

MAX FINANCIAL SERVICES LIMITED

GIFT AND MEALS POLICY OF MFSL LIMITED

I. Preamble

- 1.1 Max Financial Services Limited (“**MFSL**”) considers that the exchange of gifts may result in an act of influencing public officials or a Contractor into giving MFSL an improper advantage or to receive favorable treatment for its business transactions. While gifts are a normal part of business life, Bribery and Corruption are recognized criminal offences in India where MFSL, its subsidiaries and/or Contractors acting on behalf of MFSL operate, in accordance with the Anti-Bribery & Anti-Corruption Laws.
- 1.2 Even if there is no deliberate intention to influence the outcome, the perception of bad intention could be damaging for an employee personally, and for MFSL. MFSL and its Employees may be subjected to various enquiries by the Government, quasi-Government Authorities, or by any applicable court of law. Accordingly, MFSL desires to avoid such problems and to promote the highest standards of legal professional, integrity and ethical standards in respect of the exchange of all gifts.
- 1.3 In view of the above, the Board has adopted this gift and meals policy (“**Policy**”) through which it aims to provide guidance on the standards for the exchange of gifts, hospitality & expenditure and to communicate to everyone involved in MFSL’s business to ensure a balance is maintained for such exchange.

II. Definitions and Interpretation

“**Acceptable Limits**” shall mean acceptable Gift limits specified from time to time in Annexure 2

“**Anti-Bribery Policy**” shall mean the anti-bribery & anti-corruption policy of MFSL as applicable and amended from time to time.

“**Board**” shall mean the Board of Directors of MFSL.

“**Bona Fide**” shall mean disclosure of a Concern on the basis of a reasonable inference of unethical and improper practices or any other alleged wrongful conduct.

“**Bribe**” or “**Bribery**” shall mean the act of bribery as provided in the Anti-Bribery Policy.

“**Contractors**” shall mean all consultants, contractors and/or sub-contractors appointed by MFSL called by any other name.

“**Business Interest**” shall mean the business interests of MFSL and interest affecting its Employees in the course of their employment with MFSL.

“**Dealings**” shall mean all dealings made by the Employees and/or Contractors on behalf of MFSL, with Public Servants and Political Persons.

“**Employee**” shall mean all employees of MFSL, in any class of employment, including but not limited to regular employees, contractual employees, officers and directors of MFSL.

“**Excess Limit**” shall mean limits higher than the acceptable Gift limits as shall be in Annexure 2 specified from time to time.

“**HR Head**” shall mean the Head of Human Resources of MFSL.

“**Gift**” shall mean any tangible object of any kind, regardless of the monetary value provided with or without adequate consideration.

“**Government Authority**” shall have the meaning ascribed to the term under the Anti-Bribery Policy.

“**Government Company**” shall have the meaning ascribed to the term under the Anti-Bribery Policy.

“**Management**” shall mean the management of MFSL.

“**Non-Adherence Reports**” shall mean a report for bringing to attention a past, present or future violation of this Policy by an Employee.

“**PR**” shall mean the public relations of MFSL.

“**Public Servants**” shall mean any officer or employee of any central, state or municipal governmental body, department or agency in the public sector. In addition, a Public Servant includes any officer or employee of a company owned or controlled by any central, state or municipal government, including companies engaged in ordinary commercial activity. A detailed definition of “Public Servant” as per the POCA has been provided in detail in the Anti-Bribery Policy.

“**Political Party**” shall mean an active political party in India.

“**Political Person**” shall mean a Political Person associated with any Political Party.

“**Public Sector Company**” shall mean a Government Company and public sector enterprises in India.

“**Reporting Person**” shall mean an Employee party who makes the Non-Adherence Report in accordance with this Policy.

“**Victimization**” or “**Adverse Action**” shall mean an adverse action or failure to take appropriate Management action affecting the Reporting Person’s employment or employment related benefits, including but not limited to salary, promotion, job profile, immunities, leaves, training benefits, and/or any other benefits and/or privileges relating to the Reporting Person.

Unless the context of this Policy otherwise requires, words of any gender are deemed to include those of the other gender.

III. What are included in Gifts?

All Gifts exchanged by the Employees with any person including Public Servants should adhere to the terms of this Policy.

A. Gifts. An Employee may only exchange Gifts of very small intrinsic value which are within the Acceptable Limits and/or is a corporate branded items advertising or PR

material. Examples include diaries, calendars, pens and other corporate branded items. Gifts other than the above may only be exchanged in accordance with this Policy. Notwithstanding anything contained in this Policy, under no circumstances shall any Gift be provided to any Public Servant in violation of the Anti-Bribery Policy.

