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**SHANNON ADVISORS PRIVATE LIMITED**

**Employees' Investment Policy**

Effective from April 05, 2024



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## 1. Introduction

The Employees' Investment Policy (EIP), also known as the Personal Investment Policy (PIP), serves as a crucial framework outlining the responsible conduct expected from all employees regarding their Personal Investment Transactions. Its primary goal is to establish prudent standards of behavior, delineating permissible and prohibited investment practices. This policy is overseen by the Compliance Officer, whose approval is required for exceptions, with further oversight by the Directors.

Under this policy, all Company Employees are obligated to adhere to its guidelines. Failure to comply may result in disciplinary measures, including dismissal for cause. To ensure clarity, employees are encouraged to reach out to the Compliance Officer for any necessary clarification.

A fundamental aspect of this policy is the recognition of employees' fiduciary duty to Company clients during their personal investment activities. This includes a commitment to prioritize client interests above personal gains and to avoid any conflicts of interest that might compromise decision-making in the clients' best interests. As such, all Company employees are designated as "Covered Persons," subject to stricter controls and ethical standards.

While the policy aims to address existing conflicts and anticipate potential ones, it acknowledges the complexity of investment environments and the inability to foresee every scenario. Therefore, Covered Persons are expected not only to follow the policy's specific provisions but also to uphold its underlying principles and spirit in their professional conduct. This holistic approach ensures that employees maintain integrity and accountability in their personal investment dealings, fostering trust and confidence among clients and stakeholders.

## 2. Detailed Requirements

Employees of the Company are permitted to engage in personal investment activities, including buying and selling investments for themselves or their families, provided that these actions comply with applicable laws, regulations, and this Policy. All investment decisions must rely solely on publicly available information only.

Personal investment transactions should prioritize long-term investment strategies over short-term speculation. Employees must be vigilant to avoid conflicts of interest or any appearance thereof with the operations of Shannon or its client companies. It is crucial that personal trading activities do not detract from employees' work responsibilities.

Employees are prohibited from participating in personal transactions that conflict with the Company's or its clients' interests, such as:

- Using insider knowledge to buy or sell securities.
- Making personal transactions in securities where the Company is a client of Shannon.

Personal investment transactions encompass purchases or sales of various securities, including but not limited to stocks, notes, bonds, closed-end mutual funds, and derivative instruments like options and warrants. These transactions may involve:

- The employee's own account, including Regular, Contract, and Temporary Staff.
- Accounts of individuals or third parties for whom the employee provides investment advice or exercises investment discretion.



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- Immediate family members living in the same household and the employee's dependents.
- Legal entities where the employee has a beneficial interest and decision-making authority over investments.
- Transactions directed by an employee for the benefit of unrelated third parties (e.g., charities), excluding actions performed solely as part of their employment duties.

The Policy excludes certain transactions from the definition of securities, such as savings deposits, current deposits, mutual funds, and other specified financial instruments.

### **3. Misuse of Material Non-Public Information**

The Company strictly prohibits its employees from using material non-public information in their personal investment activities. This rule applies regardless of any exceptions or guidelines outlined in our policy. Furthermore, employees are not allowed to share such information with others within the company unless there is a legitimate "need to know" basis.

"Material non-public information," also known as "inside information," refers to confidential data about a company that has not been disclosed to the investing public. This information has the potential to significantly impact the market value of the company's securities if it were to become known.

Adherence to these guideline is essential to maintain fairness, transparency, and compliance within our organization. Violation of these rule can have serious legal and ethical consequences, including penalties and disciplinary actions. Employees are encouraged to seek clarification or guidance from the appropriate channels if they are unsure about the status of any information before engaging in personal investment activities.

### **4. Breach of Customer Confidentiality**

Our clients' trust in us hinges on the assurance of confidentiality, a cornerstone of our professional ethics. It is imperative that we uphold this trust by taking every possible measure to protect their privacy and sensitive information. Whether in public or private settings, discussions about our clients' affairs should be strictly limited to those individuals within our organization who have a legitimate need to know.

Maintaining confidentiality not only honors our commitment to our clients but also safeguards their interests and reinforces our integrity as a trustworthy entity. It is a responsibility we carry collectively, understanding that any breach of confidentiality can have serious consequences for our clients' trust and our reputation as a reliable service provider.

