

# Incident Report & Whistle Blower policy (Compliance Internal Alert System)

Version 1.0

## Abstract

This compliance incident report policy describes:

- The scope of the internal alert system **helping to discover wrongful situations** that have, or could have, serious adverse consequences for the financial standing, performance and or reputation of Ageas Federal Life Insurance Co. Limited (AFLI) ;
- The way of acting in case of reasonable suspicion, involving the line management;
- The efforts of Compliance to maintain confidentiality, the guarantees given regarding **protection against retaliation**
- The **warnings** in the context of **employees involved in malpractice** and or **malicious actions**;
- The chronological sequence of actions by Compliance in case of complaint.

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COMPLIANCE

## 1. Document Control

### 1. Ownership

Authors	Department	Owner	Owner Department
Compliance	Compliance	Chief Compliance Officer	Compliance

### 2. Validation procedure

Validation Authority	Status	Version	Date
New - Current version			
Board of Directors	Approved	1.0	April 27, 2023

### 3. Version History

Version no.	Version date	Requester of change	Change description
1.0	April 27, 2023	Ageas Group Compliance	Ageas Group Policy adopted by Ageas Federal Life Insurance Co Limited (India)

### Change Mechanism

Any requirement for change is to be addressed to the Document Owner.

Updated Policies will be submitted via a formal approval process usually on a triennial basis according to Board's decision of April 27, 2023, but can be more frequent if necessary.

## 2. Policy

### 2.1 Introduction

The Corporate Governance Guidelines, 2016 as issued by Insurance Regulatory and Development Authority of India (IRDAI) and the provisions of Companies Act, 2013 as amended from time to time; has advised all insurers to put in place a “Whistle Blower” policy as also Ageas requires all its subsidiaries to put in place an “Incident Report” Policy, where-by mechanisms exist for employees to raise concerns internally about possible irregularities, governance weaknesses, financial reporting issues or other such matters. To comply with the requirements of the IRDAI, Companies Act, 2013 and Ageas; the AFLI Incident Report & Whistle Blower Policy is being put in place as follows.

Further, the AFLI Internal Alert System, as described in this policy, may help to discover wrongful situations or incidents that have (or could have) serious adverse consequences for the financial standing, performance and/or reputation of AFLI.

There may be occasions when an employee has genuine concerns about such a wrongful situation. The purpose of the Internal Alert System is to ensure that there is a process whereby such concerns can be escalated swiftly to his/her superior for investigation and resolution, in confidence and without fear of reprisal on the part of the employee raising the concern. If it is not possible to contact the hierarchy, the next level of line management at the business, business line or entity; the Disciplinary Committee<sup>1</sup> or the Group Director Compliance or the Chairman of the Board/ Audit Committee of the Board or the Statutory Auditor of the Company can also be contacted directly. Nevertheless, in normal circumstances the basic principle is that a whistle blower<sup>2</sup> should initially express any concerns to his/her superior.

The adoption of the Incident Report & Whistle Blower policy (Compliance Internal Alert System) is in line with the general practice towards safeguarding the trustworthiness and reputation of large private and public organisations, as well as with national and international principles of corporate governance.

This policy is published on AFLI intranet, the Company website and communicated to all the Employees of the Company.

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<sup>1</sup> Disciplinary Committee shall consist of Head – Internal Audit, Chief Risk Officer and Chief Compliance & Legal officer and Company Secretary.

<sup>2</sup> “Whistle blower” means person making a disclosure of any fraudulent activity that they have observed. Whistle blowers could be employees (i.e. anyone with an employment contract with AFLI), trainees, temporary (agency) staff and people hired to work on a specific project at AFLI.

### 2.3 Scope of the Policy

This Policy applies to AFLI and its employees (i.e. anyone with an employment contract with AFLI), trainees, temporary (agency) staff and people hired to work on a specific project at AFLI.

