



# ESG REPORT

---

Max Life – Max Financial Services Ltd

## TABLE OF CONTENTS

---

### SECTION I: GOVERNANCE & ECONOMIC DIMENSION

1. Corporate Governance	
a. Corporate Governance Philosophy	4
b. Board Effectiveness	5
c. Max Life Insurance Supervisory Board	9
d. Board Evaluation	12
e. Code of Business Conduct	13
f. Compliance Programme	14
2. Business Ethics	
a. Business Ethics Risk Assessment	19
b. Responsible Investment	23
c. Principles of Sustainable Insurance	24
d. Responsible Product Offering	25
e. Governance Mechanisms	26
f. Ethical Market Conduct	27
g. Tax Strategy	28
3. Governing Policies	29
4. Customer Relationship Management	30
5. Risk and Crisis Management	31
6. Max Life Insurance ULIP Portfolio and ESG Theme	36
7. Information Security and Cybersecurity	36

### SECTION II: ENVIRONMENTAL DIMENSION

1. Replace	
a. Digitization Efforts	39
b. Replacement of Plastic	40



c. Tree Plantation	40
2. Reduce	
a. Energy Reduction	40
b. Waste Management and Reduction	41
c. Water Management	41
3. Reuse and Recycle	41

### **SECTION III: SOCIAL DIMENSION**

a) Socially Responsible for the Employees, Customers and the Community	42
b) Max Life's Corporate Social Responsibility Policy	58
c) Human Capital Development	59
d) HealthCare Initiatives	60
e) Environmental Policies	63
f) Financial Inclusion	63
g) Corporate Citizenship and Philanthropy	64
h) Disaster Support	66

### **SECTION IV: ANNEXURE** **66**

## GOVERNANCE AND ECONOMIC DIMENSION

### **CORPORATE GOVERNANCE PHILOSOPHY**

Max Financial Services Limited continues to be committed towards maintaining the highest standards of Corporate Governance which is a critical driver for achieving excellence, attracting high-quality talent, and optimizing capital sourcing and allocation.

To ensure strong discipline in capital management, robust performance management of its businesses and sustained value creation across all stakeholders, Max Financial Services embarked upon a journey more than a decade ago, to implement a comprehensive governance framework across the Group. This entailed implementation of various transformational initiatives across three key facets of governance:

- **Board Architecture**

The Boards in each of the Group's operating companies were re-configured to create the right composition with an ideal number of Independent Directors, ensuring board diversity with respect to functional and industry expertise, having an active and engaged lead Director on each Board, and separating the role of the respective CEOs and the Chairmen. In addition, a clear role for the Board has been articulated in areas such as strategy formulation, monitoring financial health, leadership development, risk management and succession planning. 50% of the MFSL Board is constituted of independent directors and the Audit Committee and Nomination and Remuneration Committee is constituted with majority of directors being independent.

- **Board Processes**

Various people processes of the Board have been optimized (viz. on-boarding of Directors, Board education and business engagement, enabling independence, adherence to the code of conduct etc.). Key operational aspects such as ensuring a comprehensive and well-balanced meeting agenda, timely and adequate flow of information to the Board, inviting external speakers to take Board sessions, are in place to ensure that the Board time is spent optimally on all critical areas of the business. Further, it is ensured that the Board materials are comprehensive, crisp and relevant for strategic discussions.

All material matters to be considered by each Board are reviewed in specific sub-committees of the Board that are composed of the right balance between executive, non-executive and independent Directors, who add value to and are specifically qualified for the particular sub-committee. Detailed charters are published for every sub-committee of the Board.

- **Board Effectiveness**

To enhance 'Board Effectiveness' and assess the Board's performance, an annual evaluation of Board Members is conducted and inter-Company Board movements are also effected, as may be required, to ensure that each Board is well-equipped and engaged to take the right decisions for the business. In addition, various mechanisms have been implemented to improve the performance of the Board, which involves establishing clear standards of conduct & behaviour, setting a calendar of key governance interventions (such as strategy-setting sessions, risk management sessions), consequence management etc.

**Core skills/expertise/competencies identified by the Board of Directors**

MFSL Board has identified the following core skills/expertise/ competencies of the Directors for effective functioning of the Company in the context of company's business.

1. Industry and sector experience or knowledge: understand the Company's business, policies, and culture and knowledge of the industry in which the Company operates;
2. Leadership and governance: Board experience, responsibility for taking decisions keeping in mind the interest of all stakeholders;
3. Strategic thinking and decision making: Having experience in decision making keeping in mind the interest of shareholders;
4. Experience in M&A, business restructuring and joint ventures; and
5. Financial Skills: Experience in financial management; risk assessment; treasury and fundraising initiatives

**HOW DO WE MAKE SURE THE BOARD IS EFFECTIVE?**

The calendar for the Board and Committee meetings is fixed in advance for the whole year, along with significant agenda items. At least one Board meeting is held within 45 days from the close of each quarter to review financial results and business performance and the gap between two Board meetings does not exceed 120 days, as required by law.

Apart from the aforesaid meetings, additional Board meetings are also convened to meet business exigencies, as required. Matters of exigency are approved by the Directors by resolutions passed by circulation as permissible under the provisions of the Companies Act, 2013.

Meetings of Committees of Board are generally held prior to the Board meeting. The Chairpersons of the respective Committees brief the Board about the proceedings of the Committee meetings and its recommendations on matters that the Board needs to consider and approve.

All Agenda items are accompanied by comprehensive notes on the related subject and in certain areas such as business plans / business reviews and financial results, detailed presentations are made to the Board members. The materials for the Board and committee meetings are generally circulated (electronically in a secure dedicated portal) seven days in advance. The Board is regularly updated on the key risks and the steps and process initiated for managing, reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process with the Company.

To enable the Board to discharge its responsibilities effectively, members of the Board are apprised on the overall performance of the Company and its subsidiary at every Board meeting. The Board has complete access to all the relevant information within the Company and all its employees. Senior Management is invited to attend the Board / Committee meetings to provide detailed insight into the items being discussed.

Further, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization programmes are available at [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

SNo.	Name	Profile
1	Mr. Analjit Singh <i>Chairman &amp; Non-executive Director</i>	Founder and Chairman of Max Group. He is also the non-executive Chairman of Max Financial Services, Max India, Max Ventures and Industries and a Director on the Board of Sofina NV/SA, Belgium. He specializes in business leadership and Industrialization. He was awarded with highest civilian honour, the Padma Bhushan in 2011.
2.	Mrs. NainaLal Kidwai Independent Director	Ms Naina Lal Kidwai is Chairman, Advent India Advisory board; a Non-Executive Director on the boards of LafargeHolcim, Max Financial Services, CIPLA, Nayara Energy and Larsen and Toubro and Past President of FICCI (Federation of Indian Chambers of Commerce & Industry).  An MBA from Harvard Business School, she is the recipient of several awards and honours including the Padma Shri for her contribution to Trade and Industry. She is engaged with institutions in environment, water and sanitation and has authored 3 books including the bestsellers “30 women in Power: Their Voices, Their Stories” and “Survive Or Sink: An Action Agenda for Sanitation, Water, Pollution, and Green Finance”.

3.	Mr. Aman Mehta Independent Director	Mr Aman Mehta retired as the CEO of HSBC Asia Pacific in January 2004, after a global career of 35 years and returned to India on permanent resettlement. He serves as an Independent, Non-Executive Director on the boards of numerous public companies and institutions in India as well as overseas.
4.	Mr. D. K. Mittal Independent Director	Former IAS officer and has served the Government of India in various capacities. He has hands on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance.
5.	Mr. Jai Arya Independent Director	Mr Jai Arya is a member of the Board of the UK-based research consultancy, the Official Monetary and Financial Institutions Forum (OMFIF). He is also Adviser to the Dean, NUS Business School, Singapore, as well as their Head of Executive Education. Mr Arya has also been a Senior Adviser for Asian banking to a global consultancy firm and has also consulted on a project basis for the Asian Development Bank. Prior to this, Mr Arya worked for Bank of New York Mellon for 27 years and Bank of America for 10 years, in various Asia locations.
6.	Sir Richard Stagg Independent Director	Sir Charles Richard Vernon Stagg has been the Chairman of Rothschild and Co., India since 2015. He is a Director of the JP Morgan Asian Investment Trust and a Trustee of the School of Oriental and African Studies in London. Before joining Rothschild, Sir Richard was a career officer in the UK Foreign Service from 1977-2015. His last two postings were as High Commissioner in Delhi and British Ambassador in Kabul. From 2003-2007, he was the Chief Operating Officer, responsible for the Foreign Office's global network of embassies and consulates.
7.	Mr. Mitsuru Yasuda Non Executive Director	Seasoned professional with more than 22 years of experience in life insurance business, M&A service advisor business and audit business. He holds a Japanese CPA license. Mr. Yasuda covers various matters including sales channel & product portfolio, budget & profit management, asset management, risk management, legal & compliance, HR management and others. Prior to joining MSI, Mr. Yasuda spent 12 years with Deloitte in its M&A service function in both Tokyo and New York.
8.	Mr. Sahil Vachani Non Executive Director	CEO & Managing Director, Max Ventures and Industries, an innovation leader in the Speciality Packaging Films business; Max Estates, the commercial and residential real estate development

		arm; Max Learning, the education vertical; and Max I an Investment arm. He has diverse experience across various sectors including consumer durables and real estate. He started his career as an investment banker with Citigroup in London and had been associated with Dixon Technologies and Dixon Appliances Pvt. Ltd.
9.	Mr. Hideaki Nomura Non-Executive Director	32 years of experience in financial industries including insurance, banking and investment banking. In his tenure with Mitsui Sumitomo Insurance Ltd, for 15 years, Mr. Nomura took a strategic role in helping the company expand into Asian local insurance businesses by analyzing, structuring and valuating M&A transactions, such as sinatay Life in China, Sinarmas Life in Indonesia, Hong Leon Assurance in Malaysia, Mingtai Insurance in Taiwan.
10.	Mr. Mohit Talwar Managing Director	Managing Director of Max Financial Services and Max India (formerly Advaita Allied Health Services). He is also the Vice Chairman of Max Ventures & Industries Limited. Mr. Talwar has a wealth of experience in Corporate Finance and Investment Banking, and has spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia.

#### **MAX LIFE INSURANCE:**

The Company strives to ensure that it is 100% compliant to all applicable Indian Tax requirements and continually applies the same consistent, transparent and responsible approach to tax compliance and governance outlined in this report. We are committed to maintaining the highest standards of governance in the conduct of our business and continuously strive to create lasting value for all our stakeholders. Max Life’s corporate governance philosophy stems from its belief that corporate governance is an integral element in managing the Company’s operations and growth as well as enhancing investors’ confidence. The Company’s Corporate Governance philosophy is set out as follows:

As a good corporate citizen, the Company is committed to sound corporate practices based on compliance, openness, fairness, professionalism, and accountability in building the confidence of its various stakeholders including policyholders, distributors, shareholders, regulator, and employees, thereby paving the way for its long term sustainable success



**SUPERVISORY BOARD:**

A strong, independent, and diverse Board leadership ensures the deployment of effective corporate governance throughout the corporation. All our directors possess rich multi-industry experience and are recognized for their contribution to their chosen professions. With over 30% of Max Life’s Board comprising of Independent Directors, and with a diverse Board composition, robust corporate governance founded on organizational values is the bedrock of sustained performance at Max Life and fuels its vision to achieve the respect of stakeholders.

As of April 13<sup>th</sup>, 2021 Max Life Board has an optimum combination of executive, non-executive, and independent directors on its Board which comprises of 2 executive directors, 8 non-executive (non-independent) directors, and 4 independent directors. The company believes that well informed and Independent Board is essential to ensure the high standards of Corporate Governance. The company has had a woman director on its Board even before this became a mandatory requirement and continues to benefit from a diversified Board composition.

**Profiles of the Board:**

SNo.	Name	Profile
1	Mr. Analjit Singh <i>Chairman &amp; Non-executive Director</i>	Founder and Chairman of Max Group. He is also the non-executive Chairman of Max Financial Services, Max India, Max Ventures and Industries and a Director on the Board of Sofina NV/SA, Belgium. He specializes in business leadership and Industrialization. He was awarded with highest civilian honour, the Padma Bhushan in 2011.
2	Mr. Prashant Tripathy <i>Managing Director &amp; CEO</i>	A seasoned professional with over two decades of experience across Finance, Organisational Strategy, Operations, Risk Management and Investor Relations. Prashant was earlier the Chief Financial Officer of the Company. Through his years with the company, Prashant has anchored Max Life’s efforts towards expansion, growth and strategic partnerships. Previously, Prashant was associated with GE and Genpact for eight years in India as well as in the UK. He has also worked with Tata Steel, Jamshedpur.
3	Mr. V. Viswanand <i>Deputy Managing Director</i>	An industry veteran with a dynamic presence in the financial services sector. Founder Team Member of Max Life, he is responsible for Distribution, including Proprietary Channels, Bancassurance and Third Party Business, Institutional Sales, Business Development and Distribution Operations. Prior,

		Viswanand was a retail banker with ANZ Grindlays Bank for nearly a decade.
4	Mr. Girish S Paranjpe <i>Independent Director</i>	He has served as the Co-CEO of Wipro's IT Business from 2008-2011 for over two decades and was a member of the Board of Directors Wipro Ltd. More recently, he was the Managing Director for Bloom Energy International, a silicon valley based alternative energy company. Mr. Girish S. Paranjpe along with his IT industry colleagues has promoted a venture fund, Exfinity Venture Partners, which invests in tech start-ups. Mr. Paranjpe is also a General Partner at
5	Mr. Rajesh Khanna <i>Independent Director</i>	Mr. Rajesh Khanna is the Founder & CEO of Arka Capital Advisors Pvt. Ltd. and is an investor in various companies. Previously, he served as a Managing Director and India Head of Warburg Pincus, a global private equity firm, and was a member of its global Executive Management Group.
6	Mr. K. Narasimha Murthy <i>Independent Director</i>	An experienced Cost & Management Accountant and a Chartered Accountant. Expert in his field, he has to his merit credits of turning around of many large corporates, focusing on systems improvement with Cost Reduction approach. Associated with the development of Cost & Management Information Systems for more than 175 Companies covering more than 50 Industries.
7	Ms. Marielle Theron <i>Non-executive Director</i>	Fellow of the Society of Actuaries, she has over 30 years' experience in the financial services industry. She is a Principal of Erlen Street Corporation, Switzerland, a company that specializes in strategic investment and management consulting solutions. Prior to this, Ms. Theron has worked in both consulting and corporate roles for multi-national companies and governments across Europe, Asia, Australia, New Zealand and South Africa, advising on insurance and investment related solutions.
8	Mr. Mitsuru Yasuda <i>Non-executive Director</i>	Seasoned professional with more than 22 years of experience in life insurance business, M&A service advisor business and audit business. He holds a Japanese CPA license. Mr. Yasuda covers various matters including sales channel & product portfolio, budget & profit management, asset management, risk management, legal & compliance, HR management and others. Prior to joining MSI, Mr. Yasuda spent 12 years with Deloitte in its M&A service function in both Tokyo and New York.
9	Mr. Mohit Talwar <i>Non-executive Director</i>	Managing Director of Max Financial Services and Max India (formerly Advaita Allied Health Services). He is also the Vice

		Chairman of Max Ventures & Industries Limited. Mr. Talwar has a wealth of experience in Corporate Finance and Investment Banking, and has spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia.
10	Mr. Pradeep Pant <i>Independent Director</i>	A highly experienced senior business leader, with active involvements in business consulting and education. With over 37 years of experience in the FMCG industry, Mr. Pradeep Pant is an expert in building businesses in both mature and emerging markets. He has a deep understanding of market dynamics and cultural diversity and a proven track record and passion for turning organizations around. He had been associated with Mondelez International, Fonterra, Gillette, Nestle, J Walter Thompson and the Tata group.
11	Mr Rajesh Kumar Dahiya <i>Non-executive Director</i>	He is an Executive Director (Corporate Centre) of Axis Bank. Mr. Rajesh Kumar Dahiya also oversees the functioning of the Axis Bank Foundation. Before Axis Bank, he was associated with Tata Group for 20 years where he handled various responsibilities across functions such as Human Resources, Manufacturing, Exports, Distribution and Institutional Sales
12	Mr Subrat Mohanty <i>Non-executive Director</i>	Mr. Mohanty has more than 20 years of experience, spanning different industries and functions. Currently, he is the Group Executive – Banking Operations & Transformation at Axis Bank. Previously, he served as the Group President at Manipal Education & Medical. He was also the COO at HDFC Life. Previously, in Infosys, he has been in a variety of leadership roles across Operations, Solutions, Strategy, and technology-led Transformation Programs
13	Mr. Rajiv Anand <i>Non-executive Director</i>	Currently, he is an Executive Director of Axis Bank. He has also served as the Managing Director & CEO of Axis Asset Management Co. Ltd. Over a career spanning more than 30 years, Mr. Rajiv Anand has focused on various facets of the financial services industry and is widely recognized for his strengths in capital markets and successfully building new businesses to scale. He has led an award winning investment management team at the erstwhile Standard Chartered AMC. He was Business Standard Debt Fund Manager of the year in 2004

14	Mr. Sahil Vachani <i>Non-executive Director</i>	CEO & Managing Director, Max Ventures and Industries, an innovation leader in the Speciality Packaging Films business; Max Estates, the commercial and residential real estate development arm; Max Learning, the education vertical; and Max I an Investment arm. He has diverse experience across various sectors including consumer durables and real estate. He started his career as an investment banker with Citigroup in London and had been associated with Dixon Technologies and Dixon Appliances Pvt. Ltd.
----	--	--

**Ownership & Shareholder Rights:**

Information on Director Appointment/Removal, ownership structure, capital issuance risks and proportionality can be found here: <https://maxannualreports.com/maxfinancial-2020/pdf/Corporate-Governance-Report.pdf> and here: <https://maxannualreports.com/maxfinancial-2020/pdf/General-Shareholder-Information.pdf>

**Board Management & Integrity:**

Information can be found here: <https://maxannualreports.com/maxfinancial-2020/pdf/Boards-Report.pdf>  
Further, we have a robust Investor Relations desk that continuously and diligently interacts with the shareholders.

**Remuneration:**

Information on board remuneration can be found here: <https://maxannualreports.com/maxfinancial-2020/pdf/Corporate-Governance-Report.pdf>. Further information is provided in the Nomination and Remuneration Policy in the Annexure.

**Board Evaluation:**

For FY20, the annual evaluation of the performance of the board, the committees, individual directors including independent directors and the chairperson has been carried out in line with requirements under the Companies Act, 2013. This was carried out by obtaining feedback from all directors through an online survey mechanism/ hard copy questionnaires. The outcome of the said performance evaluation was placed before the nomination and remuneration committee of the company and the Board on May 20, 2020.

Also, the independent directors met separately without the attendance of non-independent directors and members of management, where they discussed and reviewed the performance of non-independent directors, the Board as a whole, and also the performance of the chairman of the company. They further

assessed the quality, quantity, and timelines concerning the flow of information between the company's management and the Board. Overall, the independent directors expressed their satisfaction with the performance and effectiveness of the Board, individual non-Independent board members, and the chairman, as also on the quality, quantity, and timelines of the flow of information between the company management and the Board.

### **Code of Business Conduct:**

Consistent with its values and beliefs, Max Financial Services Limited has formulated the Code of Business Conduct as a testimony of its commitment to adhere to the highest standards of honesty, integrity and avoidance of conflicts of interest.

