

**Magma General Insurance  
Limited**

This Policy intends to provide a mechanism to Employees, Directors and Stakeholders, connected with the Company to approach and report to identified personnel any unethical and improper practices in the Company.

## **Breach of Integrity and Whistle Blower Policy**

Effective Date: 30.01.2024

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Approved By: Board of Directors

Policy Owner: Human Resource Department

This document is confidential in nature and supersedes any Breach of Integrity and Whistle Blower Policy existing in the Company, and should be read in conjunction with the most recent policies and procedures documented.

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<b>Base Document</b>	:	<b>Companies Act, 2013</b>
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**Breach of Integrity and Whistle Blower Policy**

**Magma General Insurance Limited**

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## 1. PREFACE

'Integrity is an integral part of the strong value system practiced by Magma General Insurance Limited and all Magma’s directors, employees and associates are expected to exhibit this ‘Value’ in all our dealings. It is natural, that we have a mechanism to deal with the employees whose activities cast doubts about their integrity. It is also desirable that such issues are escalated to the appropriate level in the company for suitable action. At the same time, it is important to note that 'Prevention is better than Cure' and hence we should be vigilant so that occasions of breach of integrity are minimized. In fact, if there are frequent integrity breaches in any particular function, it reflects adversely on the quality of supervision in that functional vertical.

Any 'Breach of integrity' and/or fraud is a very important issue for any company like Magma and so we have evolved a policy guideline to deal with directors, employees, channel partners, customers, service providers or others who are reported to have breached integrity or committed fraudulent act(s).

Anything done or omission thereof by any directors and/or employees, directly or in connivance with others, with an intention of cheating the company whether such act or omission has resulted in any actual loss or damage to the company or not, shall constitute fraud.

Over the last decade Magma has grown from a small enterprise to an organisation of national repute. Magma aspires to grow further aggressively. This requires a focussed approach and calls for taking responsibility and ownership at all levels.

Magma has always been a process driven organisation and to become globally competitive and sustain long term success it needs to build a high level of integrity which is driven by trust and lived by its core values.

In line with Magma’s commitment to the highest possible standards of professionalism, honesty, ethical, moral and legal behaviour for conduct of affairs of the Company towards the employees and outsiders, in fair and transparent manner and its commitment to open communication, this “**Breach of Integrity and Whistle blower Policy** ” (hereinafter referred to as the “**Policy**”) has been formulated to provide a mechanism to the directors, employees, senior management personnel and/or professionals serving in any functions and attached to any roles and stakeholders of the Company to approach and report to the Disciplinary Committee and/or Officer dealing with Frauds as may be designated for this purpose or any unethical or improper practices in the Company. This Policy also seeks to protect the Whistle Blower from any retaliatory action taken by anyone in the

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Company including its managerial personnel. While the role played by stakeholders is important, specially, the role of the employees in pointing out such violations cannot be undermined.

## 2. DEFINITION

- **“Alleged Wrongful Conduct/Wrongful Conduct”** shall mean violation of law, misuse or abuse of authority, actual Fraud or suspected Fraud, any deliberate concealment of such abuse or Fraud, infringement of Company’s rules, violation of code of conduct, misappropriation of funds, cheating or an intention to cheat, substantial and specific danger to public health and safety or violation of this Policy.
- **“Audit Committee”** means the committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956 and reconstituted in accordance with Section 177 of the Companies Act, 2013 read with Clause 49 of the listing Agreement.
- **“Board of Director” or “Board”** in relation to a company, means the collective body of the directors of the company;
- **“Breach of Integrity/ Fraud”** includes:
  - a) An act characterised as such under the provisions of section 447 of the Companies Act, 2013;
  - b) In terms of definition provided by the Insurance Regulatory and Development Authority of India (IRDAI):
    - The term “fraud” generally means an act of deception, bribery, forgery, extortion, theft, misappropriation, false representation, conspiracy, corruption, collusion, embezzlement, or intentional concealment or deliberate omission of material facts to cause wrongful gains to self or others and /or wrongful loss to others. Fraud is a violation of trust that, in general, refers to an intentional act committed to secure personal or business advantage
- **“Compliance Officer”** means such person designated by the Company, from time to time, for the purpose of reporting and/or compliances under the various law(s), rules regulations as applicable to the Company including any amendment thereto.

