



BARODA PIONEER ASSET MANAGEMENT COMPANY LIMITED

PROXY VOTING POLICY

Date of Implementation:	March 14, 2011
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Version:	1

Introduction

As per the SEBI circular, SEBI/IMD/CIR No.18/198647/2010, dated March 15, 2010, on the role of mutual funds in the Corporate Governance of listed companies, AMCs shall disclose their general policies and procedures for exercising the voting rights in respect of shares held by them on their website as well as in the annual report distributed to the unit holders under the schemes of the mutual fund run by them.

Further, AMCs are also required to disclose on their website as well as in the annual report distributed to the unit holders under the schemes of the mutual fund run by them, the actual exercise of their proxy votes in the Annual General Meetings (“AGM”) / Extraordinary General Meetings (“EGM”) of the investee companies in respect of the following matters:

- Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.
- Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
- Stock option plans and other management compensation issues;
- Social and corporate responsibility issues.
- Appointment and Removal of Directors.
- Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

Proxy Voting Policies

The sole concern of Baroda Pioneer Asset Management Company Limited (“AMC”) in voting proxies is the economic effect of the proposal on the value of portfolio holdings, considering both the short and long term impact. In many instances, the AMC believes that supporting the company’s strategy and voting “for” management proposals help build portfolio value. In other cases, however, proposals set forth by the management may have a negative effect on that value, while some shareholder proposals may hold the best prospects for enhancing it. The AMC will monitor developments in the proxy voting arena and will revise this policy as needed.

The AMC will try to actively participate and vote, directly or through proxy voting services, all proxies in all managed funds, at least for all publicly traded companies.



The Board of Trustees of Baroda Pioneer Mutual Fund has authorised the AMC to participate and exercise voting rights in respect of shares held by the schemes of Baroda Pioneer Mutual Fund (“Fund”). The AMC may appoint any of its senior executives or any other person or company or entities to exercise voting rights in respect of the shares held by the schemes of the Fund, as per the instructions issued by the AMC.

Proxy Voting Co- ordination Group

The AMC shall operate a Proxy voting co-ordination group comprising the Chief Executive Officer, the Investment Team and the Compliance Officer. The Proxy voting co-ordination group will decide the appointment of Proxy and the decision which will be exercised by the proxy in any AGM / EGM in respect of the shares held by the schemes of the Fund.

1. Administrative

The matters on which, at an AGM / EGM, voting rights may be exercised in respect of shares held by the schemes of the Fund shall include, but may not necessarily be limited to the following:

- Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions;
- Changes to capital structure, including increases and decreases of capital and preferred stock issuances;
- Stock option plans and other management compensation issues;
- Social and corporate responsibility issues;
- Appointment and Removal of Directors;
- Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular;

In addition, the AMC will generally support the following and similar other management proposals, as applicable:

- Corporate name change.
- Change of corporate headquarters.
- Stock exchange listing.
- Adjournment or postponement of AGM.

- Acceptance / approval of financial statements.
- Approval of dividend payments, dividend reinvestment plans and other dividend-related proposals.
- Approval of minutes and other formalities.
- Authorization of the transferring of reserves and allocation of income.
- Approval of accounting method changes or change in fiscal year-end.
- Acceptance of labour agreements.
- Appointment of internal auditors.

The AMC will vote on a case-by-case basis on other routine business; however, in accordance with the best practices and in order to achieve the best interest of the unit holders of the schemes of the Fund, it is advisable to oppose any routine business proposal if insufficient information is presented in advance to allow the AMC to judge the merit of the proposal. The AMC will also instruct its custodian and / or proxy voting service, if any, to inform the AMC of its analysis of any administrative items inconsistent, in its view, with supporting the value of the portfolio holdings in the schemes of the Fund so that the AMC may consider and vote on those items on a case-by-case basis.

1.1 Auditors

Additionally, to the extent applicable as per the extant law in India, in the AMC will also vote for proposals to:

- Ratify the auditors – The AMC will consider vote against the ratification if the AMC is concerned about the auditors' independence or their past work for the company concerned. Specifically, the AMC has the right to oppose the ratification of auditors and withhold votes from audit committee members, if non-audit fees paid by the company to the auditing firm exceed the sum of audit fees plus audit-related fees plus permissible tax fees.
- Restore shareholder rights to ratify the auditors.
- Prohibit auditors from engaging in non-audit services for the company.