- B. Meals.** MFSL permits Employees acting on behalf of MFSL to accept and/or offer modest and reasonable Meals in its day to day performance of its business obligations to the extent of Acceptable Limits for a reasonable and legitimate business reason for the incurrence of the same as may be incurred for the performance of business obligations in accordance with MFSL's travel related policies.

IV. Who are covered?

This Policy applies to all Gifts and Meals provided to an Employee or received from persons with whom MFSL has a Business Interest. Accordingly, Gifts involving persons with whom Employees have solely personal relationships are excluded from this Policy.

V. What does this Policy stipulate?

This Policy categorizes various Gift and Meals as follows:

- A. Gifts and Meals provided to Public Servants**
- B. Gift & Meal expenses that must be Pre-approved**
- C. Gift & Meal expenses that must be Reported**
- D. Return of Gifts**

A description of the above categories is stated below:

- A. Gifts and Meals provided to Public Servants.** All Gifts exchanged or Meal expenses incurred by an Employee acting on behalf of MFSL which are provided to a Public Servant must be:

- Pre-approved by the Managing Director of MFSL as set forth in this Policy.
- Political contributions of any kind (including the provision of facilities or services)

Whether less than or, in excess of the Acceptable Limits must be reported to the Managing Director immediately after it takes place.

A written record of the request and pre-approval authorization shall be retained by the HR Head in accordance with MFSL's policies.

- B. Gift & Meal expenses that must be Pre-Approved.** All Gifts and/or Meal expenses with a value of Excess Limit or more per recipient exchanged by an Employee acting on behalf of MFSL shall require to be approved before incurrence at least two (2) business days in advance of the event. All Meal expenses with a value of Excess Limit incurred by any third party in respect of Business Interest for an Employee acting on behalf of MFSL shall require to be approved before incurrence at least two (2) business days in advance of the event. This requirement applies regardless of whether the expense is submitted for reimbursement on an expense report payable by MFSL in accordance with the applicable MFSL policies or paid out of the personal funds of an Employee.

The requirement also applies regardless of whether the expense is one that has been budgeted for by any relevant business unit or an authorized business department. The provider/receiver of the Gift must provide the information specified in Annexure 1 for the purpose of reporting.

All Meal expenses with a value of Excess Limit incurred by any third party in respect of Business Interest for an Employee acting on behalf of MFSL which have not been pre-approved shall be mandatorily reported by such Employee within 2 days of incurrance of such Meal expense along with reasons for not obtaining prior consent.

C. Gift & Meal expenses that must be Reported Post-incurrence. All Gifts and/ or Meals received by Employees must be reported to the Head HR within 7 days after it is received or given.

D. Return of Gifts. If an Employee receives a Gift or a Meal invite that the HR Head deems is inappropriate, such Employee shall be obligated to return/refuse the Gift or Meal request received by him.

If returning/refusing the Gift and/or Meal may damage the business relationship with the donor, even though the Employee may accept such Gift, however, such Employee shall give the Gift to the HR Head for disposition.

The HR Head shall be entitled to decide as regards whether to raffle the said Gift at MFSL or donate such Gift to a local charity, or dispose of the Gift in some other fashion.

VI. Transparency & Records.

Books And Records. All Gifts made and Meal expenses incurred by Employees in the course of conducting of its Business Interests or required to be preapproved, including without limitation in accordance with Section V(A), must be accurately described in the accounting records to assure that transactions are characterized truthfully, with related documentation and proper entries must be made in the books of accounts, in accordance with the accounting policies and other relevant laws, rules and regulations.

Relevant policies should be followed for correct accounting practices and recording for all transactions, including any payments made to Public Sector Companies, Public Servants, state-owned or state-controlled enterprises, Political Persons, Political Parties or charitable foundations.

VII. Reporting Improper Gift Payments

MFSL requires and encourages its Employees to play an important role for conducting Business Interest with the highest form of ethics, honesty and integrity.

Employees may report their concerns in respect of any form of improper Gift payments or provision of Meals or any facts or circumstances that suggest a past or ongoing violation of this Policy by making a written Non-Adherence Report to the HR Head for further investigation. The decision of the HR Head shall be final in this regard.

VIII. Confidentiality

8.1 By this Policy, no Employee is released from their duty of confidentiality in the course of their work, nor is this a route for taking up personal grievances in respect of any situation.

IX. Reporting to the Board

- 9.1 The Anti-Bribery & Anti-Corruption Committee shall provide a briefing of the Gift Non-Adherence Reports and reported cases to the Board in accordance with the Anti-Bribery Policy.
- 9.2 The Board shall take action as it deems appropriate based on the relevant facts and circumstances.