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- **“Code of Conduct and Discipline Rule”** shall mean Magma’s Code of Conduct and Discipline Rules.
- **“Director”** means a Director appointed to the Board of a company.
- **“Disciplinary Action”** for the Employees means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of penalty, suspension/termination from official duties and for the Stakeholders it shall mean termination of business relationship or any such action as is deemed to be fit by HR and/or Disciplinary Committee considering the gravity of the matter which shall also include but not limited to legal suits.
- **“Disciplinary Committee”** shall mean the committee formed under this Policy which shall include;
  - Disciplinary Committee: Disciplinary Committee to recommend actions on employees of Sr. Manager and below grades. The constitution of this committee would be as under;
    - Head of Internal Audit
    - Chief Risk Officer
    - Head of Motor & Non Motor Claims
    - Head Business HR
    - Head Operations - Insurance
  - Senior Disciplinary Committee: Disciplinary Committee to recommend actions on employees with grades above Sr. Manager. The constitution of the said committee would be as under;
    - CHRO
    - Head of Internal Audit
    - Chief Financial Officer
    - Head of Motor & Non Motor Claims
    - Head – Corporate Sales
  - For cases wherein the complaint is against anyone related to HR / Finance / Internal Audit/ Motor Claims/ Operations & Corporate Sales, the respective member of the Disciplinary Committee may be substituted by an employee nominated by MD & CEO.
  - Audit Committee: to look into Whistle Blower cases against Senior Management Personnel and Directors of the Company;

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- **“Employee”** means every person in employment relationship with the Company, including the Directors in employment of the company, Key Managerial Personnel and Senior Management Personnel of the Company.
- **“Group Companies”** means and includes Subsidiaries and Associates (both the terms are defined in the Companies Act, 2013)
- **“HR In-Charge”** means Head Business HR as designated by CHRO and would be the nodal officer for handling all Employee related alleged wrongful conduct/wrongful conduct with the support of other functions such as Investigating Authority (IA), Disciplinary Committee, and Legal.

**“Investigator/Investigating Authority”** shall mean and include members of Investigation and Fraud Control Unit or such other person as may be designated by the Audit Committee, to investigate the alleged Wrongful Conduct.

- **Key Managerial Personnel** has been defined in Annexure 4 of the Corporate Governance Guidelines of IRDAI, which shall include;
  - The Chief Executive Officer or the Managing Director or the Manager;
  - The Functional Heads one level below the MD/CEO
  - The Whole-Time Director;
- **“Protected Disclosure/Whistle Blow”** means a concern raised by Employee(s) or Directors or any other Stakeholder(s) of the Company, through a written communication and made in good faith which discloses or demonstrates information about an activity covered under the definition of Alleged Wrongful Conduct under the scope of the Policy with respect to the Company.

However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

- **“Stakeholder”** means a person having any business relationship with the Company including but not limited to customers, contractors, suppliers, business Employees, service providers, channel partners, third party agencies, valuer etc. It shall also include employees of those entities in which Magma has an interest but does not have control, as also consultants and agents employed by Magma for conduct of its business normally.
- **Senior Management Personnel** has been defined in section 178 of the Companies Act, 2013 and Clause 49 of Equity Listing Agreement the Companies have with the stock exchanges

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where the equity shares of the Company are listed as, personnel of the Company who are members of its core management team excluding Board of Directors; normally this would comprise all members of management one level below the executive directors, including functional heads;

In Magma’s context the term “Senior Management Personnel” would cover its Functional Heads i.e. business heads who directly reports to the the Managing Director & CEO or such other persons as deemed fit.

- **“Whistle Blower”** means a Director or an Employee or Stakeholders making a Protected Disclosure under this Policy.

### 3. Our Commitment

- Provide Stakeholder with best-in-class service so as to develop a mutually beneficial relationship;
- Be preferred employer where Employees feels valued and Stakeholders recognise the commitment, potential and dedication of our employees;
- Achieve success for Stakeholders and serve for the betterment of the society;
- In fulfilling our commitment we will strive to live by our core values, these are :
  - **Integrity:** We are honest & transparent in our actions, speak our mind and always stay true to our word
  - **Fairness:** We are fair, impartial and respectful in our dealings and decisions
  - **Empathy:** We strive to acknowledge the feelings of all stakeholders, and are human and caring in our approach and interactions
  - **Excellence:** We insist on excellence in all our actions and hold ourselves to the highest standards possible.

Apart from the above guiding principles, we shall at all times be guided by Magma Book of Values

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#### 4. OBJECTIVES

1. This Policy aims to maintain the standard of business conduct and ethics expected of everyone who carries out work for or on behalf of for the Company and also ensuring compliance with legal requirements.
2. This policy also seeks to serve as a guideline for reporting of fraud to the various regulatory authorities as required by such authorities from time to time.
3. This policy does neither release the Employees and Stakeholders from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.
4. This Policy provides a channel to Whistle Blower to report concerns about any Alleged Wrongful Conduct and to build and strengthen a culture of transparency and trust between the Whistle Blower and Magma as an organization.
5. It provides necessary safeguards for protection from reprisals or victimization of Whistle Blower, blowing the whistle in good faith.
6. It encourages the Whistle Blower to communicate to the members of the Disciplinary Committee and/or through fraud control of the Company as may be applicable, behaviour or practice, that they may be aware of and which they suspect to be unethical, illegal or otherwise inappropriate and harmful to the Company.
7. It seeks to protect the Whistle Blower, who is providing information regarding violation/s of law or regulation by the Company, its Employees and Stakeholders or regarding manipulation of company’s data / records, leaking confidential or proprietary information, wastage or misappropriation of company fund and assets or any other activities which amount to Wrongful Conduct/Alleged Wrongful Conduct in terms of this Policy, including but not limited to, accounting, internal controls, auditing matters, applicable national and/or international laws, either through Whistle Blower mechanism and/or by informing the identified personnel of the Company through written communication, with relevant information, without fear of victimization.

