



FCIL

FIRST CAPITAL INVESTMENTS LIMITED

PROXY POLICY

INTRODUCTION;

This Proxy policy defines the principles that form the basis of all votes exercised by First Capital Investments Limited (FCIL). All decisions should be made solely in the best interest of the Collective Investment Scheme and its unit holders and the goal of maximizing the value of their investments by positively influencing the governance of investee companies. However, FCIL not intends to attain the management control of the Investee companies.

(1) Authority and responsibility for voting proxies;

- (a) All rights of voting attached to any Investment shall be exercised by the FCIL on behalf of the Trustee in a fiduciary capacity and it shall be entitle to exercise the said rights in what it may consider to be the best interests of the Collective Investment Schemes and its Unit Holders.
- (b) The Trustee shall, upon written request by FCIL and at the expense of the Collective Investment Scheme, from time to time execute and deliver or cause to be executed or delivered to the FCIL or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote or otherwise act in capacity as shareholder in such form and in favor of such persons as the FCIL may require in writing.
- (c) The words "voting rights" or "vote" used hereunder shall be considered to comprise not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.
- (d) The respective Trustee shall forward to the FCIL in a timely manner all notices of meetings and all reports and circulars received by the Trustee on behalf of Collective Investment Schemes as the registered holder of any Investment.

(2) Voting procedures;

- (a) The FCIL may require the appointed staff member /or any other specified person to vote in favor or otherwise of a resolution if it considers it to be in the best interest of the Unit Holders.
- (b) The FCIL may vote through staff member /or any other specified person or in association

with other investors if it feels that such vote will be in the best interest of the Unit Holders.

(3) Internal participants to be consulted in evaluation of a proxy proposal;

- (a) The internal participants to be consulted in evaluation of a proxy proposal shall be the Investment Committee. The committee shall at all times have the discretion to decide to exercise a vote for, against or abstain from it.
- (b) All discussions pertaining to proxy voting decisions will be minutely recorded in IC minutes.
- (c) The final decision as to the manner in which FCIL will cast its proxies will be determined by Investment Committee with input from relevant fund managers.
- (d) FCIL may be unable to vote a proxy, or may choose not to vote a proxy, such as where:
 - (1) meeting notice was received too late; or
 - (2) collective Investment Scheme(s) held investments on the notice date but has disposed prior to the meeting date; or
 - (3) cost of voting the proxy outweighs the possible benefit to the applicable collective investment schemes; or
 - (4) effect on the relevant collective investment schemes' economic interests or the value of the portfolio holding is insignificant in relation to the schemes' value; or
 - (5) it finds to be inconsistent with fiduciary obligations to vote.

(4) Procedure and controls for avoidance or minimization of conflicts of interest;

All decisions pertaining to votes will be taken in the best interest of the Collective Investment Schemes and their Units holders. FCIL recognizes that there may be a potential conflict of interest when it votes on an entity with which FCIL may have some relationship or connections with Investee Company.

(5) Disclosure of conflict of interest;

When considering a proxy proposal, members of the Investment Committee must disclose any potential conflict (including personal relationships) of which they are aware of and any substantive contact that they have had with any interested outside party regarding the

proposal. If a member of the Investment Committee has a conflict of interest, such member must recuse himself or herself from the decision-making process.

(6) Record keeping of proxy voting;

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 Secretary of the Investment Committee. The details of the votes in the prescribed format will be disclosed annually in accordance with the regulatory requirements.

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

- (a) Name of investee Company
- (b) Name of beneficial owner(s)
- (c) Number of holding
- (d) Voting date
- (e) Voting results

(7) System to monitor proxy-voting responsibilities;

It will be the responsibility of the Fund Manager to ensure that the proxy is used as intended by the Investment Committee and that the votes are casted in a proper fashion. Any development which prohibits the achievement of goals mentioned in the criteria above or failure of the company to exercise the proxy in the desired fashion must be recorded in the next Investment Committee meeting with appropriate explanation and remedial actions for future compliance.

