



**FIRSTMERIDIAN BUSINESS SERVICES LIMITED**

**CODE OF ETHICS FOR DIRECTORS AND SENIOR  
MANAGEMENT PERSONNEL**

*(Approved and adopted by the Board on \_\_\_\_\_)*

## **1. INTRODUCTION**

The Board of FirstMeridian Business Services Limited (“FirstMeridian” and/or the “Company”) adopted this Code of Ethics (the “Code”) at its meeting held on 12<sup>th</sup> April, 2022.

It applies to all current and future directors (including Independent Directors) and senior management personnel of FirstMeridian. It forms part of the contractual relationship between the Company and each director/ KMP. It is the intention of FirstMeridian that it will be adopted by the Board of all Subsidiary Companies within the FirstMeridian group of companies.

The Code should be read in conjunction with the Code of Conduct for Independent Directors as laid in Companies Act, 2013. It will form part of each director's induction and thereafter should be used as a point of reference, assisting each director to determine the correct response to a particular event or circumstance. It does not attempt to capture every event or scenario which may arise and should be read as providing principles not narrow rules.

The Code will enable each director to understand the many and diverse ethical risks that may arise and by providing the necessary tools, facilitate the correct response. The expectation is that each director/ KMP will be able to identify, assess and mitigate ethical risk.

Simultaneously the Code will set a universal standard and benchmark which all current and future Directors and Senior Management Personnel will adopt for promoting a board culture of honesty and accountability, which will set the tone from the top for the FirstMeridian group as a whole.

The principles in the Code are the individual and collective responsibility of all Directors and Senior Management Personnel. Questions arising from the Code can be addressed to the Company Secretary or the nominee. Both are authorized to obtain professional guidance, if warranted.

## **2. DEFINITIONS AND INTERPRETATIONS:**

**2.1** The term “**Board of Directors**” or “**Board**”, in relation to a Company, means the collective body of the Directors of the Company;

**2.2** The term “**Independent Directors**” shall mean an Independent Director referred to in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

**2.3** The term “**Conflict of Interest**” / “**Conflict**” mean a situation where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

**2.4** The term “**Senior Management Personnel**” / “**Key Managerial Personnel**” / “**KMP**” shall mean individuals who are designated as Key Managerial Personnel and officers/personnel who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the executive directors, including all functional and operational heads/ Presidents/ Vice-Presidents irrespective of their designation.

**2.5** The term “**Director**” shall mean the directors on the Board of Directors of the Company.

Words and expressions used and not defined in this Board Diversity Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended or the Companies Act and rules and regulations made thereunder.

### **3. SCOPE**

Each director and senior management personnel must comply with the letter and spirit of this Code while acting in his capacity as a Director/ KMP of FirstMeridian. Failure to comply with the Code will be treated as a matter of the utmost seriousness by the Board and the Company. If a director/ KMP has any uncertainty about the application of the Code to a particular set of circumstances, prevailing or anticipated, he should promptly raise it with the Company Secretary, or his/ her nominee providing full disclosure of all necessary information, thereby allowing an informed decision to be reached by the Company. The director/ KMP must respect the decision of the Company.

The Board expects that each director and KMP will act in good faith on behalf of the Company, discharge his /her responsibilities with due care, competence and diligence, without misrepresenting material facts or allowing their independence of judgment to be subordinated by others. The powers conferred on directors and KMPs must be exercised in the interest of FirstMeridian and its shareholders, not in the interests of themselves or others.

A conflict is an occurrence that can arise in many ways and which may influence, or have the appearance of influencing the independent exercise of a director's judgment in relation to the best interests of FirstMeridian because the personal interests of a director are adverse to or may appear to be adverse to the interests of the Company. Ideally conflicts should be avoided. Conflicts that cannot be avoided have to be managed to safeguard the reputation of the Company and the director. All directors and KMPs must be in a position to identify potential conflicts, thereby avoiding them.

Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly (ideally within 24 hours) to the Company Secretary. This will allow the Company to manage the situation and all stakeholders involved.

For these reasons directors and senior management personnel must adhere to the following restrictions:

#### **3.1 Personal borrowing and lending:**

- Borrowing or lending cash or other assets from or to the Company is prohibited;
- Borrowing or lending cash or other assets to an existing or potential customer (meaning a customer actively pursued by the Company) or supplier of the Company is prohibited other than in the normal course of business with reputable entities such as financial institutions and provided that the other provisions of this Code are met.

### ***3.2 Improper personal benefit:***

A director must not receive any improper or undisclosed personal benefit as a result of his position as a director of the Company.

**3.3 Gifts and benefits:** Before a director may accept or provide a gift or benefit (which includes entertainment) from or to a customer, or supplier to, the Company, government official or any person with decision-making authority over the Company, the director must be satisfied that:

- it is of reasonable and appropriate benefit or value consistent with established market practice and in the context of local custom and cost of living;
- it falls within normal business practices and or local customs;
- it is appropriate to the seniority of those involved;
- it is not a cash gift unless it is of small value and is part of a traditional festive custom;
- it was not solicited;
- it was not given or received in return for a contractual relationship or other benefit;
- if made public, it will not adversely affect the Company's reputation;
- it did not, to the best of the director's knowledge, contravene the business practices of the other party;
- it was not illegal and will not be seen by any government agency as an act of bribery or corruption.

Where refusal to accept a gift would cause offence, the gift may be accepted provided it is promptly declared to the Chairman of the Company and the Company Secretary who will record the gift. Unless the Board approves to the contrary, the gift or benefit cannot be retained by the director but must be transparently disposed of by the Company Secretary in consultation with the Chairman of Company and CEO for the benefit of the Company, which may include charitable purposes.

