

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

This Code is called Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the “**Code**”) and is framed based on the principles of fair disclosure outlined in the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 (the “**PIT Regulations**”). Words not defined herein shall have the meaning as per the PIT Regulations.

### **1. DESIGNATION AND ROLE OF CHIEF INVESTOR RELATIONS OFFICER**

- 1.1** The Chief Financial Officer shall be the Chief Investor Relations Officer (“**CIRO**”) for the purpose of the Code. The CIRO shall be responsible for dissemination of information and disclosure of unpublished price sensitive information (“**UPSI**”).
- 1.2** In the temporary absence of the CIRO for any reason whatsoever, the Whole time Director and/or CEO shall nominate any other official of the Company to be responsible for dissemination of information and disclosure of UPSI.

### **2. DISCLOSURES UNDER THE CODE**

- 2.1** The CIRO shall ensure:
- (a) prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available ;
  - (b) uniform and universal dissemination of UPSI to avoid selective disclosure; and
  - (c) prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to ensure that this information is made generally available.
- 2.2** The determination of ‘legitimate purposes’ in relation to communication or procurement of Unpublished Price Sensitive Information under regulation 3 of the PIT Regulations, shall be made by the Board or the Authorized Personnel basis the ‘Operating Guidelines for Determination of Legitimate Purpose & Approval for Sharing of UPSI and for Inclusion of Persons on Sensitive Transactions’, attached as Annexure A, and subject to procedure mentioned therein
- 2.3** It is clarified that information to be termed UPSI should be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in securities. For the purpose of disclosure, the CIRO may consult such officials within the Company to ensure the correctness and credibility of the UPSI.

- 2.4** The CIRO shall authorize disclosure or dissemination of UPSI (i) by way of intimation to the stock exchanges, such that further disclosure can be made from the stock exchange websites; (ii) on the official website to ensure official confirmation and documentation; and (iii) in any other manner as may be decided by the CIRO to facilitate uniform and universal dissemination of UPSI.
- 2.5** All communications of UPSI with the stock exchange shall be approved by the CIRO and communicated through appropriate personnel under his direction.
- 2.6** The CIRO shall also be responsible for overseeing the contents of UPSI to be posted on the website of the Company for the purposes of this Code and shall give appropriate directions for the publication of the same. No other person shall be authorized to post any UPSI in the absence of any directions from the CIRO.
- 2.7** To facilitate timely disclosure of UPSI, all employees, designated persons or insiders will be required to communicate any UPSI to the CIRO as soon as credible and concrete information comes into being.

**3. GENERAL OBLIGATION OF PRESERVING UPSI**

All employees, directors and insiders of the Company are required to ensure that handling of all UPSI, including onward communication, is done on a need-to-know basis and in line with the any other applicable codes, policies and procedures of the Company, including, specifically, this Code and the PIT Regulations.

**4. INFORMATION SHARED WITH SPECIFIC PERSONS**

- 4.1** Employees, directors and insiders shall ensure that any information shared with analysts and research personnel is not UPSI and is generally available.
- 4.2** The CIRO shall also develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

**5. MARKET RUMOURS**

The CIRO shall ensure that appropriate and fair responses are provided to queries on news reports and requests for verification of market rumours by regulatory authorities.

## Annexure A

### Operating Guidelines for Determination of Legitimate Purpose & Approval for Sharing of Unpublished Price Sensitive Information

#### 1. Introduction

These 'Operating Guidelines for Determination of Legitimate Purpose & Approval for Sharing of Approval for Sharing of Unpublished Price Sensitive Information and for Inclusion of Persons on Sensitive Transactions' ("**Operating Guidelines**") is formulated under the aegis of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, and the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, which have been framed in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.

#### 2. Scope

These Operating Guidelines shall cover sharing of any unpublished price sensitive information ("**UPSI**") in ordinary course of business with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, insolvency professionals or other advisors or consultants engaged or appointed by the Company or for any other genuine or reasonable or bona fide purpose with any person.