As per the said Code of Business Conduct, the Board of Directors and the Senior Management of Max Financial, while performing their functions, would:

- (a) act honestly, diligently and in good faith and in the best interests of the Company;
- (b) not use any confidential information received by them in the course of their official duty, for personal gain, or allow the use of such information for the financial benefit of any other person;
- (c) not allow personal interests to conflict with the interests of the Company;
- (d) abide by all applicable laws and regulations including Company's Insider Trading Policy;
- (e) not engage in any business or activity which might conflict with the interests of the Company;
- (f) ensure the confidentiality of information while in the office of Director/Senior Management and is only disclosed if authorized by the Company or as required by law;
- (g) exercise their responsibilities with utmost cost consciousness within the Company and promote the same;
- (h) take responsibility to maintain and ensure effectiveness of internal control systems and procedures at all times;
- (i) help promote equality or gender, class or caste in so far as the same relates to the activities of the Company;
- (j) Desist from engaging in any fraudulent activity in their personal capacity; and
- (k) directly or indirectly not cause the Company to enter into any transaction which is fraudulent. Illegal or violate of this Code.

In carrying out their duties and responsibilities, Director and Senior Management should comply, and endeavor to ensure that the management is causing the Company to comply with applicable laws, rules and regulations. In addition, if any director/senior management becomes aware of any information that he or she believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company of the operation of its business, such information should be brought to the attention of the Chairman of the Audit Committee.



All the members of the Board of Directors and senior management personnel affirm compliance with the abovementioned regulation including Code on yearly basis.

**Compliance of Code:**

Every Director and Senior Management is required to comply with this Code and he/she shall acknowledge and affirm on an annual basis, the compliance with the Code. Such annual affirmations by the Board of Directors and Senior Management shall be kept in the custody of the Secretarial Department. Any violation of the Code shall be reported to the Chairman of the Company. This code of conduct shall be posted on the website of the Company.

The full Code of Conduct Policy can be found in the Annexure.

**Compliance Programme:**

At Max Life with nearly 14000 employees across 3000 locations, employees are encouraged to speak out about issues faced, which are detrimental to the growth/progress of the company or against the culture/value system of the company. We have established structured platforms and mechanisms with dedicated process owners to resolve grievances with speed and effectiveness. We also seek feedback on health of our Grievance Process in Engagement Surveys. Even during uncertain environment caused due to the pandemic, our grievance handling processes and mechanisms worked effectively and employees continued to report their grievances.

Managers are trained regularly on key topics like Business Ethics, Crucial Conversations, Giving Feedback Effectively, Conflict Management, etc. to ensure that employees are enabled to address behavioral concerns and encourage dialogue at early stages leading to conflict resolution. Employees leverage their 1-O-1's with Managers and Skip levels, Surveys and HRBP connects to speak out any such concerns.

**Grievance Redressal Mechanism:**

There are several kinds of complaints that an employee can raise. To encourage them to raise complaints without fear of retaliation, multiple systems have been created at various levels.

1. Zonal or Regional Human Resources Team and Zonal Compliance Officers: Both these functions are well trained on appropriate redressal of all employee level grievances, related to work culture, compliance and Company Code of Conduct.
2. My Voice (Internal Grievance Helpdesk) — A Single Listening Platform for addressing and routing all types of grievances to the relevant department for resolution. Employees only need to send an email to the email ID: [MyVoice@maxlifeinsurance.com](mailto:MyVoice@maxlifeinsurance.com). All complaints received are acknowledged and the overall process that will be followed is explained in the standard response.

3. Ethics Hotline to deal with Whistle Blower complaints (External Helpdesk) –Max Life has a dedicated whistle-blower platform, which is managed by an independent partner– Integrity Matters and governed as per the Whistle-blower Policy, which safeguards employees from any acts of violation and vengeance from peers or superiors. To ensure anonymity of the whistle-blower, their names are not disclosed in any reports or forums. To enable the best user accessibility, employee can access this platform through integrated link available on Employee Mobile App, Internal Employee Website, Hotline, Partner’s Website, Email & Post.
4. Internal Committee to deal with Sexual Harassment Complaints
5. Heart to Heart: Connect session over concall with Compliance & HR Leader (Periodic Event)
6. Max Life Express: Anonymous Web chat with Senior Management Team Member (Periodic Event)

The processes that we have put in place to address grievances are based on below principles:

- As per our values, Max Life does not discourage any employee from raising a genuine concern or grievance. Every grievance raised is heard without bias, given adequate opportunity or is investigated as per laid down process. All resolutions provided are done with fairness, without bias or conflict. All in All, Principles of Natural Justice are at the core of every grievance redressal process or decision.
- We promote an open and transparent culture, which encourages our employees to raise concerns and seek help for grievances without any hesitation or fear of retaliation.
- Progress of Grievance Redressal is made available to concerned employee (aggrieved /those who have reported).
- Redressal Mechanisms provide a clear and known procedure, with timelines for each stage; clarity on the types of process and outcome it can (and cannot) offer; and means of monitoring the implementation of any outcome.
- Redressal Mechanisms ensure that aggrieved parties have reasonable access to sources of information and advice necessary to engage in a grievance process on fair and equitable terms.

There are 19 different categories of grievances that are being recorded.



Different Internal Management Committees oversee and ensure appropriate disciplinary actions takes place for misconduct through multiple programs

Compliance Heart to Heart Session: In our endeavour to strengthen our culture, “Heart-to-Heart” Session – A Leadership Connect Program was initiated that provided opportunity to all employees to speak with Head of Compliance and Head of HR (Distribution). Employees could reach out anonymously and one-to-one to share their concerns. In last session, we received 400+ calls with concerns on Workplace & Behavioral Matters, Unit Culture, HR Processes and other Operational aspects. Concerns were subsequently resolved. Half of the population called to share their experience and recertify that Max Life is a Great Place to Work.

Max Life Express (Culture Webchat): Another platform exclusively for our employees - “Max Life Express” where employees connected with Senior Leadership Team through Webchat. This platform was utilized to express any concern, share any feedback or compliment (keeping the identity anonymous). All questions were answered by EMC during the live sessions were broadcast to all employees on real time basis. This was done to encourage our employees to speak their heart out to our Leadership Team. This website is managed and completely operated by the external partner maintaining high anonymity on the employees’ identity.



This website is strictly for internal purposes for all employees associated with Max Life. Any unauthorised use of the same including as customer communication and / or in the solicitation process is prohibited. Max Life Insurance Company Limited is not liable for any loss incurred by anyone for any action(s) taken basis the content of this document.

A Max Financial Services and MS Joint Venture





**CEO Webcast:** The quarterly CEO webcast and channel head webcasts, besides town halls becomes effective platforms for employees to voice their opinions and raise questions. All questions are responded to, either during the event or later in form of e-mail responses. Such platforms are highly empowering for employees as any employee can raise their concerns and issues directly to the CEO/Channel Head of the company. They may choose to avoid disclosing their identity while sending live questions during the webcast.

**MyVoice :** MyVoice (MyVoice@maxlifeinsurance.com) is a dedicated specialized team which manages the backend coordination of the grievances reported on this platform including investigation, consequence management etc. with various functions primarily involved in carrying out these functions. All complaints are addressed within the specified timelines and appropriate actions are taken as per the defined disciplinary action grids. Employees are updated on the progress and closure. MyVoice was launched in 2012 and Max Life is the *only company* in Life Insurance industry to have deployed such a robust process to attend employee grievances. In our research, we have found none of our competitors maintain a stipulated turnaround time for overall employee grievance resolution and have a dedicated one-stop platform for any type of grievance. Specialized Team to handle the cases:

1. Human Resources Business Partner: HRBP for all workplace misconducts and misbehaviors
2. Compliance Investigation Unit (CIU): Sales Misconduct / Business Processes / Facilities / Administrative / Company Policy and Process Violations
3. Internal Committee (IC): Sexual Harassment Complaints
4. Fraud Investigation & Control Unit (FICU): Financial Frauds
5. Special Investigation Unit (SIU): Mortality / Death Claim Frauds
6. Information Security (IS): Breaches / Data Leakage / IS Policy Violations

**Awareness:** Physical posters / Emailer / Desktop Wallpapers on MyVoice platform is communicated regularly. Such posters are periodically circulated to reinforce employees of this platform. 62 Case studies and market conduct awareness communications were released in last FY to help employees to understand the potential risks and safeguard themselves proactively through lessons learnt.

**MyVoice**  
If you see something...  
...say something!

**My Voice Matters!**

- Use this to report your concerns about your voice or if you see something that could affect the business, employee resources, environment, financial health, health care compliance, data privacy, etc.
- Have your report be confidential. MyVoice@maxlifeinsurance.com

**Speak Up, Be Heard, You Matter.**

- The integrity of our relationships with our clients, employees and the public is our highest priority. We are committed to the highest standards for business ethics.
- The organization believes in non-retaliation for any disclosures made in good faith.

Log a report with complete information on any non-compliance or unethical practices to: [myvoice@maxlifeinsurance.com](mailto:myvoice@maxlifeinsurance.com)

**Have you been facing any of the following workplace troubles?**

**Voice your Issues**

Workplace troubles include: Harassment, Discrimination, Safety, Health, Environment, Financial, Data Privacy, etc.

Log a report with complete information on any non-compliance or unethical practices to: [myvoice@maxlifeinsurance.com](mailto:myvoice@maxlifeinsurance.com)

Together let's make life a great place to work!

- Have your report be confidential.
- Follow up on the case until you are satisfied.

**COMPLIANCE WATCH**

**CASE FILES**

**INVESTIGATION FINDINGS**

- Complainant highlighted the violation of Relative Hiring Policy against Office Head (OH), Sales Manager and Agent Advisor (AA)
- The investigation unveiled that OH, Sales Manager and AA were relative and in direct line of reporting
- Relationship was not disclosed at the time of joining by OH and AA however, during the investigation they admitted relationship with each other
- The above issue was noted as a violation of Relative Hiring Policy and Conflict of Interest and non-disclosure in Annual Compliance Certification

**ACTION TAKEN**

- Agent Advisor's license was terminated
- Strict Disciplinary Action taken on OH and Sales Manager

**KEY LEARNING POINTS**

- Correct disclosure is important at the time of joining and Annual Compliance Certification
- Max Life has a ZERO Tolerance towards any breach of policy and no-disclosure, any infringement of the policy will lead to strict disciplinary action

Log a report with complete information on any non-compliance or unethical practices to: [myvoice@maxlifeinsurance.com](mailto:myvoice@maxlifeinsurance.com)

**IAM THE DIFFERENCE**

A Max Financial Services and MS Joint Venture

**COMPLIANCE WATCH**

**CASE FILES**

**INVESTIGATION FINDINGS**

- Whistle-blower highlighted manipulations in Employee Referral Scheme claiming involvement of Office Head, Operations and other staff members
- Investigation revealed multiple employees referred by operations employees were not known to him
- Referred candidates were actually known to the Office Head but to earn the referral payout and circumvent policy conditions, candidates were introduced through operations personnel
- Hired candidates were committed kick back of referral payout by Office Head as "Joining Bonus" without approval from HR

**ACTION TAKEN**

- Office Head and Operations personnel were separated from the organization

**KEY LEARNING POINTS**

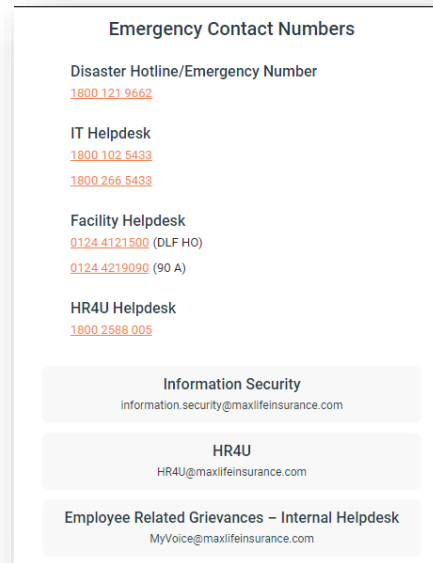
- Correct diligence is important. Any infringement of the policy will lead to strict disciplinary actions
- Supervision is expected to administer through due diligence to avoid any misuse of the policy by any staff member

Log a report with complete information on any non-compliance or unethical practices to: [myvoice@maxlifeinsurance.com](mailto:myvoice@maxlifeinsurance.com)

**IAM THE DIFFERENCE**

A Max Financial Services and MS Joint Venture

Touch Point awareness for MyVoice platform can be easily accessed through Employee Internal Website (ECube) and Employee App



**Complaints:** In FY'21 (till Feb'21) we received 749 complaints, of which 612 were completely resolved and 137 are WIP.

**Disciplinary Action:** Each complaint is investigated to uphold the credibility of the process. To check on false accusations of serious offenses including workplace harassment – employees may face disciplinary action, including termination of service. We have initiated disciplinary actions against 385 employees YTD on substantiation of complainants. Weekly dashboard is released to monitor the TAT of Investigation & Consequence Management. Additional dashboard of such complaints and key issues is reported in Management Committee meetings.

## **BUSINESS ETHICS:**

### **MFSL:**

1. The MD of the Company presents their assessment of the business risks, if any and the board takes note on the quarterly basis and the mitigation strategy, on a quarterly basis.
2. The Risk Management Committee of the Board includes the assessment of the risks related to business ethics.
3. The Code of Conduct is available in the Annexure.

**Max Life:**

Max Life focusses on promoting 'Business Ethics'. In this regard, there is a continuous endeavour to train all new joiners on Business Ethics as part of their induction (New Employee Induction called '**Bandhan**') through face to face, concall and zoom call sessions. Employees are always sensitized on the aspect that it is not about your action or intention, but the impact on receiver. We adopt strict corrective action to ensure that there are no repeat offenders.

Learning - Commitment to Right Sell



- ✓ We will be Transparent, Customer Focused, Equitable and Fair in dealing at all times.
- ✓ We ensure that our process and systems are stronger and developed to delight customer every time.
- ✓ We work together as a Team toward a common objective of 'Customer Delight' and avoid any act of Unethical Conduct.

Why Compliance is Critical and Non-Negotiable?



**ZERO TOLERANCE** TO ANY NON COMPLIANCE

Action Taken:	
Minor Misconduct	Educatory Note, Warning
Major Misconduct	Warning, Reprimand, Separation
Severe Misconduct	Termination

At Max Life, 600+ actions taken in FY'20 on employees

An interactive session on Market Conduct and Workplace Conduct is conducted during *Bandhan*, our induction programme for all new hires. The session aims to make new employees well-versed with the importance of compliance adherence in Max Life.

## Customer Grievances - Misselling



### What is Misselling?

Misselling refers to unfair or fraudulent practices adopted at the time of soliciting insurance by misleading customers by misrepresentation of information or sharing incorrect details about the product. At Max Life, we have a ZERO TOLARENCE POLICY on Misselling.

### Examples of Misselling

- Selling a product different from what the customer wanted/needed
- Not disclosing important exclusions/charges under the product
- Providing misleading information (Benefits & Returns)
- Incorrect policy features explained (Term, Frequency, Mode, etc.)

### Impact of Misselling on Organization

- Adverse regulatory actions, including penalty of upto 1 Cr.
- Increase in grievances / litigation
- Reputational risk
- Adverse impact on persistency

### What is expected from our Sellers?

- Source policy as per customer's need(s)
- Clearly explaining all terms & conditions to the customer
- Explain the policy details accurately (Term, Features, Benefits, Charges, Exclusions, etc.)

### Impact of Misselling on Seller

The action could include issuance of Warning / Reprimand letters or the Termination.

*The mis-selling numbers are monitored at Board committee level. All out efforts should be made to reduce the numbers to achieve a state of -Zero mis-selling complaints!*



## Fraud



### As per section 45 of Insurance Act, meaning of fraud:

- the expression "fraud" means any of the following acts committed by the insured or by his agent, with intent to deceive the insurer or to induce the insurer to issue a life insurance policy:

- (a) the suggestion, as a fact of that which is not true and which the insured does not believe to be true;
- (b) the active concealment of a fact by the insured having knowledge or belief of the fact;
- (c) any other act fitted to deceive; and
- (d) any such act or omission as the law specially declares to be fraudulent.

### IRDAI Circular on Fraud Monitoring Framework

IRDAI Circular on Fraud Monitoring Framework dated 21 Jan 2013 defines fraud in insurance as an act or omission intended to gain dishonest or unlawful advantage for a party committing the fraud or for other related parties. This may, for example, be achieved by means of:

- misappropriating assets;
- deliberately misrepresenting, concealing, suppressing or not disclosing one or more material facts relevant to the financial decision, transaction or perception of the insurer's status;
- abusing responsibility, a position of trust or a fiduciary relationship.

### Broad categories of Frauds

- a) Policyholder Fraud and/or Claims Fraud:** Frauds by policyholders / third parties against Max Life in the purchase and/ or execution of an insurance product, including fraud at the time of making a claim
- b) Intermediary Fraud:** Fraud perpetrated by an Agent Advisor/ Corporate Agent/ Intermediary/ Third Party Administrator (TPAs) against Max Life and/ or Policyholders
- c) Internal Fraud:** Fraud / misappropriation against Max Life by its Directors, Managers and/ or any other officers or staff members, employees or ex-employees and vendor associates of the Company by whatever name called
- d) Third party fraud:** Any fraud done by an external party (including parties who have no business relationship with Max Life) against the Company and the general public which may include activities such as issue of fake policies in the name of Max Life.

### Max Life policies & processes on Fraud prevention

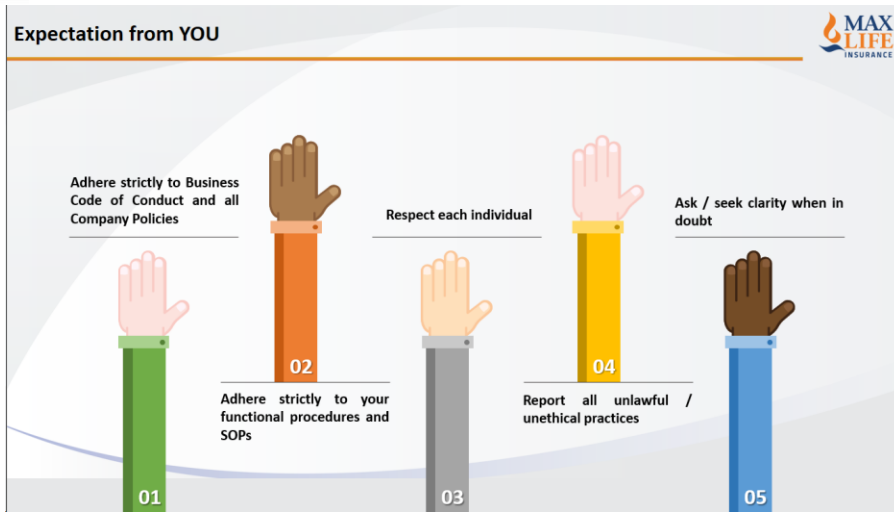
- Anti-fraud policy in line with IRDA circular on fraud monitoring framework
- There should be enhanced due diligence including physical verification of insured prior to risk acceptance in suspected cases
- Fraud repository like Lexus Nexus, Experian and IIB should be utilized
- Utilize whistle-blower platforms to blow the whistle on frauds

## WORKPLACE Incidents Commonly Observed



- Violation of company policies / Business Conduct Standards
- Absenteeism from duty OR refusal to be part of GO sessions / Meetings / Trainings
- Misbehavior / Insubordination / Unparliamentarily language used / Threatening behavior
- Attendance Manipulation
- Misuse / Damaging office assets
- Drinking / Gambling on Company's premises
- Any act in violation of the law
- Leaking out Company proprietary information to the Media / Communication without going through protocol
- Force funds collection





## Empowering Employees

**My Compliance Handbook:** My Compliance Handbook is the moral compass that employee can always use for guiding day-to-day actions and conduct, thereby facilitating them to strive towards achieving organizational goals in a compliant manner. This handbook will act as the sheet anchor of our core values and belief, which guide all our decision and actions. A strong foundation of ethics in an organization has a direct link to organizational reputation and hence the value of organization franchise. This book is the overall compendium of all important polices and processes impacting employees’ lifecycle.