#### 5. APPLICABILITY AND SCOPE

- a. This Policy applies to all Employees, Directors and Stakeholders of the Company.



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This Policy covers any Alleged Wrongful Conduct or any activity on account of which the Interest of the Company is affected and is formally reported by Whistle Blower(s) such as:

- i. **Issues pertains to Integrity:**  
In case of any issues pertaining to breach of integrity, once a case is prima facie and case is accepted, the process laid down in this Policy shall be followed. Examples of Integrity/Wrongful Conduct which can be treated as Breach of Integrity/Fraud is mentioned in **Annexure I**. However, the cases which are not covered in this Annexure would need to be categorized basis the nature and gravity of breach of Integrity/Wrongful Conduct
  - ii. **Disciplinary Issues / Workplace harassment**  
In case of receipt of any Protected Disclosure regarding any disciplinary / workplace harassment issues, the Human Resources department will be the ultimate authority to take decision basis on the Code of Conduct and Discipline Rules of the company.
  - iii. **Leak or Suspected Leak of Unpublished Price Sensitive information**  
Any employee of the Company, who comes to know of any leak or suspected leak of any Unpublished Price Sensitive Information of the Company can report the same under this policy.
  - iv. **Any other issues**  
Protected Disclosure other than as mentioned above will be dealt in pursuance of the Code of Conduct and Discipline Rules of the Company and/or as per this Policy as applicable.
- b. The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case;
  - c. Whistle Blowers should not act on their own in conducting any investigative activities nor do they have a right to participate in any investigative activities other than as requested by the Compliance Officer and/or Investigator/ Investigating Authority or otherwise;
  - d. Protected Disclosure will be appropriately dealt with by IA and/or officer designated for this purpose, Investigator or the Chairman of the Audit Committee, as the case may be, depending on the gravity of Protected Disclosure made by the Whistle-blower.

A Whistle Blower, in exceptional circumstances, may also report any violation, to the Chairman of the Audit Committee whose address is given herein below, who shall cause

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investigation into the same at his own discretion or may refer the matter to the Disciplinary Committee for investigation.

**The Chairman of the Audit Committee**  
Development House, 24, Park Street,  
Kolkata - 700016.

## 6. SOURCES OF INFORMATION OR MODES FOR REPORTING OF ALLEGED WRONGFUL CONDUCT/WRONGFUL CONDUCT

This section is divided in to two parts:

- A: Modes of reporting of Wrongful Conduct
- B: Detection and identification of Alleged Wrongful Conduct

A. Modes of reporting of Wrongful Conduct Whistle Blower coming to know of any suspected Alleged Wrongful Conduct, through whatever means, should immediately bring it to the notice by either of the following modes. In case of any undue delay in reporting of any Wrongful Conduct, it will be considered as conniving with the Wrongful Conduct.

Modes:

- i. Directly communicate with reliable information to [whistleblow@magmainsurance.co.in](mailto:whistleblow@magmainsurance.co.in) or at the postal address:  
Kind Attn.: CHRO - Magma General Insurance Ltd., Equinox Business Park, Tower-3, 2<sup>nd</sup> Floor, OFF BKC LBS Marg, Kurla West, Mumbai - 400070 (upon receipt the complaint should be forwarded to HR-In charge)
- ii. Communicate / complain to any employee or sr. management team on alleged Wrongful Conduct. In such an event the recipient of such complaint shall forthwith forward the same to IA or CHRO, who shall in turn inform the Head Business HR
- iii. In exceptional circumstances, may also report any violation, to the Chairman of the Audit Committee whose address is given herein below, who shall cause investigation into the same at his own discretion or may refer the matter to the Disciplinary Committee for investigation.

**The Chairman of the Audit Committee**  
Development House, 24, Park Street,  
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B. Detection and identification of Alleged Wrongful Conduct

- i. Each vertical, both line and support, of all businesses, shall have in place adequate directive/preventive/ controls to prevent and detect Alleged Wrongful Conduct and the primary

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responsibility of detection and reporting of any Alleged Wrongful Conduct would normally rest with the immediate superior of the perpetrator.

ii. Alleged Wrongful Conduct may also be detected by IA / Internal Audit team whenever they conduct an audit or special review. Simultaneously, to prevent occurrence of fraudulent activities, surprise branch visit will be conducted and extension of this may include surprise audit of any location by internal team meant/formed for this purpose.

iii. All Employees/Stake Holders have the responsibility to be vigilant against any Alleged Wrongful Conduct and any Wrongful Conduct notice can be brought to light through ‘Whistle Blowing’.

