

TRUE BEACON ALTERNATIVE INVESTMENT FUND

VOTING POLICY

True Beacon

1. INTRODUCTION

True Beacon Alternative Investment Fund (“**True Beacon**”) is a Securities and Exchange Board of India (“**SEBI**”) registered Category III Alternative Investment Fund (“**AIF**”), set-up under the SEBI (Alternative Investment Funds) Regulations, 2012 (“**SEBI Regulations**”). True Beacon offers an array of investment products across various asset classes under different schemes (“**Schemes**”), to suit the needs of different classes of investors/clients. True Beacon Investment Advisors LLP as an Investment Manager to True Beacon (“**Investment Manager**”) manages investments of the Schemes and invests in various securities as per the investment objectives of the respective Schemes.

SEBI circular no. CIR/CFD/CMD1/168/2019 dated December 24, 2019 mandates all alternative investment funds (“**AIFs**”) to have a clear policy on voting and disclosure of voting activity in order to protect and enhance the wealth of clients and improve governance of the investee companies. As per SEBI’s mandate, True Beacon has set out this policy to provide broad guidelines and procedures for exercising voting in relation to investments made by the Fund under the Schemes of True Beacon (“**Voting Policy**”).

2. OBJECTIVE OF THE VOTING EXERCISE

True Beacon’s main objectives behind exercising voting rights would be:

- i. To take rational voting decisions in the investee company after thorough understanding and in-depth analysis, where required, rather than simply supporting the decisions of the management;
- ii. To encourage and support proposals that increase the value of unit holders/investors;
- iii. To ensure the absence of any conflict of interest in the casting of votes;
- iv. To signify dissent in relation to proposals that tend to unreasonably favor majority shareholders over minority shareholders.

3. MECHANISMS USED FOR VOTING

True Beacon shall endeavor to exercise its vote on all resolutions that may affect its unit holder’s/investors’ interests either by postal ballot, electronic means, voting through proxy or through physical attendance.

4. GUIDELINES FOR EXERCISING VOTING RIGHTS

True Beacon will assess proposals on a case-to-case basis, taking into consideration, interests of the unit holders/investors at large as well as the potential impact of the vote on the investment value, before taking decisions on whether to oppose, support or abstain from voting on such proposals. In the event the proposal

True Beacon

for consideration has negligible impact on unit holder interest, True Beacon may exercise its discretion by choosing to abstain from voting, thereby adopting a neutral stance. Further, the Investment Team will act as the oversight committee for escalation purposes for certain matters, depending on the discretion of the Investment Manager.

While evaluating proposals for voting decisions, True Beacon will endeavor to:

- i. Support proposals for employee stock option plans, which indicate the presence of an employee ownership culture, and thereby increase value creation as well as employee participation;
- ii. Support key changes to the capital structure which could potentially give better returns on capital employed, and is in the long-term interest of shareholders;
- iii. Support proposals that generally increase the independence of the Board of Directors including appointment of independent directors as proposed by the Board of Directors, among others;
- iv. Vote on important decisions pertaining to significant corporate governance decisions, fundamental corporate changes and extraordinary transactions, which will be decided on a case-by-case basis, keeping in view the long-term interest of the unit holders/investors;
- v. Vote on other proposals, which include amendment to the investee companies' charter, selection of auditors, among others, on a case-to-case basis, based on the potential impact of such vote on the investment value.

5. DECISION MAKING PROCESS

Any decision in relation to voting on the resolutions or proposals of investee companies, such as whether True Beacon will support, oppose or abstain from voting, will be taken by the Investment Manager. Moreover, voting rights will be exercised on behalf of the Schemes by the Investment Manager or the Investment Team at True Beacon.

6. CONFLICT OF INTEREST IN THE CONTEXT OF VOTING

While considering investments in investee companies or investee group companies that have subscribed to units of the Schemes of True Beacon, the Investment Manager will ascertain that such investments are (i) for specific commercial consideration, after evaluating such transactions on merits; (ii) on an arm's length basis, irrespective of any existing or subsequent investments by investors; and (iii) not restricted or contrary to the Scheme specific asset allocation, investment restrictions or investment objectives. However, True Beacon may choose to abstain from voting on any resolution or proposal of the investee company, if in the opinion of True Beacon, there exists a significant conflict of interest.

7. DISCLOSURE OF VOTING

The actual exercise of proxy votes in the EGMs/AGMs of the investee companies will be disclosed to unit holders/investors and published on True Beacon's website, encapsulating the following matters:

- i. Management compensation issues, such as stock option plans, among others;
- ii. Corporate governance matters, including merger, changes in the state of incorporation as well as other anti-takeover and corporate restructuring provisions;
- iii. Corporate and social responsibility issues;
- iv. Changes to capital structure, including increases/decreases of preferred stock issuances and capital;
- v. Appointment and removal of directors; and
- vi. Other issues that may generally impact the interest of shareholders and unit holders/ clients.

True Beacon does not typically engage the services of proxy advisors or other voting advisory services, but in the event, it begins using such services, the scope of the service provider will only be limited to assisting the Investment Manager with non-binding recommendations and research in relation to proposed resolutions of investee companies. Further, details regarding such service providers will be disclosed on the website of True Beacon (www.truebeacon.com).

The Voting Policy will be published on the website of True Beacon (www.truebeacon.com), and will be updated as required, from time to time.