	Vision, Purpose & Values .....	04
	Integrity in All We Do .....	05
	Anti-Bribery & Corruption .....	06
	Avoiding Conflict of Interest .....	07
	Exchange of Gifts .....	08
	Blowing the Whistle .....	09
	Deterring Fraud .....	10
	Combating Money Laundering & Terrorist Financing .....	11
	Promoting Fairness & Safety at Workplace .....	12
	Hiring Relatives as Agent Advisor .....	13
	Privacy of Information .....	14
	Hiring My Relative as an Employee .....	15
	Prevention, Prohibition and Redressal of Sexual Harassment (PPRSH) .....	16
	Be Careful About What We Communicate .....	17
Dealing with Max Life Assets .....	19	
Keeping Organisational Information Secure .....	21	
The Show Must Go On .....	23	
Communication Policy .....	24	

**Employee Orientation Program (Bandhan):** An interactive session on grievance mechanism is conducted during *Bandhan*, our induction programme for all new hires. The session aims to make new employees well versed with grey areas, their rights and appeal process. Employees undergo refresher face-to-face sessions and E-Modules on grievance mechanism from subject matter experts in this area and are also made aware of consequences and its implications. Employees are sensitized on the aspect that it is not about your action but the impact on receiver. We adopt strict corrective action to ensure that there are no repeat offenders.

### **RESPONSIBLE INVESTMENT:**

Embeds ESG issues in its decision-making process: We are aware of the challenges that ESG risks present to the current economy. We integrate ESG issues into investment decision making practices by implementing the principles for responsible investment. We conduct due diligence exercises before undertaking any investment in MFSL or its subsidiary, Max Life. Such due diligence exercises aim to discover various social, ethical, environmental, safety risks that are associated with a specific investment. Understanding the risks helps us in strategizing the investments. Hence our investment decision making process is not centred around increasing of shareholder value but is balanced with ESG aspects as well.

For instance, MFSL regularly interacts with its investors through investor briefings. We keep our investors informed about the changes in our Max Group, investment decisions, providing them updates on our ESG implementation policy.

We also regularly update the ESG tab on our MFSL website to inform our stakeholders about the efforts made by MFSL and the Max Group towards ESG compliances.

The Company is primarily engaged in the business of making and holding strategic and treasury investments. Being a Core Investment Company, permissible investments for surplus funds are Bank deposits, Money market instruments (Money market and Liquid mutual funds), Government securities and bonds/debentures/loans given to Companies in the same group. Treasury investments are made for shorter duration with a maturity upto 24 months. As of Mar'20, the Company has treasury corpus of Rs 266 Cr, the entire amount is invested in money market and liquid mutual funds with average maturity of 5-6 months. The Company or Max Life has no debt in its balance sheet.

The company is committed to the principles of ESG factors and sustainable investing. Principles of ESG are an integral part of the investment process of the Company and are embedded in the investment philosophy and used as one of the criteria for shortlisting Asset Management Companies (AMCs). Over 40% of portfolio allocation is made to ESG compliant AMCs which use ESG framework for sustainable investing. The Company has raised over Rs 2,000 Cr through multiple fund-raising initiatives from high

pedigree Private Equity investors such as New York Life, IFC, Goldman Sachs and KKR who also use the ESG framework for sustainable investing.

### **Principles for Sustainable Insurance:**

Sustainable insurance aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social, and economic stability. Being the holding company for MLIC, the primary role of MFSL is investments into MLIC and rendering management advisory services to MLIC and other Max Group entities. Hence MFSL is not into direct B2C business. The stakeholders for MFSL are joint venture partner, investors, employees, regulators and certain charitable organisation(s) with whom it collaborates for CSR activities.

The vision of the Max Group is to become the most admired company for service excellence. “Sevabhav, Excellence and Credibility ” are the basic pillars on which the Max Group operates.

MFSL implements the principles of sustainable insurance in the following manner:

1. Communication with the various stakeholders:
  - a. **Industry Associations:** We communicate frequently with the business and industry associations to better understand the ESG issues across industries and geographical areas and improve on our investment policies and decisions.
  - b. **Fund Managers:** We also work closely with our fund managers to raise awareness about social, environmental, governance issues so that the investment of MFSL’s treasury funds is done preferably in companies which give impetus to ESG issues and are more ESG compliant.
  - c. **Employees:** The senior management regularly interacts with the team members of the Investment team to bring awareness about the ESG issues so that the investments of MFSL’s funds are in funds which recognise ESG issues and have good scores in ESG.
  - d. **Charitable Organisations:** Our CSR arm, Max India Foundation, has tie ups with approximately 450 NGOs across India. The recent focus of the MIF is providing quality schooling and value-based education to children across India. MFSL and MLIC have together supported various NGOs working in the areas of preventive healthcare, health awareness, artificial limbs, rehabilitation of patients, nourishment to children, immunisation and medicines to underprivileged patients thereby benefitting thousands of people.

The employees of Max Life volunteer extensively through the volunteer platform- Pehal. Over 5,400 employees and agent advisors of the Company participated in multiple activities



for social good which included environment protection, imparting financial literacy and insurance awareness and joy of giving initiatives covering 180+ offices. (Doesn't fit here)

2. **Transparency:** We are transparent in regularly disclosing our progress in implementation of the principles of sustainable insurance to our stakeholders.
3. **Sustainable Insurance – Employee and Enterprise level:** MFSL ensures that its employees have requisite insurance coverage viz. health insurance policies as well as accidental insurance cover, group term life insurance and also a reasonable cover for the Directors' & Officers' Liability Insurance amounting to Rs 192 crores. Details of the insurance policies obtained for benefit of employees are mentioned in the enclosed annexure. [HR to provide]. Further, MFSL ensures that its relevant assets are adequately insured for all foreseeable risks.

#### **RESPONSIBLE PRODUCT OFFERING:**

- **Policy commitment on responsible products and services**

There is a dedicated Board Committee called Products and Actuarial Committee (PAC), that has the mandate to review product development and performance. The Committee, while carrying out this role, specifically reviews aspects related to fairness of proposed policyholder benefits, upholding the principle of 'Treating Customers Fairly' or TCF. All major products are approved by the PAC before being filed with the industry regulator. The PAC is chaired by a Non-Executive Director. Further, the PAC, as per the assessment, may also refer some matters to the Policyholder Protection Committee (PPC) to ensure that all relevant aspects related to responsible product offering are considered.
- **Managerial responsibility for responsible product offering**

The Appointed Actuary, who is a Key Management Personnel (KMP), and also a member of the PAC and PPC, oversees the process of product development and ensuring that the benefits are fair, reasonable and sustainable.
- **Impact and risk assessment incorporated into product development**

Life insurance products, due to their long-term nature and inherently dealing with contingencies, are subject to risks, both economic and demographic. Product creation process identifies all sources of major risks to the product, captures the likely impact and possible mitigation measures. The Appointed Actuary, along with the PAC, consider this risk assessment before approving any product. Further, some aspects may be deliberated with the Chief Risk Officer, or the Risk Committee of the Board as deemed necessary.
- **Regular training on responsible product offering and marketing**

Product Suitability is an essential aspect of a responsible life insurance sale. There is a specific Board approved policy on Product Suitability for prospects that covers the diligence around need analysis that must be performed with prospects to ensure that product recommendation is aligned to the goals and life-stage of the prospects. Sellers are specifically trained on Product Suitability to ensure that they completely understand the products and offer the most suitable product to the customers.

- **Provision to share risk information**

Regular update on product performance and evolving risk scenarios/outcomes are discussed within management review forums and periodically shared with the relevant Board Committees like the PAC, PPC and the Risk Committee.

- **Objectives to improve customer satisfaction**

The Policyholder Protection Committee (PPC) regularly reviews the performance metrics related to customer satisfaction such as Grievance Rates, Mis-selling complaints, persistency and Net Promoter Scores (NPS). These cover the entire range of customer touchpoints, from solicitation to on-boarding to ongoing connect with an existing customer.

### **GOVERNANCE MECHANISMS:**

An internal **Ethics committee** oversees the functioning of the process of all investigation units, discuss the key issues, and guides the action to prevent from any possible risks. The committee monitor the progress on the cases allocate to an investigation unit, review the findings of the critical matters required management attention. The Committee periodically review the Employee/Agent Disciplinary Action Process. This committee is chaired by Head-Compliance and permanent members are Head-Legal, Head-Internal Audit, Head-Dist. HR, Head-Non-Dist. All investigations Heads are part of this committee as Invited Members.

**Whistle blower Committee:** Key issues and actions taken are tabled in the Whistle-Blower Committee meetings periodically where all the whistle-blower matters are discussed and management guides the action to prevent from any possible risks. The committee monitor the progress on the cases allocate to an investigation unit, review the findings of the critical matters required management attention. Chief People Officer chairs this committee and permanent members are Head – HR, Head - Legal and Head of Compliance, Chief Risk officer and IC Chairperson.

**ORG / Management Risk Committee:** Internal committees, oversees the kind of issues being reported and monitor and guides the corrective and preventive measures around it. Management Team also reinforce the preventive measures during their branch visits, webcast and other team meetings.

**Risk, Ethics and Asset Liability Management Committee:** Given the need to ensure compliance with external laws and regulations and internal policies, including its business code of conduct, the Board has determined that it should establish a Committee of Directors with delegated authority to monitor the Board’s responsibilities in these areas. The objective of the Risk, Ethics and Asset Liability Management Committee (“Committee”) is to ensure,

- Company’s operations are conducted on an ethical basis and as a minimum comply with all applicable policies.
- Monitoring the compliance function and the insurance company’s risk profile in respect of compliance with external laws and regulations and internal policies, including Business Code of Conduct.
- Receiving reports on the above and on proactive compliance activities aimed at increasing the insurance company’s ability to meet its ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measures in place to help detect and address the same.
- Supervising and monitoring matters reported using the insurer’s whistle blowing or other confidential mechanisms for employees and others to report ethical and compliance concerns or potential breaches or violations.

Advising the board on the effect of the above on the insurer’s conduct of business and helping the board set the correct “tone at the top” by communicating, or supporting the communication, at all levels of the insurer of the importance of ethics and compliance.

### **Resolving conflicts (IPA, NMA & more)**

Managers undergo training programs such as “Crucial Conversations” while all employees can enroll into e-learning courses on managing workplace conflicts. IPA (Interpersonal alignment) is a popular management tool used internally to resolve workplace conflict.

New leaders undergo New Manager assimilation to move from storming to norming phase. A neutral facilitator conducts a session with a team where there has been a change in supervisor (post 90 days). The Manager joins the session once all inputs are synthesized into themes. The facilitator creates a safe place for employees and manager to share concerns and make action plan.

Every employee has a designated HR Business Partner who can coach or counsel in times of doubt. We promote voicing and registering grievances through various modes that could be in-person, over the phone, by email, onsite and offsite with assured confidentiality and anonymity.

### **Ethical Market Conduct**

Customer is at the centre of all our activities and actions. We have institutionalized a dedicated Team that operates with an objective to minimize and eliminate any ethical and fraud risks especially committed by Employees or Agent Advisors. We have a zero tolerance policy towards any compliance issue and a

detailed consequence management process is applied to any non-compliant incident after proper investigation. The following activities are undertaken to promote ethical sales:

1. Sales Practices and Ethics Training in Distribution
2. Review sales process across all channels
3. Red flag analysis and surveillance monitoring
4. Field office reviews on Agency Work System (AWS) implementation
5. Reporting and sales practices communication
6. Ensuring strong Consequence Management on negative sales behaviour.

### **Tax Strategy**

Max Financial Services Limited (MFSL or the Company) strictly abides by all the prevalent and applicable tax laws in India. Our tax policies are consistent with the nature of our operations i.e. being holding company inter-alia engaged in the activity of making, holding and nurturing long term strategic investments in various businesses / activities such as life Insurance and also provides corporate management services to its group Companies. The key subsidiary of the Company is Max Life Insurance Company Limited.

We emphasize on strong internal controls and complete transparency with the Indian tax authorities and share information relevant to our tax profile by undertaking regular compliances such as filing of annual Income Tax returns, undertaking specified reporting under Transfer pricing provisions, reporting of high value transactions to aid the Government in collation and monitoring of important information. Our tax policy is overseen by our Director Taxation, who reports to the Managing Director.

Our Tax policies and related matters are reviewed by the Audit Committee of the Board of Directors from time to time and any important changes in Tax legislation or any critical transaction undertaken by the Company which may have an effect on the tax cash flow are first being brought to the knowledge of the Managing Director and later discussed and approved by the Audit Committee of the Board of Directors.

We at MFSL have an exhaustive and comprehensive tax compliance management system. Under this, Tax as the functional division is empowered to establish and ensure compliances of the relevant Direct and Indirect Tax laws applicable to the Company. Further, any changes in Tax legislation which have an impact on the current business operations or requires additional compliances to be made by various functional divisions within the organization are upfront notified by way of alerts, so that the responsible personnel can ensure compliance and also provides compliance status report to Director Taxation on a real time basis. Our review and escalation processes enable us to adhere to high standards of compliance with applicable tax laws.

It may also be noted that the Company has recently proactively opted to participate in the Amnesty Scheme introduced by the Govt of India to settle long pending Tax litigation across India. Under the Scheme, the Company has closed/settled one of its complex long-standing litigation by paying of 50% of the tax due and eliminating the risk of penalty and interest including saving of enormous litigation cost in the process.

The Company strives to ensure that it is 100% compliant to all applicable Indian Tax requirements and continually applies the same consistent, transparent and responsible approach to tax compliance and governance outlined in this report.

### **GOVERNING POLICIES**

As a preventive measure, our policies guide employees on all their roles and responsibilities and their limitations to avoid falling into an unsuitable situation. Some of the key governing policies are:

- **Business Code of Conduct (BCC):** Sets out our Values, Key company policies, and Employees business and general conduct
- **Anti-Bribery and Corruption Policy:** Guiding principles for dealing with Public Servants and Political Persons. Employees are circulated the policy on a yearly basis and they must give an affirmation to it.
- **Conflict of Interest Policy:** Guiding principles for employees during Conflict of Interest situations. Covered in Code of Conduct Policy.
- **Gift, Meals & Entertainment Policy:** Guiding principles for GM&E provided to or received from individuals (including Public Officials) having or proposing to have a business relationship with Max Life
- **Anti-Money Laundering Policy:** Guiding principles to prevent money laundering and terrorist financing under Prevention of Money Laundering Act, 2002, and various IRDAI guidelines
- **Whistleblower Policy:** Provides an avenue to raise concerns on unethical and improper practices, irregularities, governance weaknesses, financial reporting issues, or any other wrongful conducts. Employees are circulated the policy on a yearly basis and they must give an affirmation to it. Any complaints of misconduct are taken to the audit committee on a quarterly basis.
- **Workplace Anti-Harassment Policy:** Max Life is committed to providing a safe and healthy environment at the workplace to each employee and does not tolerate any type of discrimination, harassment, or hostile behavior at the workplace.

- **Social Media Policy:** Policy guides on the limitations around sharing of information or discussion associated with Company, policyholders, employees, or partner on all social media platforms include including Facebook, LinkedIn, Twitter, YouTube, WhatsApp, etc.
- **Relative Hiring Policy:** Policy guides on hiring relatives (Immediate/Other relatives) as Agents / Employees preventing conflict of interest situations at the workplace.

*Details of these policies, as applicable to MFSL or Max Life, are available on the Company's websites and in the Annexure.*

## **CUSTOMER RELATIONSHIP MANAGEMENT**

Max Life Insurance believes in the tenet of 'An engaged customer is a happy customer'. To drive the core value of Customer Obsession and to ensure that the customers feel connected with the brand Max Life, the customer marketing vertical has incorporated an Engagement Calendar with many initiatives to build 'Always On Engagement' with the customers. These initiatives are enumerated as under:

- 1) Super Customer Week (SCW): An award-winning customer engagement initiative, designed for creating high brand recall and active engagement. When the COVID-19 pandemic struck, it was immediately transformed to a Digital format (E-Super Customer Week, or eSCW) which is now scheduled for the second week of every calendar month.
- 2) Brand and Product Updates: Taking brand initiatives and marquee properties like IPQ, PFFP, IKBN, and new product launches to existing customers in a very simple to understand way, that can strengthen the bond with Max Life and give additional opportunity to help fulfill their financial goals.
- 3) Digital Servicing: Making it very simple for customers to reach Max Life via Digital touchpoints like the Customer Login section on the website and WhatsApp for policy servicing, thus reiterating that Max Life is always thinking about the customer.
- 4) Regulatory Communication: Keeping customers updated and giving confidence that Max Life is always there for them.
- 5) Occasion Based Communication: Wishing customers on special days like Birthdays, and also on festivals and other important days. Additionally, keeping customers apprised of Max Life's take on



important events like Union Budget by designing and sending greetings & communication from senior leaders.

To make these initiatives customer-friendly and to invite high engagement and participation, Max Life has leveraged the following platforms:

- 1) Gamification: Creating games to drive important messages like making the right choices, and generate customers' interest.
- 2) Customer Webinars: Launching Customer Webinars, by inviting celebrated personalities/celebrities to create a stronger connection with customers while driving the message of overall (Physical + Mental + Financial) wellness.

## **RISK & CRISIS MANAGEMENT**

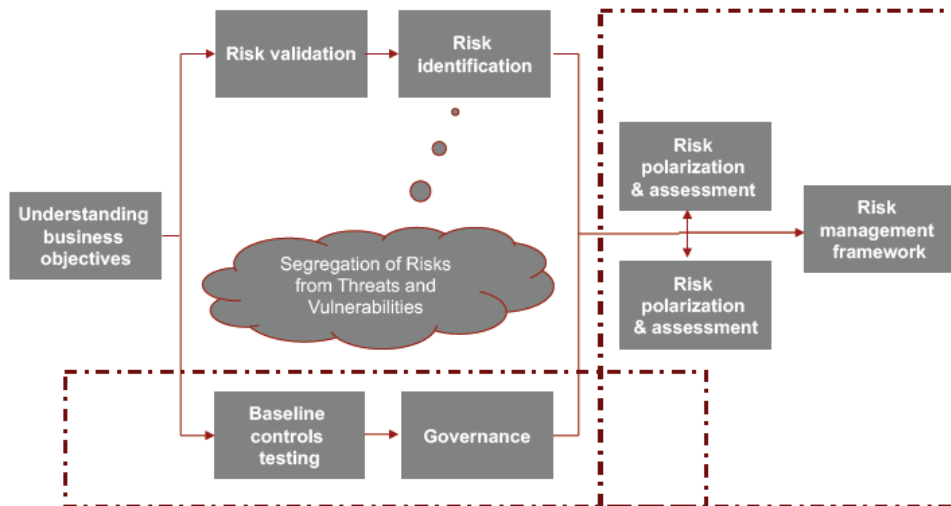
### **Max Financial Services Limited:**

Under Board-approved mandate, a Risk and Compliance Review Committee (RCRC) has been put in place to implement Enterprise-Wide Risk Management (EWRM) framework and adopt an Enterprise Risk Management (ERM) Policy based on globally recognized standards. The RCRC committee meets at least once in a year, to review key risk themes and provide direction and oversight to the EWRM process. The ERM policy lists overall objective and various elements of EWRM framework in terms of risk identification, risk assessment & prioritization, risk aggregation and reporting, risk monitoring, risk mitigation, risk governance / culture. EWRM is continuous monitoring process where Risk registers are updated on a real time basis and emerging risks are identified. Internal auditors also provide independent assurance on the effectiveness of our key controls and recommends control improvements as necessary.

