

## Insider Trading Policy

### 1. Introduction

True Beacon Investment Advisors LLP ("True Beacon") is a Portfolio Manager registered with the Securities and Exchange Board of India (SEBI) under registration number INP200007353. True Beacon serves as the Investment Manager for the True Beacon Alternative Investment Fund ("TBAIF") and True Beacon Global ("TBG").

TBAIF is registered as a Category III Alternative Investment Fund under the SEBI (Alternative Investment Funds) Regulations, 2012, with registration number IN/AIF3/19-20/0701. TBG is registered under the SEBI (Foreign Portfolio Investors) Regulations. Additionally, True Beacon is registered with the International Financial Services Centres Authority (IFSCA) under the Financial Market Entities (FME) Regulations for TBG, which operates out of the GIFT City.

### 2. Scope & Applicability

True Beacon has adopted the Insider Trading Policy ("**Policy**") to regulate, monitor and report trading by all Insiders (as defined below) including the Designated Persons and Immediate Relatives of Designated Persons as defined in this Policy to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) ("**SEBI Regulations**").

This Policy shall be applicable to all Insiders of True Beacon including Designated Persons and Immediate Relatives of Designated Persons as defined in this Policy. The SEBI Regulations prohibit an Insider from Trading (as defined below) in the Securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information ("**UPSI**") (as defined below).

### 3. Definitions

3.1. "**Board**" – shall mean the Designated partners / partners of True Beacon.

3.2. "**Compliance Officer**" – means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

3.3. "**Compliance Team**" – includes the Compliance Officer and any other person who is a part of the team and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price

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sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

3.4. **“Confidential Information”** – means any information, including fiduciary information, which Designated Persons of True Beacon are exclusively privy to, and includes information of trades/investments made by clients.

3.5. **“Connected Persons”** – includes:

- (i) any person who is, or (6) six months prior to the concerned act has been, associated with True Beacon, directly or indirectly, in any capacity including by reason of frequent communication with its officers or in any contractual, fiduciary or employment relationship in relation to True Beacon or holds any position including a professional or business relationship with True Beacon whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
- (ii) certain categories of persons shall be deemed to be connected persons unless the contrary is established, which includes, among others, (a) an Immediate Relative of Connected Persons; or (b) an associate company of a connected person; (c) an intermediary as specified in section 12 of the SEBI Act or an employee or director thereof; or (d) an investment company, trustee company, asset management company or an employee or director thereof.

3.6. **“Contra Trade”** - means a trade or transaction which involves buying or selling Securities of a company and within sixty trading days or transacting in an opposite transaction involving sell or buy following the prior transaction.

3.7. **“Designated Person”** – means every person in the employment and/or involved in the business operations of True Beacon, including the employees (part time or whole time), interns, promoters who are individuals, support staff, among others of True Beacon who have access to UPSI. Further, the definition also includes the Chief Executive Officer (“CEO”) and employees up to two levels below the CEO of True Beacon irrespective of their ability to have access to UPSI.

3.8. **“Employees”** – means every person including interns and part time employees-whether earning any form of income from True Beacon or not.

3.9. **“Fund Managers”** – means person responsible for undertaking investment related decisions of their respective Fund/ Investment Approach as declared by True Beacon from time to time.

3.10. **“Generally available information”** - means information that is accessible to the public on a non- discriminatory basis.

3.11. **“Holding Period”** – means a period of 90 (ninety) days from the date of trades executed.

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- 3.12. **“Immediate Relative”** - means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, member of HUF (Hindu Undivided Family) any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.
- 3.13. **“Insider”** - means any person who is: (a) a Connected Person; or (b) in possession of or having access to UPSI.
- 3.14. **“Investee Company”** – means any company, special purpose vehicle or limited liability partnership or body corporate or real estate investment trust or infrastructure investment trust in which the Fund makes an investment.
- 3.15. **“Leak of UPSI”** shall refer to such act / circumstance(s) by virtue of which any UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof. Explanation: It covers the instances where the UPSI has been shared by a person to any person, association, body, firm, agency, society, entity or to a group thereof except in compliance with applicable law.
- 3.16. **“Legitimate purpose”** shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations Words and expressions used defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.
- 3.17. **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.
- 3.18. **“Pre-approval Days”** means the pre-approval granted shall be valid for only 3 (three) trading days.
- For clarification: If a request for pre-approval is received on 01/01/2025 post 3.00p.m., then the same shall be approved by the Compliance on 02/01/2025, and the pre-approval days shall be applicable from 02/01/2025 onwards for 3 (three) working days
- 3.19. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units

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of a mutual fund.