## 7. INVESTIGATION PROCESS:

Activity	Vertical Responsible	Timeline (Working Days)
<p>1. Preliminary analysis by HR In-charge whether the complaint is prima facie Wrongful Conduct or not. In case of Wrongful Conduct forward it to Investigating Authority (IA) for investigation</p> <p>If any complaint is prima facie not Wrongful Conduct then reasons thereof shall be documented and intimated to Disciplinary Committee for review.</p>	HR In-charge	Within 3 Days of receipt of complaint
<p>2. Disciplinary Committee shall review prima facie reasons for not referring the matter to IA for investigation. If not satisfied, forward the matter to IA for investigation.</p>	Disciplinary Committee	Within 7 days
<p>3. IA to decide whether the complaint merits or does not merits investigation and document the reasons thereof in case of rejection. The reason so documented for rejection be communicated to the Disciplinary Committee.</p>	Investigating Authority	Within 7 days
<p>4. Investigation of Wrongful Conduct by IA upon acceptance of case and submission of Final Investigation Report to Disciplinary Committee.</p>	Investigating Authority	Within 30 days

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5. Decision on firming up or modification of business/operational process in discussion with IA and respective Functional Head to prevent and curb any such recurrence.	Concerned Functional Head	Within 14 Days of receipt of Report
6. Upon receipt of Report from IA, the Disciplinary Committee shall take the necessary disciplinary action as per the categorization of wrongful conduct done by IA and reviewed by Disciplinary Committee.  The matters of Termination of employment shall be forwarded to Senior Disciplinary Committee.  Cases warranting legal proceedings shall be forwarded to Legal team.	IFCU	Within 21 days
7. IFCU to take action e.g. Lodging of FIR, recovery/legal proceedings etc. against the concerned Employees.	IFCU	As per Judicial /Administrative procedure

- a. No disciplinary action would be recommended without issuing show cause notice thereby giving opportunity of being heard as per a principal of natural justice.
- b. Minutes of the meeting of the Disciplinary Committee shall be recorded in writing identifying date, names of the members and signed by all the members.
- c. Wherever deemed necessary HR In-charge and/or Investigating Authority, as the case may be, will intimate to the Disciplinary Committee about the gravity of the frauds and the concerned Disciplinary Committee or HR In-charge in consultation with the members of the Disciplinary Committee may put the accused Employee under immediate suspension pending completion of the investigation and enquiry.
- d. Matters related to non-business nature, e.g., behavioural or inter-personnel issues will be taken up directly by HR In-charge for investigation as per Code of Conduct Policy of the Company
- e. HR In charge shall upon receipt of any case or knowledge of fraud involving employee either from respective business team or suo moto discovery or otherwise where any disciplinary action is proposed or where any pre-legal action has been taken, shall follow the steps as

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stipulated in the Investigation Process and ensure that such cases have been forwarded to Compliance team and legal for necessary action and information.

- f. Intimation by way of writing or by an e-mail will also be sent to the Functional Head of the concerned vertical of investigation having been initiated.
- g. Wherever deemed necessary HR In-charge and/or Investigating Authority, as the case may be, will intimate to the Disciplinary Committee about the gravity of the wrongful conduct and the concerned Disciplinary Committee or HR In-charge in consultation with the members of the Disciplinary Committee may put the accused Employee under immediate suspension pending completion of the investigation and enquiry

**8. RESPONSIBILITIES OF THE INVESTIGATING AUTHORITY:**

Once a case of suspected Wrongful Conduct is brought to the notice of Investigating Authority, it shall study the case and may take action as deemed necessary:

- i. Preliminary analysis/investigation of cases shall be done for acceptance / rejection for investigation by the Investigating Authority as the case may be.
- ii. On preliminary analysis/investigation, if any matter is rejected then reasons thereof shall also be documented and intimated to the Disciplinary Committee.
- iii. Investigating Authority shall depute its team to investigate the matter thoroughly, if it feels necessary. Investigating Authority may also take the help of any other department/external resources for investigation, if it feels necessary. However there should not be any conflict of interest while taking help of other department;
- iv. Once Investigating Authority (IA) as the case may be, after learning the facts of the case, believes that an Employee accused of Wrongful Conduct should be put under suspension, it may make such recommendation to the Disciplinary Committee before or at any stage during the investigation, clearly stating the reasons for such recommendation depending on the gravity of Wrongful Conduct.
- v. The investigation shall be completed normally within 45 working days of the receipt of the Protected Disclosure/Complaint or suo-moto discovery.