The AMC will also, to the extent applicable as per the existant law in India, normally oppose proposals that require companies to:

- Seek bids from other auditors.
- Rotate auditing firms only for opportunistic reasons and / or for convenience.

- Indemnify auditors.

1.2 Board of Directors

On issues related to the board of directors of companies, the AMC will normally support the management. The AMC will, however, consider a vote against the management in instances where corporate performance has been very poor or where the board appears lack independence.

1.2.1 General Board Issues

The AMC will vote for the following, to the extent applicable:

- Audit, compensation and nominating committees composed of independent directors exclusively.
- Indemnification for directors for actions taken in good faith in accordance with the business judgment rule. The AMC will vote against proposals for broader indemnification.
- Changes in board size that appear to have a legitimate business purpose and are not primarily for anti-takeover reasons.
- Election of an honorary director.

The AMC will considering voting against the following, to the extent applicable:

- Minimum stock ownership by directors.
- Term limits for directors. Companies benefit from experienced directors, and shareholder control is better achieved through annual votes.
- Requirements for union or special interest representation on the board of the company concerned.

The AMC will considering voting on a case-by-case basis on the following issues, to the extent applicable:

- Separate chairman and CEO positions. The AMC will consider voting with shareholders on these issues in case of poor performance.

1.2.2 Election of Directors

In uncontested elections of directors, the AMC will consider voting against the following:

- Individual directors with absenteeism above 25% without a valid reason. The AMC will consider supporting proposals that require disclosure of director attendance.
- Insider / Associate directors and affiliated outsiders who sit on the audit, remuneration, stock option or nominating committees, as applicable. For the purposes of this policy, the definition of Insider / Associate directors, as provided in the extant laws and regulations applicable in India or as provided by the custodian and / or proxy voting services, if any, shall be acceptable.

The AMC will consider voting against:

- Directors who have failed to act on a takeover offer where the majority of shareholders have tendered their shares.
- Directors who appear to lack independence or are associated with very poor corporate performance.

The AMC will consider voting, on a case-by-case basis, on the following issues:

- Contested election of directors.
- Supporting the election of a majority of independent directors in case of poor performances.
- Mandatory retirement policies.
- Directors who have ignored a shareholder proposal that has been approved by shareholders for two consecutive years.

1.2.3 Takeover Related Measures

The AMC is generally opposed to proposals that may discourage takeover attempts. The AMC believes that the potential for a takeover helps ensure that corporate performance remains high.

The AMC will vote for the following, to the extent applicable:

- Cumulative voting.
- Increased ability for shareholders to call special meetings.
- Increased ability for shareholders to act by written consent.
- Opting out of the following stake takeover statutes, to the extent and if applicable:
 - Control share acquisition statutes, which deny large holders voting rights on holdings over a specified threshold.



- Control share cash-out provisions, which require large holders to acquire shares from other holders.
- Freeze-out provisions, which impose a waiting period on large holders before they can attempt to gain control.
- Stakeholder laws, which permit directors to consider interests of non-shareholder constituencies.
- Disgorgement provisions, which require acquirers to disgorge profits on purchases made before gaining control.
- Fair price provisions.
- Labour protection provisions.
- Mandatory classified boards.

The AMC will vote on a case-by-case basis on the following issues, to the extent applicable:

- Fair price provisions. The AMC will vote against provisions requiring any form of supermajority votes to approve takeovers. The AMC will also consider voting against proposals that require any super qualified majority votes to repeal or amend the provision. Finally, the AMC will consider the mechanism used to determine the fair price for an acquisition / takeover; The AMC is generally opposed to complicated formulas or requirements to pay a premium.
- Opting out of stake takeover statutes regarding fair price provisions. The AMC will use the criteria used for fair price provisions in general to determine its vote on this issue.
- Proposals that allow shareholders to nominate directors.

The AMC will consider voting against the following, to the extent applicable:

- Classified boards.
- Limiting shareholder ability to remove or appoint directors. The AMC will support proposals to restore shareholder authority in this area. The AMC will review, on a case-by-case basis, proposals which authorize the board to make interim appointments.
- Classes of shares with unequal voting rights.
- Super qualified majority vote requirements.