X. Protection

- 10.1 MFSL accords and undertakes to provide complete protection to the Gift Reporting Person from any Victimization and/or unfair treatment in respect of any Non-Adherence Report(s) made *Bona Fide in accordance with the Anti-Bribery Policy*.

XI. Amendment

MFSL has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

ANNEXURE 1

Details To Be Provided In Respect Of All Gift That Requires To Be Reported

- Date
- Name of Employee Receiving/Giving
- GM&E
- Employee's Department
- Whether Given or Received
- Whether gift or meal or any Combination
- Whether Government or Union Official
- Name of External Party
- External Party's Organization
- External Party's Title
- Business Relationship
- Nature of the GM&E
- Reason/Purpose
- Amount.
- Whether it was Pre-Approved
- Date of Pre-Approval
- Name of Approver
- If not Pre-Approved: Reason

Annexure 2

Acceptable and Excess Limits

Gift of a monetary value of Rs. 5,000/-

MAX FINANCIAL SERVICES LIMITED

ANTI-BRIBERY POLICY OF MAX FINANCIAL SERVICES LIMITED

1. Preamble

- 1.1. MFSL Limited (“MFSL”) desires to promote the highest standards of legal professional, integrity and ethical standards for the conduct of all our dealings and business.
- 1.2. Bribery and corruption are recognized criminal offences in India and in most countries where MFSL, its subsidiaries and/or business partners operate. This includes compliance with anti-bribery and anti-corruption laws such as the Indian Prevention of Corruption Act 1988 and the Indian Penal Code, 1860.
- 1.3. MFSL has a “*zero tolerance*” policy towards Bribery and corruption and is committed to ensuring that MFSL’s and those working on its behalf do not abet to offer, offer or promise any form of Bribery or corruption, or, act in contravention of any Anti-Bribery and Anti-Corruption Laws. MFSL believes that in addition to being a legal requirement, any instance of Bribery or corruption is morally unacceptable. The Board attaches utmost importance towards an anti-bribery and anti-corruption approach by MFSL.
- 1.4. In furtherance of the above, MFSL has adopted this anti-bribery and anti-corruption policy (“**Policy**”) through which it aims to communicate to everyone involved in MFSL’s business to ensure a “*zero tolerance*” approach to acts of Bribery and corruption. The Policy also aims to provide guidance on the standards of behavior to which any MFSL Employees or any of its business partners acting on behalf of MFSL must adhere to.
- 1.5. The Policy also aims to provide Employees an avenue to raise *Bona fide* concerns if they observe any payment of Bribes or unethical practices by an Employee acting on behalf of MFSL, and, to prohibit Victimization against those Reporting Persons who have reported in accordance with this Policy.

2. Definitions and Interpretation

The following words shall have the meanings ascribed herein:

“**Anti-Bribery & Anti-Corruption Committee**” shall mean a committee as described in Annexure III of this Policy.

“**Anti-Bribery and Anti-Corruption Laws**” shall mean the Indian Prevention of Corruption Act, 1988 (“**POCA**”) and the Indian Penal Code, 1860 (“**IPC**”), or any applicable anti-bribery laws/anti-corruption laws as may be enacted from time to time.

“**Anti-Bribery & Anti-Corruption SPOC**” shall mean a single point of contact designated by the Management as the Anti-Bribery & Anti-Corruption SPOC.

“**Audit Committee**” shall mean the audit committee of the Board.

“**Board**” shall mean the Board of Directors of MFSL.

“**Bona Fide**” shall mean disclosure of a concern on the basis of a reasonable inference of unethical and improper practices or any other alleged wrongful conduct.

“**Bribe**” shall mean the act of Bribery as provided in Section II, hereof.

“**Bribery**” shall mean any payment, offer, authorization or promise to pay, directly or indirectly, any money, reward, benefit, gifts, gratifications, kickbacks or gift of anything of value with or without adequate consideration to any person in order to secure or obtain an Illegal Advantage.

“**Bribery/Corruption Reports**” shall mean a report for bringing to attention a past, present or future violation of this Policy by an Employee.

“**Business Interest**” shall mean the business interests of MFSL and interest affecting its Employees in the course of their employment with MFSL.

“**Dealings**” shall mean all dealings made by the Employees on behalf of MFSL, with Government Authority, Public Servants, Political Parties and Political Persons.

“**Disciplinary Action**” shall mean a disciplinary action taken by MFSL as per MFSL’s policies before, during and/or after the Investigations.

“**Disqualified**” or “**Disqualified Report**” shall mean a Bribery/Corruption Report which is not found to be valid and/or is disqualified in accordance with Clause VI hereof.

“**Employee**” shall mean all employees of MFSL, in any class of employment, including but not limited to regular employees, contractual employees, officers and directors of MFSL.

