



**3PIM INTERNATIONAL
(IFSC) LLP**

STEWARDSHIP CODE

3PIM INTERNATIONAL (IFSC) LLP

Version- First

Policy Owner- Richa Agarwal

Approved By- Board of LLP

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1. Introduction

3PIM INTERNATIONAL (IFSC) LLP (“**LLP**” or “**Fund Management Entity**”) is the Fund Management Entity of *3PIM India Equity (IFSC) Fund and 3PIM India Equity ESG (IFSC) Fund* (“**Fund**”) – a Restricted Scheme (Non-Retail) construed as an open-ended Category III AIF under the IFSCA (Fund Management) Regulations, 2025 (“**Regulations**”) and such other AIFs as may be formed from time to time in accordance with the provisions of the Regulations.

This Stewardship Code (“**Code**”) is approved by the designated partners of the LLP (“**Board**”) and shall be effective from January 20, 2025. The Board has authorized Stewardship Committee (“**Committee**”) to recommend changes in the Stewardship Code, as may be necessary, which will then be ratified by the Board. The Committee is mandated to manage conflicts and to monitor compliance with IFSCA’s guidelines on stewardship code.

The Fund Management Entity views stewardship as a step towards improved corporate governance in the investee companies and serving the interest of the investors/ unitholders. The principles espoused in this Code will govern the Fund Management Entity’s fund management activities including, *inter alia*, monitoring of investee companies, its engagement with investee companies and intervention in the investee companies.

This Code documents the guiding principles to be adopted and followed by the investment team of the Fund Management Entity (“**Investment Team**”) and will be applicable to all the schemes under the Fund. The Investment Team is for the purpose of making final investment and divestment decisions on behalf of LLP. The Investment Team shall comprise of the Principal Officer of the LLP and such other key members as may be nominated by the LLP from time to time.

The Code is prepared based on principles enumerated in the said SEBI/IFSCA Regulations. The Code shall act as guidance to the Committee and the Investment Team for discharging stewardship responsibilities as per the SEBI/IFSCA Regulations, however, this Code is not intended to curtail / restrict the fund management activities of the Fund Management Entity. The Investment Team shall have the liberty to decide its dealing strategies, keeping in mind the investment objectives of the scheme, subject to SEBI/IFSCA Regulations and other applicable laws/regulations. In case dealing strategy or normal fund management activities conflict with the principles specified in the Code, the Investment Team shall ensure that

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they act in the interest of the investors/ unitholders.

The Code must be read in conjunction with the voting policy of the Fund Management Entity (“**Voting Policy**”).

2. Key Principles adopted in the Code

2.1. Discharge of stewardship responsibilities

The Fund Management Entity views itself as long-term steward of its investors’ capital and this philosophy naturally leads it to focus on the long-term prospects for the companies in which it invests. The Fund Management Entity manages each of its funds/ schemes with the objective of generating returns consistent with funds’/schemes’ objectives. It is, therefore, central to the investment process of the Fund Management Entity to consider each Company's ability to create, sustain and protect value. It is believed that analyzing a Company's management of corporate governance, corporate restructuring, industry-level monitoring, material environmental, social and governance (“**ESG**”) factors, in addition to the traditional operational and financial analysis, will enhance the Fund Management Entity’s understanding of an investee Company's fair value and its ability to deliver long-term sustainable returns.

The Committee which has been approved by the Board will also be responsible for reviewing the Code every year (or any time as may deemed necessary) and recommend to the Board changes/ modifications to the Code in case of any amendment in the applicable laws, including, without limitation, the SEBI/IFSCA Regulations These recommended changes/ modifications will only be adopted in the Code upon approval by the Board.

The Investment Team will be guided by the principles provided in the Code, however, if there is conflict between discharge of the stewardship responsibilities and the Investment Team’s normal fund management activities, the Investment Team shall ensure that it acts in the interest of the investors/ unitholders, subject to applicable laws. The Fund Management Entity may, as deemed necessary, conduct training for its personnel involved in implementing the stewardship principles. Such training, Such training, if conducted, may be delivered by the Fund Management Entity's personnel or through external agencies and may include sharing of reading materials, holding internal/external sessions on stewardship principles, and reviewing industry best practices.

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The manner of disclosure(s) of Code and any amendment thereto, on the website of the LLP is provided under Clause 2.6 (Reporting and Disclosures).

2.2. Managing conflicts of interest

The Fund Management Entity may face conflicts of interest in relation to its stewardship responsibilities in respect of the funds/schemes being managed by the Fund Management Entity. While addressing and resolving such conflicts, the Fund Management Entity shall ensure that the interest of its investors/ unitholders are kept paramount.