- Severance packages. The AMC will support proposals to put these packages to shareholder vote.
- Reimbursement of dissident proxy solicitation expenses. While the AMC will ordinarily support measures that encourage takeover bids, the AMC believes that the management should have full control over corporate funds.
- Extension of advance notice requirements for shareholder proposals.
- Granting board authority normally retained by shareholders.
- Plans for rights issues. These plans generally allow shareholders to buy additional shares at a below-market price in the event of a change in control and may deter some bids.

1.3 Capital Structure

Managements need considerable flexibility in determining the company's financial structure, and the AMC normally supports managements' proposals in this area. The AMC will, however, reject proposals that impose high barriers to potential takeovers.

The AMC will consider voting for the following, to the extent applicable:

- Changes in par value.
- Reverse splits (Reduction in authorised share capital), if accompanied by a reduction in number of shares.
- Shares repurchase / buy-back programs, if all shareholders may participate on equal terms.
- Bond / Debenture issuance.
- Cancellation of company treasury shares.

The AMC will vote on a case-by-case basis on the following issues, to the extent applicable:

- Reverse splits (Reduction in authorised share capital) which is not accompanied by a reduction in the number of shares, considering the risk of delisting.
- Increase in authorized share capital. The AMC will make a determination considering, among other factors:
 - Number of shares currently available for issuance;



- Size of requested increase (the AMC will normally approve increases of up to 100% of current authorization);
- Proposed use of the additional shares; and
- Potential consequences of a failure to increase the number of shares outstanding (e.g., delisting or bankruptcy).
- Proposals to submit private placements to shareholder vote.
- Other financing plans.

The AMC will vote against pre-emptive rights that it believes will limit a company's financing flexibility.

1.4 Compensation

The AMC will support compensation plans that link pay to shareholder returns, and believes that the management has the best understanding of the level of compensation needed to attract and retain qualified people. At the same time, stock-related compensation plans have a significant economic impact and a direct effect on the balance sheet. Therefore, while the AMC does not want to micromanage a company's compensation program, it will place limits on the potential dilution these plans may impose.

The AMC will consider voting for the following, to the extent applicable:

- Voluntary contribution pension plans.
- Employee Stock Options (ESOPs), as long as the shares allocated to ESOPs are less than 5% of the outstanding shares. Larger blocks of stock in ESOPs can serve as a takeover defense. The AMC will support proposals to submit ESOPs to shareholder vote.
- Various issues related to the specific provisions of law, including:
 - Amendments to performance plans;
 - Caps on annual grants or amendments of administrative features;
 - Adding performance goals; and
 - Cash or cash-and-stock bonus plans.
- Establishing a process to link pay, including stock-option grants, to performance, leaving the specifics of implementation to the company concerned.
- Requiring that option re-pricing be submitted to shareholders.
- Requiring the expensing of stock-option awards.



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- Requiring reporting of executive retirement benefits (e.g. deferred compensation, split-dollar life insurance, pension benefits and others as may be referred by law).
- ESOPs, where the purchase price is equal to at least 85% of the market price, where the offering period is no greater than 27 months and where potential dilution (as defined below) is no greater than 10%.
- Stock options plans or any plan linked to share distribution if short period performances and / or holdings are not particularly rewarded.

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The AMC will vote on a case-by-case basis on the following issues, to the extent applicable:

• Executive and director stock-related compensation plans. The AMC will consider the following factors when reviewing these plans:

o The program must be of a reasonable size. The AMC will approve plans where the combined employee and director plans together would generate less than 15% dilution.

The AMC will reject plans with 15% or more potential dilution.

Dilution = $(A + B + C) / (A + B + C + D)$, where

A = Shares reserved for plan / amendment,

B = Shares available under continuing plans,

C = Shares granted but unexercised and

D = Shares outstanding.

o The plan must not:

Explicitly permit unlimited option re-pricing authority or that have been re-priced in the past without shareholder approval.

Be a self-replenishing “evergreen” plan, plans that grant discount options and tax offset payments.

o The AMC is generally in favour of proposals that increase participation beyond executives.