“**Gift**” shall mean gift as defined in the Gift Policy.

“**Gift Policy**” shall mean the Gift Policy of MFSL as amended from time to time.

“**Government**” or “**Governmental Authority**” shall mean (a) any national, international, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction.

“**Government Company**” shall mean any company in which not less than fifty-one percent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company as thus defined.

“**HR Head**” shall mean HR head as defined in the Gift Policy.

“**Illegal Advantage**” shall mean an illegal advantage which would not have been possible without payment of a Bribe, or, which has been facilitated on account of such Bribe.

“**Investigations**” shall mean the investigations to be conducted in accordance with this Policy.

“**Management**” shall mean the management of MFSL.

“Public Sector Company” shall mean a Government Company and public sector enterprises.

“Public Servants” shall mean

- (a) Any person in the service or pay of the Government or remunerated by the Government by fees or commission for the performance of any public duty;
- (b) Any person in the service or pay of a local authority.
- (c) Any person in the service or pay of a corporation established by or under a Central, Provincial or State Act, or an authority or a body owned or controlled or aided by the Government or a Government company as defined in section 617 of the Companies Act, 1956.
- (d) Any Judge, including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions.
- (e) Any person authorised by a court of justice to perform any duty, in connection with, including a liquidator, receiver or commissioner appointed by such court.
- (f) Any arbitrator or other person to whom any cause or matter has been referred for decision or report by a court of justice or by a competent public authority.
- (g) Any person who holds an office by virtue of which he is empowered to prepare, publish, maintain or revise an electoral roll or to conduct an election or part of an election;
- (h) Any person who holds an office by virtue of which he is authorised or required to perform any public duty.
- (i) Any person who is the president, secretary or other office-bearer of a registered co-operative society engaged in agriculture, industry, trade or banking, receiving or having received any financial aid from the Central Government or State Government or from any corporation established by or under a Central, Provincial or State Act, or any authority or body owned or controlled or aided by the Government or a Government company as defined in Section 617 of the Companies Act, 1956;
- (j) Any person who is a chairman, member or employee of any Service Commission or Board, by whatever name called, or a member of any selection committee appointed by such Commission or Board for the conduct of any examination or making any selection on behalf of such Commission or Board;
- (k) Any person who is a Vice-Chancellor or member of any governing body, professor, reader, lecturer or any other teacher or employee, by whatever (resignation called, of any university and any person whose services have been availed of by a University or any other public authority in connection with holding or conducting examinations;
- (l) Any person who is an office-bearer or an employee of an educational, scientific, social, cultural or other institution, in whatever manner established, receiving or having received any financial assistance from the Central Government or any State Government or local or other public authority.

Explanation 1. - Persons falling under any of the above sub-clauses are Public Servants, whether appointed by the government or not.

Explanation 2. -Whenever the words "Public Servant" occur, they shall be understood as every person who is in actual possession of the situation of a Public Servant, whatever legal defect there may be in his right to hold that situation.

"Political Party" shall mean an active political party in India.

"Political Person" shall mean a political person associated with any Political Party.

"Prohibited Act" shall mean all acts prohibited in Annexure I and shall include payment of Bribes.

"Quarter" shall mean a financial quarter

"Reported Person" shall mean an Employee of MFSL against whom a Reporting Person has made a Bribery/Corruption Report or evidence gathered during an investigation process in accordance with this Policy.

"Reporting Person" shall mean an Employee party who makes a Bribery/ Corruption Report in accordance with this Policy.

"Victimization" or **"Adverse Action"** shall mean an adverse action or failure to take appropriate Management action affecting the Reporting Person's employment or employment related benefits, including but not limited to salary, promotion, job profile, immunities, leaves, training benefits, and/or any other benefits and/or privileges relating to the Reporting Person.

Unless the context of this Policy otherwise requires, words of any gender are deemed to include those of the other gender.

Bribery and corruption

The detection, prevention and reporting of any Bribery and Prohibited Acts is the responsibility of all Employees. Employees must read and adhere to this Policy in all their Dealings with Public Servants and refrain from any Prohibited Acts.

The Anti-Bribery and Anti-Corruption Laws prohibit acts of attempt to provide and abetment of Bribes. A payment of Bribe does not have to actually take place to be in violation of the Policy, just promising/ offering to give a Bribe or agreeing to receive one is prohibited.

Abetment includes all those acts which are abetted as an accomplice with the intention of gaining some undue official favor.

Please refer to Annexure I of this Policy for more details in this regard.

3. Who are covered?

This Policy is mandatory for all Employees of MFSL in respect of Dealings on behalf of MFSL.