- 3.20. **"Trading"** - means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- 3.21. **"Trading Day/ Working Day"** - means a day on which the recognized stock exchanges are open for trading and includes the market working hours i.e. 9.00 a.m. to 3.30 p.m.
- 3.22. **"UPSI"** - means any information, including fiduciary and confidential information, relating to the Fund or the securities of its Investee Companies, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily be including but not restricted to, information relating to the following, (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel.

Any subsequent amendment/modification in the SEBI Regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

## 4. Duties of Compliance Officer

- The Compliance Officer shall report to the Board and in particular shall provide reports at such frequency as may be stipulated by the Board.
- The Compliance Officer and the Designated person from the Compliance Team shall clarify issues regarding the Policy and redressing the grievances / clarifications of the Employees;
- The Compliance Officer and the Designated person from the Compliance Team shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of this Policy under the overall supervision of the Board of True Beacon.
- The Compliance Officer and the Designated person from the Compliance Team shall also be authorized to make necessary disclosures with the relevant statutory authorities in compliance with the applicable Regulations.
- The tracking of trading in securities of any Company by the Employees as well as Insiders will be done by taking declarations as mentioned in clause 9 of the Policy and through any system implemented by True Beacon from time to time.
- The compliance Officer or and the Designated person from the Compliance Team can grant of pre-clearance approvals to the Employees including Insiders for trading in any Company's Securities by them / their Connected Persons and monitoring of such trading;

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- The Compliance Officer shall maintain records of all the declarations given by the employees for a minimum period of 8 (eight) years.

## 5. Trading Procedure

All Employees and their Immediate Relatives may trade in the securities of Investee Companies, once pre-clearance is obtained from the Compliance Officer or any designated person from Compliance Team in writing or through any system (if implemented) in accordance with this Policy. Employees and their Immediate Relatives are not permitted to trade in the Investee Company's securities if the pre-clearance request is denied. There can be special blackout periods when the trading window shall be closed, which will usually occur when the Compliance Officer determines that any Employee can reasonably be expected to have possession of UPSI, and for such periods as determined by the Compliance Officer.

The trading window restriction shall not apply for below cases:

- off-market inter-se transfer between insiders who were in possession of the same UPSI without violating the policy and both parties had made a conscious and informed trade decision,
- transactions carried out through the block deal window mechanism between persons who were in possession of the UPSI without violating the policy and both parties had made a conscious and informed trade decision,
- transactions carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction, and
- transactions undertaken in accordance with respective regulations made by SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer.
- Transactions undertaken during rebalancing done by True Beacon.
- Every Designated Person and Employee are permitted to engage in contra trading up to a value of ₹10,00,000 (Ten Lakhs) per calendar quarter, subject to compliance with applicable regulations and internal controls.

## 6. Pre-clearance

- Employees may always trade in the securities of the Investee Companies or other listed Companies but should pre-clear such trades by verifying the same with the Compliance Officer or the Designated person from the Compliance Team.
- The Compliance Officer or any designated person from compliance team may approve trading by the Designated Persons, after ensuring that the application, undertaking and declarations provided are true

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and accurate, and that the Designated Persons are not in possession of UPSI, on the stipulation that the trade so approved will be executed within 3 (three) trading days, following such date of approval. If such pre-cleared trade is not executed within 3 (three) trading days, after approval has been given, then pre-clearance of the transaction must be sought again.

- (iii) Non-compliance of the pre-clearing procedure, as provided herein, will result in penal actions as provided within the Policy, being taken against such non-compliant persons.

## 7. Trade Restrictions

- (i) Employees are strictly prohibited from trading in the Margin Intraday Square-off or Intraday segment in the National Stock Exchange of India (“NSE”), Bombay Stock Exchange (“BSE”), Multi Commodity Exchange (“MCX”) and the Futures & Options segment in NSE, BSE and MCX exchanges at all times.
- (ii) Employees shall not invest in any listed securities with the aim of making short-term gains. Here, ‘short-term’ would mean before the completion of 90 (ninety) days. All investments made by Designated Persons shall be with the objective of long-term investing.
- (iii) Designated Persons, who are Connected Persons of a listed company and permitted to trade in the securities of such listed companies shall not execute a contra trade within 6 (six) months of a prior trade in the same securities. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing, provided that such relaxation does not violate the Insider Trading Regulations.
- (iv) The holding period shall also apply to subscription in the primary market (IPOs/ FPOs). Employees are prohibited from engaging in contra trades during the Holding Period for any securities in which True Beacon has executed trades.

Pre-approval is not required at the time of applying for IPOs. However, once shares are allocated, employees must provide confirmation to the Compliance Team, and the holding period will commence from the date of allocation of shares. Additionally, no pre-approval is required in case of applying in Mutual Funds, Bonds, and Exchange Traded Funds.