After the completion of the investigation (and discussions with concerned vertical, if felt necessary), Investigating Authority as the case may shall submit the final investigation report to the concerned Disciplinary Committee, the Compliance Officer and to the National Head of the concerned vertical (Functional Head) if so required. Such report shall contain recommendations inter alia:

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- Charges fixed on the Employees responsible with grading of the offences in terms of “Minor”, “Major”, “Serious” and “Gross”;
- To take such disciplinary or corrective action as the Disciplinary Committee of the Company deems fit;
- Process modifications, if any;

### 9. CATEGORIZATION OF WRONGFUL CONDUCT AND PUNITIVE ACTION:

The term Wrongful Conduct has been categorized in to 4 degrees namely: ‘Serious’, ‘Gross’, Major’ and ‘Minor’ Wrongful Conduct. An illustrative list of this categorization of Wrongful Conduct basis historical experience is attached in Annexure I. However, the cases which are not covered in this illustrate list would need to be categorized basis the nature and gravity of Wrongful Conduct.

The below table lays down the disciplinary procedure/punitive actions as per the categorization/degree of Wrongful Conduct:

Degree	Fraudulent Act	Alleged Wrongful Conduct	Punitive Action
Minor	NA	Unintentional act or negligence for which no direct motive is attributable, and the impact of the Alleged Wrongful Conduct does not have any material impact with regard to financial, reputation, customer satisfaction, legal etc.	1. Verbal warning / counselling /advisory /cautionary note by the HR manager and/or in presence of HR Manager with information to the national head concerned. Post action the information should be mailed to all concerned that the process has been complied and the copy of the relevant documents to be kept in file for future reference.
Major	Intentional Subversion of policy(s) process/ established practices/ procedural activities not aimed at deriving	Intentional Subversion of policy, procedure to show better performance or unintentional act or negligence, consequences of which has material impact with regard to financial, reputation, customer satisfaction, legal etc.	1. A warning in writing shall be issued by Head Business HR/ CHRO. However, person(s) having delegation of authority by Head Business HR/ CHRO can issue letters on their behalf. A copy of the same shall be held in the employees file at HR. Employee’s rating during appraisal will be dropped one notch lower and such

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	pecuniary benefits	Any second instance of minor Wrongful Conduct within 12 months will be considered as Major Alleged Wrongful Conduct.	employee will not be eligible for promotion in the next appraisal cycle.
Serious	Intentional act aimed at deriving pecuniary benefit for self or channel partner.	Intentional Wrongful Conduct / process violation aimed to gain pecuniary benefit(s) or gross negligence of work consequences of which has material impact with regard to financial, reputation, customer satisfaction, legal etc.  Any second instance of unexplained major Wrongful Conduct within 12 months will also be considered as serious Wrongful Conduct.	1. Initiating actions to make the accused employee exit from the system.  2. HR/ IFCU – Organisation wide communication would be sent informing the nature of wrongful conduct committed, investigation findings, amount involved and disciplinary action taken, in the form of a case study.  3. Considering nature of wrongful conduct- emails to be sent by the respective vertical/functions to the customer dealt with by such employee thereby warning not to deal with him as he/she might defraud them.
Gross	Misappropriation of cash of the company, customer, channel, service provider etc.	Intentional Wrongful Conduct that has gross negative impact on the company’s reputation or ethical environment in the eyes of customer, employees, channels, law, service provider or any other stake holder.	1. Disciplinary n leading to dismissal of accused employee. Alongside criminal proceedings to be done particularly when there is money to be recovered.  2. HR/ IFCU – Organisation wide communication would be sent informing the nature of wrongful conduct committed, investigation findings, amount involved and disciplinary action taken, in the form of a case study.  3. Considering nature of wrongful conduct - emails to be sent by the respective vertical/functions to the customer dealt

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			with by such employee thereby warning not to deal with him as he/she might defraud them.  4.Strict Criminal and Civil legal recourse as per nature of case
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Before implementing the disciplinary action as per above matrix, the Disciplinary committee will discuss with the concerned vertical and may seek their views. However, the decision of the Disciplinary Committee will prevail.

**10. IMPLEMENTATION OF ACTIONS ON THE INVESTIGATION FINDINGS**

There will be two types of actions emanating out of the investigation findings.

- a. **The first category** of actions will be pertaining to disciplinary actions against Directors and Employees or Stakeholders as the case may be who have been implicated in the Alleged Wrongful Conduct.
- b. **The second category** of actions will be the implementation of ‘process modifications’ to minimize the possibility of alleged Wrongful Conduct recurrence.

The Disciplinary Committee will also monitor and ensure that the action to be initiated as per the report has been properly implemented.

The Disciplinary Committee shall review the investigation report and recommendation and revert with recommendation to IA within 3 working days from receipt of report.