4. What is Required?

A. Compliance. All Employees of MFSL are required to comply with this Policy. Failure to comply with this Policy will entitle MFSL to initiate Disciplinary Action against the concerned person, as may be deemed fit by the Management.

- B. No payment of Bribes or Prohibited Act.** No Employee shall make, directly or indirectly through any third party (including any agents, consultants, sales representatives, distributors and subcontractors), any payment of Bribes or indulge in a Prohibited Act in their Dealings with any Governmental Authority, Public Servant, Political Person or Political Party in India or in such jurisdictions to which this Policy shall be specifically made applicable. Further, no Employee or third parties who conduct business for or on behalf of MFSL shall make any payment of Bribe or indulge in any Prohibited Act, while having reason to believe that such payment will be offered or given to any Governmental Authority, Public Servant, Political Person or Political Party for the purposes of inducing or influencing such Governmental Authority, Public Servant, Political Person or Political Party to do or refrain from doing any public duty or official act, in order to assist MFSL in securing any Illegal Advantage.
- C. Books And Records.** Employees shall maintain the highest standards of fairness and transparency in all Dealings with Public Servants, Political Persons and Political Parties.
- All Payments made by Employees in the course of conducting of its Business Interests must be accurately described in the accounting records to assure that transactions are characterized truthfully with related documentation and proper entries must be made in the books of accounts, in accordance with the accounting policies and other relevant laws, rules and regulations.
- No undisclosed or unrecorded accounts of MFSL may be established for any purpose. False, misleading, incomplete, inaccurate or artificial entries in the books and records of MFSL are prohibited. Personal funds may not be used to accomplish what is otherwise prohibited by this and other policies of MFSL.
- Relevant policies should be followed for correct accounting practices and recording for all transactions, including any payments made to Public Sector Companies, Public Servants, state-owned or state-controlled enterprises, Political Persons, Political Parties or charitable foundations.
- D. Gifts.** No Employee shall, on behalf of MFSL offer any Gift to any Public Servant, Political Person or a Political Party other than in accordance with this Policy or the Gift Policy.
- E. Training.** The Employees of MFSL must participate in the anti-bribery training on a periodic basis and shall also review this Policy.

5. What is the Business Risk Exposure?

MFSL and its Employees may be subjected to various enquiries by the Government, quasi-Government Authorities, or by any applicable court of law.

A breach of Anti-Bribery and Anti-Corruption Laws can result in imprisonment, fines, penalties or other penal implications for both MFSL and the Employee involved. In addition, individuals violating any provisions of the Anti-Bribery and Anti-Corruption Laws would be subject to any enquiry and/or investigation as per this Policy and would be subject to such punishment (including termination and/or fines) as may be decided by the Management.

6. What are the Exceptions to the Policy.

- 6.1. Personal Contributions. MFSL does not make contributions or donations to Political Parties or to Political Persons nor does it incur any political expenditure. MFSL

respects the right of an Employee to make personal contributions, as long as those are not made in any way to obtain advantage in any Business Interest.

- 6.2. MFSL Views. MFSL communicates views to Government Authorities, quasi Government Authorities, Public Servants and/or Public Sector Companies on matters which affect its Business Interest and Employees as a way of assisting in the development of regulation and legislation.
- 6.3. Bona Fide and Reasonable Reimbursement of Business Expenses. All Employees shall take prior approval in respect of all offers to reimburse, and the actual reimbursement of expenses of a Public Servant in the course of conducting the Business Interests (whether from MFSL, or, personal funds). No such payment shall be made unless approved in advance in writing by the HR Head.
- 6.4. All such expenses shall be appropriately documented and logged so that MFSL is aware of the expenses relating to the promotion of its Business Interests. The amount and the reimbursement must be reasonable, and the purpose must relate directly to the promotion, demonstration, or explanation of the Business Interests of MFSL or to the execution or performance of a contract between MFSL and a Government Authority, Government Company, or government-owned or government-controlled enterprise.

7. Reporting Bribery & corruption

MFSL requires and encourages its Employees to play an important role for conducting Business Interest with the highest form of ethics, honesty and integrity. Employees may report their concerns in respect of any form of Bribe or Prohibited Acts or any facts or circumstances that suggest a past or ongoing violation of this Policy by making a Bribery/Corruption Report through the Anti-Bribery & Anti Corruption SPOC.