(8) Circumstances under which proxies shall not be voted;

FCIL may refrain at its own discretion from exercising any voting right and the Trustee or the Unit holders shall not have any right to make any objection.

(9) Disclosure of proxy voting;

When a proxy is used, it should be recorded in the minutes of next Investment committee meeting.

The Proxy policy will cover the following areas:-

(1) Election of Directors;

The FCIL will support proposals that strengthen the independence of Board of Directors and encourage having a balance of executive and non-executive directors, including independent directors and those representing minority interests. However, each proposal shall be evaluated on a case-by-case basis.

Following criterion will be generally used to judge the competence of the potential candidates:

- (a) Investments of Collective Investment Schemes in most cases represent minority interests in the Investee Companies. It is of prime importance that the candidate(s) contesting in the elections are also willing and determined to serve minority interests. Exceptions can be considered in cases where candidate(s), while belonging to controlling group, is impartial in terms of past actions and market reputation.
- (b) The candidate's credentials will be judged on the criteria of market reputation, performance in current or other boards, their past record in using FCIL's proxies, as well as relationship with FCIL.
- (c) The candidate must possess suitable scholastics for the position. This includes but not limited to qualifications, industry experience and training.
- (d) Consideration will be given to candidates carry special agenda for election on Board that aims to meet common objective of FCIL. In cases where there are more than one candidate of equal stature or in cases where Collective Investment Schemes under FCIL has significant holdings to influence the outcome of more than one Board seat, the Investment Committee may decide to split the proxy votes. The split will be clearly spelled out in the relevant minutes of the Committee along with the number of votes being allocated to each candidate.

(2) Corporate Governance;

The FCIL AMC will review corporate governance related matters on case to case basis to ensure that such proposals are in the best interest of the Collective Investment Schemes and its Unit Holders. FCIL will also review the published statement of compliance with the best

practices of corporate governance in the respective annual financial statements of the investee Companies as required by the applicable Listing Regulations.

(3) Appointment of Auditors;

FCIL will generally support the re-election of external or statutory auditors unless there are concerns about their independence or commitment to protecting Unit holders' interests. The investee company is in the best position to choose the firms of auditors and we will generally support their recommendations, unless there is clear evidence otherwise.

(4) Changes in Legal and Capital Structure; proposals affecting shareholder rights;

The proposals for approval to alter the capital structure of the investee company, such as an increase in authorized capital/Issue will generally be supported. However, each proposal shall be evaluated on case to case basis in the best interest of the Unit Holders.

(5) Corporate restructuring; and Mergers and acquisitions.

The proposals will review on case to case basis and determined in the best interest of the Unit Holders with a view to enhance value of their investments.

- (a) while participating in the election of the Board of Directors of the investee company, ensure that by exercising the right to vote proxy on behalf of the unitholders of the CIS, does not result in attaining the management control of the investee company, in contravention of the Regulations:
- (b) at the minimum maintain following records in relation to proxy voting:
 - (1) The name of the issuer of the securities on which the vote has been cast;
 - (2) Name of major beneficial owner(s) of the securities;
 - (3) number of shares held by CIS on record;
 - (4) the date on which the proxy was voted; and
 - (5) the results of the vote,
- (c) FCIL shall disclose the proxy voting policy approved by its Board of Directors on its websites and shall also submit it to the Commission:
- (d) FCIL will include in the annual report of the CIS summary of actual proxy voted during the year as

per table given below:

Summary of Actual Proxy voted by CIS:

	Resolution	for	Against	Abstain*
Number				
(%ages)				

(e) FCIL shall disclose in the annual report of CIS the cases where AMC on behalf of CIS did not participate in shareholders' meetings.

Further the FCIL shall include in the annual report of the CIS statement that the proxy voting policy of CIS is available on the website of the AMC and detailed information regarding actual proxies voted by the AMC in respect of the CIS also available without charge, upon request, to all unit holders.