The Policy covers the following aspects:

1. Awareness of the employees that such mechanisms/ channels are available, how to use them and how their report will be handled;
2. Handling of reports received confidentially, for independent assessment, investigation and where necessary for taking appropriate follow-up actions;
3. A robust anti-retaliation policy to protect whistle blowers who make reports in good faith;
4. Briefing of the Board of Directors of the Company

### 2.4 Principles and procedure

#### 2.4.1 Purpose of the Policy

The AFLI Internal Alert System is meant to cover concerns related to:

- The integrity of AFLI (IT) processing systems (i.e., to help ensure that the tools work as intended).
- Accuracy and completeness of information (financial reporting and management information).
- Ethical standards, such as those laid down in the AFLI Principles of Business Conduct and other applicable codes of conduct.
- Rules aimed at risk avoidance or risk limitation.
- Respect of rules and legislation applicable to AFLI.

The purpose of the Internal Alert System is to provide reasonable assurance on good corporate governance.

Data collected and processed through the Internal Alert System will remain restricted to facts which are relevant for this aim. The type of information that is made public by means of this procedure must remain restricted to the most important areas, such as accountancy, the internal control, the financial crime, the fight against corruption and fraud.

## 2.4.2 When to apply the Policy

### a. 'Wrongful situations' and 'Incidents'

The whistle blower's concerns should have to do with a 'wrongful situation' or 'incident' that has caused considerable damage or that could have *serious* consequences. They are here defined as follows:

*A 'wrongful situation' is any act, omission, practice, conduct, or situation which contravenes the law, official regulation, and/or internal rules and standards, or unwritten rules of public interest, with respect to one of the five areas mentioned under 2.4.1 above.*

*An 'incident' is a wrongful situation that poses a serious threat to the soundness of AFLI's operations.*

Corruption, insider dealing, falsified financial reporting... are typical examples of this.

It must be about serious dysfunctions (including not only inevitably indictable offences), facts or circumstances which are serious enough to report them vis-à-vis the superior or the next level of line management at the business, business line or entity or the Disciplinary Committee or the Group Director Compliance or the Chairman of the Board/ Audit Committee of the Board or the Statutory Auditor of the Company by means of this procedure, in order to protect the (AFLI's) public interest and to enforce good corporate governance. In addition it is the aim to tackle situations in which the whistle blower believes that he/she cannot follow the normal hierarchical way (anymore).

As already indicated, the Internal Alert System is intended for wrongful situations or incidents that have (or could have) serious negative consequences for the financial standing, performance and/or reputation of AFLI.

### b. Reasonable suspicion

A whistle blower should have reasonable grounds to suspect a wrongful situation or incident; hard evidence is not required.

However, mere rumours will not suffice as reasonable grounds for suspicion.

In addition, it is certainly not intended that the whistle blower himself/herself should make inquiries into the facts of the matter, attempts to conduct investigations or interviews personally or questions anyone, contacts the suspected perpetrator in an effort to determine facts, discusses the case facts, suspicions or allegations with anyone (including the press), except where he or she would have a legal or regulatory right or obligation to do so.

**c. Not for employment contract-related issues**

The system is not meant to deal with issues related to the performance of an employee's employment contract. Normal HR procedures will apply in such cases.

Moreover, specific local procedures namely approaching the Company's Internal Complaints Committee for reporting sexual harassment and Code of Conduct Committee for reporting any other harassment should be resorted to before the AFLI Internal Alert System.

**d. Relation to the Anti-Money Laundering prevention principles**

This Policy does not deal in any more detail with the obligations under the:

- Prevention of Money Laundering Act (PMLA), 2002 as amended from time to time;
- Prevention of Money Laundering (Maintenance of Records) Rules, 2005 as amended from time to time; and
- Master Circular on Anti Money Laundering/Counter- Financing of Terrorism (AML/CFT), 2022 -Guidelines for Life Insurers
- recommendations of the Financial Action Task Force (FATF) issued from time to time;
- other regulatory guidelines/instructions issued by Insurance Regulatory And Development Authority of India (IRDAI) & Financial Intelligence Unit (FIU) of Government of India in this regard from time to time.
- Any additions, deletions, modifications and/or amendments made to the above from time to time.

. For these purposes, it is possible to report an offense directly to the Anti-Money Laundering Compliance Officer of AFLI. Such reporting is also possible anonymously.

For further info, see the AFLI Anti Money laundering /Counter- Financing of Terrorism (AML/CFT) Policy as approved and amended by the Board of Directors of the Company.