8. How to Make a Bribery/Corruption Report?

- 8.1. If Employees wish to report any payment of Bribes or an Prohibited Act, they may do so by providing a Bribery/Corruption Report to the Anti-Bribery & Anti-Corruption SPOC, in writing. The Bribery/Corruption Report shall state the facts, circumstances and/or any documents based on which a Bribery/Corruption Report has been made, and the name and designation of the Employee raising a Bribery/Corruption Report.
- 8.2. The role of the Reporting Persons shall be limited to raising a legitimate Bona Fide Bribery/Corruption Report. If necessary, the Anti-Bribery & Anti-Corruption SPOC or the Anti-Bribery & Anti-Corruption Committee may request for written documentation and description of the events based on which a Bribery/Corruption Report has been raised.
- 8.3. All Investigations shall be carried out under the instructions of the Anti-Bribery & Anti-Corruption Committee. A Reporting Person can neither be a member of the Anti-Bribery & Anti-Corruption Committee nor shall a Reporting Person be allowed to participate in any Investigation unless specifically called upon by the Anti Bribery & Anti-Corruption SPOC and/or the Anti Bribery & Anti-Corruption Committee.
- 8.4. The Reporting Persons should not act as finders of fact or on their own conduct any investigative activities and should not determine the appropriate remedial action in any given case.
- 8.5. Pursuant to making a Bribery/Corruption Report, Reporting Persons shall neither have a right to participate in any investigative activities other than as requested by the

Anti Bribery & Anti-Corruption Committee nor, shall be entitled to any further information and/or status of a Bribery/Corruption Report.

9. Good Faith

- 9.1. Bribery/Corruption Report shall be deemed to have been communicated in good faith by an Employee if there is a justifiable and reasonable basis for communication of any wrongful conduct or unethical and improper practices as perceived by the Reporting Person.
- 9.2. Although a Reporting Person is not expected to prove the truth of an allegation, the Reporting Person should be able to demonstrate that the Bribery/Corruption Report is being reported in good faith.

10. Disqualifications

- 10.1. This Policy is not a grievance platform for its Employees, or, for raising mala fide, malicious, and frivolous allegations. Employees are urged to make allegations in good faith and strictly avoid any abuse of this power, i.e. make any mala fide, frivolous or malicious Bribery/Corruption Report in bad faith.
- 10.2. Only Bona Fide Bribery/Corruption Reports or Bribery/Corruption Reports raised in good faith may be raised without fear of any Victimization.
- 10.3. Abuse of the powers granted hereunder, or frivolous and mala fide allegations made hereunder with the knowledge that the Bribery/Corruption Report raised is frivolous, malicious, and mala fide will entail appropriate Disciplinary Action as MFSL shall in its sole discretion deem fit upon such Bribery/Corruption Report being subsequently found to be false, mala fide and frivolous.

11. Confidentiality

- 11.1. By this Policy, no Employee is released from their duty of confidentiality in the course of their work, nor is this a route for taking up personal grievances in respect of any situation.

12. Role and Responsibilities of the Anti-Bribery & Anti-Corruption SPOC

- 12.1. In addition to any other responsibilities as may be detailed elsewhere in this Policy, the following shall be the primary responsibilities of the Anti-Bribery & Anti-Corruption SPOC:
- 12.2. the Anti Bribery & Anti-Corruption SPOC shall be the sole contact person for all Employees in respect of this Policy, and, shall receive all Bribery/Corruption Reports from the Employees;
- 12.3. the Anti Bribery & Anti-Corruption SPOC shall be entitled to request for any and all documentation and/or information in respect of a Bribery/Corruption Report made by the Reporting Person;
- 12.4. If a Bribery/Corruption Report is to be raised against the Anti Bribery & Anti-Corruption SPOC or a member of the Anti-Bribery & Anti-Corruption Committee, such

Bribery/Corruption Report may be communicated directly to the chairman of the Audit Committee.

13. Investigation

- 13.1. Upon receipt of a valid Bribery/Corruption Report, the Anti-Bribery & Anti-Corruption SPOC shall evaluate whether or not a Bribery/Corruption Report should be investigated further.
- 13.2. All Bribery/Corruption Reports will be investigated in detail by the Anti-Bribery & Anti-Corruption Committee ("Investigations").