Before implementing the Disciplinary Action, HR may discuss with the concerned Vertical Head and seek their views. However, the decision of the Disciplinary Committee will prevail. Whistle Blowers, who are Employees or Stakeholders of the Company and who make any Protected Disclosures, which are subsequently found to be mala fide or malicious, shall be liable to Disciplinary Action under this policy of the Company. Any Employees knowingly or intentionally suppressing / hiding any Wrongful Conduct and not reporting to the Disciplinary Committee and/or Investigating Authority will also be liable for Disciplinary Action under this Policy.

**Actions for Employees:**

For ‘Serious’, ‘Gross’, Major’ and ‘Minor’ Alleged Wrongful Conduct the outline of standard disciplinary procedure/action is to be referred to the **Clause 9**.



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In case of repeated frivolous complaints being filed by a Director or an Employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

**Actions for Stakeholders:**

Actions for external agencies/parties (read with definition of Stakeholders) will be initiated by the concerned vertical in terms of laid down policies of the Company and/ laws of the land.

**11. REPORTING OF FRAUDS AND RETURNS:**

The Compliance Officer on receiving the report from the Investigating Authority as the case may be, shall submit or cause the same to be submitted to the Insurance Regulatory Development Authority of India (IRDAI) in accordance with directions pertaining to Fraud Monitoring Report (FMR) of IRDAI, as amended from time to time.

**12. NON-INTERFERENCE**

There shall not be any interference in the process of investigation especially by anyone in the concerned vertical.

**13. PROTECTION**

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy. Complete protection will, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower’s right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure etc. As an additional measure, if any Employee is found to be retaliating against someone who has reported a Wrongful Conduct in good faith shall be subjected to Disciplinary Action under this Policy. At the same time, if any individual is found to be making repeated or frivolous complaints, then suitable action will be taken against the concerned including reprimand.

Save and except as required by law enforcement agencies under any subpoena, the identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law (except to the persons involved in investigation in the matter on which whistle has been blown) and unless the

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Whistle Blower has himself/herself disclosed his/her identity to any other office or authority. Provided however that the Whistle Blower before making a complaint shall have reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith and assessed as such by the Investigation Authority/ Disciplinary Committee shall be viewed seriously and the Whistle Blower shall be subject to appropriate Disciplinary Action. This Policy does not protect a Whistle Blower from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Policy.

Notwithstanding anything mentioned herein above, any breach of protection clause by the Employees or the Stakeholders shall be appropriately dealt with by the Disciplinary Committee at its own discretion and the Disciplinary Committee shall take such punitive and/or disciplinary action it may deem fit.

#### 14. ADMINISTRATION, AMENDMENT AND REVIEW OF THE POLICY

The Audit Committee shall be responsible for the administration, interpretation, application and review of this Policy. The Audit Committee also shall be empowered to bring about necessary changes to this Policy, if so required at any stage at its own discretion or with the concurrence and/or recommendation of the Disciplinary Committee. Whilst, the Company 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 Company 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.

A quarterly report about the functioning of the Whistle blower Mechanism shall be placed before the Audit Committee by the members of the Disciplinary Committee. A quarterly status report on the total number of complaints received if any during the period with summary of the findings of Investigating Authority / Disciplinary Committee and corrective steps taken should be sent to the Audit Committee.

#### 15. CONFIDENTIALITY

Investigating Authority and external resources (if any) appointed by the Investigating Authority during the course of investigation or any other person who are anywhere related to this Policy shall maintain the confidentiality of sensitive information relating to the Company which comes to their knowledge in the course of the discharge of their functions and any other confidential information about the Company that comes to them, from whatever source, except when such disclosure is

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authorized or legally mandated. No person shall provide any confidential or sensitive information either formally or informally, to the press or any other publicity media, unless specifically authorized to do so. Confidential / sensitive information includes all information not in public domain and that might be of use to competitors or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company. The obligation to preserve confidential information continues even after employment ends.

### Annexure 1:

Sl. No.	Vertical	Category	Grade	Nature of Misconduct
<b>A. Sales</b>				
1	Sales	Others	Gross	Misappropriation of cash and financial instruments related to the company, customers, channels and service providers
2	Sales	Delay in depositing premium	Major	Delaying deposit of premium collected from customers for more than 10 days
3	Sales	Making false promises to/misinforming customers	Major	Incorrect fees collected directly or letting channel take higher than prescribed insurance premium
4	Sales	Mishandling channels	Major	Converting a direct case to indirect - "if such conversion is without the objective / intent of sharing payout / commission."
5	Sales	Mishandling channels	Serious	Converting a direct case to indirect -"if such conversion is with the objective / intent of sharing payout / commission."
6	Sales	Mishandling channels	Major	Changing the name of the channel partner
7	Sales	Mishandling channels	Minor	Permitting channel to book a deal subsequent month, since his current month targets are met
8	Sales	Providing Incorrect details	Minor	Not capturing the right communication address/ phone number where applicant is reachable.

