



FIRSTMERIDIAN BUSINESS SERVICES LIMITED

**POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF
UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED
LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

(Approved adopted by the Board _____)

1. BACKGROUND

- a. Pursuant to Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “Insider Trading Regulations”), this policy has been formulated by FirstMeridian Business Service Limited (the “Company”) to establish the procedure for inquiry in case of a leak, or suspected leak, of UPSI (as defined hereinafter) (the “Policy”).
- b. The Board acknowledges that the contours of an Inquiry into any leak or suspected leak of Unpublished Price Sensitive Information would have to be customised to the facts and circumstances of each such case and that accordingly, it is not viable to prescribe a standard operating procedure that would apply while enquiring into every instance of leak/ suspected leak of Unpublished Price Sensitive Information. It is important to keep the Inquiry process dynamic, so as to ensure that it appropriately examines all relevant aspects that may arise in different cases.
- c. In view of the above, the Inquiry Policy sets out the broad principles that the Board will follow for the purposes of examining any case of leak or suspected leak of Unpublished Price Sensitive Information. It is clarified that while an Inquiry in case of a leak, or suspected leak of Unpublished Price Sensitive Information may be undertaken through various modes, it shall adhere to the key standards set out below.

2. DEFINITIONS

- a. **Compliance Officer** shall mean the person designated as the Compliance Officer of the Company in accordance with Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto.
- b. **Incident** shall mean any incident of leak(s) or suspected leak(s) of UPSI.
- c. **Inquiry Committee** means the committee set up in terms hereof to conduct inquiry against any case of leak or suspected leak of UPSI.
- d. **“Leak”** shall mean dissemination of any Unpublished Price Sensitive Information by any Insider, employee, Designated Person, any Connected Person or any other person in possession of Unpublished Price Sensitive Information, to any person other than those persons authorized by the board of directors or the Compliance Officer to handle Unpublished Price Sensitive Information in accordance with the Insider Trading Regulations, and the term “Leaked” shall be construed accordingly.
- e. **Stakeholders** shall include but not limited to all employees of the Company, statutory auditors, internal auditors and consultants.
- f. **Stock Exchanges** shall mean the relevant stock exchanges where the securities of the Company are listed.

- g. **“Unpublished Price Sensitive Information”/ “UPSI”** shall have the meaning as ascribed to it under the Policy for prevention of insider trading in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Capitalized terms used herein but not specifically defined shall have the meanings ascribed to them under the Code.

3. INTIMATION TO STOCK EXCHANGE AND SEBI

The Compliance Officer shall inform the Stock Exchanges and the Securities and Exchange Board of India (the **“SEBI”**) about Incident in the formats provided in **Annexure A** and **Annexure B** respectively.

4. DUTIES OF INQUIRY COMMITTEE

The Inquiry Committee shall be responsible for the following:

- a. Conducting an inquiry into any Incident to ascertain the materiality of the information and/or the complaint received in this regard. The Inquiry Committee can also take cognizance of any such matter suo-moto.
- b. The Inquiry Committee shall conduct an investigation in accordance with the procedure set out below.
- c. The Inquiry Committee shall submit its observations to the Board

5. PROCEDURE FOR INQUIRY IN CASE OF A LEAK/SUSPECTED LEAK

- a. Upon becoming aware of any Leak or any allegations or suspicions of a Leak, including, by way of:
 - i. communication received from regulatory authorities; or
 - ii. a written complaint and/or email received from a whistle-blower; or
 - iii. Company’s own / internal monitoring, etc.

the Board shall, in consultation with [the Compliance Officer], evaluate and determine if the matter merits any inquiry or investigation. It is clarified that market rumours, inferences based on media reports, or observations made by analysts, etc. will not be the only determining factors for initiating a preliminary inquiry, and the Board shall, in consultation with [the Compliance Officer], have the discretion to decide if a preliminary inquiry is required to be undertaken, in each such case.