### ***3.4 Securities Transactions:***

Any securities transaction including securities of the Company based on unpublished price sensitive confidential information acquired through the Company is prohibited. *(Please see the FirstMeridian Code of Conduct for prevention of insider trading for more details.)*

### ***3.5 The application of this Section on Conflicts applies to the directors' immediate family members:***

Spouse, parents, children, siblings, whether by blood, marriage or adoption or anyone residing in the home of the director. These relatives are known as connected or related persons.

### ***3.6 Other Potential Conflicts of Interest:***

Most provisions in this Code could potentially give rise to a situation of conflict. Directors should reflect on that possibility when reviewing the other sections and act accordingly.

#### **4. TRAVEL**

Directors generally may not accept travel and accommodation offered by actual or potential customers or suppliers, either for business or personal use. If a director feels this principle should be waived he may seek prior dispensation from Chairman of the Board, copying the Company Secretary on the request.

#### **5. BUSINESS ACTIVITIES OUTSIDE FIRSTMERIDIAN**

FirstMeridian expects its directors to avoid any activity, employment, position, association or investment that might conflict or appear to conflict with the business of the Company. Before a person is appointed as a director he and FirstMeridian will jointly and separately evaluate whether his existing business activities conflict or have the potential to conflict with the business interests of the Company.

After appointment that assessment remains a continuing obligation on both FirstMeridian and the director.

Non-executive / Independent directors must pay particular regard to this requirement given the potential for conflicting activity.

Examples of outside business activities which may involve a conflict of interest are those that:

- affect the objectivity and independence of a director;
- involve the use of any information about the Company, or its customers, suppliers or employees;
- involve accepting an opportunity to engage in a business activity or to make an investment of which a director becomes aware either:
  - (i) in connection with his functions at the Company or
  - (ii) through the use of corporate information or property, if the opportunity is one that the director should reasonably believe would be of interest to the Company;
- place the director in a position that gives the appearance that he or she represents the Company when, in fact, this is not the case.

#### **6. CORPORATE OPPORTUNITIES**

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises and cannot place their personal interests above those of the Company on matters of relevance to the Company. Directors are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or the director's position; (b) using the Company's property, information, or position for personal gain; or (c) competing with the Company, directly or indirectly, for business opportunities, provided, however, if the Company's disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director may do so, after obtaining permission from the Chairman of the Board and notifying the MD/ CEO of his intended actions.

## **7. CONFIDENTIALITY**

Directors must maintain the confidentiality of information received in their capacity as Directors from FirstMeridian or its customers or agents except when disclosure is authorized or required by laws or regulations. Confidential information includes all non-public information (unpublished price sensitive information) that might be of use to competitors, or harmful, directly or indirectly, to the Company or its customers, if disclosed.

## **8. PROTECTION AND PROPER USE OF COMPANY ASSETS**

Directors must protect the Company's assets and not use any assets for their own purpose unless it is in the normal course of the Company's business. Directors must not use Company time, employees, supplies, equipment, funds, collateral, tools, buildings or other assets for personal benefit without prior written authorization from the Chairman / MD/ CEO of the Company. The Company Secretary should be copied on the request.

## **9. COMPLIANCE WITH LAWS, RULES, REGULATIONS AND COMPANY POLICY**

Directors shall comply with all applicable laws, rules, regulations and Company policies/codes.

## **10. ENCOURAGING TONE FROM THE TOP**

Directors and KMPs must set an example to the Company and the wider FirstMeridian group on ethical conduct and should take positive steps to ensure employees act in an ethical way. This includes encouraging employees to speak up and talk to managers or other appropriate personnel when in doubt about an ethical question. Directors should encourage all employees and interested third parties to speak up and report actual or suspected illegal or unethical conduct, breaches of law, regulation or Company policy under the Whistle Blower Policy.

## **11. RELATIONSHIP WITH AUDITORS AND REGULATORS**

No director or KMP shall make a false or misleading statement in relation to FirstMeridian to auditors, SEBI, NSE or BSE (or any other exchange where the Company may choose to list in future) or the Board. Without restricting the application of this requirement, all directors must engage honestly and truthfully with the Company's auditors and regulators. Directors are expected to engage with the Company's auditors and regulators via and within the framework provided by the Company unless exceptional circumstances apply.

## **12. ENGAGEMENT WITH STAFF**

All individuals should be treated fairly and equitably. Harassment or discrimination of any sort is strictly prohibited.

## **13. BRIBERY AND CORRUPTION**

Directors must combat all aspects of bribery and corruption, an activity which the Company views as illegal, unethical and dishonest.

**14. ACTUAL OR SUSPECTED BREACH OF CODE**

If a director, employee or third party becomes aware of an actual or suspected breach of the Code, it should be reported to the Company Secretary and Chairman of the Board. A confidential investigation will be carried out under the direction of these 3 individuals (unless the allegation relates to one of them in which case they will be excluded) either internally or with external professional assistance. Depending on the outcome, appropriate disciplinary steps may be taken, including a request that the director should resign or be removed from office.

This Code is not gender specific and reference to he should be construed as a reference to she when appropriate.

**SIGNATURE FORM**

I have, read, understood, and undertake to adhere to the Code of Ethics for Directors of FirstMeridianBusiness Services Limited.

\_\_\_\_\_

Name

\_\_\_\_\_

Signature