The process shall not cover sharing of any UPSI with any Auditor of the Company for the purpose of audit. However, the Chief Financial Officer (in case of Statutory Auditors), the Company Secretary (in case of Secretarial Auditor), Head of Internal Audit function (in case of internal audit) or any other person authorised by such officials shall be responsible to maintain the details mentioned in Para 3 of persons to whom information would be shared in the digital database created for the purpose. Information shall be shared with the respective Auditors' only through specific drives created for the purpose of audit and due notice shall be served to all persons in accordance with Para 7.

The process shall also not be applicable where UPSI is sought to be shared with the stock exchanges where the securities of the Company are listed, any judicial, quasi-judicial or regulatory authority in India or any department of the Government of India, Government of any State or Union Territory of India or of any other nation where the Company operates. The exemption shall also extend to any specific agency appointed by such authorities or the Government.

### 3. Definitions

Words and expressions used in these Operating Guidelines shall have the meanings assigned to them in 'FirstMeridian Business Services Limited - Code Of Conduct for Regulating, Monitoring And Reporting of Trading By Insiders' or the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 (each as amended).

### 4. Determination of Legitimate Purpose

'Legitimate purpose' shall be determined on case-to-case basis by the CISO or any other officer of the Company authorised by the Managing Director in this behalf ("Authorised Officer") on a request from any employee ("Requesting Employee") for sharing UPSI on the basis of below mentioned principles:

- (a) **Nature and Extent of UPSI:** *What is the nature and extent of the UPSI which is being sought.*
- (b) **Purpose:** *For what purpose is the data being sought (including, for instance, towards any genuine corporate purpose or to discharge a fiduciary duty or in the interest of a body of public shareholders or stakeholders in the Company or transactions in the public interest or transactions undertaken without an intent to make profit or to gain unlawfully or without a view to misuse information, or the like).*
- (c) **Necessity:** *Is the data requested of utmost necessity for the purpose it is being sought.*
- (d) **Interest:** *Is it in the best interests of the Company and its shareholders, to protect the interest of the Company and its shareholders or is it in public interest and without any intention to make profits / gains or avoid losses unlawfully.*
- (e) **External Circumstances:** *the purpose to be evaluated in context of (i) the circumstances which are affecting the Company at that time, and (ii) any information that is generally available about the Company, at that time.*

In addition to the above, the Authorized Officer may keep in mind the following factors:

- (a) information intended to be available only for a legitimate purposes and not for the personal benefit of any one.
- (b) if there are two purposes further to which the UPSI is being shared i.e. one being legitimate purpose, and the other being illegal or merely for the purpose of personal benefit of any one, the existence of the legitimate purpose would not 'sanitize' the illegitimate ones.

- (c) the concept of legitimate purpose is best referenced in the negative i.e. where it is not for an illegitimate purpose (such as the misuse of such information for personal gain or illegal profit).
- (d) in the event the Authorized Officer is contemplating multiple purposes for selective sharing of UPSI, each purpose will be evaluated on its own merits, in line with the principles set out herein.

An indicative list of purpose which may be considered as legitimate purpose is provided herein below:

- (a) Sharing of UPSI in the ordinary course of business with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, insolvency professionals or other advisors or consultants engaged or appointed by the Company.
- (b) Sharing of UPSI in furtherance of performance of duties (including any corporate or fiduciary duties) and obligations of a person in their capacity as an employee or director of the Company as per the terms of his / her employment or appointment and/or the applicable laws.
- (c) Sharing of UPSI relating to the Company with its promoter, subject to there being a legitimate purpose as determined by the Company and there having been no unfair advantage gained in this respect or misuse of information by the communicator or the recipients, and the same not being in conflict with the interests of promoter or the Company.
- (d) Sharing of UPSI for any other genuine or reasonable or bona fide purpose as may be determined by the Authorized Officer or the Board in accordance with the operating guidelines.

Provided that sharing of UPSI shall be on a need-to-know basis and should not be carried out to evade or circumvent the provisions of the SEBI PIT Regulations.

##### **5. Request for Determination of Legitimate Purpose and sharing of UPSI**

The request for determination of legitimate purpose and sharing of UPSI shall clearly specify the following:

- (a) Brief particulars of assignment for which UPSI is sought to be shared.
- (b) Nature and brief details of UPSI sought to be shared.
- (c) Rationale for sharing of UPSI.

The above request should also be accompanied with following details of all persons, whether natural or legal, with whom the information is intended to be shared:

- (a) Name of the natural / legal person or entity.
- (b) In case of legal person or entity, names of natural persons with whom

information will be shared.