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9	Sales	Affecting company's revenue	Minor	Diverting list of declined cases to other channels or competition
10	Sales	Tampering documents	Serious	Making any change in any standard document of the company or the documents of the customer, Broker, dealer or any other agency
11	Sales	Tampering documents	Serious	Preparing or ordering preparation of any document that should be received from the channel, dealer, customer or any other agency
12	Sales	Unauthorised activities	Serious	Sharing information that might compromise the company's position with the customer
13	Sales	Affecting company's revenue	Serious	Diverting insurance business to others
14	Sales	Others	Serious	Offering or promising any payments in cash or kind to anyone internally or externally to improve performance.
15	Sales	Unauthorised activities	Serious	Sharing customer information outside Magma
<b>B. Operations</b>				
16	OPS	Misleading the company	Major	Booking of the Policy without the requisite documents or incomplete information required as per Magma Guidelines
17	OPS	Misleading the company	Gross	Acceptance of wrong/incorrect proposal details/ in influence/ and or in collusion with the internal team i.e Sales or any external team i.e agent . With the objective to circumvent guidelines and/or system controls
18	OPS	Misleading the company	Gross	Bypassing of the operations process deliberately/ intentionally

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19	OPS	Misleading the company	Major	Failure to record / maintain and/or destroy any material information about any proposal.
20	OPS	Misleading the company	Gross	Failure to record / maintain material information about any proposal deliberately with wrong intention
21	OPS	Misleading the company	Major	Issuance of the policy without proper appraisal / documents.
22	OPS	Misleading the company	Gross	Entering and or recording incorrect/ incomplete data/information in the system or in any manual records with the intention to circumvent system controls and checks
23	OPS	Misleading the company	Gross	Misappropriation of cash and financial instruments related to the company / customers.
24	OPS	Unauthorised activities	Major	Sharing information classified by Magma as confidential and for internal official use, and or customer data that might compromise the company's position with the customer
25	OPS	Unauthorised activities	Major	Sharing of System access rights, login ids, passwords and other access controls with other employees.
26	OPS	Misleading the company	Gross	Using system access rights, login ids, passwords and other access controls of other employees for processing proposals and or any operations related activity
27	OPS	Misleading the company	Gross	Withholding and/or put on record, report to higher authorities any facts or information which is in/ and or comes to the knowledge of Ops employees in the normal course of their assigned functions, which is/has potential impact to harm the interests and or wellbeing of the organisations interest

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28	OPS	Unauthorised activities	Gross	Passing direct leads/proposals of customers to Sales and Intermediaries with the intention of sharing commission etc.
29	OPS	Tampering documents	Major	Completing proposals forms and or proposal details which are not recorded by the customer for the purpose of underwriting evaluation for risk acceptance
30	OPS	Misleading the company	Serious	Incomplete or incorrect recording of Pre-Inspection details in the system in case of break-in insurance proposals resulting in wrong details of pre-existing damages recorded resulting in incorrect assessment in case of claims or subsequent renewals
31	OPS	Unauthorised activities	Major	Not recording proposals which are discrepant and circumventing system controls for policy issuance
32	Finance	Others	Major	Not keeping record of Bounce Memo and Bounce Cheque
<b>C. Claims</b>				
33	Claims	Unauthorised activities	Major	Sharing confidential information to the insured or IMDs, Sales and / or workshops
34	Claims	Unauthorised activities	Gross	Promising a claims settlement to customer, workshop, intermediary or Sales colleagues, exceeding the powers and/or not falling within purview of Policy Terms & Conditions, in any mode of communication
	Claims	Negligence of work	Major	Any deviation of policy terms & conditions in claim assessments without recording proper reasons and obtaining approval of designated approving authorities

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	Claims	Making false declarations	Gross	Suppression of material facts about the claim and/or altering of any information in the knowledge of the claims colleagues, provided by customer, workshop, intermediary, and or Sales which has a potential negative financial impact to Magma
37	Claims	Others	Gross	Misappropriation of cash and financial instruments related to Magma, customers, channels and service providers
38	Claims	Misleading business decision	Serious	Non adherence of claims process, SOP and guidelines which exposes Magma to negative financial impact
39	Claims	Misleading business decision	Major	Making falsified statements in any mode of communication to obtain an approval of higher authorities
40	Claims	Misleading the customers	Major	Promising terms that are not as per standard offerings on the company
41	Claims	Others	Serious	Entering into any money transaction with any channel partner of the company
42	Claims	Others	Gross	Marking internal mails to third party which may lead to complications
43	Claims	Negligence of work	Serious	Not proper care taken while exercising the financial authority or assessing the loss, disposal of salvage.
44	Claims	Others	Major	Accepting payments in cash, kind, gratification from anyone- customer, channel etc. Exception is only items like calendars, diaries, sweets that carry the name of the company offering the same. Even in the case of such items, if value of such gift exceeds