A conflict of interest may be actual, potential, or perceived and may be financial or non-financial in nature. The Investment Team shall undertake reasonable steps to avoid actual or potential conflict of interest situations. The voting for investee companies' resolutions may entail some instances of conflict of interest between the interests of shareholders of the LLP and the investors'/ unitholders' interests. In the event of any doubt as to whether a particular transaction would create (or have the potential to create) a conflict of interest, the Committee may be consulted in accordance with Clause 2.2.2 of this Code. The Fund Management Entity shall ensure that, in accordance with the SEBI/IFSCA Regulations, in all cases of conflict of interests, the voting decisions of the Fund Management Entity will be based on the best interests of the investors/ unitholders.

2.2.1. Potential conflicts of interest

The term conflict of interest refers to instances where personal or financial considerations may compromise or have the potential to compromise the judgment of professional activities. A conflict of interest exists where the interests of the Fund Management Entity (including any of its employees, officers or directors) conflict with the interests or benefits of its unitholders or the investee companies. Potential conflicts of interest may arise in certain situations, such as:

- (a) The investee company is a client of the LLP and/or its affiliates;
- (b) The investee company is an entity participating in the distribution of investment products advised or administered by the Fund Management Entity and/or any of its affiliates;
- (c) The investee company is partner or holds an interest, in the overall business of the LLP;

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and/or

The LLP including all its employees and directors will use their best efforts to avoid such conflict of interest and ensure that such a conflict, if it arises, is resolved in the best interests of investors / unitholders.

2.2.2. Procedures to manage conflict of interest

- (a) The LLP will manage conflicts of interest by requiring the access employees / persons, Committee members and other personnel involved in implementing this Code to:
- avoid conflicts of interest where possible;
 - identify and disclose any conflicts of interest in a timely manner; and
 - carefully manage any conflicts of interest.
- (b) Where a potential / actual conflict of interest is identified, the matter will be referred to the Chief Compliance Officer of the Fund Management Entity, who if deems appropriate, will convene the Committee meeting. A record of the decision taken and supporting rationale will be documented in the form of minutes of the meeting.
- Once the conflict of interest has been appropriately disclosed, the Committee (excluding the member disclosing conflict of interest, if any) will take the required decisions and records of minutes of decisions taken to address such conflicts will be maintained by the LLP.
 - As a rule, in all cases of conflicts of interest the voting decisions of the Committee will be based on the best interests of the investors/ unitholders.
 - The voting decision of the Fund Management Entity in the investee LLP, as the case may be, will be guided by the Voting Policy of the LLP, which is published on the Fund Management Entity's website..

2.3. Monitoring of Investee Companies

- 2.3.1. The Investment Team will establish and oversee a framework for ongoing monitoring of each investee company. This framework will describe the process for assessing material developments, financial, operational, strategic, or governance related and determine the appropriate level of engagement based on

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the size and significance of the investment. The Investment Team will be responsible for monitoring the investee companies and for engaging with the managements of the investee companies. However, the level and degree of monitoring / engagement may vary depending upon the materiality of investment. Investment Team will be responsible for laying down the process for monitoring of the investee companies. The areas of monitoring with respect to investee companies will include regular monitoring of company strategy and performance, relevant industry level practices/developments and quality of management of investee companies. Monitoring of aspects such as corporate governance practices/measures of investee companies (remunerations, board structure etc.) risk related to social, governance and environmental issues and shareholder rights and grievances will be on a best effort basis.

- 2.3.2. 3P Investment Managers Private Limited has been appointed as the investment advisor by the LLP (“**Investment Advisor**”). The LLP has also documented the key terms and conditions of their engagement with the Investment Advisor, role, responsibilities and obligations of the Investment Advisor and the rights of the LLP and the support to be provided by the Investment Advisor towards investor servicing, coordination, and communication by the Investment Advisor. The Investment Team shall consider the recommendations and advice provided by the 3P Investment Managers Private Limited while exercising its decision-making powers. The decisions of the Investment Team shall be final and binding on the FME.
- 2.3.3. The Investment Team as part of its monitoring process may use publicly available information i.e., corporate disclosures on the exchanges viz. quarterly results, annual reports, corporate announcements etc. It may also engage with the management of the investee companies on a periodic basis. Further, it can also study and analyze publicly available research findings and industry information.
- 2.3.4. The Securities Dealing Code of the LLP (“**Securities Dealing Code**”) is established to control dealing in securities of the investee companies, where a person comes into possession of unpublished price sensitive information of the investee companies (“**UPSI**”). Under this framework, detailed controls and processes are specified to be followed in case any person is in possession of UPSI. While engaging with the investee companies the Fund Management Entity may

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receive information i.e., material non-public information/ UPSI. The Fund Management Entity will not pursue or seek for UPSI, however, if the Fund Management Entity is in receipt of UPSI, it shall follow the internal process as outlined in the Securities Dealing Code. All employees of the Fund Management Entity involved in engagement activities shall be given proper understanding on insider trading to fulfil requirement of the Securities Dealing Code/ policies laid down on insider trading.