Further, a core team comprising of senior management (the MD, CFO and various functional heads) on quarterly basis reviews emerging risks impacting Company and its industry group and defines risk appetite and tolerance levels, formulate strategies/policies aimed at risk mitigation in consultation with stakeholders. Enterprise risks are categorized into Business, Strategy, Operational, Compliance, Financial & Reporting, Treasury and Information/ Cyber Security. Risk polarization done based on agreed parameters of prioritization (rated in their relative order of importance), likelihood of occurrence, severity and financial impact assessment. Mitigating steps are discussed and evaluated with the stakeholders to derive the residual risks.

Internal auditors in conjunction with various stakeholders identify threats, vulnerabilities and risks impacting Company and its businesses and have mapped these to the four components of the COSO framework (strategy, operations, compliance and financial reporting).

### Methodology for Risk Assessment



### Max Life:

Max Life has a Risk Management Framework (RMF) that enables it to appropriately develop and implement strategies, policies, procedures, and controls to manage different types of material risks. The RMF is Max Life’s totality of systems, structures, policies, processes, and people that identify, measure, monitor, report, and control or mitigate all internal and external sources of material risk. This framework provides reasonable assurance to the Management that each material risk is being prudently and soundly managed, having regard to the size, business mix, and complexity of MLI’s operations.

The RMF is maintained by the independent Risk Management Function, headed by Chief Risk Officer who reports directly to the Chief Executive Officer (CEO). He also has direct access to the Board and the Board Risk Committee to give his independent view of key risks affecting the company. Under RMF, the Risk function is responsible for the supervision of all risk management activities in the Company, including



- Developing the Risk Appetite Statement (RAS) which states the material risk and the degree of risk that Max Life is prepared to accept.
- Appropriateness and adequacy of the Risk Management Strategy (RMS) that states Max Life's strategy to address the material risks
- Policies and procedures supporting clearly defined and documented roles, responsibilities, and formal reporting structures for the management of material risks throughout MLI
- Internal Capital Adequacy Assessment Process
- Ensuring through various management submissions that the Board is adequately informed on key emerging risk-related issues and, if necessary, provides supplementary advice to the Board through the REALM Committee

**Max Life's Risk Management Policy** sets the broad contours of the management system, which is used to identify, assess, monitor, review, control and report risks, and controls within the Company. It is also the Company's policy that risks should be managed systematically with the process of risk management is well defined and with its various elements properly integrated. The implementation of the risk management system is a continuous cycle of improvement over the Company's existing risk management elements. Max Life continues to progress well on its vision of a mature state of risk culture where every individual takes the responsibility of risks and has a thorough understanding of all risk tolerances.

The Company's overall approach to managing risks is based on the **'Three Lines of Defence'** model with clear segregation of roles and responsibilities for all the lines. Business managers are part of the first line of defence and have the responsibility to evaluate the risk environment and put in place appropriate controls to mitigate such risks or avoid them. The Risk Management Function, along with the Compliance Function, form the second line of defence. The **Internal Audit Function guided by the Audit Committee** is the third line of defence and provides independent assurance to the Board. The Statutory Auditors and regulatory oversight aided by the Appointed Actuary in his/her fiduciary capacity is also construed to provide an additional third line of defence.

The Risk team periodically and pro-actively assesses the emerging situation and its possible implications on the continuity of its operations and operating model. During the pandemic COVID-19, the business continuity team under Risk Management Function started working proactively towards ensuring operational continuity by enhancing remote working capabilities (before the lockdown on 25th March). This planning was a major enabler for us during the lockdown and helped in ensuring business continuity while giving primacy to the safety and security of our people. The entire implementation is monitored both at the management level as well as the Board Committee levels, and the overall risk management framework and its effectiveness are subject to both internal and external assurance reviews.

## CRISIS MANAGEMENT

Philosophy: During a crisis, all focus of the stakeholders is on Max Life Insurance’s actions and words. All communications during a crisis will be guided by the corporate vision, values, and mission. Concern for life, health, and safety of the people are the company’s paramount values, especially in a crisis.

### Objectives:

With this policy, the organization intends to:

- respond swiftly during the crisis
- ensure prompt delivery and comprehension of the critical communications
- manage the crisis and perceptions formed by various stakeholders
- allay the concerns of all the related stakeholders
- use effectively and efficiently all channels of communication, despite the challenges inherent in a crisis, and
- maintain and improve the reputation of the company and its leadership among all the stakeholders

### Severity Classification:

Level	Description	Situation Synopsis
4	Highly Intense	<ul style="list-style-type: none"> <li>• Media have immediate and urgent need for information about the crisis.</li> <li>• Deputy Managing Director and MD/CEO may need to provide an opening statement of empathy/caring.</li> <li>• One or more groups or individuals express anger or outrage.</li> <li>• Broadcast and print media appear on-site for a live coverage.</li> </ul>
3	Intense	<ul style="list-style-type: none"> <li>• The crisis causes growing attention from the local and regional media.</li> <li>• Media may contact Agents/Channel Partners/Branch Office Staff/Head Office Staff for information about the crisis.</li> <li>• Affected and potentially affected parties threaten to talk to the media.</li> </ul>
2	Moderately Intense	<ul style="list-style-type: none"> <li>• A crisis situation may/may not have occurred; the situation is attracting slow, but steady media coverage.</li> <li>• External stakeholders receive media inquiries.</li> <li>• The public at large is aware of the situation/event but the event is attracting very little attention.</li> </ul>
1	Minimally Intense	<ul style="list-style-type: none"> <li>• The crisis attracts little or no attention.</li> </ul>

- Pre-event information requests are received.
- Public and/or media are virtually unaware of the crisis.

## INVESTMENT MANAGEMENT

Investing policyholder monies to ensure that obligations towards the customers are met is the primary fiduciary responsibility of any life insurance company. MLIC goes to a great length in ensuring policyholder outcomes can be met by a robust Investment Management philosophy comprehensively enshrined in the Max Life Investment Policy Statement (“the Policy”). The policy establishes the Board level policy settings that will govern how MLI’s investible funds will be invested. The key tenets of the Policy are:

- None other than the Board of the Company itself approves the Investment Policy whose implementation and adherence is the responsibility of the Investment Committee (IC)
- The IC meets at least once in each calendar quarter to discuss the investment performance and strategy decisions at each meeting. The discussions and decisions of which are recorded and maintained as per the IC charter.
- At the Management level, the investment function is segregated into three offices namely (a) Front, (b) Mid and (c) Back Offices. Where each function in line with best practices are independently reporting to the Chief Executive Officer through the Chief Investment Officer, Chief Risk Officer, and the Chief Financial Officer / Deputy Chief Financial Officer respectively.
- The roles and responsibilities of each of the offices are detailed in the Standard Operating Procedures (SOP) manual.

Responsibly investing all monies is at the center of the investment decision making framework at MLIC and is governed by the following:

- Distinct Research & Fund Management processes - clear demarcation between Research Management (ideal generation/stock recommendation/bottom up) and Fund Management (stock picking/top down)
- Comprehensive frameworks for evaluation of top-down macro-economic, policy, and sectoral calls
- Growth at reasonable prices (GARP) investing- buying fundamentally good quality businesses at attractive valuations
- Rigorous benchmarking – performance of all funds of MLIC are evaluated internally across short and long time-periods with benchmarks and peers
- Early warning framework to ensure proactive monitoring of all exposures which show signs of stress for further remedial action
- Stewardship Duties – MLIC has a Board-approved Policy for discharging its stewardship responsibilities which detail procedures to be followed by the Company to comply with its

Stewardship responsibilities. The Policy defines the stewardship responsibilities to be undertaken by the Company and processes that the Company intends to follow to safeguard the interests of its Policyholders. The policy is reviewed comprehensively on an annual basis to incorporate the best emerging practices in the field.

- In furtherance to the above as an investor in various securities and an entity whose securities are listed the Company also has a Code of Conduct to regulate, monitor, and report trades in Securities by Designated Employees (Insider Trading Code), which prescribed norms and restrictions in undertaking personal investment by select employees, considering the Company invests its policyholders' funds.

### **KEY MLI ULIP PORTFOLIOS AND THE ESG THEME**

Team for internal purposes also periodically assesses the standing of its key ULIP fund portfolios on ESG metrics. The scope of its latest exercise ending December 2020 is as follows:

- Periodic assessment of the characteristic of the portfolios of key ULIP equity funds to see what proportion of funds existing portfolio is comprising of securities which are part of available ESG benchmark indices.
- Mapping of the unique portfolio of combined indices with key equity-oriented schemes of MLIC.
- It was observed that MLIC's equity-oriented funds have consistently held more than 2/3<sup>rd</sup> of its exposure in investments which are common to the ESG indices available in India– reinforcing the fund management philosophy of investing in sound businesses with quality management and tested governance
- Even many of the names not included in the ESG index but held in MLIC portfolios were businesses which in our view follow very closely the principles of ESG, including these names to the above composition,takes the above portfolio proportion beyond 90%.

### **INFORMATION SECURITY/CYBERSECURITY & SYSTEM AVAILABILITY**

#### **Data & Cyber Security**

The access to the information at MFSL is safeguarded by user authentication and login password. All the user's data & financial transactions are secure with firewall security.

Users are trained on IT policies for privacy and confidentiality:

- Prevention of external access through network firewalls
- Servers are kept in physical locked data center.
- Restricted use of external drives and ports on users' computers through McAfee application.
- Restricted access of software to the users based on their job profiles.
- User are trained to enter / update data in software's.
- Users Access reviewed periodically.



- Restricted secure VPN access to use the applications outside network.
- Disaster Recovery Plan is in place for IT systems.

### **Data and Information Availability:**

There are communication channels like Microsoft exchange, Tally, Vista payroll, SharePoint portals and common drives are used by team members.

Depending on the need, data is structured into meaningful formats and information for use by Max Financial Services. Also, there are various best industry practices for user friendly formats, and these are deployed at MFSL.

### **Emergency Availability:**

Backup, recovery and monitoring policy are in place for Tally and Vista application :

- Daily data backups are taken and transferred to central location.
- Backup servers and computers are configured in case of any emergency to restore the backups.
- Emails and exchange data backups are secure to offsite location (Bangalore) on daily basis.
- Users backups are transferred to servers on weekly basis through Druva app.

### **Max Life:**

Max Life Insurance Company Limited is committed to protect its users privacy and work towards offering you a powerful and safe online experience. Max Life continuously reviews and enhances its security policies and security measures to consistently maintain a high level of security. We maintain information pertaining to customers as per current regulatory requirements.

### **Cybersecurity programs at Max Life:**

Max Life Insurance has a robust cyber security framework in line with regulatory requirements by IRDAI and Indian IT Act. Max Life is certified on international standards ISO 27001 and ISO 22301 for information security and business continuity respectively. We believe in laying strong foundation and as part of our formal induction also known as “Bandhan” session information security Do’s and Don’ts are imparted to all the employees joining in MaxLife especially in handling personal data, maintaining privacy and confidentiality.

Aside this, there are custom curated programs for imparting cyber security education and awareness to employees specific to the job role requirements. There is a regular focus on fortifying cyber security through advanced simulation exercises and periodic assessments.



We understand that the cyber security ecosystem is evolving and keep a constant vigil on the increasing threat landscape through state of art cyber security deployments. Cyber security risks and corresponding mitigating controls/deterrents are reviewed through strong Information security governance. We follow three lines of defense model, with information security threats and risk reviewed in management committees on periodic basis.

The Information Security Policy of MaxLife is approved by Board of Directors at least annually with policy updates for any environment changes. This helps in getting management support, direction and keeping us ahead of the curve.

### **Max Life's Data Privacy programs**

Max Life follow reasonable security practices to protect Personal Information in accordance with the information security and data privacy policy approved by the management.

Our privacy policy is available on our website and compliant to the regulatory requirements. We provide clear communication to customers around the type of personal information collected, purpose of collection and usage of personal information. Max Life acting as Data Controller permit its customers and, as and when requested by them, to review the information the customers had provided.

Max Life ensures that there is a mechanism by which PII or SPDI (Sensitive Personal Data) found to be inaccurate or deficient can be corrected or amended as feasible. We do not hold Personal Information longer than required for the purposes for which the information may lawfully be used or is otherwise required under any other law for the time being in force. MaxLife ensures that the contract that is signed between Max Life and its customers' mentions disclosure of Personal Information to third parties (if any).

In the event a contract is not signed, we take prior permission from customers before disclosing their SPDI to third parties or publishing it. Besides, there is dedicated GRO (Grievance Redressal Officer) who addresses any discrepancies or grievances raised by customers with respect to processing of information in a time bound manner.

### **Data request management**

We have defined responsibilities and process to evaluate any data request from regulator, law enforcement and/or agencies. Data submission is done in accordance with the applicable rules and regulations.

## ENVIRONMENTAL DIMENSION

### Max Financial Services:

The MFSL Corporate Office is located at Max Towers, Noida – an LEED Platinum certified building. One of the few LEED Platinum certified buildings in India, Max Towers helps organisations build a better future with:

- High-energy efficiency & long-term savings
- Waste segregation and recycling
- On-site treatment of 100% waste water
- Rainwater management system
- Shuttle from metro station
- Electric vehicle and carpool-friendly parking

### Max Life:

This pillar is focused on managing our environmental footprint in everyday operations. We operate through 269 offices including one Head office and two back offices. Through various efforts grouped below, we are committed to optimizing our energy consumption, reducing wastage, and recycling.

#### **A. REPLACE**

The objective of this effort is to serve the preservation of our environment through digitization and reduce carbon footprint.

##### **A.1 Digitization efforts**

Digitization has the potential to promote sustainable business practices. For our operations, it offers opportunities to build efficiencies and enable prudent use of resources while minimizing the impact on the environment. We have been able to **digitize our entire operating model**, right from sales to new policy issuance to claims management – operations across the entire value chain have today been digitized. Max Life has also digitized **claims management** to ensure that all support documents are accepted online, and customers can submit claims on time, using **self-service** options - website, digital bots, and AI-driven Interactive Voice Response. We have also worked on **removing physical paper** from our journeys through contactless servicing, OTPs, and digital signatures.

By incorporating digitized operations in the servicing value-chain, Max Life has ensured seamless customer convenience that helps reaffirm the commitment towards societal wellness. Important initiatives like Paperless service for Policy owners and WhatsApp for Servicing enables Max Life to offer faster turnaround, efficient operations, and agile interactions to its customers. Today, customers can interact with Max Life’s service processes digitally via OTP authentications and WhatsApp interactions for policy renewals/surrender, claims processing, the update of personal details, and many other workstreams that help simplify the point of sales interactions.

### **A.2 Replacement of plastic**

Another major focus area for Max Life has been the replacement of plastic in everyday usage. We encourage employees to use reusable mugs and glasses, completely **banning single-use plastic** across our offices. Max Life has **saved over 300 Kg of plastic** garbage bags by placing common dustbins at the Head Office and has **saved 3 Lacs paper cups by using ceramic cups which has resulted in the saving of over 60 trees.**

### **A.3 Tree plantation**

‘**Greening of Metro**’ is our flagship initiative undertaken in collaboration with the Gurugram Metropolitan Development Authority (GMDA). As part of the initiative, we have adopted a stretch of 2.6 km of Metro corridor (from Sikandarpur metro station to IFFCO Chowk), to develop the area as a green corridor by planting trees and maintaining them. A long-term MoU has been signed with the authorities for the beautification, greening, and environmental preservation of this stretch. Our employees led by their leaders have conducted various volunteering activities at the stretch by planting more than 1000 saplings.

Our **tree plantation drives** across the country have continued round the year with employee groups planting saplings across the country in partnership with Educational institutions, Administrative bodies, RWAs, and NGOs to reduce the carbon footprint. Plantation drives have been conducted across India (involving HO & Field Office employees) and we have been able to plant **35,000 trees in more than 50 locations in FY20**. Furthermore, to improve the indoor air quality, we have **planted 2,600 live plants** at our Head Office.

## **B. REDUCE**

We are deeply focused on reducing waste and conserving resources like water, and paper through sustained efforts including driving awareness.

### **B.1 Energy Reduction**

We are proud to use energy-efficient cooling and lighting across all of our branches. Our Head Office at DLF Square, Gurugram is a LEED Platinum-certified building with a 5-star rating in health and safety by the British Safety Council. Other major energy-compliant initiatives include – installation of LED lights replacing CFLs in 160 field offices that helps save approximately 45% of



the lighting load; solar systems installed in the Head Office which support common area lighting, amongst many others.

### **B.2 Waste Management and Reduction**

In our endeavor to **reduce food wastage**, sustained awareness and monitoring have helped to reduce food wastage to nearly half. We have also strictly **managed paper printing services** to avoid unnecessary prints while encouraging our employees to go paperless in their everyday business.

### **B.3 Water Management**

The rapid depletion of groundwater in India is a major concern for all and demands the attention of the entire community for immediate action. As part of **Pehal**, our employee volunteering program, we have deployed a small but powerful idea that can help manage 60-70% of water wastage in urban households. We have distributed **aerated nozzles** to all our employees at no cost, which can be fixed in taps whether at home or offices to conserve water. These nozzles have the potential of saving up to 60% of water being dispersed through taps, which can result in approximate **savings of 43,000 litres of water** per household per year. In 2019, we extended this initiative to the larger society by distributing them among the residents in Haldwani with the help of the Ministry of Women & Child Development, Uttarakhand.

By the end of FY20, in one of our biggest drives of the year, we were able to **distribute more than 1.25 L water nozzles across India**. This was made possible by collaborating with educational institutions like IIM Calcutta, XLRI Jamshedpur, with the District Administrations in locations like Delhi-NCR, Bengaluru, Chennai, Pune, and Ujjain. We collaborated with RWAs as well to build awareness and were successfully able to distribute more than 8,000 nozzles in 120 RWAs across Delhi-NCR.

### **C. REUSE AND RECYCLE**

We have replaced plastic garbage bags by placing common dustbins at the Head Office – and with that, **more than 300 kg of plastic was reduced**. Paper wastes are further given to a registered recycling agency, **'Green-o-bin.'** At our offices, we are successful in conserving 60% of the water through sensor-based taps and urinals. At our largest office, the Head Office, **100% of water gets recycled**. A **dry and wet waste segregation** process also has been implemented in Head Office.