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45	Claims	Misleading the company	Gross	Entering/recording incorrect claims/assessment details in the System with intention to circumvention checks and controls in the system causing negative financial impact to Magma
46	Claims	Misleading the company	Gross	Understating salvage value in case of total loss claims settled on Net of Salvage basis causing negative financial impact to Magma
47	Claims	Misleading the company	Gross	Collusion with workshop, sales, intermediaries, external surveyors & loss assessors to enhance claims assessment/fabricate claims causing negative financial impact to Magma
48	Claims	Misleading the company	Major	Overstating loss assessment resulting in considering insured vehicle as total loss causing negative financial impact to Magma
<b>D. Finance &amp; Compliance</b>				
49	Finance	Others	Gross	Collecting cash sans MR/Cover Note
50	Finance	Others	Gross	Cash shortage
51	Finance	Others	Gross	Holding unaccounted cash
52	Finance	Others	Gross	Issuing MR books for field collection
53	Finance	Others	Gross	Misappropriation of cash and financial instruments related to the company, customers, channels and service providers
54	Finance	Others	Major	Not updating daily cash register on daily basis
55	Finance	Others	Major	Not Keeping Petty Cash register updated in system
56	Finance	Unauthorised activities	Major	Handing over cash to pick up agency without following requisite control requirements
57	Finance	Others	Major	Refusing to receive cash from customers, FOS within reasonable times



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58	Finance	Others	Major	Delays in approving verified cash in GC System
59	Finance	Unauthorised activities	Major	Holding unaccounted cheques
60	Finance	Unauthorised activities	Serious	Holding cash deliberately without handing over to pick up agency/bank
61	Finance	Unauthorised activities	Serious	Accepting counterfeit currency
62	Finance		Gross	Putting up scroll date without proper approval

#### E. HR

63	All	Others	Serious	Accepting payments in cash, kind, gratification from anyone- customer, channel etc. Exception is only items like calendars, diaries, sweets that carry the name of the company offering the same. Even in the case of such items, if value of such gift exceeds Rs. 500/- it should be declared in writing in a register.
64	All	Others	Serious	Entering into any money transaction with any channel partner of the company
65	All	Misleading business decision	Major	Non adherence to marking all business approval mails directly to the person executing or implementing the approved action. The person executing should peruse the mails of approving authority only.
66	All	Misleading the company	Serious	Appointing any blood relations within the organisation without disclosure.
67	All	Marking Fake Attendance	Gross	Marking fake attendance by and for an employee

#### F. All Functions

68	All	Tampering documents	Gross	Tampering of any documents submitted to the company with an intent to derive benefit / achieve targets
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69	All	Signature Forgery	Gross	Forging customers / agents / any other individual's signature in any document submitted to the company
70	All	Data Leakage	Gross	Sharing confidential information / data outside company without proper authorisation
71	All	Misleading the company	Major	Providing inflated bills / details for claiming reimbursements
72	All	Any other category not mentioned above	Degree to be decided by the Disciplinary Committee	

**Note:**

1. In case any employee / agent / intermediary / vendor is found involved in any case within 12 months of initiating Disciplinary action then the degree of offence for the new case would be considered as one level above of that identified in the case
2. Show Cause Notice to employees would be issued by HR
3. Show Cause Notice to agents / intermediary would be issued by the Agency Support team

**Change Control Sheet :**

Version	Change Request By	Memorandum of Change	Approval Date
2	Debapatim Guha	<ul style="list-style-type: none"> <li>•Change of e-mail id for reporting WB cases to fraudalert@magmainsurance.co.in</li> <li>•Aligning with the group BOI and WB policy</li> <li>•Re-Constitution of the Disciplinary Committee</li> </ul>	18-Jan-19
2	Debapatim Guha	No Change	24-Jan-20
2	Debapatim Guha	No Change	21-Jan-21
2	Debapatim Guha	No Change	20-Jan-22
3	Debapatim Guha	Changes made in nomenclature, Email ID of whistle-blower, HR in-charge, Disciplinary Committee & the Company name	19-Jan-23
3	Ankita U Sethi	No Change	25-Jan-24

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4	Ankita U Sethi	<ul style="list-style-type: none"> <li>• Organisation Values has been updated</li> <li>• Addition of clause 5.a.iii. on “Leak or Suspected Leak of Unpublished Price Sensitive information” as per SEBI Regulation</li> <li>• The punitive action in the case of Serious and Major cases has been updated</li> <li>• TAT for the investigating team is being proposed to increase from 30 to 45 working days</li> <li>• TAT for the DC to revert back to the investigating authority on a report has been added new as 3 working days</li> </ul>	30-Apr-24
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