- All other employee stock purchase plans.
- All other compensation-related proposals, including deferred compensation plans, employment agreements, loan guarantee programs and retirement plans.
- All other proposals regarding stock compensation plans, including extending the life of a plan, changing vesting restrictions, re-pricing options, lengthening exercise periods or accelerating distribution of awards and pyramiding and cashless exercise programs.



- Limits on executive and director pay.
- Stock in lieu of cash compensation for directors.
- Pension for non-employee directors (The AMC believes that these retirement plans reduce directors' objectivity).
- Elimination of stock option plans.

1.5 Corporate Governance

The AMC will vote for the following, to the extent applicable:

- Confidential Voting.
- Equal access provisions, which allow shareholders to contribute their opinion to proxy materials.
- Proposals requiring Directors to disclose their ownership of corporate securities.

The AMC will vote on a case-by-case basis on the following issues, to the extent applicable:

- Change in the state of incorporation. The AMC will support re-incorporations supported by valid business reasons. The AMC will oppose those that appear to be solely for the purpose of strengthening takeover defenses.
- Bundled proposals. The AMC will evaluate the overall impact of the proposal.
- Adopting of or amending the memorandum and / or articles of association.

The AMC will consider voting against:

- Shareholder advisory committees. While the management should solicit shareholder input, the AMC prefers to leave the method of doing so to the discretion of the management.
- Limitations on stock ownership or voting rights.
- Reduction in share ownership disclosure guidelines.

1.6 Mergers and Restructuring

The AMC will vote on the following and similar issues on a case-by-case basis, to the extent applicable:

- Mergers and acquisitions.



- Corporate restructuring, including spin-off (where a company "splits off" sections of itself as a separate business), liquidation, asset sale, joint venture, conversion to holding company etc.
- Debt restructuring.
- Conversion of securities.
- Issuance of shares to facilitate a merger.
- Private placements, warrants, convertible debentures.
- Proposals requiring management to inform shareholders of merger opportunities.

The AMC will normally vote against shareholder proposals requiring that the company be put up for sale.

1.7 Mutual Funds

Some of the schemes of the Fund may invest in the shares of mutual funds or exchange traded funds.

The non-corporate structure of these investments raises several unique proxy voting issues. Therefore, the AMC will considering voting for the following, to the extent applicable:

- Establishment of new classes or series of shares.
- Establishment of a master-feeder structure.

The AMC will considering voting for the following, to the extent applicable, on a case-by-case basis:

- Changes in fundamental attributes, such as investment objective, asset allocation pattern, liquidity provisions, listing, increase in fees and expenses etc. and / or any other matter that may adversely affect the interests of unit holders of the scheme concerned.
- Approval of new or amended advisory contracts.
- Change from a close-end to an open-end scheme.
- Disposition of assets, termination, liquidation, winding up of scheme etc.

1.8 Social Issues

The AMC will consider abstaining from voting on proposals calling for greater disclosure of corporate activities with regard to social issues. “Social issues” may generally be described as shareholders’ proposals for a company to:

- o Conduct studies regarding certain issues of public concern and interests;
- o Study the feasibility of the company taking certain actions with regard to such issues or
- o Take specific actions, including ceasing certain behavior and adopting company standards and principles in relation to issues of public concern and interest

The AMC will considering voting against proposals calling for radical and drastic changes in the company’s business or activity. The AMC will considering voting against proposals with regard to contributions, believing that the management should control the routine disbursement of funds.

1.9 Record Keeping

The Proxy Coordinator shall ensure that the AMC’s proxy voting service and / or also delegated entities:

- retain a copy of the proxy statement received (if any);
- retain a record of the vote cast;
- prepare any other form as may be required by local laws or regulations, and
- are able to promptly provide the AMC (and also the delegating entities) with a copy of the voting record upon their request (refer to the section on ‘Proxy Voting Policies’ in this policy).

1.10 Reporting

The AMCs will disclose on its website as well as in the annual report distributed to the unit holders under the schemes of the Fund, the actual exercise of their proxy votes in the AGMs / EGMs of the investee companies in the following format:

Management Proposals

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

Shareholders Proposals

Date	Type of Meeting (AGM/EGM)	Proposal	Management Recommendation	Vote (for/against/abstain)