## SOCIAL DIMENSION

### **Overview: Human Capital at Max Group - Key Workstreams**

Understanding and responding to the trends shaping the future of work enables us to create the best possible environment for our workforce. Max Financial Services Limited (MFSL) has built on a number of initiatives to improve existing HR systems and processes as well as develop new tools to enhance the employee experience. These efforts, detailed on the following pages, spanned recruitment and employer brand; development; engagement; performance and recognition; leadership and succession.

#### **Recruitment and employer brand**

Candidates now respond to different approaches, for example through social media, gamification and virtual interactions, as well as look for an authentic Employee Value Proposition. We have employed a number of these approaches. At the same time, in line with our focus on internal mobility, we have continued our efforts to retain expertise and experience by providing attractive career opportunities. Internal mobility also helps us turn necessary restructuring into an opportunity.

#### **Talent Development**

As we adopt digital tools and new ways of working, we also try to ensure our employees are equipped with the right skills. To support this objective, we provide access to learning available anywhere and anytime via our dedicated Learning Management Systems. This covers the entire range of mandatory training and available learning at Max Group. Furthermore, reflecting our commitment to help employees develop professionally and personally and advance their careers, we are pursuing various approaches to talent acceleration and cross divisional exposure.

#### **Employee Engagement**

It is crucial for us to understand what motivates and engages our employees and how they perceive their work environment. Therefore, we encourage open and regular dialogue between managers and their team members, conduct surveys and offer a framework which ensures they feel comfortable to speak up, raise concerns and are empowered to initiate improvements.

#### **Performance and recognition**

Reflecting the ambitions and needs of our employees, we have adopted a holistic approach to performance management, which includes providing regular meaningful feedback and recognition, while holding people accountable and promoting continuous development. This approach is directly linked to our compensation framework and promotion process. In addition, to ensure our employees' financial, social, mental, and physical wellbeing throughout all stages of their lives while employed at Max Group, we offer a wide range of benefits.

### **Leadership and succession**

To ensure we develop future leaders for the Group, we provide several cross divisional programs to foster management and leadership skills. The purpose is to equip our people with the necessary capabilities to lead the organization through change, develop their teams, manage performance, and ensure business success in line with our strategy and our values and beliefs.

### **Recruitment, Talent Attraction and Retention**

MFSL aims at hiring the employees for their Values & Competencies. We ensure to get the right candidate for us who will fit well within the organization as per our Culture & Values. The strong & robust Development Journey after Hiring makes them ready for their roles. The complete Hiring process aims to identify the most passionate individuals who have the potential to be the next generation for Max Group. This program of Value Based Hiring forms a base for all the programs and initiatives around Talent Attraction. We aim at identifying the attitude, Values & Competencies of the individuals that drives them & their alignment with our values.

Our Selection process involves assessment of the potential candidate by the Hiring Manager & the Skip Level Manager on both the Functional Fitment & Values Fitment. Each Manager at MFSL has the Max Group Value Interview Guide, this has a set of Questions against each Value on which the candidates are to be assessed. The Managers use 2-3 questions from the entire list of questions to get the desired inputs & then they give a rating to each candidate on a scale of 1 to 5 for each of the Value. The tool that we use to assess these competencies is Behaviour Event Interview, where we understand a detailed description of an individual's past events which was important to that value & competency under consideration. It provides evidence of skills, behaviors, or characteristics of the person that have led to positive outcomes. The Interview Guide has different sections:

1. **Conducting the Interview:** This section gives instructions on asking the open-ended questions that focus on a particular behavior or situation rather than unstructured ones, probing the candidate to get complete response, asking the candidate what he/she did in those situations & what were the results etc.
2. **Follow up Questions to collect behavioral responses to clarify a situation:** This section gives a set of follow up questions to probe the candidate on something that he/she would have stated. This will help in getting a clarity as to exactly was the situation, what steps were taken, what were the challenges being faced etc. This helps in getting a clear picture of the entire scenario.
3. **Follow up questions to collect behavioral responses to explore the action:** This section will help in getting a clarity what the extent of the involvement of the candidate in that situation was, what were his actions/strategy around it, what was his approach etc. This helps in understanding the credibility of the candidate.

4. Follow up questions to collect behavioral responses to determine the results: This section helps in understanding the outcome, impact of the actions the candidate took etc.
5. Specific questions for each of the values to understand how the candidate fits them.

### **Retention starts from Recruitment (Provide candidates with a great hiring experience)**

Every Manager in MFSL works with a mind-set where the first strategy towards retention is the recruitment experience which in return helps in ensuring that every single candidate who applies for an opening with MFSL becomes a brand ambassador for us in the market.

With respect & Care being the 2 key ingredients for all our processes & systems, we build rapport with each candidate from the very first step. This is followed through multiple stages:

1. A detailed Job Description & a clear understanding of the role is provided to the candidate along with the brief of the organization. This has helped them in getting a clear picture on how the organization is, how we work & make success stories each day before they come for the interviews.
2. We understand anyone who is coming for a job application would already be in a very tensed & anxious state so our key towards giving that comfort is by following a structured interview process. We are able to achieve this by sending out timely interview invitations and communication for all rounds, followed by meet & greet with the candidate exactly at the informed time. The interview starts with a small warming up through a self-introduction & rapport building. The entire interview is around appreciative enquiry where we probe the candidate on actual events. This is concluded by thanking the candidate for their interest & time.
3. We close the entire process by a rigorous feedback process where we keep the candidate informed on the actual status of his application.

This entire experience has ensured that every candidate leaves with a good experience irrespective of the fact whether they are selected or not. Even if they are not selected, they exactly know what the reasons are for the same, and it has also helped in identifying the strengths & areas they need to work on for that position.

### **Exhaustive Selection Process with the Involvement of Multiple Stakeholders:**

When it comes to hiring, we assure that the candidate is a perfect fit for our organization through the comprehensive Selection Process. This involves multiple stakeholders at various stages:

1. Sourcing of the Candidate by HR
2. Assessment by the Hiring Manager
3. Assessment by the Skip Level manager



4. Assessment by the Client: Since 90% of our employees are deployed at the Client location, so before finalizing the employee, we involve our Client to ensure that our selection is a 100% fit for both us as an employer & for the client.
5. Final Assessment by HR

This involvement by multiple stakeholders has ensured confirmation of getting the perfect candidate at all levels: for that particular role, region, Account, Organization, Client.

## Human Capital Development

Employee Value Proposition at Max Group strives to provide **Certification, Culture, Career and Compensation** to all of its employees. Through our **structured Capability Development**, we are able to provide Certification, Culture and Career to our employees.

Capability Development of our employees has been a high strategic priority for us. We have a holistic model of capability development that trains our employees to respond quickly, effectively and innovatively to constantly changing environment & client's needs. We use innovative technology and gamification-based e-learning programs in our Capability Development. Apart from classroom programs we also have an LMS, IVR to enable technology-based learning. Our Capability Development aims at creating frontline trainers who can create an impact on Level 4 of the Kirkpatrick Model for our clients.

The salient features of our 'Capability Development' model are -

- **Diagnosis-** We have identified capabilities that our employees need for their present & future roles. Accordingly, employee capability development programs have been designed with an aim to link learning results to the success at work.
- **Address individual needs:** We have tailored our capability development programs to employees' specific strengths and needs, rather than 'one-size-fits-all' program for everyone. We are using an approach that is blended instructor led training blended with real work situations and other interventions like coaching.
- **Leveraging technology:** We are leveraging technology for self-paced e-learning on LMS, learning on mobile app, non-electronic self-paced learning, online resources & self-directed research.
- **Align with and link to business performance:** All our capability development programs culminate with 'actual application on the job' with an aim to have actual impact on the job.
- **Certification:** Employees are intrinsically motivated by the value they derive from their development and extrinsically motivated through certification.



- **Create an ecosystem of heart, mind, soul alignment:** We conduct formal training of all our employees on 'Heart, Mind, Soul alignment' so that they can pool all their energies and concentrate in one direction which fetches the result in shortest possible time.

## Human Rights

Our values of care and respect define who we are and how we operate and underscores our commitment to human rights. We are committed to operating with respect for internationally recognized human rights. Our approach to this work is guided by the human rights due diligence framework set forth in the UN Guiding Principles on Business and Human Rights.

We continue to enhance our efforts to understand and manage our human rights impacts by further operationalizing our Business and Human Rights Program and embedding human rights considerations into responsible business decision-making processes across the company.

Our efforts include attention to the human rights impacts of our products, services, strategy and operations, and to our engagements with employees, customers, communities, governments, business partners and suppliers. We host regular training and awareness-raising activities to provide MFSL employees with guidance and tools to operate consistently with our human rights commitments. We also continually engage with external networks and experts to inform our approach.

Our human rights efforts are overseen by the Corporate Governance and Policy Committee of our Board of Directors with teams throughout the Public Policy, Law & Security and Global Supply Chain organizations, as well as other functions, including Corporate Social Responsibility.

## Labour Practice Indicators

Respect for human rights is deeply ingrained in our values, in how we run our business, interact with stakeholders, and engage with our global community. At Max Group, we value diversity and equal opportunity and do not tolerate discrimination or harassment of any kind. Max Group is committed to our employees, customers, future generations, and the communities where we live and work. This policy communicates our expectations with respect to human rights and labor practices and the high standard of conduct expected of our employees worldwide. This includes, but is not limited to, ethical and lawful practices concerning discrimination, workplace health and safety, freedom of association, collective bargaining, child labor, human trafficking, forced or compulsory labor, and indigenous rights.

Max Group respects fundamental human rights and views them as a key component of responsible corporate citizenship. In addition to supporting the fundamental principles contained in the United Nations Universal Declaration of Human Rights, we are committed to applying those principles in our daily

operations, interactions with customers and vendors, and in our communities. We continue to work with suppliers to help uphold ethical human rights standards.

### **Risk Assessment, Prevention and Remediation:**

It is the responsibility of management to be alert to any potential violations and to ensure compliance with this policy. If a potential violation arises, then the manager must promptly notify our Corporate Compliance department and/or their Human Resources representative. Our board level Risk Committee receives periodic reports from management regarding our efforts to monitor and control any major risks. Risk committee responsibilities also include ensuring compliance with laws and regulations and reviewing complaints received from our Code of Conduct Hotline. The Risk Committee reports to the Board periodically of any recommendations or issues that arise. It is the ultimate responsibility of the Executive Officer and senior management to assess and manage any exposure to risk associated with human and labor rights. Should MFSL identify any risk of contributing to an adverse impact in the area of human or labor rights, it will take the necessary steps to cease or prevent its contribution and use its leverage with internal and external business networks to mitigate any remaining impacts to the greatest extent possible. By doing so, and in accordance with its core business, Max Group pays special attention to international labor standards such as:

- Non-discriminatory treatment and anti-harassment
- Workplace health and safety
- Minimum wages
- No child labour
- Voluntary employment
- Freedom of association
- Anti-slavery and human trafficking

### **Occupational Health & Safety**

The Max Group proactively strives to protect human health and wellbeing, to provide a healthy and safe working environment and to ensure the highest level of protection and preservation of its assets and the environment. The Group is committed to promoting a zero-accident culture and takes all reasonable measures to assess and control the potential risks of its operations, including process and occupational health and safety risks.

Our OHS policy defines the fundamental requirements for the management of Health & Safety performance in all the Group's business activities, thereby eliminating or mitigating risks in order to prevent occupational injuries and illnesses, avoid workplace accidents, and to protect the people in the communities in which we operate.

## **1. HEALTH AND SAFETY MANAGEMENT SYSTEM**

- Max Group sites must have a certified health and safety management system in place in accordance with regulatory guidelines and company policy.
- Multi-site integrated systems (e.g. Health & Safety, Environment and Quality) are encouraged in order to improve consistency and efficiency across the group.

## **2. HEALTH AND SAFETY ORGANIZATION**

- In order to support a robust zero-accident culture, the Max Group establishes local health and safety organizations to provide specialist advice to all relevant personnel.

## **3. INCIDENT REPORTING AND ANALYSIS**

- All relevant health and safety incidents, including occupational injuries and illnesses, as well as process safety incidents, must be recorded, analyzed and communicated as required by local legislation and by the Max Group's standards and procedures. Deliberate and wilful concealing of incidents is not acceptable and may result in disciplinary action.
- Management must keep accurate records of reported incidents, ensuring proper classification, reporting, communication, analysis and follow-up.
- Management must ensure that reasonable and appropriate actions are taken to contain the consequences of an incident and prevent its reoccurrence.

## **4. COMPLIANCE**

- All Max Group subsidiaries must comply with national and local laws and regulations, as well as with the provisions of this policy, the loss prevention Group standards and the Health & Safety Group standards.
- In the event of any discrepancies between our policy and national laws or other applicable standards, the more stringent requirements will apply. In the event of any doubt, the case must be evaluated by Group Legal.

Max Life's vision is to become the most admired life insurance company by securing the financial future of our customers and bringing about strong social relevance. The organization is committed to social causes and believes in inclusive growth through its contributions to the communities it operates in.

Corporate Social Responsibility has been an area of focus for the Max Group and Max Life since its inception. Max Group being in the 'Business of Life', there has been a conscious effort to make a difference in the lives of the less privileged through its CSR initiatives. Max Life has given this priority



and effected positive change in the quality of life of the underserved in keeping with the Group philosophy.

Our Social Responsibility programs are focused on our employees, our consumers, and our society at large.

#### **A. SOCIALLY RESPONSIBLE FOR THE EMPLOYEES**

Max Life Insurance is built on the credo of equality, non-discrimination, caring, fairness, and affording mutual respect and dignity. Over the last two decades, Max Life has progressed on the belief that an inclusive and diverse work culture with people of different backgrounds, genders, abilities, and ethnicities working together towards a common purpose and aligning to the organizational values will positively impact the business. As a testament to its people practices, Max Life Insurance has been recognized among India's Top 25 Best Companies to Work For in 2019.

##### **A.1 Talent Attraction & Retention**

At Max Life, we truly believe that each individual is unique and they can create a difference for customers internally or externally. We embrace diversity in all its forms and shapes. From the diversity of gender, people with disabilities to diversity of cultures and even thought process is something that is at the core of our value proposition. Our workforce of 15000+ employees operates across 300 cities, in our HO, owned branches, and partner (Bank) locations.

We strive to create a working environment where people are valued. We look for individuals who are high on integrity, embrace challenges, and share our values. Some characteristics which are critical in our prospective employees are:

- Our Values are the bedrock of our hiring process. Caring, Collaboration, Growth Mindset, Customer Obsession, and People Leadership, are the Values we hold high and what we look for in any prospective candidate.
- The ever-changing environment needs prospective candidates, who are agile, adaptive, operate with a breakthrough mindset to address the requirements of our customers, and anticipate their future needs.
- The nature of the business we operate in, our commitment to give back to society and contribute to the social well-being of people are of prime importance to us.
- Our hiring process helps us select those meeting these requisite skills, competence, and a strong character. We promote internal mobility by publishing all jobs first to our employees through our Internal Job Posting process.
- We re-aligned our social media strategies to gain mindshare of potential talent, which can contribute to our business objectives and Purpose. We enhanced our footprint by communicating what we stand for, what we look for in our potential hires.

- Integrity is the bedrock of our Values system. As a process, all new employees undergo a Background Verification process initiated before their joining and is adhered to across levels. We have partnered with AuthBridge on this journey.

#### **The Covid Response:**

The recent COVID-19 pandemic has impacted the hiring needs and ways of recruitment. Like other organizations, for MLI too, social distancing measures have made remote working the new norm. There was a pressing need to re-imagine the Talent Landscape and subsequently engage with the prospective Talent. This not only led to new ways of working but / altering job roles more relevant to equip us better to face unprecedented situations. When organizations were taking steps to cut costs by limiting hiring, deferred joining for offers (Campus & Laterals), we honored every commitment that was made and on-boarded every offered candidate with similar zeal and welcomed wholeheartedly. We now have a more robust virtual platform (e-Bandhan on Workplace) to orient our new joiners with enhanced effectiveness and efficiency. 2000+ employees were hired across functions channels during the pandemic.

#### **Digitised Hiring Process:**

We have further strengthened our Hiring processes with a strong emphasis on digitalizing all aspects of recruitments to usher in the era of smart hiring. To establish a virtual enabled recruitment process, addressing these key areas was imperative:

- Talent mapping: Proactive identification of roles with a series of mapping activities helped us categorize roles that were critical and can further be clubbed with generic ones to add more weight to the existing range of our workforce
- Sourcing & Screening: We have introduced online assessments to make our screening more robust and are now equipping our ATS (Applicant Tracking System) to be more intelligent in giving us apt matchmaking results, sharpening our sourcing capabilities. We have fast-tracked this approach.
- Interviewing: Video connects are effective and prompt mediums that were immediately introduced to equip hiring managers and job-seekers to have a flexible yet powerful medium to engage.
- Onboarding: Our existing collaboration with Workplace by Facebook is not only facilitated in seamless enablement of our virtual orientation but also fueled in enhancing the overall experience for our new hires.

Additionally, hiring processes will have to be more inclusive and include elements like flexible work timetable, sharpening skills, along with building employee capabilities towards crisis management. Hence enabling them to contribute positively and reinforce their roles in the organization.

A pivotal aspect of the statement is the “people”. For us, people include our customers, partners, advisors, and employees. When we increase the value of people’s lives, we help them unleash their potential and make a difference in their lives, which became the manifestation of our Common Purpose, “I AM THE DIFFERENCE”. It reminds us every time, that it is, I who has the power to create value for my people, organization, my customers, and myself!

### **Hiring Model, Structure, and Talent Acquisition**

Our hiring strategy varies for these 4 broad categories:

- Distribution customer-facing (Sales): Represents the largest workforce group spread in proprietary and partnership channels
- Fulfillment Functions (Operations, Claims, Underwriting, Customer Support, IT & Quality)
- Non Customer facing (Corporate Functions): represents niche skillsets such as Actuarial, Investments, Finance, etc
- Leadership Roles: at Corporate VP & above roles

Our hiring structure and model are also organized in line with the structure above. We realize that each of the 4 categories requires a certain kind of skill, behavior, and values to deliver to the expectations.

To ensure that the right talent is identified for each, we have specific teams within the hiring function to support each category. The process of selection also varies based on the category in which the hiring is happening. While for sales roles, we use more AI and automated solutions, for operations, we leverage the use of assessment solutions. At the same time, for leadership roles, detailed mapping and profiling are done as part of the process to ensure the right fit. Several other interventions come into play depending on the category of hiring. Our relentless focus is also to hone the skills of our recruiters and the sourcing team to keep them abreast with the cutting-edge recruitment methodologies and processes. LinkedIn sponsored training workshops, Naukri webinars, IIM Jobs training schools etc. are few programs focusing explicitly on upskilling and equipping them with required resources for driving desired output for the organisation.

For critical and niche roles we conduct regular market mapping along with external consultants to have a strong and readily available pipeline and engage with them regularly to keep them warm. Our robust and dynamic database of prospective candidates with the right job fitment and role allows us to save time in the hiring process for niche and leadership roles enabling business outcomes.

Another very important principle of our hiring process is to bring the Hiring Managers, HRBPs, and Hiring teams together to build a synergetic selection process. All hiring managers go through the Interviewing Skills Workshop, where they are trained on various aspects of interviewing both for technical and behavioral aspects. HRBPs and hiring teams are also continuously immersed in business nuances through practices like participation in business reviews, participation in the interviews conducted by the Business Managers, Joint JD creation exercise, etc. This fosters better communication and understanding between Business, HR, and Hiring teams and leads to establishing the right fit while hiring.