14. Scope and Procedure of Investigations

- 14.1. During the conduct of the Investigations, the Anti Bribery & Anti-Corruption Committee shall maintain detailed written records in respect of each Bribery/Corruption Report which shall include the following ("Committee Report"):
- 14.2. The facts in respect of the Bribery/Corruption Report made, including the documents perused, and Employees and/or any other person interviewed;
- 14.3. The implications/outcome, including financial irregularity and any other loss caused as a result of the event or action for which the Bribery/Corruption Report has been raised;
- 14.4. Findings of the Anti-Bribery & Anti-Corruption Committee, and the reasons therefor; and
- 14.5. Recommendations of the Anti-Bribery & Anti-Corruption Committee including any Disciplinary Actions to be taken.
- 14.6. The Reported Person shall have a duty to provide all necessary cooperation and assistance to the Anti-Bribery & Anti-Corruption Committee during the course of the Investigations. However, any such co-operation shall not encroach upon any rights against self-incrimination that such Reported Person shall have available to him/her in accordance with the applicable laws.
- 14.7. The Reported Person shall not have any right to interfere with the Investigations.
- 14.8. Unless MFSL deems it necessary not to do so, the Reported Persons will be granted the right to adequately respond to material findings and evidence gathered during the course of the Investigations. The Reported Person shall also have the right to be informed of the outcome of the Investigations.
- 14.9. The Anti-Bribery & Anti-Corruption Committee will determine whether the allegations stand substantiated or not and shall recommend all measures including any Disciplinary Actions required to be taken in respect of a Bribery/Corruption Report. If substantiated, MFSL will not hesitate to take action against the Reported Person.

14.10. Any controls, weaknesses and process gaps identified, may also be addressed based on the Investigations and the Bribery/Corruption Report.

15. Reporting to the Board

15.1. The Audit Committee shall provide a briefing of the reported cases to the Board.

15.2. The Board shall take action as it deems appropriate based on the relevant facts and circumstances.

16. Protection

16.1. MFSL accords and undertakes to provide complete protection to the Reporting Person from any Victimization and/or unfair treatment in respect of any Bribery/Corruption Reports made Bona Fide. MFSL will take all necessary steps to ensure that no Reporting Person shall be Victimized, or any unfair treatment is meted to him/her by virtue of his/her having reported a Bona Fide concern in accordance with this Policy.

16.2. The identity of the Reporting Person shall be kept confidential by the Anti-Bribery & Anti-Corruption SPOC and the Anti-Bribery & Anti-Corruption Committee.

16.3. MFSL is committed to ensure that no Adverse Action is taken against Reporting Persons reporting any such matters. However, MFSL reserves the right to take any action against such Reporting Persons, if they are found to be involved in any kind of non-compliance or ethical violation of this Policy (or to other policies, regulations, and laws), or if any performance-related Bribery/Corruption Report has been noted or is noted subsequently, as deemed appropriate.

17. Amendment

17.1. MFSL has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

Annexure I

PROHIBITED ACTS

A. No Employee shall

- i. pay Bribes directly or indirectly to a Public Servant or any other person on behalf of such Public Servant as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of the official functions of such Public Servant, any favor or disfavor to any person or for rendering or attempting to render any service or disservice to any person.
- ii. accept any Bribe from any person as a motive or reward for inducing, by corrupt or illegal means or by the exercise of personal influence, any Public Servant to do or forbear to do any official act, or to show, in the exercise of the official functions of such Public Servant, favour or disfavor to any person, or to render or attempt to render any service or disservice to any person.

B. Dealing with Public Servants

- i. All Government and regulatory affair activities and communication shall be done in close coordination with the Head-Regulatory Affairs of the Company. Any questions about contacts with Public Servants shall be addressed to the Head-Regulatory Affairs
- ii. If a Government Authority contacts an Employee, Head-Regulatory Affairs, should be immediately intimated.
- iii. Only individuals designated by the Management are authorised to make any Dealings.

C. Prohibition of Political Activities

- i. No corporate funds, facilities, or services of any kind shall be paid, furnished or provided to any Political Party, Political Person or to any person for a political purpose, unless the same is approved by the Board then provides written approval, nor should any employee use his/her expense account for the purpose.
- ii. No Employee shall use MFSL property or facilities or the time of other Employees for political activities.
- iii. No Employee shall be associated with a Political Party without the previous written consent of MFSL.

D. No Improper Payments

Employees must not make any Improper Payment, regardless of the source of funds, for any purpose whether made directly or indirectly to a Public Servant, or to another person or entity at the direction of the Public Servant, or for the benefit of that Public Servant.

E. Improper Techniques

No Employee shall utilize other techniques such as award any contracts or subcontracts, purchase orders or agency or consulting agreements to channel any Political Person to any Public Servant or Political Party or any of their relatives or business associates.

ANNEXURE II

II. FREQUENTLY ASKED QUESTIONS IN RESPECT OF THE PREVENTION OF CORRUPTION ACT

Q. 1. What is the law surrounding the prevention of corruption in India?

The Prevention of Corruption Act, 1988, (PCA) was enacted with the objective of making more effective, the existing laws regarding prevention of Bribery and corruption amongst Public Servants. In addition to the PCA, the IPC also prohibits acts of bribery.

The following acts are punishable under the PCA (“Prohibited Acts”).