### **5. Conflicts of Interest**

The Company employees have a duty to ensure that no Personal Investment Transaction of theirs conflicts with their corporate and client responsibilities. Accordingly, the Company employees shall not buy or sell a security on the basis of knowledge:

- That Shannon is effecting or proposes to effect transactions in the security or other transaction which may affect the price of the security to a material degree; or



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- That Shannon is completing a transaction of any kind that would have a material effect on a particular company or security.

## **6. Abuse of Position**

The Company employees will not use their position to obtain favored treatment to buy or sell securities for their own or family accounts.

## **7. Initial Public Offerings**

Company employees are required to seek explicit written approval from the Compliance Officer before engaging in the purchase or sale in IPOs. However, this approval is contingent upon employees refraining from engaging in certain Prohibited Practices to gain access to IPOs:

- Misuse of Material Non-Public Information: Employees must not use any confidential or insider information to gain an advantage in IPO transactions.
- Conflict of Interest: Employees must avoid situations where their personal interests conflict with the interests of the Company or its stakeholders when dealing with IPOs.
- Abuse of Position: Employees must not misuse their position within the Company to gain unfair access or advantages in IPO transactions.

Approval obtained through preclearance remains valid for a period of seven (7) calendar days, which includes the day of preclearance. This timeframe ensures that employees can execute their approved transactions within a reasonable period while maintaining compliance with regulatory standards and ethical guidelines.

## **8. Necessary Reporting**

The Company mandates certain responsibilities from its employees regarding the Personal Investment Policy (PIP):

- Acknowledgment of Receipt: Employees are required to formally acknowledge that they have received and reviewed the Company PIP. This acknowledgment serves as confirmation that they are aware of the policy's contents and understand their obligations under it.
- Annual Certification: On an annual basis, employees must certify that they have adhered to the policy's requirements throughout the year. This certification includes confirming that they have obtained pre-clearance for all personal securities transactions and have disclosed or reported all transactions as mandated by the policy

## **9. Confidentiality**

All information gathered from employees under this policy will be treated with utmost confidentiality. However, it's important to note that this information may be disclosed to regulatory or self-regulatory organizations as mandated by applicable laws, regulations, or this policy itself.

Maintaining strict confidentiality ensures that employees feel secure in sharing relevant information without fear of unwarranted disclosure. This protection of information aligns with legal and regulatory requirements while also upholding the company's commitment to transparency and compliance.



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By clarifying the circumstances under which information may be shared, employees can trust that their confidentiality is respected while also recognizing the necessary steps taken to fulfill legal obligations and maintain regulatory compliance.

## **10. Policy Enforcement**

The unauthorized use or disclosure of confidential information can lead to significant legal and regulatory repercussions for both the company and its employees. It can breach contractual obligations, violate securities laws, and contravene other legal and regulatory mandates.

Employees who engage in insider trading, which involves buying or selling securities based on non-public information, can face severe civil and criminal penalties. These penalties extend to those who provide such information to others (known as "tipping") or otherwise facilitate such transactions. Furthermore, even the appearance of impropriety in handling confidential information can severely damage the reputation of the company, its brand, and its employees.

To maintain integrity and compliance, the company has established policies and procedures outlined in the Company Personal Investment Policy (PIP). Failure to adhere to these policies may result in disciplinary action, up to and including termination of employment for cause.

Any inquiries or concerns regarding an employee's personal trading activities under the Company PIP will be directed to the Compliance Officer for thorough review and necessary action. This ensures that any potential violations are promptly addressed and mitigated to uphold legal and ethical standards within the organization.

## **11. Monitoring**

The Company places significant importance on monitoring the personal investment activities of its employees and thoroughly reviewing periodic reports submitted by all employees. To ensure adherence to company policies and regulatory standards, the Compliance Officer is tasked with monitoring the personal investment transaction activities of employees.

In the event that any deviations from the established policy requirements are observed, these instances will be promptly flagged and brought to the attention of the respective employee for necessary follow-up and resolution. A copy of the flagged deviation and subsequent actions will also be provided to the employee's supervisor to maintain transparency and accountability within the organization.