- b. In the event the Inquiry Committee decides that the matter warrants an inquiry, it shall undertake an initial assessment to analyse the accuracy of the allegation/ suspicion of the Incident by taking necessary steps, including the following:
 - i. assessing the source of the complaint/ allegation/ suspicion;
 - ii. assessing the nature of the Incident in order to determine the scope of inquiry, the parties who had access to the UPSI and the manner in which it could have been leaked; and
 - iii. conducting interviews with the complainant, in case his/ her identity is known, and other relevant persons.
- c. On the basis of the outcome of the initial assessment, the Inquiry Committee shall determine whether: (a) the alleged/ suspected Incident is frivolous, and requires no further action; or (b) the matter requires further diligence and inquiry.
- d. The Inquiry Committee shall conduct a detailed inquiry and take all necessary steps, including the following:
 - i. identifying the medium through which the leaked UPSI was disclosed/ communicated;
 - ii. conducting a confidential investigation into the activities of the persons that handled or had the knowledge of the UPSI in question, in an un-intrusive manner, including by reviewing the relevant documents, audit trails, and by conducting interviews, if necessary;
 - iii. appointing external advisors/ consultants/ professionals to assist the inquiry; and
 - iv. re-assessing the internal controls and measures implemented by the Company for identifying deficiencies, if any, in such controls and measures, and recommending improvements to the same.
- e. The Inquiry Committee will ensure that the details in relation to the inquiry, including the initial assessment, shall be shared within and outside the Company strictly on a 'need to know' basis. In cases where the inquiry has been initiated based on a complaint from a whistle-blower, the Inquiry Committee will keep the identity of the whistle-blower confidential.
- f. In the conduct of inquiry, the Inquiry Committee shall have due regard to the principles of natural justice, and will provide an opportunity of being heard and making submissions etc., to the persons against whom the allegations of the Incident have been levelled. The Inquiry Committee will be required to duly consider the same while arriving at its conclusions.

- g. Upon conclusion of the inquiry:
- i. the Inquiry Committee shall intimate to the Board, along with a summary of the procedures followed and the action taken;
 - ii. if the Inquiry Committee is of the opinion that a Leak has occurred, and in the event the Inquiry Committee has identified the person responsible for, or involved in the Leak, it will make appropriate recommendations to the Board for the actions to be taken in that regard, including 'disciplinary action' such as dismissal, wage freeze, suspension, recovery, clawback and ineligibility for future participation in employee stock option plans, etc.;
 - iii. the Board shall, as appropriate, take disciplinary and penal action and any other steps it deems necessary, against the persons identified as being responsible for, or involved in, the Leak. It is clarified that any action taken by the Securities and Exchange Board of India (the "SEBI") for violation of the Insider Trading Regulations and any other applicable law shall not preclude the Board from taking any disciplinary action in accordance with the recommendations of the Inquiry Committee.
 - iv. The Inquiry Committee shall strive to conclude the Inquiry within 30 working days from its commencement. It is clarified that the period for conclusion of the inquiry may be extended with the prior permission of the Board, if the circumstances so require.
- h. The Board shall also inform SEBI of the outcome of the Inquiry and the steps taken by the Board in that regard.
- i. All stakeholders shall cooperate with the investigation into an Incident. Failure to cooperate with the investigation shall attract disciplinary action.
- j. All the documentation in relation to the investigation shall be documented as per the applicable provisions of law in relation to retention of documents.

6. GENERAL

- a. In case of any subsequent changes in the provisions of the Insider Trading Regulations or any other applicable regulations ("Regulations") which render any of the clauses/ provisions in this Policy inconsistent with the Regulations, the provisions of the Regulations shall prevail.
- b. Further, this Policy shall not in any way preclude any referrals, complaints, measures, actions, etc., which can be instituted or which are available under the existing Vigil Mechanism and Whistle-blower Policy of the Company.

7. AMENDMENTS

- a. The Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the Insider Trading Regulations and the needs of the Company and remains effective.

Annexure A

To,
National Stock Exchange Limited
Exchange Plaza, C – 1, Block 'G'
Bandra Kurla Complex, Bandra East
Mumbai – 400051

Date : [●]

Or

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai -400001

Dear Sir/Madam,

Scrip Code: [●].

Sub.: Intimation of leak of or suspected leak of unpublished price sensitive information

With reference to the captioned subject matter and pursuant to Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, we wish to intimate the following:

Nature of the information leaked or suspected to be leaked	
Medium of leak of information or suspected leak of information	

Request you to kindly take the same on record.

Thanking you,

For and behalf of FirstMeridian Business Services Limited

Name
Designation

Annexure B

To,

Date : [●]

Securities and Exchange Board of India
Plot No. C4-A, 'G' Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400051

Dear Sir/ Madam,

Scrip Code: [●].

Sub.: Intimation of leak of or suspected leak of unpublished price sensitive information

With reference to the captioned subject matter and pursuant to Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015, we wish to intimate the following:

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