



FIRSTMERIDIAN BUSINESS SERVICES LIMITED

WHISTLE BLOWER & VIGIL MECHANISM POLICY

(Approved by the Board of directors of FirstMeridian Business Services Limited on 12th April 2022)



1. PREFACE

As per the requirements of the Section 177 of the Companies Act, 2013, every listed company and such class or classes of companies as prescribed in the Companies (Meetings of Board and its Powers) Rules, 2014 is required to establish a vigil mechanism through the “Whistle Blower Policy” for directors and employees to report concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

FirstMeridian has adopted the Code of Conduct, which lays down the principles and standards that should govern the actions of the Organization and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Organization. The role of employees in pointing out such violations of the Code cannot be undermined. Accordingly, this “Whistle blower Policy” has been formulated with a view to provide a mechanism for employees of the Organization to raise concerns on any violations.

2. OBJECTIVE

FirstMeridian is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, FirstMeridian encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

3. PURPOSE

This Policy encourages Directors and Employees (defined hereunder) to bring to the Company’s attention instances of any unethical incidents, actual or suspected, of fraud or violation of the Code of Conduct of the Company that could adversely impact the Company’s operations, business performance and/or reputation or raise bona fide concerns.

The Company shall investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. This Policy shall safeguard whistle-blower from reprisals or victimization

4. SCOPE

- All Core Employees and consultants/retainers;
- Employees of other agencies deployed for the Organization's activities, whether working from any of the Organization's offices or any other location Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Organization;
- Customers of the Organization;
- Any other person having an association with the Organization

The Policy covers malpractices and events which have taken place/suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of organization data/records
5. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
6. Any unlawful act whether Criminal/ Civil
7. Pilferage of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of Organization funds/assets
10. Breach of Organization Policy or failure to implement or comply with any approved Organization Policy

Policy should not be used in place of the Organization grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

5. COVERAGE

FirstMeridian and its Group Companies.

6. POLICY

The Whistleblower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of FirstMeridian.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

7. DEFINITIONS

- a) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
 - b) **“Code”** means the Code of Conduct of the Company.
 - c) **“Director”** means a member of the Board of Directors of the Company.
 - d) **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
 - e) **“Improper Act”** means any concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.
 - f) **“Investigator”** means those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee including Auditors of the Company and the police.
 - g) **“Policy”** means this Whistle Blower & Vigil Mechanism Policy
 - h) **“Protected Disclosures”** means any communications made by a Whistle Blower in good faith that expresses concerns of Improper Acts.
 - i) **“Whistle Blower”** means an Employee, a Director or other stake holders of the Company making a Protected Disclosure under this policy. Whistleblower can be permanent employees and/or consultants/retainers.
 - j) **“Disciplinary Action”** means any action that can be taken on the completion of/during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
-

k) **“Whistle Officer” or “Whistle Committee” or “Committee”** means an officer or Committee of persons who is/are nominated/appointed to conduct detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action.

The Committee, if appointed, should include Senior Level Officers of HR & Admin, Internal Audit and a representative of the Division/Department where the alleged malpractice has occurred. The Whistle Officer is also known as Vigilance Officer.

l) **“Investigation Committee”** will consist of members nominated by the **Whistle Committee** and will conduct the actual investigation of the concerns raised by the Whistleblower.

m) **“Ethical Behaviour”** means being in accordance with the accepted principles of right and wrong that govern the conduct of a profession including but not restricted to financial impropriety and accounting malpractices.

n) **“Professional Behaviour”** means exhibiting a courteous, conscientious and generally business-like manner in workplace that strives to maintain a positive regard to other while avoiding excessive display of deep feeling.

o) **Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.

p) **“Organization”** means, FirstMeridian and its Group Companies.

q) **“Good Faith”** An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

8. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Organization will:

1. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
 2. Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization
 3. Ensure complete confidentiality
 4. Not attempt to conceal evidence of the Protected Disclosure
 5. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure
-

made/to be made

6. Provide an opportunity of being heard to the persons involved especially to the Subject

9. PROTECTION TO WHISTLEBLOWER

If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Organization's employee will not be at the risk of losing her/his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:

- a. The communication/ disclosure is made in good faith
- b. He/she reasonably believes that information, and any allegations contained in it, are substantially true; and
- c. He/she is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals. However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

The Organization will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Organization shall publicly inform employees of the penalty imposed and disciplinary action taken against any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

10. Reporting Mechanism

Employees or Directors are encouraged to bring to the attention of the Company incidents pertaining inter alia to any –

- a. Illegal or unethical conduct including that which adversely affects investors, shareholders, customers, suppliers, other employees or the business performance or image or reputation of the Company;
-

- b. Violation of any law or regulation including actual or suspected fraud
- c. Conflict of interest with the Company
- d. Leaking any confidential or proprietary information of the Company and
- e. Any other violation of the Company's code.

