

DAWOOD CAPITAL MANAGEMENT LIMITED

(the asset management company and its collective investment schemes)

PROXY VOTING POLICY

(POLICY STATEMENT-07)

DAWOOD CAPITAL MANAGEMENT LIMITED

{the management company and its collective
investment schemes}

PROXY VOTING POLICY

TABLE OF CONTENTS

S. NO.	DESCRIPTION	PAGE REFERENCE
1.	Scope	7.2
2.	Objective	7.2
3.	Responsibility	7.2
4.	Policy statement	7.2
6.	Confidentiality	7.2
7.	Future amendments	7.3
8.	Approval from board of directors	7.3
9.	Effective date	7.3
5.	Appendix-“A”	
	Brief procedures	7.4 - 7.6

PROXY VOTING POLICY

SCOPE

7.1 This policy regulates proxy member representation of DCML in the investee companies and in its own meetings. The purpose of this policy is to guide the officers and employees in the effective and efficient discharge of their roles and duties to ensure compliance with the applicable rules and regulations.

OBJECTIVE

7.2 The objective of the policy is to provide guidelines regarding matters to be considered while voting in the meeting of the company and attending the meetings on behalf of the collective investment schemes.

RESPONSIBILITY

7.3 The Board of Directors is responsible for development of this policy statement while the responsibility of adoption, implementation and regular monitoring of this policy statement rests with Chief Executive Officer (CEO) of Dawood Capital Management Limited (DCML).

7.4 It is the responsibility of the company and its designated employees to ensure that they are fully aware of the contents of this policy and to apply all the policies and procedures consistently. The policy is accessible to all relevant staff (officers and employees).

POLICY STATEMENT

7.5 The company being a public listed company will follow all the requirements as laid down under section 161 of the Companies Ordinance 1984, Code of Corporate Governance and the guidelines mentioned in this policy.

7.6 The Company being an asset management company of different open and closed end funds, makes investment in equity and other securities having voting rights in legion publicly traded companies on behalf of the Funds being managed by it. Share ownership by the Funds carries with it important rights and responsibilities, including the right to vote at company general meetings.

7.7 The proxy vote is an important asset/right of all the Funds. The Company has a fiduciary duty to obtain the highest returns for the Funds' investors within acceptable risk limits. In accordance with its fiduciary duty, the Company exercises their ownership rights by voting proxies diligently in a manner intended to optimize the long-term value for their investments. CEO of the company will nominate any person as proxy and in case of non-availability of CEO, the CFO will have the same powers to nominate any person as proxy on behalf of the company.

7.8 The Company believes that well-managed companies with strong governance practices will generally contribute positively to long-term investment returns. Conversely, poorly-managed companies with poor governance practices are more likely to increase the risk of a long-term investment. The Company is committed to safeguard the interests of stake-holders and investors employing best ethical and business practices.

CONFIDENTIALITY

7.9 This Policy is strictly confidential. No copies of this Policy may be printed, copied or in any way removed from the offices of the Company except under approval of relevant head of department for the official reasons to be recorded in writing.

PROXY VOTING POLICY

FUTURE AMENDMENTS

7.10 The management will review and may amend or otherwise modify this Policy Statement from time to time with the approval of Board of Directors of the Company. Such review will preferably be carried out every year and will take into account among others the revisions in applicable regulatory framework specifically.

APPROVAL FROM BOARD OF DIRECTORS

7.11 This policy has been approved by the Board of Directors on April 27, 2011 and access has been provided to the employees of DCML.

EFFECTIVE DATE

7.12 This policy shall become effective from the April 1, 2011.

PROXY VOTING POLICY

APPENDIX-“A”

BRIEF PROCEDURES

7.13 To implement this policy the following procedures will be followed.

In case of investee companies meetings

7.14 The proxy voting guidelines are intended to guide and to assist the directors and employees of the DCML about using voting rights in the meetings of the investee companies. These proxy voting guidelines contain general statements about how the Company is likely to vote on an issue. These are not completely rigid positions, and the management may consider extenuating circumstances that might call for a different vote than a specific guideline suggests. This may include taking into account any change in regulatory or corporate governance requirements. In such circumstances, the management will make the case specific decision and record the reasons for doing so.

7.15 In the succeeding paragraphs the policy provides broad guidelines with respect to some common circumstances or resolution for which the Company might have to vote for in general meetings.