- (c) Correspondence address of entity and natural persons.
- (d) E-mail addresses of entity and natural persons.
- (e) Permanent Account Number (“PAN”) of entity and natural persons.
- (f) In absence of PAN, Aadhaar Number
- (g) Contact numbers [Mobile (mandatory) and Landline (mandatory, for legal person)] of entity and natural persons.
- (h) Power of attorney/ authority document authorizing a natural person to act on behalf of the relevant legal person.
- (i) Such other documents/ information as may be deemed necessary, by the Authorized Officer.

The requesting employee shall be responsible to ascertain the veracity of above details provided and also to update / refresh the list from time to time.

In case the requesting employee is the Authorized Officer, determination of legitimate purpose and sharing of UPSI shall be approved by the Managing Director & Chief Executive Officer.

## **6. Serving of Notice and execution of Non-Disclosure Agreements (“NDA”)**

A due notice shall be served to every person with whom UPSI is shared prior to sharing of information making them aware of nature of the information and liabilities attached in case of misuse or unauthorized disclosure / leakage of that information.

The Authorized Officer may in exceptional circumstances require execution of NDA with any person with whom UPSI is being shared as legitimate purpose before sharing of such information. In case of a legal person or an entity, NDA is required to be executed only with such legal person / entity which should explicitly mention that such legal person / entity shall be responsible to keep the information confidential till the time it is made generally available by the Company or any judicial, quasi-judicial or regulatory authority.

The NDA should also state that the legal person / entity shall be liable to indemnify the Company for any loss suffered due to leakage of information shared by its employees, consultants, affiliates, associates or any other person associated with the legal person / entity in any manner whatsoever and shall also be liable for punitive damages.

## **7. Sharing of Information**

Upon legitimate purpose determined and sharing of information approved, the information requested shall be shared only on a specific drive created for the purpose which will be accessible only by persons enlisted in the request submitted to the Authorized Officer.

In case the information in question is to be shared with external persons where creation of a separate drive is not possible, such information may be shared over e-mail subject to the following controls:

- (a) Data files should be shared only on official e-mail addresses mentioned in the request given to Authorized Officer.
- (b) Data files should be password protected.
- (c) Passwords to the data files should be sent either via a separate e-mail or through SMS to a registered mobile number.
- (d) Data files along with passwords shall be made available to the Authorized Officer whenever required.
- (e) Names of data files should follow a standard naming convention in a manner that purpose should be identifiable in the file name.

In exceptional circumstances, the Authorized Personnel may require creation of a virtual data rooms (“VDR”) for sharing of UPSI.

#### **8. Creation of Virtual Data Room (“VDR”)**

VDR may be created in certain exceptional cases as may be decided by the Authorized Officer.

Access to the VDR, if created, must be given to only such natural persons mentioned in the list provided by the requesting employee, subject to following:

- (a) Each such natural person shall have a unique login-id and password.
- (b) Only view rights to be provided to all persons.
- (c) Download and print rights may be allowed to not more than three persons per entity.
- (d) Data files in VDR shall follow standard naming convention in a manner that purpose should be identifiable in the file name.
- (e) Data files placed in VDR shall be deleted within a period of two months from completion of purpose for which it was created. The Requesting Employee shall be responsible to ensure deletion of data files.
- (f) In any scenario, data files shall be placed in a VDR for a maximum period of one year from initiation of purpose.

#### **9. Maintenance of digital database**

A digital database of all persons with whom UPSI is shared shall be maintained in such manner to ensure time-stamping and audit trails with adequate internal controls and checks which should contain the information mentioned in paragraph 5 above and date of sharing of the UPSI.

The requesting employee shall be responsible to update the above details in IT system deployed for the purpose. Till the time the system is not deployed, the above information must be shared with the CISO or an Authorized Officer on real-time basis through e-mail.

**10. Deviations to the process**

The Authorized Officer shall be responsible to ensure compliance with the guidelines. In case any deviations are observed, those shall be reported to the Audit Committee.

**11. Exceptions**

Any exceptions to these guidelines must be approved by the Board.

**12. Review**

The guidelines shall be subject to annual review by the Audit Committee.

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