**Retention mechanisms:**

Apart from taking structured feedback through surveys, the HR SPOCs and leaders keep on interacting with new employees over calls and seek feedback and recommendations on work culture, employee engagement, incentive programs, rewards & recognitions, where these voices and suggestions are collectively collated in effectively designing the talent and retention strategies.

**Retention Care Center:**

Though the onboarding aims at every employee succeed, we have created a retention care center, a specific program for connecting with employees who have either expressed to attrite early in their tenures or are probable attrition cases. The program has helped us to hear the employee and retaining many of them through solving the issues shared.

**Buddy Allocation:**

For corporate functions, for roles upward of Associate Vice President, all new joiners are assigned a Buddy to shadow him on their first few weeks in the organization. This system encourages knowledge transfer and hand-holding for the new hire. The buddy is the go-to person for support and guidance that the new hire may need to settle into the Max Life culture. This system gives a personal touch, especially in branch locations and in departments which have a lot of members. Based on new joiner feedback, assigning a buddy to them has proved to be extremely helpful and a quick way for on-boarding. Our buddy program is one of largest sales functions and has resulted in higher retention for new frontline employees. We found significantly lower attrition in employee groups who had a buddy assigned when compared to groups that were not assigned a buddy. This practice has served well in making colleagues equally accountable for the success and growth of each person in the team – thereby creating pride in the organisation that they are working in. A new joiner today is happy to champion this cause further and take on the role of a buddy for further joiners, thus creating brand ambassadors for Max Life.

### **Team Awards: Employee Engagement Awards**

Appreciation for demonstrating a strong commitment to employee retention, performance, and engagement by the Business Manager and the HR Business Partner. Details: We recognize our Engagement Champions, Supervisors, and HR Business Partners who help in creating a great workplace. The process to select the awardees include assessment Engagement Survey Results, Employee retention rate & stakeholder feedback. 5 teams are awarded at the Founders' day annually– 3 Distribution and 2 Non-Distribution teams.

### **Long-Term Plans**

The 2 types of Long-term incentive models are as below:

**LTIP (long-term incentive plan):** LTIP Grant ensures linkage of individual performance to Company Performance and introduces acceleration on potential payout on crossing the defined Measures of Success (MoS) vectors – better performance of the Company leads to higher payouts. The scheme gets operationalized once the company attains 80% of the approved MoS. And is applicable for employees from Band 5 to 3A rated Exceeding Expectations (G2) and Excellent (V2) and above in the annual appraisal cycle i.e. top 2 boxes in Performance Ratings and Values. LTIP % is granted as a percentage of the TFP of the employee once signed off by the Nomination and Remuneration Committee (NRC).

The pay-out is 2 years from the date of the grant in April i.e. 2018 grant was paid out in 2020. We have consistently observed that the pool qualifying for LTIP (~20-25% of the workforce) has significantly higher retention rates. Even if the employee gets a 'meets expectation' rating in the year the LTIP is to be vested, the employee is paid the LTIP. This year despite the unforeseeable conditions, not only have we vested the grants made in 2018, but we also made fresh grants basis FY'20 ratings reinforcing our philosophy of gain-sharing even during uncertain times. In line with our value of Caring, LTIP is paid to the retiring employees in full (without proration). In the case of the demised employee, LTIP is paid in full to the legal heir of the demised employee.

**PSP (Phantom Stock Plan):** Phantom Stock Plan is part of the overall compensation and retention strategy of the Company specifically for our senior leadership. The objective of the plan is to enhance the long-term value for the Company by further aligning the interests of the employees to the interests of the Company and by motivating the Employees to contribute to the growth and profitability of the Company and to attract and retain talent in the Company. The plan seeks to achieve the aforesaid objectives by:

- attracting and retaining Employees by issuing instruments the enable them to participate in the success of the business;
- motivating Employees with performance-related incentives to achieve performance goals of the Company; and

- recognizing contributions of the Employees which are crucial for the success of the Company in the long run

This plan entitles an employee to a grant PSP units based on the performance and potential of the employee. It is designed to create a value proposition for an employee over several years. The design is crafted in a way that the benefit received by the employee is directly proportional to the Company's share performance with no upper cap, making employees a partner in the growth story.

The actual upside received basis the vesting schedule is directly linked to the share price of the company. Shares price of Max Financial Services, our holding company is used to determine PSP value for Max life.

In the event a Unit Holder retires from service on attaining the retirement age or due to superannuation, all Units granted to him / her but not Vested as on the retirement / superannuation date shall immediately Vest in him / her subject to the minimum one year Vesting Period. The Unit Holder shall be entitled to Exercise all Units Vested with him / her but not yet Exercised, within 90 (ninety) days from the date of his / her retirement / superannuation from the Company, regardless of the Exercise Period.

## **A.2 Diversity and Inclusion**

The company has recently deployed a lot more conscious thought, research, learning, and action towards building a transformational Diversity and Inclusion culture. We have embarked on a formalized, structured, and focused contemporary D&I agenda that is taking shape based on organizational-level diagnostics, increased awareness, widespread sensitization, and training to eschew unconscious biases. With these learnings, Max Life is able to leverage the advantages of diversity and is recognized amongst the foremost organizations in India for an enabling D&I culture. Diversity and inclusion, therefore, are at the heart of the business strategy and not just a component of the people strategy.

In line with this commitment and to bring a sharper focus to this agenda, intrinsic D&I functions have been implemented, as below:

- 'D&I Workshops conducted for EMC & SLT and channel leadership teams: present key findings, emerging themes, and D&I focus areas
- Employee awareness on D&I through leadership messages and digital mediums
- Leading with Inclusion' workshops for HR and people managers covering the topics of 'Unconscious Bias' and 'Gender Sensitization'
- Policy enhancement for women employees
- Protection of role and performance rating for women employees returning from maternity leave

- Guidelines refreshed for Incentive payouts during maternity leave
- Equal Opportunity policy launched
- CATALYST - Mentoring & capability development for mid-career women colleagues launched as a pilot program
- At Max Life, we believe a diverse business makes us, and society, stronger, and are committed to the agenda of building a diverse workforce. In 2019, our initiatives took us to be listed among India's Best Workplaces for Women 2019. Some of our initiatives are listed below.

### **A.3 Employee Health and Wellness:**

We aim to promote a positive physical and mental health environment in the workplace, to enable our people to thrive. By offering health and wellness programs, we want to empower our employees to be the best version of themselves, and so we help them, and our business, to work safely and effectively. We want our employees to be fit and healthy, at home as well as at work. Not only do we have a clear duty to protect our employees' health, but we also know that promoting people's health and well-being is essential to our business success.

- **Medical programs:** We offer medical care facilities such as health insurance through which not only are our employees insured, but also their immediate and extended family (parents and in-laws).
- Insurance program: Insurance for both life and accident-related outcomes is provided to employees.
- **Workplace Counselling:** We are interested in the emotional wellbeing of employees as much as their physical wellbeing. With the rise in work-related stress common these days, we have a program that helps employees interact with experts to address this stress. We have tie-ups with healthcare providers to offer this service to our employees.
- **Max@Home:** This benefit has been extended to our employees by our group company "Max Healthcare Hospitals", wherein our employees and their family members can avail of specialized medical attention at home through a wide variety of medical expertise at discounted prices. Services include specialized Nursing Care, Long-term Patient assistance, X-ray at home, free medicine delivery, 24\*7 Free Home Sample Collection, Home Physiotherapy, and access to Medical Equipment through purchase or rent options. A doctor's visit to the employee's home is also available.
- **Children's Health Initiative for Max Employees (CHIME):** A special package created to provide access to quality medical care for Max Life employee's children who need special medical treatment. Max India Foundation (MIF) or Max Life Insurance will sponsor high-end medical treatment for the children of Max Life employees (0-12 years) who have been diagnosed with a set of serious medical problems.
- **Workplace safety:** We have initiated several steps to ensure workplace safety, which are regularly reviewed and updated as per needs.

## **OCCUPATIONAL HEALTH AND SAFETY**

Max Life puts Occupational Health and Safety at the top pedestal of its organisational culture. The tenet of caring for employees has become much more important in today's parlance where the entire world is gripped by the novel Coronavirus (COVID-19) pandemic that has changed the way businesses are conducted all across.

Keeping in mind the need to have utmost employee, customer and, partner safety at the forefront, Max Life has developed standard operating procedures that help enumerate the safety measures taken and outlines the processes that aim to ensure safety of all personnel and offices from possible contraction, spread, well-being and impact from COVID-19 infection.

Enumerated below are the guidelines that Max Life has undertaken before resuming operations:

- Active procedural changes before official opening including service coordination, sanitisation of office area, induction of sanitisers and infrared thermometers
- Ensuring social distancing measures in Home Office with measures including creating specific zones where employees can operate in, Aarogya Setu app being made compulsory, proper demarcation of social distancing spaces, zone wise lunch timings and zones, demarcated sitting areas amongst others
- Revised cafeteria management as per Bio-bubble zone plan including advising employees to bring their food, live fresh items to be made available, no food allowed outside the cafeteria, no public meetings amongst others
- Visitor management through social distancing including wearing of masks, visitor self-declaration, usage of Aarogya Setu app amongst others
- Setting Posters, Helplines, and Office Training to inculcate education to employees, customers, and partners
- Material management through social distancing (inward & outward) at HO DLF Square and 90A office
- Reworked HVAC guidelines/Air-conditioning operations to help in the reduction of indoor dust levels as a step towards mitigation of COVID-19 transmission

### **Detection & handling of suspected cases with COVID-19 related symptoms**

In case of high body temperature detection during initial scanning upon entering the office, entry of the employee/customer/vendor will be restricted. However, If the employee has developed the symptoms after entering office premises, he or she is to be immediately isolated and kept inside a designated isolation area available on all floors.

As follow-up steps:

- Individual is advised to leave for home and seek medical advice immediately.



- Employee's Supervisor is informed immediately
- Employee's Supervisor will further inform the BCP team and business HR POC
- BCP and HR team will continue to monitor the employee health status and share an update.
- Standard sanitization and disinfectant activities will continue

In case the employee is found Covid-19 Positive, the immediate supervisor is responsible for sharing employee details immediately with Business Continuity & Planning (BCP) Team, HR & Facility Team. The said employee has to follow instructions as specified by the District's Nodal Officer/State Regulations/ Ministry of Health Affairs.

## **B. SOCIALLY RESPONSIBLE FOR THE CONSUMERS:**

Max Life has customer centricity at the heart of its DNA. The company believes that continuous improvement in customer parameters holds the key to the sustained growth of any organization.

Max Life's commitment towards securing the financial future of one's loved ones in their absence remains at the forefront of its 'Close to Customer' charter. Remaining steadfast towards taking care of the family's financial protection needs, Max Life has been constantly improving its Claims Paid Ratio which now stands at 99.22%, one of the highest in the industry.

Max Life Insurance believes that it is important that Indian consumers should be aware of the true purpose of life insurance. Over the years, the organisation has led the industry initiative on insurance awareness by being a core partner to the Insurance Awareness Committee, under the aegis of Life Insurance Council, which aims to bring insurance awareness to the larger audience and help enhance the insurance penetration in the country. To support the initiative, Max Life has worked on four specific themes:

- **Campaign on the benefits of life insurance:** Max Life is working diligently to drive life insurance awareness amongst customers through varied media that include Mass Media campaigns, Social Media, Public Relations, Knowledge articles on online portals, and RWA Activities.
- **A campaign focusing on the protection of consumers:** Max Life has endeavored to deliver messages to consumers on how to protect themselves from fraudulent activities. These messages are being shared with the company's existing policyholders via varied customer communication including SMS's, emailers, and articles.
- **Can we add something on TCF?**
- **Campaign for customers:** Max Life engages with customers visiting home branches and enhances their understanding of life insurance, via the innovative 'Super Customer Week' to connect which lets the organisation interact with over 12,000 customers every month who walk into the branches across the country during this week. During these week-long sessions every month, multiple activities are carried out through which customers are educated about

the need for protection, benefits of various life insurance plans, and tax savings through life insurance.

- **Campaign for underprivileged and rural areas:** Max Life Insurance also conducts financial literacy and insurance awareness activities across rural areas through its employee volunteers to ensure larger insurance and protection outreach.

### **C. SOCIALLY RESPONSIBLE FOR THE COMMUNITY**

Max Life's CSR journey started way before the CSR Guidelines came out in 2013. The ethos behind the philanthropic activities was 'Seva Bhaav', to give with dignity and to uplift the marginalized communities of the country.

We believe that serving our communities is not only integral to running a business successfully; it is a part of our responsibilities as citizens. Our employees and agent advisors actively participate as volunteers in such efforts.

#### **Max Life's Corporate Social Responsibility Policy**

In compliance with the Companies Act 2013, we have set up a CSR Committee with four directors and an independent director heading the Committee. We are a business with a strong social relevance and contribute to society by supporting causes that help with nation-building that also forms the basis of our CSR activities. We have adopted education, healthcare, environment, Insurance Awareness & employee volunteering, and disaster support as our leading CSR themes, with Education being this year's main agenda. The poor financial literacy rate and awareness in the country need attention, and therefore enhancing Insurance Awareness and Financial Literacy becomes a core constituent of our CSR initiatives. We contribute 2% of our profit before tax, towards CSR, which stands at INR 12.24 crore for FY'21.

The CSR Policy of the Company has been posted on:

<https://www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY-2019-20/CSR-Policy-Max-Life-FY20.pdf>

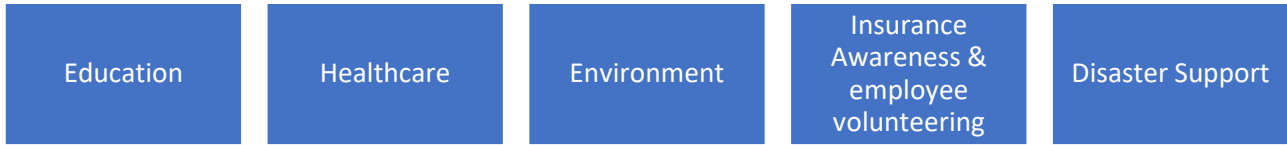
#### **CSR Themes**

Max Life's CSR themes stem from the Sustainable Development Goals of India. Keeping a healthy amalgamation in consideration, the key CSR themes of Max Life are as below:

- Education
- Healthcare
- Environment
- Insurance Awareness & Employee volunteering
- Disaster Support

These are inspired by the Sustainable Development Goals: Quality Education, Gender equality, Good Health and wellbeing, Zero hunger, Clean water and sanitation, Affordable and clean energy,

Sustainable cities and communities, Responsible consumption and production, Climate action and partnership for the goals.



## HUMAN CAPITAL DEVELOPMENT

### A. EDUCATION

Our CSR policy has always been inclined to empower the youth of the nation by providing opportunities for holistic learning. Multiple initiatives under the CSR wing of Max Life and Max Group are dedicated to building the future of our country by providing them with necessary resources and equipping them with quality and value-based education. The spectrum ranges from conceptual knowledge, awareness, skill-building, social awareness, personality development & grooming.

We work with various credible NGOs like Raphael Centre, Aasra Trust, Purukul Youth Development, Seva Mandir, Shiksha, John Martyn Memorial School, Rasta, Jamghat, The Education Alliance, Saarthi Foundation, Foster & Forge Foundation, iPartner India, and Angelique Foundation wherein we extend our support to these partners who work directly with orphans, street children, underprivileged children, and communities by supporting their cost of education, nutrition, transport and shelter and also by setting up libraries in SDMC and NDMC schools to encourage children to develop a reading habit and reinstate the 'joy of reading'.

We also extend our support to children of the tribal community in Bihar through Shoshit Seva Sangh. Further, MIF promotes the education of out-of-school children through the Open Basic Education (OBE) Program of the National Institute of Open Schooling (NIOS) by the Aasra Trust in Dehradun. The children also learn various vocational skills as part of their curriculum. In many cases, MIF-supported NGOs provide after-school remedial classes at study centres to children from lower socioeconomic backgrounds to keep them updated with school work. Apart from academics, extracurricular activities such as storytelling, dance, drawing, yoga, and taekwondo classes are also being conducted.

The tie-up with **“Teach for India”** (TFI) focuses on providing high-quality education in low-income schools through outstanding college graduates and professionals recruited as 'Fellows', covering 40 fellows in 23 schools and benefitting '1500 children across the country. TFI is committed to ensuring that every child in India attains an excellent education. Besides, the Kids Education Revolution (KER), an initiative piloted by TFI, is an attempt at reimagining the classroom, school,

and education system with children at its core, working in various ways to reinvent education. NGOs like Dasra, White Lotus are helping us impart basic education to children, with special emphasis on girl child in rural/backward areas. The **Foster & Forge Foundation (F&F)** works towards building a movement of teacher leaders, encouraging them to practice innovative teaching methods to provide meaningful education and help children build life- skills and solve real-life civic issues. F&F is currently playing a significant role as Prerna Sarthis for 20 districts, in partnership with the government of UP helping them implement the goals of **Mission Prerna**.

In our partnership with **SEE Learning India**, an organization that embodies the ‘education of the heart and mind’ approach, we saw a surge in activities, orientation programs, and training workshops around Social, Emotional, and Ethical education to help groom children through the SEE Learning Curriculum. They hold Learning Educator Preparation and LI facilitation & CBCT (Cognitive-based Compassion Training) foundation workshops to cultivate, strengthen, and sustain compassion. They also hold orientation programs and engagement with several schools and educators across geographies.

**Overall, in FY20, we have benefitted 53,000 children and 80 teachers across the country through Education initiatives.**

## **B. HEALTHCARE**

Healthcare has always been at the center of Max Life’s CSR initiatives. We have continuously adapted our projects and activities owing to the times. Max India Foundation’s healthcare initiatives touched 3,43,0364 individual beneficiaries, in collaboration with 457 NGOs across 837 locations, in FY 2018-2019.

### **B.1 COVID-19 Support**

This year, Max Life dedicated 16% of its total budget towards COVID-19 support initiatives at the beginning of the financial year, contributing towards the following:

- 20,000 PPE kits to doctors and healthcare workers
- 50,000 safety kits to police officials
- 6000 safety kits to Security guards of 120 RWAs of Delhi/NCR
- 5000 kits for recovering patients of Government hospitals
- 5500 Antigen testing kits to Haryana Government
- Providing food and ration to affected underprivileged sections
- Contribution to PM Cares Fund

On September 15, 2020, Max Life organized a virtual kick-off event in collaboration with the Government of Haryana for COVID-19 support activities. We contributed 5,000 PPE kits to doctors, 5,000 safety kits comprising of face shields, masks, sanitizer and, gloves to police officers, 5,000

kits comprising of thermometer, masks, and sanitizers for patients recovering in government hospitals, and 5500 antigen testing kits through the Haryana Government.

MIF played its part by contributing towards relief measures, reducing educational inequity, and ensuring uninterrupted learning. Max Group, through Max India Foundation (MIF), launched the **#StayHomeIndia** campaign in April 2020, encouraging people to adhere to social distancing by pledging to stay at home. MIF, along with Max Life, set aside ` 5 Crore for COVID relief initiatives. It donated ` 2 Crore from this fund to resume the education of over 8,000 underprivileged children in Delhi-NCR, through Teach for India. TFI provided these children Internet connectivity for attending e-classes while the Fellows support them to focus on education as their families continue to cope with disrupted livelihoods. Additionally, MIF, through TFI, also provided food and essential supplies to these children and their families – a total of 50,000 individuals to help them survive the pandemic. MIF also provided cooked meals in Noida to nearly 58,000 unemployed migrant labourers, who were stranded due to the lockdown. It also supported the Punjab Health Department by supplying nearly 30,000 N95 masks to the Department of Health & Family Welfare. Max Group employees also wholeheartedly lent their support to relief efforts by making donations. Overall, Max India Foundation donated around 2,50,000 ration kits and 40,000 masks, benefitting over 1,56,020 individuals, 1,596 families and over 8,000 children.