A Whistleblower complaint may be made by any employee or director (hereinafter referred to as the 'complainant'). Such complaint should be sent to the Vigilance Officer with a copy to the Chairperson of the Audit Committee.

Compliant shall be made in writing and delivered through secured medium to the Vigilance Officer at the registered office of the Company or by secured email of Vigilance officer and must include as much information about the suspected violation or reported Incident and should describe:

- a. Nature & details of alleged violation or irregularity, period of commission;
- b. Identity of person(s) suspected to be involved or committed the alleged violation or Reported Incident;
- c. Description of documents that would prove or relate to the above. Whistleblower's role is that of reporting party with reliable information and a Whistleblower is not required or expected to act as investigator or fact finders.

All Protected Disclosures should be addressed to the whistle committee/ whistle officer with a copy of Chairperson of the Audit Committee and/or Chairman of Risk Management Committee of the Company.

b) The Contact details for reporting of Protected Disclosures are as under:

a. **Written Complaint:** A written complaint can be submitted to the whistle committee/whistle officer with a copy to Chairperson of Audit Committee and/or Chairman of Risk Management Committee

b. **Email:** An email complaint can be sent to the whistleblower committee/whistle officer at Alert@firstmeridian.com with a copy to Chairperson of Audit Committee and/ or Chairman of Risk Management Committee The complainant needs to leave a message through an identifiable email address with their name the confidentiality of which will be guaranteed.

c. **Telephone:** A telephone complaint can be registered by calling and leaving a message on

d. A report can also be made to the immediate supervisor (in case there is no potential conflict of interest) or made to any other official in FirstMeridian whom the reporting employee expect to have the responsibility to review the alleged unethical activity.

c) Protected Disclosures shall be reported in such a manner that to ensure clear understanding of the issue/s raised and should be typed or handwritten in legible handwriting in English, Hindi or regional language of place of employment of the Whistle Blower.

d) Protected Disclosures shall be forwarded with a covering letter which shall bear the identity of Whistle Blower. The Chairman of the Audit Committee/Risk Committee/Whistle Officer shall detach the covering letter and identity of the Whistle Blower before sending the matter for investigation to the Investigator.

e) Anonymous disclosures shall not be entertained under this Policy.

11. Investigation

Upon receiving a complaint (other than by or against Senior Management and/or Vigilance Officer), the Policy Administrators will make an assessment thereof and on being satisfied as to the seriousness and credibility of the complaint, direct the complaint for further investigation.

In case the Complaint does not merit any investigation, it shall be closed with the reasoned recommendation recorded by the Policy Administrators.

Any complaint by or against Senior Management and/or the Vigilance Officer will be investigated as directed by the Audit Committee.

All employees have a duty to cooperate in the investigation.

During the course of an investigation all disclosed information including the identity of the complainant will be kept confidential except as necessary or appropriate to disclose for the purposes of the investigation or where required to be statutorily disclosed. Every investigation shall be completed within reasonable time period and in any case within 90 days from date of receipt of the Complaint from the Whistleblower.

The report of the investigation shall be submitted to the Policy Administrators with reasoning and supporting material. All cases of Whistleblower complaints received, and dealt with by the Policy Administrators shall be reported to the Audit Committee.

If the Whistleblower Committee determines that a violation has occurred, the Company will take appropriate action which may include disciplinary proceedings against the violator, including termination of employment.

This Policy is recommended by the Whistleblower Committee and approved by the Board of Directors of the Company and shall be applicable to all directors, senior management and employees of the Company.