1. A Public Servant accepting gratification for himself or for any other person as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, any favor or disfavor to any person or for rendering or attempting to render any service or disservice to any person.
2. Any person, whether a Public Servant or not, taking gratification to induce by corrupt or illegal means or by personal influence, a Public Servant, for doing or forbearing to do any official act or showing any favor or disfavor to any person or rendering any service or disservice to any person.
3. Abetment by a Public Servant, of the offences mentioned at clause (2) above.
4. A Public Servant accepting anything valuable or any pecuniary advantage for himself or for any other person, whether without any consideration or for an inadequate consideration.
5. Any person abetting an offence committed by a Public Servant under the PCA, whether or not the offence is committed in consequence of that abetment.
6. A Public Servant or any other person habitually committing any of the above offences.
7. A Public Servant dishonestly or fraudulently misappropriating any property or abusing his position for obtaining any valuable thing without consideration or with adequate consideration or possessing any property disproportionate to his known sources of income.
8. Any person attempting to commit any of the above offences.

As per the IPC, abetment of act of giving Bribes, or, attempt to obtain Bribe, or abetment of Corruption are criminal acts and are punishable in accordance with the IPC.

Q. 2. What is Public Duty?

“Public Duty” means a duty in the discharge of which the State, the public, or the community at large has an interest.

Q. 3. What is meant by ‘gratification’?

“Gratification” means any benefit or reward given to influence one’s behaviour, and induce one to act contrary to the rules of honesty and integrity. The term “Gratification” is not restricted to monitory gratifications or to gratifications estimable in money, and includes

anything, be it a sum of money, an object which appeals to one's senses, a dinner, a plate full of fruit, etc.

The meaning of the term "Gratification" can be ascertained with the help of the following examples:

- a. a person paying a sum of money to a Public Servant, to secure a job for himself or for any other person.
- b. payment of money to a public officer as a donation to a public institution in which such officer is interested.
- c. payment for the purchase of government bonds, as a condition precedent to performance of a public duty by a Public Servant.
- d. contribution to any government fund on the insistence of a Public Servant as a condition to his performing his public duty.
- e. payment of a Bribe to a Public Servant for securing a job, even though securing of the job was not his official duty.
- f. payment of Bribe to a Public Servant not for his personal use but for the use of his employer.
- g. payment of a Bribe to a Public Servant with a view to avoid being ill-treated or harassed.
- h. Renting of a house to a Public Servant at a rent lower than the market rate
- i. Sale of shares to a Public Servant at a discount from the market price.

For purposes of this Policy, employees may not exchange anything of value, directly or indirectly, with any Public Servant that would improperly help the Company obtain or keep business with or receive any type of favorable treatment from a Public Servant or Government Company.

Q. 4. What types of acts of providing gratification to Public Servants are considered illegal?

Any payment, authorization, offer, or promise to provide gratification to a Public Servant, whether with or without a motive or reward, is prohibited. Any such act committed, with knowledge, that the payment in question will eventually be offered or given to a Public Servant is also punishable.

Q. 5. What is meant by abetment of an offence?

A person is said to abet an offence when he instigates any person to do that offence. It is immaterial whether the person who was instigated commits the offence, as a consequence of the abetting, or not.

The giving of a Bribe to a Public Servant is abetment of an offence under the PCA.

Following are some examples when the Bribe giver has been prosecuted under the PCA:

- a. the accused paid Bribe to a police officer for not arresting him in a criminal case. The police officer sent the case for investigation, to higher authorities. The accused was sentenced with imprisonment and a fine of Rs. 5000/-
- b. the accused made a few attempts to Bribe a Public Servant, but the Public Servant refused to take Bribe and in fact reported the matter to the appropriate authority. The accused was sentenced to one-year rigorous imprisonment and Rs. 500/- fine.
- c. The accused offered Bribe to a public officer for passing a public tender in his favour. The public officer refused to accept the Bribe and reported the matter then and there to the vigilance officer. The accused was sentenced to rigorous imprisonment for one year.

ANNEXURE III

- A. The **Anti-Bribery & Anti-Corruption Committee** shall comprise of the following:
- i. Managing Director (as the Chairperson),
 - ii. Anti Bribery & Anti-Corruption SPOC, Head - Legal, Chief Financial Officer and Head – Human Resources as members of the Reporting Person Committee; and
 - iii. Any other members as may be co-opted on a case by case basis by the chairperson of the Anti-Bribery & Anti-Corruption Committee for effective redressal of Bribery/Corruption Reports.
- B. **Anti Bribery & Anti-Corruption SPOC:** SPOC to be decided by the Anti Bribery & Anti-Corruption Committee
- a. Name: Mr. V Krishnan
 - b. E-mail: vkrishnan@maxindia.com
 - c. Tel: 0120 4696000