ELECTION OF BOARD OF DIRECTORS

7.16 While deciding the use of voting powers the management will support a board size that leads to effective board decision-making and governance. The board should be large enough to provide expertise and diversity, and allow key committees to be staffed with independent directors, but small enough to encourage active participation of all members. In general, the management will not ordinarily vote against director candidates simply because the size of the board is questionable. As per law fixation of number of directors is the right of retiring board. The management may do so, however, if corporate performance or other corporate governance issues, over a suitable time frame is unsatisfactory.

7.17 The management will support proposals that limit directors' liability and provide indemnification provided that directors have acted honestly and in good faith with a view to the best interests of the Company.

APPOINTMENT OF AUDITORS

7.18 The management generally will support the choice of auditors recommended by the audit committee of the Company.

EXECUTIVE AND DIRECTOR COMPENSATION

7.19 The investee company may offer equity compensation plans for its directors or executives. The management will assess equity compensation plans on a case-to-case basis. The management will review the features of each plan together with the other aspects of total compensation, and after considering each of the issues; determine whether the plan on the whole is reasonable.

7.20 The management will back non-executive director compensation that reflects the qualification, expertise, responsibilities and time commitment expected from directors and that aligns their interests with those of long-term shareholders.

7.21 In a meeting where benefits of non-executive directors are to be discussed, the management will not support compensation, benefits or perquisites for non-executive directors that are normally reserved for employees of a Company.

TAKEOVER PROTECTION

PROXY VOTING POLICY

7.22 Where the management of Investee Company propose shareholders' right plans. The management will consider the approval or ratification of shareholder rights plans on a case-to-case basis. The Company will support shareholder rights plans that permit the board and management to respond to takeover offers in a manner that enhances long-term shareholder value.

7.23 In some cases where Investee Company takes steps to defend takeover. The management will review takeover defense transactions on a case-to-case basis.

7.24 If the management of the Investee Company recommend to change their status from a public to private or listed to unlisted. The Company will review proposed "going private" transactions, on a case-to-case basis to determine if the proposed transaction is in the best interests of shareholders.

7.25 Where question of re-structuring arises in the meeting, the Company will support only in cases where management and the board can demonstrate sound financial or business reasons for the proposal.

SHAREHOLDER RIGHTS

7.26 In some companies there may be different class of shareholders having different types of voting right. However, the management will not support the creation of dual-class share structures.

7.27 In case where question of increase in authorized share capital arise. The management generally will support proposals for the authorization of additional shares provided the amount requested is necessary for sound business reasons.

7.28 Where a resolution regarding issue of right share will be brought to the meeting. The management will review proposals for new share issues on a case-to-case basis and take the decision on fair grounds.

7.29 The board of directors of the companies may recommend declaration of dividend or buy back of shares. In such cases the management will support dividend and share buyback resolutions on a case-to-case basis after carefully analyzing the merits of the case.

FORMULATION OF STRATEGY FOR PROXY VOTING

7.30 All strategies to be followed in respect of proxy rights emanating from material/significant shareholdings will be finalized once the case has been presented to the Board of Directors and their policy instructions have been obtained and recorded.

7.31 In case where shareholdings are not significant holdings, such decisions can be taken by the Chief Executive Officer.

7.32 For the purpose of this policy 5 percent of net asset value and above will be considered a significant or material shareholding.

CODE OF CORPORATE GOVERNANCE

7.33 The management will use its voting rights to strengthen the implementation of best practices of Code of Corporate Governance and to ensure compliance with all the relevant laws, rules and regulations applicable to the company on case to case basis.

In case of company's own meetings

PROXY VOTING POLICY

7.34 The requirements of section 161 of the Companies Ordinance 1984, Code of Corporate Governance will strictly be followed with no departure and deviation.

7.35 All the members of the company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as his proxy to attend and vote at his place and a proxy so appointed shall have such rights with respect to speaking and voting at the meeting as are available to a member.

Provided that:

- a member shall not be entitled to appoint more than one proxy to attend any one meeting;
- if any member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the company, all such instruments of proxy shall be rendered invalid; and
- a proxy must be a member unless articles provide otherwise.

7.36 The instrument appointing a proxy shall-

- (i) be in writing; and
- (ii) be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

7.37 The proxies shall be lodged with the company not later than forty-eight hours before the time of the meeting strictly in accordance with the requirement of the Companies Ordinance, 1984.

7.38 The members or their proxies shall be entitled to do any or all the following things in a general meeting, namely:-

- (i) subject to the provisions of section 167 of Companies Ordinance 1984, demand a poll on any question; and
- (ii) on a question before the meeting in which poll is demanded, to abstain from voting or not to exercise their full voting rights;

7.39 Every member entitled to vote at a meeting of the company shall be entitled to inspect during the business hours of the company all proxies lodged with the company.