12. Escalation Matrix

- a. Complaints received through email, telephone will be reported to the audit committee within 1 business day from date of receipt of the complaint.
 - b. The Whistleblower Committee will acknowledge receipt of the concern or complaint to the submitter, (if not reported anonymously).
-

- c. The Whistleblower Committee will determine whether the concern or complaint actually pertains to a compliance or ethical violation through majority decision within 7 business days of receipt of the complaint with the committee.
- d. If the Whistleblower Committee determines that the complaint is a valid compliance violation, the Compliance Leader will investigate the alleged violation (If required, the Whistleblower Committee will set up an investigation committee that will have other members nominated by the Whistleblower Committee).
- e. The Investigation Committee will take all reasonable efforts to ensure that the investigation process is completed within three calendar weeks from the third business day of the receipt of complaint. If not, it shall justify the need for extension to the Whistleblower Committee.
- f. The Whistleblower Committee will make a decision based on the findings and the recommendations of the Investigation Committee.
- g. Prompt and appropriate corrective action will be taken by the Whistleblower Committee as described in 'Remedies & Discipline'.
- h. If the complainant can escalate the matter to the Audit committee chairperson, if the person still believes there is a reason
- i. All escalated/unresolved complaints will be presented to the board in the subsequent board meeting.

13. WHAT IS A COMPLIANCE VIOLATION?

Any violation of the Guiding Principles of the Code of Conduct is a compliance violation. The Guiding Principles of the Code of Conduct. It is the duty of all employees to notify the organization if they observe, or learn of, any unethical business conduct or illegal acts. Failure to promptly raise a known or suspected violation is also considered an unethical behaviour.

14. REPORTING ALLEGATIONS OF UNETHICAL ACTIVITIES

The whistle blowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the whistle committee.

Any person may report allegations of suspected unethical activities. Knowledge or suspicion of unethical activities may originate from employees, consultants/retainers.

Reports of allegations of suspected unethical activities must be made in writing so as to assure a clear understanding of the issues. Such reports should be factual rather than speculative and must contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures.

An unethical activity can be reported through any one of the following:

1. A report can also be made to the immediate supervisor (in case there is no potential conflict of interest) or made to any other official in FirstMeridian whom the reporting employee expect to have the responsibility to review the alleged unethical activity.

15. INVESTIGATION ALLEGED UNETHICAL ACTIVITY

All complaints received will be recorded and looked into. If initial enquiries by the whistleblower committee indicate that the concern has no basis, or it is not a matter to be pursued under this policy, it may be dismissed at this stage and the decision is documented. Where the initial enquiries indicate that further investigation is necessary, this will be carried through the whistleblower committee.

The following investigation process will be adhered to in case a report is filed:

1. The recipients will notify the Whistleblower Committee within one business day of receipt of report. Whenever possible (if not reported anonymously) the Whistleblower Committee will acknowledge receipt of the concern or complaint to the submitter.
2. The Whistleblower Committee will determine whether the concern or complaint actually pertains to a compliance or ethical violation through majority decision within **7** business days of receipt of the complaint with the committee.
3. If the complaint is against any member of the Whistleblower Committee, such member is not to participate in proceedings and will be suspended until the final outcome.
4. If the Whistleblower Committee decides that the complaint is not valid, wherever possible, Compliance Leader will communicate the rationale for the decision to the complainant. However, the complainant can escalate the matter to the Board of Directors or the independent auditor, if the person still believes there is a reason.
5. If the Whistleblower Committee determines that the complaint is a valid compliance violation, the Compliance Leader will investigate the alleged violation (If required, the Whistleblower Committee will set up an investigation committee that will have other members nominated by the Whistleblower Committee). Investigation Committee will file a report to the Whistleblower Committee along with the recommendations for corrective action. The Investigation Committee will take all reasonable efforts to ensure that the investigation process is completed within three calendar weeks from the third business day of the receipt of complaint. If not, it shall justify the need for extension to the Whistleblower Committee.
6. The Whistleblower Committee will make a decision based on the findings and the recommendations of the Investigation Committee.
7. Prompt and appropriate corrective action will be taken by the Whistleblower Committee as described in 'Remedies & Discipline'.

16. DOCUMENTATION AND REPORTING

1. All documentation pertaining to the complaint including but not restricted to the investigation report, Whistleblower Committee Report and corrective action taken will be maintained by the Head-HR for a period of 3 years.[see 21]
 2. A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistleblower Committee and the corrective actions taken will be
-

tabled at the first board meeting after the end of the quarter.

3. When possible and when determined appropriate by the Whistleblower Committee, notice of any corrective action taken will be given to the person who submitted the concern or complaint.
4. The closed cases (without disclosing names) may be made available on a common shared folder, except the ones which the Whistleblower Committee feels is against the interest of the parties.