## **B.2 Healthcare for children:**

For many years now, Max Life has acknowledged the importance of immunisation against deadly diseases. This year, we organised Immunization programs for children wherein our employees volunteered for logistics management, engaging with accompanying parents discussing nutrition, healthcare, oral care, etc.

Camps were organised in partnerships with local NGOs, empaneled doctors, and volunteers, who examine and immunise new-born babies and children up to the age of 12 years. Children were vaccinated against diseases such as hepatitis B, MMR, typhoid, and diphtheria. Newborns and children up to 3 years were also administered Vitamin A drops. Through its pan India immunization program, Max India Foundation has administered 17,265 immunization shots against 9 diseases through 130 camps across India, in five states (2018-19). We also organized visits to NGOs for underprivileged children with different initiatives to spread happiness and joy along with our employees.

## **B.3 Cancer Treatment**

During 2019-2020, Max Life focused on building awareness about cancer among children and adults. Under multiple cancer projects, we have been able to provide medical assistance to them to the extent possible:

- Palliative care to cancer patients and families through **CanSupport** – 376 patients and approx. 1127 care-givers covered.

- Medical childhood cancer treatment to 746 children through 'CanKids...KidsCan'
- Cancer screening & mammography for 1164 patients benefitted through the Indian Cancer Society
- Treatment support to 104 children and boarding & lodging for their families through St. Jude India Childcare.

#### **B.4 Surgeries and treatment**

We also provided financial support to those who required major surgeries and tertiary treatment but did not have the financial ability to manage the expenses. These surgeries were conducted at Max Healthcare facilities and over the past decade, **we have supported 1,300 high-end surgeries for the underprivileged**. These surgeries include a large number of pediatric cardiac surgeries, brain tumor surgeries, reconstructive surgeries, neurosurgeries, orthopedic surgeries, cataract surgeries, oncology care, and renal transplant. This intervention has helped beneficiaries to lead comfortable and healthier lives with medical support and saved them from being pushed into the vicious cycle of poverty (2018-19).

#### **B.5 Health Camps**

We have been organising health camps at different places and support permanent health centres in Delhi, Uttarakhand, and Punjab. In these camps, patients were diagnosed and the prescribed medicines are handed over to them for treatment. In cases, where these patients required specialised advice, they were referred to hospitals. These health camps focused on building disease awareness, sessions on stress & diet management, prevention of dengue and malaria diseases, dental check-ups, medical tests, and consultations. We also ran campaigns on freedom from tobacco, drug de-addiction support to patients.

MIF organized multi-specialty camps for the underprivileged in various semi-urban and rural locations where there is no access to specialized medical treatment. Underprivileged patients were screened and given medicines. Surgeries and treatment were also facilitated for those in need. Around 1,58,700 patients have been treated through 743 camps across India (2018-19). The Foundation has set up health centers in Uttarakhand and Punjab regions in partnership with NGOs. Approximately, 11,138 patients have so far been treated at these health centers in 2018-19.

**Serving the disabled:** We have an initiative focused on the lesser privileged section of the society, and we organised an annual Artificial Limbs and Polio Calipers Camp to help the disabled lead a normal life. Kick-started in 2008, **we have been able to impact the lives of 5588 people** by providing them with polio calipers, artificial limbs, and crutches. Prosthetics are manufactured at the camp-site to avoid delays, and to meet the specific needs of the needy. (2018-19). This year, 45 people were provided with artificial limbs under this initiative through NGOs like Kiwani's Rehabilitation Centre.

### C. ENVIRONMENT

Since the inception of its CSR activities, Max Life has been dedicated to making a meaningful difference to the environment. The main initiatives under this objective have been covered in the first section of the report.

Under the Village Adoption program, a sustainable underground **Sewerage Treatment Project** was undertaken by MIF in 2017-18 at Dhakrani (the largest village in Uttarakhand). This major project covered the whole village cluster and was executed over five phases. The Sewage Treatment Plant with sand filters and septic tanks treated the wastewater and sewage. As part of the project, Bio-digester toilets were also fitted in 500 individual households. The project covered approximately 12,757 residents and around 2,327 households which helped to improve the overall health of the villagers while also enabling a clean and healthy environment.

Besides, MIF regularly shares the **'Tip of the Month'** on relevant and topical issues related to health, environment, children with all its stakeholders.

## FINANCIAL INCLUSION

### INSURANCE AWARENESS AND EMPLOYEE VOLUNTEERING

#### D.1 Insurance Awareness

The activity was initiated way back in 2016 with the formation of the Pehal group, and over the years, the Insurance Awareness and Financial Literacy initiative has spread across all zones and regions. The program is targeted at school children and adults alike through workshops and interactive programs. **In the last 2 years, we have reached out to 7,000 students of 29 schools** in states such as Haryana, Delhi, Andhra Pradesh, Assam, MP, Uttarakhand & Jammu, and taught them the basics of financial planning and the importance of savings.

#### Widespread RWA initiative

In 2019, we enhanced our momentum by extending our reach to sensitize the RWAs across Delhi/NCR on Insurance Awareness & Financial Literacy. The initiative was spread over three phases which helped us spread awareness among more than 1,00,000 people where 30 offices actively participated and reached out to 120 RWAs. Employee volunteers actively participated in the activity and used innovative methods of engaging with the residents and children. The teams organized Health Camps, Tree plantation drives and water conservation nozzle drives along with spreading awareness on the subject.

## **D.2 'Pehal' initiative**

Pehal is an initiative that started in 2016 to give back to the society that we operate in. It is a platform that enables employees to volunteer, conceive a project, plan it, and execute it from start to end to address some critical needs of our society. Pehal allows our employees to connect with the underprivileged segments directly, understand and anticipate their needs and plan activities at a local level. In the last year, we have been able to execute our CSR initiatives in more than 180 locations with the help of 5500+ volunteers. Caring is one value that can be seen coming alive through our CSR involvement and the active participation demonstrated by our employees and agent advisors.

## **CORPORATE CITIZENSHIP & PHILANTHROPY**

### **Employee Volunteering**

Employees engage with community members by volunteering in healthcare activities such as immunisation programmes, artificial limb camps, blood donation camps. Blood is one of the most precious gifts one can give and employees & our agent advisors understand its value and wholeheartedly participate in blood donation camps organised by the local offices and volunteers. Each year multiple blood donation camps, organ donation awareness camps are organized across our offices.

### **The Joy of Giving Week**

We organize the Joy of Giving Week across all offices, where employees are encouraged to share the joy and cheer with underprivileged children by donating clothes, toys, storybooks, and stationery items. Over the years, this initiative has not only brought smiles to the children but also has spread a warm cheer amongst the employees. This is a country-wide activity run at our branches and also involves our agents.

In 2019, employees from various teams organized more than 80 activities on Joy of Giving. Initiatives included: Contribution to old age homes, underprivileged children of Govt schools, providing blankets to poor and needy during winters.

### **Other volunteering initiatives**

Max Life organizes **"The Run"** in cities like Delhi/NCR, Bengaluru in association with DLF Cybercity to create a healthy and fitness-conscious society where 3000+ runners participate in the 5KM & 10KM run.

**Supporting school infrastructure:** In Bandhwari village, Gurgaon, we got together to improve the school infrastructure by painting the building, repairing benches in classrooms and blackboards. Similarly, in Damdama village, we rebuilt their primary & middle school.



**Children Home Visits:** Max Life’s Actuarial, Legal, HR and other departments have since 2017 visited Harmony House (an NGO that looks after children from under-privileged sections) and other similar NGOs in Gurgaon, Haryana. In their visits, the employees interact with children from the under-privileged segment and engage in games, musical performances, and sports day which are organized along with donations of stationaries, toys, books, etc.

**Village adoption:** Max Life Insurance adopted Dhakrani village in Uttarakhand in 2015. Our employees and agent advisors have been carrying out door to door financial literacy campaign in the village. During the year, our employees reached out to 995 households – conducted a financial needs analysis, and educated them about the financial products suitable for their identified needs. Efforts were made to encourage them to invest small amounts in government initiatives such as Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojna, Atal Pension Yojna, etc.

#### **Innovative practices of employee volunteering in times of pandemic**

Max Life employees’ spirit of volunteering has stayed alive during the pandemic as well. Employee volunteers have been collaborating with NGOs that we work with across the country to engage with children, young adults, women, and other sections through the Digital volunteering platform.

#### **Awareness session on Health & Hygiene**

Employee volunteers organized an awareness session on the importance of health & hygiene especially keeping in mind its relevance in the current times. More than 95 students participated in an hour awareness session where volunteers sensitized the children on hygiene practices and immunity-building habits.

#### **Awareness session on Menstrual Hygiene**

Employee volunteers conducted an interactive one-hour awareness session for 65+ underprivileged girls on ‘Menstrual hygiene’. The girls soon opened up and asked some very pertinent questions relating to periods and health in general. The volunteers helped bust some common myths around the topic. Max Life also contributed 250 kits of reusable cloth pads to these girls which would not only help them provide a hygienic product to use but is a sustainable alternative for our environment as well.

#### **DISASTER SUPPORT**

**Kerala Flood Relief:** In 2018, the state of Kerala was severely impacted. Max Life invited employees to contribute to this cause. The organization matched the total amount contributed by employees. Medicines, clothing, and food material were distributed to affected locals in 5 districts.

## **ANNEXURE**

### **MAX FINANCIAL SERVICES LIMITED**

#### **Code of Conduct Policy:**

##### **I Preface:**

This Code of Conduct ('Code') has been framed under applicable Securities and Exchange Board of India ("SEBI") Regulations, as amended from time to time. Consistent with its values and beliefs, Max Financial Services Limited (formerly Max India Limited) ('the Company') has formulated the following Code as a guide. The Board of Directors of the Company adopts this Code as a testimony of its commitment to adhere to the highest standards of honesty, integrity and avoidance of conflicts of interest.

##### **II Applicability:**

The Board of Directors are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the ambit of authority conferred upon them and in accordance with applicable laws. As the Directors of the Company, they have an inherent responsibility to take decisions and implement policies in the best interests of the Company and all its stakeholders. This Code is applicable to:

- (i) The Directors, both executive and non-executive directors; and
- (ii) Senior Management.

For the purpose of this Code, the term "Senior Management" shall mean officers / personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

##### **III The Code:**

The Board of Directors and the Senior Management of the Company and its subsidiary companies subscribe to the following Code of Conduct. In performing their functions, they would:

- (a) act honestly, diligently and in good faith and in the best interests of the company;
- (b) not use any confidential information received by them in the course of their official duty, for personal gain, or allow the use of such information for the financial benefit of any other person;
- (c) not allow personal interests to conflict with the interests of the company;
- (d) abide by all applicable laws and regulations including Company's Insider Trading Policy;
- (e) not engage in any business or activity which might conflict with the interests of

the company;

(f) ensure the confidentiality of information while in the office of Director/ Senior Management and is only disclosed if authorised by the company or as required by law;

(g) exercise their responsibilities with utmost cost consciousness within the company and promote the same;

(h) take responsibility to maintain and ensure effectiveness of internal control systems and procedures at all times;

(i) help promote equality of gender, class or caste in so far as the same relates to the activities of the company;

(j) desist from engaging in any fraudulent activity in their personal capacity; and

(k) directly or indirectly not cause the company to enter into any transaction which is fraudulent, illegal or violative of this Code.

#### **IV No Rights Created:**

The Code set forth guidelines for conduct for the Board of Directors and Senior Management. It is not intended to nor does it create any right in favour of any Director or Senior Management, employees, client, supplier, customer, shareholder, or any other person or entity.

#### **V Waiver:**

Any waiver of any provision of this Code of Conduct for a Director or Senior Management must be placed for approval before the Board of Directors.

#### **VI Compliance with Laws and Regulations:**

In carrying out their duties and responsibilities, Director and Senior Management should comply, and endeavor to ensure that the management is causing the Company to comply with applicable laws, rules and regulations. In addition, if any director/senior management become aware of any information that he or she believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, such information should brought to the attention of the Chairman of the Audit Committee.

#### **VII Compliance of Code:**

Every Director and Senior Management is required to comply with this Code and he/she shall acknowledge and affirm on an annual basis, the compliance with the Code. Such annual affirmations by the Board of Directors and Senior Management shall be kept in the custody of the Secretarial Department. Any violation of the Code shall be reported to the Chairman of the Company. This code of conduct shall be posted on the website of the Company.

#### **VIII Variations of the Code:**

The Board of Directors shall review and approve any modifications to this Code, to keep it in line with any regulatory changes, from time to time.

## **NOMINATION AND REMUNERATION POLICY**

### **Preamble**

In terms of Section 178 of the Companies Act, 2013 (“the Act”) and Regulation 19\_of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time-to-time, the Nomination & Remuneration Committee (“NRC”) of Directors of the Company shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel (“KMP”), Senior Management and other employees.

“Key Managerial Personnel” (KMPs) shall be as defined in the Act and Listing Regulations and shall include Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer and Company Secretary.

Senior management” shall be as defined in the Listing Regulations and shall include officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/ managing director/ whole time director/ manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

### **Appointment Criteria and Qualification**

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the Company. For this purpose, the NRC shall identify and ascertain the integrity, qualification, expertise and experience of the proposed appointee, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

For the appointment of KMPs [other than Managing Director/ Whole time Director/Manager/CEO], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

### **Remuneration Policy**

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of

Section 178 of the Act with respect to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

### **Objective**

Attract, motivate, and retain key talent by enabling sustenance of a high-performance culture with differentiated rewards for high performers who live by the values of the Company.

The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

### **Applicability**

This Policy applies to full time employees of the Company including KMPs, Senior Management and Executive Directors.

### **Guiding principles**

Our compensation programs, practices and policies are reviewed and re-evaluated periodically.

### ***Remuneration linked to level of job responsibility, individual performance and company performance***

- At higher levels of responsibility where direct imprint on business results and strategy is higher an increasing proportion of pay will be linked to business performance and creation of shareholder value
- Strong differentiation in fixed pay increases and variable pay for top performers
- With a view to balancing the twin objectives of pay-for-performance and retention,
- the programs would ensure retention and motivation of high performers

### ***Balance long-term focus linked to shareholder value and short-term financial objectives***

- Equity-based remuneration would be higher for those at higher levels of responsibility and influence on long-term results
- Annual variable pay as a reward for achievement of short-term performance goals
- that support and ensure long-term success

### ***Reflect value of job in the marketplace***

- Remain competitive with the pay of other employers who compete with us for talent in the relevant markets to attract and retain a highly skilled workforce
- **Fixed Pay increase:** Top performers would receive 1.5 to 2 times the increase awarded to performers who meet expectations
- **Annual Variable Pay:** Top performers would receive 2 times the rate of variable pay for performers who meet expectations

• **Award of Long Term Incentives / ESOPs:** Taking into account individual performance, potential, criticality of the role / individual for the Company, relative market worth & assessed retention value, inputs from the management team, the MD would recommend award of ESOPs

***Performance Management & Remuneration***

- Remuneration decisions are based on the outcomes of the annual performance review process, based on the G & M framework. The performance evaluation process has four key steps – Self Evaluation, Manager Evaluation, Potential / Readiness Assessment and Developmental Planning
- Performance is assessed at two levels – Goals (G Review) and Competencies (M Review)
- G Rating determines Variable Pay, M Rating determines Fixed Pay increase
- Performance ratings are normalized in cohorts to adhere to an overall normal distribution

***Potential, Development & Readiness***

- Performance Review, Career Aspirations - Feb. / March
  - Individual and manager discussions
- Multi rater feedback - July
  - Feedback for individuals using a 360o survey process once in 2 years
  - Annual Engagement survey providing feedback on organization and people managers
- Development Planning & Mid-year performance review - Sept.
  - Basis performance review discussions, inputs from Hogan assessment & 360o feedback
  - Organization wide Talent and Succession planning & review – October / November
  - In-depth functional planning & review including inputs from 360o, engagement survey, supervisor, peer feedback, development planning
  - Organization-wide consolidation
- The above is a key input for the annual & long-term strategic business planning in December/January.

**ANTI-BRIBERY POLICY**

**Preamble**

- 1.1 Max Financial Services Limited desires to promote highest standards of legal professional, integrity and ethical standards for conduct of all our dealings and business.
- 1.2 Bribery and corruption are recognized criminal offences in India and in most countries where MFSLits 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 “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. It 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 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 any thing 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 per cent 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

- (i) 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;
- (ii) Any person in the service or pay of a local authority.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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;
- (viii) Any person who holds an office by virtue of which he is authorised or required to perform any public duty.
- (ix) 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;
- (x) 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;
- (xi) 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;
- (xii) 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 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 a 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 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.**

- (a) **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.
- (b) **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.

- (c) **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.
- (d) 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 with 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 A 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, following shall be primary responsibilities of the Anti Bribery & Anti-Corruption SPOC:

12.1.1 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;

12.1.2 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;

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 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**”):

- 14.1.1 The facts in respect of the Bribery/Corruption Report made, including the documents perused, and Employees and/or any other person interviewed;
  - 14.1.2 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;
  - 14.1.3 Findings of the Anti Bribery & Anti-Corruption Committee, and the reasons therefor; and
  - 14.1.4 Recommendations of the Anti Bribery & Anti-Corruption Committee including any Disciplinary Actions to be taken.
- 14.2 The Reported Person shall have a duty to provide all necessary co-operation and assistance to the Anti Bribery & Anti-Corruption Committee during the course of 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.
- 14.3 The Reported Person shall not have any right to interfere with the Investigations.
- 14.4 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.
- 14.5 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.
- 14.6 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 actions 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**

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

## **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 co-ordination with the Anti Bribery & Anti-Corruption Committee. Any questions about contacts with Public Servants shall be addressed to the committee
- ii. If a Government Authority contacts an Employee, the committee 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 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 sub-contracts, 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.

**FREQUENTLY ASKED QUESTIONS IN RESPECT OF 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.

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 monetary 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 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 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 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 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.

The **Anti Bribery & Anti-Corruption Committee** comprises of the following:

- (i) Dy. 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.

## **MFSL**

### **GIFT AND MEALS POLICY OF MFSL**

#### **I. Preamble**

- 1.1 MFSL considers that 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 and in most countries where Max India, 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 Government, quasi-Government Authorities, or by any applicable court of law. Accordingly, MFSL desires to avoid such problems, and to promote highest standards of legal professional, integrity and ethical standards in respect of exchange of all gifts.

- 1.3 In view of the above, the Board has adopted this gift, hospitality & expenditure policy (“**Policy**”) through which it aims to provide guidance on the standards for exchange of gifts, hospitality & expenditure and to communicate to everyone involved in Max India’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 II

“**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 Max India.

“**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 Max India.

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

“**Employee**” shall mean all employees of Max India, 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 II 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 Max India.

“**Max Group**” shall mean MFSL and its subsidiaries.

“**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 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. 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 a legitimate business reason for incurrence of the same as may be incurred for 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:

#### F. **Gifts and Meals provided to Public Servants**

- G. **Gift & Meal expenses that must be Pre-approved**
- H. **Gift & Meal expenses that must be Reported**
- I. **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.

