on voting and disclosure of voting activity to protect and enhance wealth of unitholders and to improve governance of investee companies. SEBI vide its circular SEBI/HO/IMD/DF4/CIR/P/2021/29 dated March 4, 2021 had mandated that casting of the votes is mandatory for all schemes.

Voting Right means the right of a stockholder to vote on matters of corporate policy. Voting often involves decisions 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 / amalgamations, appointment of auditors, etc.

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

NJ Asset Management Private Limited (NJAMPL) is the asset management company for NJ Mutual Fund. This responsibility includes exercising the voting rights attached to securities held by the Funds.

This policy is drafted in pursuance of above referred circular and clarificatory email received from SEBI from time to time and provides general philosophy, broad guidelines and procedures for exercising voting rights.

The Policy shall be applicable to all equity holding across all schemes of NJ Mutual Fund.

## **2. VOTING PHILOSOPHY & GUIDELINE**

NJ Asset Management follows a rule-based approach to investments. In this approach, stocks are eliminated and selected based on rules devised by analysing past data. As such, the Fund Manager does not select stocks on the basis of company research and does not have a perspective on the same. However, NJ Asset Management will strive to fulfil its governance responsibilities by establishing a robust voting process.

NJ Asset Management will appoint two Proxy Advisors for the purpose of obtaining voting recommendations. If the recommendations of both Proxy Advisors are the same, then this recommended vote will be cast. If the recommendation of both the proxy advisors are contradictory, the Fund Manager shall refer the said resolution to the Investment Committee for a decision.

In case of the Mutual Fund having no economic interest on the day of voting, it may be exempted from compulsory casting of votes.

### **3. MECHANISM OF VOTING**

With the introduction of voting through electronic means, the Investment Manager cast its votes on the voting platforms offered by NSDL/CDSL and other service providers. Where, e-voting is not mandated or in cases of e-voting is not possible, Investment Manager endeavors to vote through proxy.

### **4. DELEGATION OF AUTHORITY:**

Any of the following personnel/ representatives of the AMC or an externally authorised agency would be delegated the responsibility for exercising the voting rights (either through electronically or physical mode) by the Managing Director or the CEO (by whatever designation called):

- Fund Manager (s)
- Chief Compliance Officer
- Research Analyst(s)
- Operations Manager
- Any other representative thought fit, depending on the matter on which vote is to be exercised.
- Representative of an externally authorized agency such as the Custodian.

### **5. REVIEW AND CONTROL**

The voting guidelines and the actual exercise of proxy voting will be reviewed periodically by the management of the Investment Manager through the Investment Management Committee.

The Investment Committee will review the proxy voting required as per the voting policy and actual exercise of proxy votes. Further, the Investment Committee will also review the process of exercise of proxy votes and governance.

Fund Managers /Decision makers 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.

### **6. CONFLICT OF INTEREST**

The Investment Committees shall be responsible for monitoring and resolving possible material conflicts between the interests of NJAML and those of unitholders with respect to proxy voting. The Investment Committee shall always ensure that voting will be in the exclusive interest of the unitholders of the schemes.

## **7. DISCLOSURE OF VOTING POLICY AND EXERCISE OF PROXY VOTES:**

This Proxy Voting Policy is accessible on our website [www.njmutualfund.com](http://www.njmutualfund.com)

Disclosure of exercise of proxy votes in equity holdings across all schemes of the Fund (in the prescribed format) shall be accessible on our website. The same would also be disclosed in the annual report. NJAMPL will disclose all the voting done on quarterly basis within the timeline provided in the said SEBI circular and shall publish the same on its website. The disclosure will inter alia include (1) Name of the company, (2) details of resolution (3) actual voting done by NJAMPL; and (4) brief rationale of the voting decision taken.

This policy has been approved by the Board of Directors of NJ Asset Management Private Limited and Board of Directors of NJ Trustee Private Limited at their meeting held on May 11, 2021.

\*\*\*\*\*