### 2.4.3 Procedure: principles

The basic principle is that the whistle blower should first raise his/her concerns with his/her immediate superior. The whistle blower is encouraged to report any suspected wrongful situation or incident initially to:

- His/her immediate superior or, if that is inappropriate,
- The next level of line management at the business, business line or entity.

The whistle blower can resort to the Internal Alert System, if he/she feels that his/her concerns have not been properly addressed, if line management is part of the problem, or if there is some other reasonable objection to using the primary channel.

In such cases, the whistle blower may raise his/her concerns with:

- Disciplinary Committee of AFLI directly
- Group Compliance Director
- Chairperson of the Board or of the Audit Committee of AFLI in cases wherever required.
- Statutory auditors of AFLI in cases wherever required.

Each staff member is made aware of the fact that he/she is granted full access to his/her superior, next level of line management at the business, business line or entity; the Disciplinary Committee, the Group Director Compliance, the Chairman of the Board/ Audit Committee of the Board and the Statutory Auditor of the Company Disciplinary Committee of AFLI, asking for confidential discussion about a situation in view of assessing whether a reporting would be appropriate.

### 2.4.4 Process: how to handle, and follow-up

#### a. Submitting reports and dealing with concerns

The whistle blower can reach the Disciplinary Committee vide email addressed to [alert@Ageasfederal.com](mailto:alert@Ageasfederal.com)

If the Disciplinary Committee considers prima facie that the report meets the criteria of the Internal Alert System as explained under 2.4.2, it will confirm receipt of the report to the whistle blower within five working days.

If the Disciplinary Committee considers that the criteria for application have not been met, or if they think that there is a more appropriate procedure, they will inform the whistle blower accordingly within five working days of receiving the report.

If the Disciplinary Committee accepts the report, they will then consider whether further inquiries are necessary, and if so, will initiate those inquiries. Disciplinary Committee may request the assistance of other departments, such as Security, Internal Audit Services, or external parties (e.



g. experts). The assessment whether a wrongful situation amounts to an incident is part of Committee's responsibilities.

The laws in force on the protection of individuals with regard to the processing of personal data and on the free movement of such data will be complied with.

The person named in the report will be informed by the Disciplinary Committee concerning the existence of the report and the accusing facts. The information can be postponed in exceptional circumstances (e.g. the gathering of evidence or the risk on destruction of proof material). Person named in the report will have opportunity for providing their inputs during the investigation. Departmental Head of the employee will also have the opportunity to be heard by the Disciplinary Committee.

If the whistle blower notifies his/her concerns to the Ageas Group Director Compliance, the Ageas Group Director Compliance, with due respect for the confidential nature of the information, will consult the compliance officer of AFLI on the matter, unless the whistleblower has sound objections to such consultation.

Compliance officer of AFLI will inform Ageas Group Compliance about the number and type of cases they handle under the Internal Alert System. They can ask the Group Director Compliance for advice.

These anonymised data are only logged at Group Compliance Department for statistical and aggregating purposes toward, amongst others, the Board of Directors.

If investigation concludes that there has been no wrongful situation or if there is insufficient evidence of this, the Disciplinary Committee will inform the pertinent whistle blower accordingly.

If, on the contrary, investigation concludes that there are sufficient grounds to assume a wrongful situation or incident, the Disciplinary Committee will notify the appropriate management accordingly and advise on any further action.

Ultimately, it is for management to decide whether the situation justifies action and, if so, what type of action.

The responsible management will inform the Disciplinary Committee of any decision. The Disciplinary Committee will then inform the whistle blower of that decision.

If the responsible management fails to respond, or following the response of the responsible management the issue fails to be resolved in the reasonable view of the Disciplinary Committee, escalation to a higher management level, including the Board of Directors, will be initiated.

For whistle blower complaints received by all other channels, the same procedure as above shall be followed for communicating with the whistle blower.

### **b. Employee involvement in malpractice**

It may happen that a whistle blower wishes to report a malpractice in which he/she has been a party. In such cases, the whistle blower must answer for his/her own actions and will not be immune from disciplinary or criminal proceedings, although the fact that he/she has brought the concern to light will be taken into account.