17. REMEDIES & DISCIPLINE

If the Organization determines that a compliance or ethical violation has occurred, it will take the following action to correct it.

1. Any person found guilty of violation of the FirstMeridian Code of Conduct will be subject to disciplinary action up to and including termination of employment.
2. Appropriate procedures, policies and controls will be established in all departments to ensure early detection of similar violation.
3. During the investigation period or at any time thereafter, if any employee is found to be
 - a. retaliating against the complainant,
 - b. coaching witnesses or
 - c. Tampering with evidence, then it would lead to severe disciplinary action including termination of employment.

18. ACCOUNTABILITIES –

18a. WHISTLEBLOWERS

1. Whistleblowers provide initial information related to a reasonable belief that an unethical activity has occurred. The motivation of a Whistleblower is irrelevant to the consideration of the validity of the allegation.
 2. Whistleblower (including anonymous Whistleblower) must provide all factual corroborating evidence, as is available/possible, to enable commencement of an investigation. An investigation will not be undertaken without verifiable support. However, Whistleblower shall refrain from obtaining evidence for which they do not have a right of access.
 3. Whistleblowers have a responsibility to be candid with the Whistleblower Committee and Investigation committee. The person should be prepared to be interviewed by the Investigation Committee.
 4. Whistleblowers are not to act on their own in conducting any investigation.
 5. The Whistleblowers will not be immune to disciplinary action if he/she is found guilty of or is a party to the allegations.
 6. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegations by employees may attract disciplinary action.
 7. In exceptional cases, where the complainant is not satisfied with the outcome of the investigation carried out by the whistleblower committee, he/she can make a direct appeal to the Whole-Time Director.
-

18b. WHISTLE OFFICER AND WHISTLE COMMITTEE

1. The Whistleblower Committee will be responsible for upholding the principles of the Code of Conduct.
2. The Whistleblower Committee will determine whether the concern or complaint actually pertains to a compliance violation.
3. The Whistleblower Committee will review the findings of the Investigation Committee and will initiate appropriate corrective action.
4. The Whistleblower Committee will be responsible for ensuring that the investigation process is fair and transparent.

18c. INVESTIGATION SUBJECT

1. A subject is a person or a group of persons who is the focus of investigative fact finding either by virtue of an allegation made or evidence gathered during the course of an investigation. The decision to conduct an investigation is not an accusation; it is to be treated as a neutral fact finding process. The outcome of the investigation may or may not support a conclusion that an unethical act was committed and, if so, by whom.
2. The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of law and fairness in investigation.
3. Subjects should normally be informed of the allegations at the outset of a formal investigation and have opportunities for input during the investigation.
4. Subjects have a responsibility not to interfere with the investigation and to adhere to admonitions from investigators in this regard. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached or intimidated.
5. Unless there are compelling reasons to the contrary, subjects should be given the opportunity to respond to material points of evidence contained in an investigation report.
6. No allegation of wrongdoing against a subject shall be considered sustained unless at a minimum, a preponderance of the evidence supports the allegation.
7. Subjects have a right to be informed of the outcome of the investigation.
8. Any disciplinary or corrective action initiated against the subject as a result of an investigation pursuant to this policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

18d. INVESTIGATION PARTICIPANT

1. All employees who are interviewed, asked to provide information or otherwise participate in an investigation have a duty to fully cooperate with the investigators.
 2. Participants should refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no case should the participant discuss with the investigators subject the nature of evidence requested or provided or testimony given to investigators unless agreed to by the investigators.
-

3. Requests for confidentiality by participants will be honored to the extent possible within the legitimate needs of law and the investigation.
4. Participants are entitled to protection from retaliation for having participated in an investigation.

18e. STATUS REPORT TO BOARD:

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be sent to the Board.

19. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Organization rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure made by him and for legitimate reasons or cause under Organization rules and policies.

20. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with "Disclosures" are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Whistle Officer. "Disclosures" and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

21. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Organization for a minimum period of 07 years.

22. ORGANISATION'S POWERS

The Organization is entitled to amend, suspend or rescind this policy at any time. Whilst, the Organization has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Organization may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

23. Communication of this policy for all new Employees and Directors, a copy of this Policy shall be handed over as a part of the joining documentation, along with other HR related policies. For all existing Employees and Directors, a copy of this Policy shall be handed over within one month of adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted

on the web-site of the Company and in the Directors' Report of the Company.

24. Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