Written record of the request and pre-approval authorization shall be retained by the HR Head in accordance with Max India'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 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 I 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 alongwith 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 Max Group or MFSL party, donate such Gift to 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 actions 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.

#### **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

**POSH & Whistleblower Policy can be found in end-of-page tab labeled Governance Documents here:**  
<https://www.maxfinancialservices.com/shareholder-information/>

**Max Life:**

**Discrimination Policy**

- **List of the types of discrimination the company is committed to eliminate**
  - Age
  - Color
  - Gender
  - Sexual Orientation
  - Disability
  - Nationality
  - Community
  - Religion & Caste
  - Race
- **Commitment to ensure equal opportunity**
  - Max Life recognizes the value of a diverse workforce. We are committed to providing equal opportunities in employment and creating an inclusive workplace and work culture in which all employees are treated with respect and dignity

- All employees of Max Life are personally responsible for treating each other with respect and dignity, which includes respecting the rights and differences of each and every individual
- Developmental and promotional opportunities for all employees are based on performance, ability, and potential and are consistent with the needs of the business and as applicable to other employees
- Max Life does not tolerate harassment, behavior that is discriminatory, or behavior that victimizes any individual or group in our workplaces based on gender, gender identity sexual orientation, caste, creed, religion, disability, etc
- Proper infrastructural facilities & adequate safety and security measures and amenities are provided to all employees so as to enable them to effectively discharge their duties
- No opportunity, as may be suitable to an employee, is denied basis only on gender, gender identity or sexual orientation, disability etc. It is clarified that merit shall be the sole criteria of appointment
- Employees are encouraged to report any subjected discrimination, harassment, bullying, or victimization to a designated Complaint officer at [MyVoice@maxlifeinsurance.com](mailto:MyVoice@maxlifeinsurance.com)

#### **Gender Pay Equality Programme**

- **Commitment to gender pay equality** : Max Life has a formally articulated rewards and compensation policy that is duly approved by the Board. It ensures that rewards are not arbitrary or random but there is a consistency in the approach to rewarding employees. It also ensures that the rewards are linked to other “people” programs such as performance management, skills enhancement, succession planning and goal achievement. We do not differentiate compensation based on gender. Compensation range is based on the band/role.
- **Global gender pay-gap audit or compensation review** : Our compensation philosophy rests on pillars of 3Ps – Position, Person & Performance Compensation is fixed/revised based on these 3 pillars. We do role based annual compensation benchmarking to ensure that we are competitively placed in the industry.
- **Initiatives to close the gender pay gap** : Max Life undertakes annual compensation reviews to correct the gaps, if any, for all the roles irrespective of gender.
- **Monitoring and measurement** : We have a Nomination & Remuneration committee to guide and review the compensation decisions and ensure effective governance of compensation
- **Quantitative targets and deadlines** : At Max Life there is no discrimination in compensation based on gender.

#### **Prevention, Prohibition and Redressal of Sexual Harassment of women at the workplace**

We have zero tolerance for Sexual Harassment irrespective of it being verbal, non-verbal or physical in nature. We are determined to promote a working environment that encourages harmony, productivity and individual growth. A safe and conducive working environment for women is of utmost concern to us, especially for women in the sales force. In this endeavor, the Company has put in place a detailed policy

**about Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace (PPRSH for short).** This policy is available on the Employee Intranet ‘Disha’ for all employees. This Policy incorporates the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, (the “Act”) and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 (“the Rules”) as adopted and introduced on December 09, 2013.

We have circulated guidelines on how to deal with sexual harassment, to respect the individual and their rights. Harassment of employees by co-workers, supervisors, or non-employees is prohibited and may result in disciplinary action, leading to even termination of employment or service agreement.

**Awareness/ Prevention:** Periodic emails, posters in all locations of the Company, desktop wallpapers, Electronic direct mail (EDM) on Employee App, etc are few mediums used regularly for creating and disseminating awareness around PPRSH





**MAX LIFE HAS ZERO TOLERANCE TOWARDS SEXUAL HARASSMENT**

SEXUAL HARASSMENT INCLUDES UNWELCOME ACTS OR BEHAVIOURS SUCH AS BELOW:

- Physical contact or advances
- Demands and requests for sexual favours
- Sexually coloured remarks
- Display of pornography
- Any other unwelcome physical, verbal, or non-verbal conduct of sexual nature

**IAM** THE DIFFERENCE |  | 

© 2020 Max Life Insurance. All rights reserved. Max Life Insurance is a registered trademark of Max Life Insurance. Max Life Insurance is a registered trademark of Max Life Insurance. Max Life Insurance is a registered trademark of Max Life Insurance.

A Max Financial Services and MS Joint Venture

Details of Internal Committee members are also shared so that the aggrieved woman employee can reach out in a timely manner.



Name	Designation	Department	Presiding Officer/representative
<b>Venetia Noronha (North)</b>	<b>Assistant Vice President</b>	<b>Human Resources</b>	<b>Presiding Officer</b>
Deepak Pahwa	Chief Manager	Human Resources	Member
Saurabh Dhingra	Manager	Compliance	Member
Jyoti Kumari	Chief Manager	Operations	Member
Siddharth Arora	Senior Manager	Human Resources	Member
Pulkit Malhotra	Chief Manager	Human Resources	Member
Mariyam John	Associate Vice President	Operations	Member
Sonali Duggal	Associate Vice President	Operations	Member
Akash Singh	Manager	Legal	Member
Amit Wadhwa	Associate Vice President	Legal	Member
Puneet Gupta	Chief Manager	Legal	Member
Priya Rozario	Chief Manager	Human Resources	Member
Shweta Mishra	Associate Vice President	Human Resources	Member
Pankaj Aneja	Associate Vice President	Compliance	Member
Astha Narang	Chief Manager	Human Resources	Member
Arti Toshakhani	Chief Manager	Actuarial	Member
Gaurav Bajaj	Associate Vice President	Human Resources	Member
Upasana Agarwal	Senior Manager	Human Resources	Member
Manish Shaw	Associate Vice President	Operations	Member
<b>Michelle Roy (East)</b>	<b>Senior Manager</b>	<b>Human Resources</b>	<b>Member</b>
Sourish Bandyopadhyay	Assistant Vice President	Human Resources	Member
Subhajyoti Biswas	Assistant Vice President	Human Resources	Member
Jitendra Gartia	Senior Manager	Compliance	Member
Sukanya Das	Senior Manager	Operations	Member
Suparna Das	Chief Manager	Operations	Member
<b>Mallika (West)</b>	<b>Senior Manager</b>	<b>Human Resources</b>	<b>Member</b>
Amit Pokar	Manager	Compliance	Member
Rupinder Khera	Chief Manager	Training	Member
Rejoy Varghese	Senior Manager	Human Resources	Member
Brian Dsouza	Zonal Officer	Operations	Member
Rachna Bharaj	Chief Manager	Operations	Member
Fabian Vieira	Associate Vice President	Human Resources	Member
Achal Bhatt	Manager	Human Resources	Member

**Prevention (Training):** Max Life focusses on ‘Doing Right the First Time’. In this regard, there is a continuous endeavour to train all new joining employee on PPRSH as part of their induction (New Employee Induction called ‘**Bandhan**’). Thus far, 3000 plus employees have been trained through face to face, concall, zoom call and e-module sessions this year. Some of these sessions are conducted by external experts and all participants are made aware of creating a safe environment for all women colleagues. Employees are always sensitized on the aspect that it is not about your action or intention, but the impact on receiver. We

adopt strict corrective action to ensure that there are no repeat offenders. An interactive session on PPRSH is conducted during *Bandhan*, our induction programme for all new hires. The session aims to make new employees well-versed with their rights and limitations with respect to PPRSH.

A special session on sexual harassment and the company policy on this matter are openly discussed. We circulate guidelines to deal with sexual harassment, to respect the individual and their rights. In FY'21, so far 40 sessions were carried out for Induction and refreshers, covering around 3000 employees. the sessions are now being conducted on Zoom calls since majority of the activities are being done digitally

**Internal Committee:** The victim can raise a complaint directly to the Internal Committee (Which is mainly responsible for investigation for such complaints). The Internal committee proceedings are similar to a civil court or judicial process and management is bound to abide by their recommendations. Disciplinary actions, wherever required are executed in line with the Employee Disciplinary Action Grid (EDAP). The core members of the committee include representation from HR, Compliance, Operations, Training department among others. A pool of members has been instituted to ensure all complaints are received and disposed in a timely manner. There is an external Member in this committee, which is a requirement as per law to ensure fair and neutral enquiry and recommendation.

The Internal committee members undergo an annual training.



**Redressal of Complaints:** the inquiry of complaint is done as per the rules of the Act. Adequate opportunity is given to both parties involved following Principles of Natural Justice to present their case. Findings are based on established facts and evidence only. The conclusion and decision of the complaint are shared with both parties. Actions, if any, are recommended by the Internal Committee to Management.

**Max Life Express:** An exclusive chat line has been introduced where all women employees can raise their concerns and share feedback with Senior Management.



## Protecting Whistle-blowers

The Objective of our **Whistle Blower Policy** is as follows:

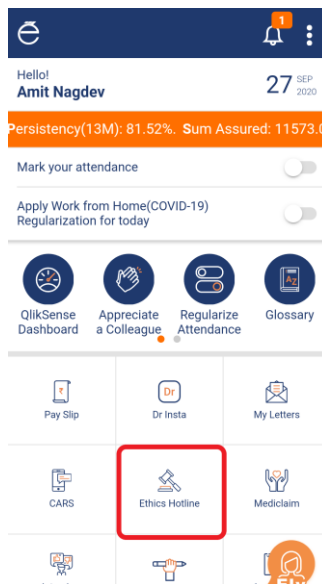
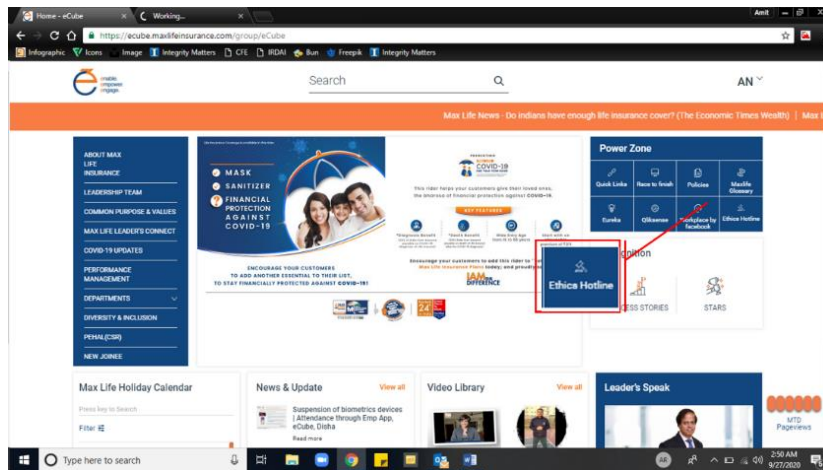
- To create a mechanism for all employees and third party, who observe possible irregularities, governance weakness, actual or suspected fraud, financial reporting issues, or violation of the Company's Code or other policies or other such matters, to be able to raise it confidentially
- To spread awareness, empower and encourage timely, safe and open reporting of aforesaid issues
- To ensure independent assessment, investigation and where necessary for taking appropriate follow-up actions
- To ensure consistent and timely institutional response
- To ensure robust anti-retaliation measures to protect employees who raises concern in good faith

Effective November 2019, an independent partner, **Integrity Matters** (<https://mlic.integritymatters.in/>) was appointed to attend all the whistle-blower complaint on the platform "**Ethics Hotline**", to ensure secure, reliable and confidential transfer of information from whistle blowers to Company management. Increase in numbers to new platform indicate better adoption of the platform - 48 in FY'20 to 84 in FY'21. It is an additional avenue for reporting cases, raising concerns or queries beyond Company's existing reporting channels with multiple languages. Employee can raise the complaint basis their convenience using, Hotline No#, Mobile App, Web Link, Email or Post. Having these policies in places reassures employees that their concerns are important, and encourages the secure voicing of issues/ problems to be

brought to the attention of management. It also provides the Whistle blower (complainant) with safe harbor entitlement (for a genuine case)

The integrated web based Case Management System feature helps leadership respond promptly to the reports in line with internal process controls to identify and address patterns or areas of concern.


**Ethics Hotline** is available on the Internal Employee Website and Employee Mobile App:





## Partner's Website:

English



Please Note: This system is hosted on Integrity Matters Secure servers and is not part of Max Life's website, Intranet or network.

Click [HERE](#) to view your organization's Whistle-blower Policy and/or Code of Conduct.

Max Life Ethics Hotline:

This site will facilitate you to report any grievances related to non-compliance, misconduct, unethical Practices, violation of Company policies, fraud & forgery, confidentiality and without disclosing your details.

All complaints submitted using this website are received directly by an independent whistleblower desk and then routed to the appropriate Investigator within Max Life, who will ensure that each complaint is handled in a professional and confidential manner.

When you raise a concern, you have the choice to remain anonymous or to identify yourself (shall only be revealed only to the extent required for investigations). Either way, the more detail you provide in your report, the more effectively Max Life can address your concern. Max Life reserves its rights for taking appropriate actions for consequence management and shall not be liable to share the final detailed outcome to the whistle-blower in any case.

Other means of highlighting complaint/concern:

By calling Ethics Hotline: 1800-102-6969 (Toll-Free)

Through Max Life Employee App

By Email: [mlic@integritymatters.in](mailto:mlic@integritymatters.in)

By Mailing: Integrity Matters, Unit 1211, CENTRUM, Plot No C-3, S.G. Barve Road, Wagle Estate, Thane

### File a Report

Prior to submitting your report, you will be asked to choose a six digit numeric password. A unique report key will be assigned to your report. You will need the report key and password to access your report later for follow-up.

Note: You can add additional information or upload attachments at any time after submitting the report.

[FILE A REPORT](#)

### Track a Report

- ▶ Add to an existing report or
- ▶ View and respond to follow-up questions

Please enter your report key and password below

Report Key:

**Awareness:** Physical posters / Emailer / Desktop Wallpapers on Ethics Hotline is communicated regularly. An animated video is also shared with all employees which makes very easy for employees to understand the essence of this platform and approach to be followed.

Exclusive **wallet card** is provided to each employee along with the joining kit on Ethics Hotline touchpoint details.



**IAM THE DIFFERENCE**

## report now!

Our organization is built on the foundation of ethics. Speak up if you come across:

- Bribery or corruption
- Discrimination, harassment, threat or violence
- Theft, fraud or funds misappropriation
- Conflict of interest
- Safety or environmental hazard
- Any other policy violation or misconduct

Contact **Ethics Hotline**, an independent whistleblower platform to raise your concerns **securely and confidentially**.

**How you can access?**

- Toll-Free: 1800-102-6969
- Link on Employee App
- mlc.integritymatters.in
- Integrity Matters  
Alpha, 2<sup>nd</sup> Floor, Unit 201,  
Hiranandani Gardens, Powai,  
Mumbai 400 076, India
- mlca.integritymatters.in

Please provide access code: **MLIC**

Employees are encouraged to report about possible violations of our Business Code of Conduct or any company policy  
**MLIC protects employees who report such concerns in good faith.**

This document is strictly for internal purposes for all employees associated with Max Life. Any unauthorized use of the same including as customer communication and / or in the solicitation process is prohibited. Max Life Insurance Company Limited is not liable for any loss incurred by anyone for any action(s) taken basis the content of this document.

A Max Financial Services and MS Joint Venture



**IAM THE DIFFERENCE**

If you **see** or **hear** something you believe is unethical or a violation of compliance...

## Speak up

Introducing **Ethics Hotline** an independent whistleblower platform to raise your concerns **securely and confidentially**.

**How you can access?**

- Toll-Free: 1800-102-6969
- Link on Employee App
- mlc.integritymatters.in
- Integrity Matters  
Alpha, 2<sup>nd</sup> Floor, Unit 201,  
Hiranandani Gardens, Powai,  
Mumbai 400 076, India
- mlca.integritymatters.in

Please provide access code: **MLIC**

Employees are encouraged to report about possible violations of our Business Code of Conduct or any company policy  
**MLIC protects employees who report such concerns in good faith.**

This document is strictly for internal purposes for all employees associated with Max Life. Any unauthorized use of the same including as customer communication and / or in the solicitation process is prohibited. Max Life Insurance Company Limited is not liable for any loss incurred by anyone for any action(s) taken basis the content of this document.

A Max Financial Services and MS Joint Venture

## HR Helpdesk – HR4U

For all grievances related to employee payroll, PF issues, medical insurance, leaves, infrastructure issues, among others, there is a dedicated helpdesk (HR4U) which is in-house. A dedicated toll free number has been assigned, active employee can log their grievance and will be given a unique ticket number for their issue. This service can also be used by exited employees in case they have any issued regarding their exit and any documentation.



**Behavioral Investigation Unit:** This unit has been set up specially for workplace investigations of employees from band 3 and above. A specially trained team of 24 employees from Distribution and Non – distribution function will be enquiring these complaints. They will be able to understand the regional and zonal level issues through these inquires and in turn become Culture and Enterprise Champions.

They will be able to understand the regional and zonal level issues through these inquires and in turn become Culture and Enterprise Champions.

The Management has entrusted this responsibility on a specially selected group of employees’ basis their tenure, credibility, experience and with the understanding that the Company will be able to identify ‘pain points’ and also provide appropriate solutions to foster a safe and conducive work environment. This team has been trained with adequate support from the HR, Legal and Compliance team and they have been made aware of all the requisite attributes for an effective and timely investigation.



**Appeal Process**

The Organization is always encouraging employees to raise genuine concerns in good faith and has also reviewed the grievances raised through the various platforms in a neutral and transparent manner.

**Consequence Management**

The objective of Employee Disciplinary Action Policy (EDAP) is to serve as a basic guide for the HR function, while taking disciplinary action against employees in various situations. The Employee Disciplinary Action Process reflects Max Life Insurance’s commitment towards maintaining workplace discipline and taking appropriate action against the employees found violating Max Life’s policies in order to maintain professional standards of business conduct and provide a strong foundation for building and sustaining ethical behaviour. As per EDAP, parity is strictly maintained in all disciplinary actions with no bias in any action. Impact of the action may also affect the annual rating, increments, promotion and bonus of the employees. We also regularly send out updates, which not only inform employees on offences committed and actions taken, but also encourage employees to report any kind of objectionable behaviour in a timely manner.

Abuse of the platforms provided under the organization policies stands to attract appropriate disciplinary action from the management time to time.

The consequence management process has now been centralized and all disciplinary actions taken on complaints are executed by the team based out of Head office. The end to end processing of consequence management is done digitally on Company Intranet (Disha) and has been very effective

The process is called Centralized Consequence Management or CCM and key benefits of centralization include standardization of actions, lesser hand-off, time saved, cost saving through paperless actions, one stop shop for all records of actions taken.

**Escalation Matrix**

Various employee facing teams share their Escalation matrix as a process for resolving all problems, grievances and delays. Example shared for Transport and IT related escalation.

Escalated grievances: In case any employee is not satisfied with any situation at the workplace or want to challenge an action taken basis the grievance raised, he/she can appeal to the Management. The respective function will review the complaint and appropriate response will be provided in a fair and transparent manner.

\*\*\*\*\*