### **c. Malicious actions**

If it appears after investigation that the whistle blower acted out of malice, recklessly, in view to personal gain or harm against others when he/she raised the concerns, the matter will in all cases be referred to the HR Head, who will then consider whether the management responsible for the employee should be advised to take disciplinary action.

## **2.4.5 Protection mechanism**

### **a. Confidentiality**

The Disciplinary Committee and others, if any; involved in looking into the whistle blower's concerns will make every effort to maintain confidentiality. They will not disclose the whistle blower's identity to anyone directly involved in the case in question without the whistle blower's consent. No data will be revealed from which the identity could be inferred.

The whistle blower using the Internal Alert System has himself/herself a confidentiality obligation (about having used the system and about the notified elements).

However, the Internal Alert System cannot guarantee that third parties will not find out the whistle blower's identity by other means.

If there are compelling reasons for the Company to report the wrongful situation to external authorities, the whistle blower will be informed of this escalation, unless this is forbidden; and the Company will give him all necessary support.

### **b. Privacy**

Personal data will be processed lawfully, fairly and in a transparent manner in relation to the data subject (being the person in relation to whom the data are collected and processed). They will be collected for specified, explicit and legitimate purposes and not further processed in a way incompatible with those purposes; they will be adequate, relevant and limited to the minimum necessary in relation to the purpose for which they are processed; they shall only be processed if, and as long as, the purposes could not be fulfilled by proceeding information that does not involve personal data.

The laws in force on the protection of individuals with regard to the processing of personal data and on the free movement of such data will be complied with, in accordance with at least following principles:

- Confidentiality of data
- Information duty of the Compliance Officer to the person named in the report (Information to the data subject)
- Right of access for the data subject in regard with his personal data
- Right to rectification of incorrect personal data

- Right to be forgotten and to erasure (e.g. when the data are no longer necessary in relation to the purposes for which they were collected or otherwise processed, where there is no longer other legal ground for the processing of the data, when the processing does not comply with regulations in force...).

Please refer to AFLI Data Management Policy for further information.

### **c. Protection against retaliation**

No whistle blower who in good faith reports a wrongful situation or an incident shall suffer harassment, retaliation or adverse consequence (e.g. termination of employment or any other improper deviation from the employment contract, negative appraisal, mutation, blocking career perspectives...), as a consequence of his/her report .

Even though the use of the Internal Alert System is encouraged in the proper circumstances, its use is optional, not compulsory; it is a right, not an obligation.

## **2.5 Role of the Compliance Officer – general considerations**

### **What is a compliance officer?**

AFLI has designated a compliance officer to whom you can apply for more information on the AFLI Internal Alert System, and for your questions and remarks.

A compliance officer manages and monitors compliance with all aspects of pertinent legislation and regulations. He or she also ensures that internal codes of conduct are implemented.

The compliance officer not only advises management on these matters but also advises departments and individual employees who have compliance-related questions.

## **2.6 Special External Regulatory requirements**

It is the duty of the Appointed Actuary and Statutory/Internal Auditors of AFLI to 'whistle blow' i.e. to report in a timely manner to Insurance Regulatory and Development Authority of India (IRDAI) if they are aware that the Company has failed to take appropriate steps to rectify a matter which has a material adverse effect on its financial condition.

## **3 Governance**

The Board of Directors takes the initiative for promoting an integrity-based business by the institution. The Board of Directors sees to it that the institution has an appropriate integrity policy and enterprise values as may be approved from time to time.

The Managing Director & Chief Executive Officer, Senior Management and line management are responsible and accountable for ensuring that the employees under their supervision are acting in a compliant way in accordance with the supervisory requirements in their locations.

The Managing Director & Chief Executive Officer and senior management demonstrate visible and active commitment to the implementation of this Policy.

## 4 Appendix: Regulatory basis (excerpt)

India

- Clause 12, 'Whistle Blower Policy' of the Corporate Governance Guidelines, 2016 bearing reference no. IRDA/F&A/GDL/CG/100/05/2016 as amended from time to time.

### Link with other AFLI policies

In relation with this policy and insofar as applicable, please also consult the Integrity Policy, the Anti-Money Laundering/ Counter- Financing Of Terrorism (AML-CTF) Policy, the AFLI Data Management Policy, and the Compliance Policy.