## 8. Prohibition of Insider Trading and Preservation of Price Sensitive Information

An Insider will not, either directly or indirectly:

- (i) trade in securities that are either listed or proposed to be listed, when in possession of UPSI;



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- (ii) trade in securities of the Investee Company unless approved by the Compliance Officer or the Designated person from the Compliance Team, and such Insider is not in possession of UPSI;
- (iii) communicate, provide, or allow access to any UPSI, relating to the Fund or its securities, to any person including other Insiders, except to the extent allowed by the rules or SEBI Regulations;
- (iv) procure from or cause the communication by an Insider of UPSI, relating to the True Beacon, the Fund or its securities;
- (v) provide advise/ tips to any third party on trading in the Fund's securities while in possession of UPSI.

An Insider who has ceased to be associated with True Beacon or the Fund shall not, for a period of six months from date of such cessation, directly or indirectly trade in the Fund's Securities.

Trading in Securities of other companies: No Insider may, while in possession UPSI about any other public company gained in the course of employment with True Beacon, (a) trade in the securities of the other public company, (b) "tip" or disclose such material non-public information concerning that company to anyone, or (c) give trading advice of any kind to anyone concerning the other public company.

Further, all information shall be handled within True Beacon on a need-to-know basis, and UPSI shall not be communicated to any person except in furtherance of performance of duties, Legitimate purposes or discharge of legal obligations. There will be limited access to Confidential information relating to the Fund or its Investee Companies, and such information shall be adequately secured and protected.

Additionally, while handling UPSI, True Beacon will establish procedures and policies ("**Chinese Walls**") to manage Confidential Information and prevent the misuse or inadvertent spread of UPSI. These Chinese Walls will be used to divide areas that have access to UPSI from areas that do not have such access. Designated Persons present within a Chinese Wall have the responsibility of ensuring that such a Chinese Wall is not breached, and any suspected breach shall be reported to the Compliance Officer. Further, Designated Persons may "cross the wall" only with the prior approval of the Compliance Officer and such permissions shall be given based on adequate reasoning for such crossing, and limits will be placed on the type of information that can be accessed once within the wall, depending on the purpose and the duration. Designated Persons may include individuals in sensitive transactions based on the approval of the Compliance Officer as and when required in the course of business operations of True Beacon and the Fund and must ensure that such individuals are aware of the duties and responsibilities attached to the receipt of Confidential Information and the liability that is consequent to the misuse or unwarranted use of such information.

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## 9. Disclosure Requirements

- Every Employee shall disclose the number of Securities or voting rights held, if any his/her Immediate Relatives and by any other person for whom such Employees take trading decisions, together with a disclosure of the names of such persons, within seven (7) days from the date of joining to True Beacon as per **Annexure A**.
- Every Pre-approval request shall be made as per **Annexure C** along with the **Pre-Clearance Undertaking** to the Compliance Team. Additionally, once the transactions are executed, the same should be duly informed to the Compliance Team within 2 (two) working days of such transactions undertaken.
- Every Employee shall provide half-yearly declarations to the Compliance Team as per **Annexure B** within 15 (fifteen) days at the end of each half year.

## 10. Penalties

Failure to comply with this Policy is a disciplinary issue and may also constitute a criminal offence in certain cases. Any employee who violates the provisions of this Policy shall be liable for such penal/disciplinary/remedial action as may be considered appropriate by the Board of True Beacon. The above actions of True Beacon will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee.

The Compliance Officer shall also inform SEBI regarding violations of this Policy so that appropriate action might be taken.

## 11. Miscellaneous

- (i) True Beacon will endeavor to periodically review and update the Policy, to keep it in line with the prevailing law at the time.
- (ii) In case there is any inconsistency of the Policy with the Insider Trading Regulations and/or for matters not specified within the Policy, the Insider Trading Regulations will apply/prevail accordingly.
- (iii) Any suspected violation of Leak of UPSI or violation of this policy can be reported as per True Beacon policy.

## 12. Review Of the Policy

The Board of True Beacon shall be empowered to amend, modify, interpret the Policy and such Policy shall be effective from such date that the Board may notify in this behalf.

**Disclaimer:** THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. EVERY SPECIFIED PERSON IS REQUIRED TO FAMILIARISE HIMSELF WITH SEBI





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REGULATIONS AS IT WILL BE THE RESPONSIBILITY OF EACH SPECIFIED PERSON (AND HIS RELATIVES) TO ENSURE COMPLIANCE OF THIS POLICY, SEBI REGULATION AND US SECURITIES LAWS AND OTHER RELATED STATUTES FULLY.