- 2.3.5. The LLP shall ensure that a structured digital database is maintained containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

2.4. Active intervention in the investee companies

- 2.4.1. Concerns may arise with respect to the investee companies from time to time mainly on account of insufficient disclosures, non-compliance to regulations, performance parameters, governance issues, corporate plans/ strategy, corporate social responsibility (CSR), initiation/pendency of litigation, leadership issues and environment related matters.
- 2.4.2. The Investment Team may escalate the engagement/intervention on a particular issue as it deems necessary based on the feedback from the analyst team of 3PIM. The tactical aspects of the intervention will be determined on a case-to-case basis by the Investment Team and may be referred to the Committee for advice and guidance. The Committee may determine the level of intervention to ensure that the provisions of this Code are adhered to.
- 2.4.3. Intervention in investee companies having governance related issues, ESG risks and fraud issues needs to be done irrespective of any factor.
- 2.4.4. Broad steps for intervention by the Fund Management Entity in the investee companies will be as follows:

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(a) Step 1: Interaction

In case of instances identified for intervention, the Fund Management Entity as an active shareholder will endeavor to engage with the investee company's management to discuss the concerns, apprehensions, and actions to mitigate these concerns.

In case, where the concerned management of the investee company is not accessible for more than a reasonable period of time despite requests / reminders, then the company may consider escalating the matter as per the process laid under Step 3 below.

(b) Step 2: Reiteration

If there is no response from the management of the investee company on the concerns raised or there is any lack of follow-up actions as promised despite the passage of a reasonable period of time, the LLP may re-engage with the management to reiterate the conclusions, or the plan of action decided at the prior meetings. A time bound plan to rectify or re-align the business practices or actions should be discussed and agreed upon.

(c) Step 3: Escalation

In case there is no progress despite the above 2 (two) steps, the matter may be discussed by the Investment Team with the Committee for further escalation to the board of the investee company. If the Committee decides to escalate the matter to board of the investee company, then the communication to the board of the investee company will elaborate the concerns, enumerating inter-alia the past requests for engagement with the management of the LLP, the past discussions, and the agreed course of actions, etc.

2.4.5. The Investment Team shall decide matters relating to direct engagement with the investee company, the approach it shall adopt either for highlighting the routine matters or for carrying out research related activities or for matters detailed under Steps 1 and 2 above.

2.4.6. In all cases of engagement/interventions with the management and / or the board of the investee LLP, all communications and discussions are to be conducted in private and confidential manner. The objective of the interactions is to play a constructive role in enhancing the value of the investment in the equity of the investee companies to benefit the unitholders of schemes managed by the Fund Management Entity.

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2.4.7. In case the Fund Management Entity’s intervention is not successful (either fully or partially), it will not automatically result in the Fund being required to exit its investment in the investee company. The Investment Team and/or Fund Management Entity’s research team, under the direction of the Committee will take a decision based on then existing environment and expectations.

2.4.8. Collaboration with other institutional investors

- (a) In select cases, collaboration with other investors, especially institutional investors, may be the most effective manner to engage with the investee companies. Collaborative approach is not only cost effective, it is efficient and potent as well as is likely to deliver the desired results. In such instances, the Fund Management Entity may willingly initiate action or support other investors' actions.
- (b) The Fund Management Entity may choose to engage with the investee company in collaboration / consultation with the other institutional investors, whose interests are aligned with the Fund Management Entity, in order to have a wider group of investors representing a larger proportion of shareholders to engage with the investee company. The Fund Management Entity may also choose to involve industry associations or forums to engage with the investee company, if it deems it appropriate.
- (c) In taking collaborative action, we would be cognizant of legal and regulatory requirements, including on market abuse, insider dealing, persons acting in concert as per Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

2.5. Voting and disclosure of voting activity

The Investment Team shall follow the guidelines for voting on the resolutions of the investee LLP as specified in the LLP’s Voting Policy. The Committee may formulate broad guidelines for voting on similar proposals with an endeavor to ensure consistency in voting pattern.

2.6. Reporting and disclosures

The LLP will disclose on its website the implementation of the principles enlisted in this

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Code. Amendments to the format of disclosure will be approved by the Committee and is subject to regular updates.

Although the IFSCA does not prescribe specific disclosure requirements relating to votes cast, the SEBI Stewardship Code (as set out in SEBI Circular No. CIR/CFD/CMD1/168/2019 dated December 24, 2019) requires that disclosures on the votes cast by the LLP for all the resolutions put forth by the investee companies for shareholders' approval will be published on quarterly basis, as required by prevailing SEBI guidelines.

This Code, as amended from time to time, will be disclosed on the LLP's website along with other public disclosures. Any change or modification to the Code will also be disclosed at the time of updating the Code on the website.

3. Stewardship Committee

Composition and details of the stewardship committee are defined in Voting Policy.

4. Amendment of the Code

In this Code, any reference to any provision of law, regulations or circulars would be deemed to include a reference to every modification(s), amendment(s) and replacement(s) as may be notified from time to time with effect from the time at which such changes are given effect to.

The Code will be reviewed and updated periodically and any amendments to the Code will be disclosed on the website of the LLP.

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