



# Vigil Mechanism Manual

March 2021

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## 1. Introduction

### 1.1 Background

Code of Conduct and Compliance Policy of SBI Life Insurance Co. Ltd. requires Directors, Officers and Employees to observe high standard of business and personal ethics in conduct of duties and responsibilities. As employee/directors/ officers and representatives of the company, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

The Company seeks to encourage an open, ethical and compliant culture and welcomes employees sharing their genuine concerns regarding substantive risks, wrong doing or non-compliance to help achieve this aim.

This Vigil Mechanism manual has been framed in context statutory requirements and to put in place an appropriate framework for this purpose.

### 1.2 Objective

The purpose of the Vigil Mechanism Manual is to enable a person who observes an unethical practice/non-compliance to approach the Company without necessarily informing their supervisors, if they so choose. The manual aims to

- Provide an environment/integrity culture where every employee feels empowered to raise policy violations and integrity concerns and has the confidence that those concerns will be addressed without retaliation.
- Maintain ability for employees to raise concerns without fear: foster a productive environment.
- Ensure an objective process to investigate concerns promptly and a target average closure date of 45 days: prohibit retaliation and maintain confidentiality.
- Take prompt corrective action to fix identified compliance and other system weaknesses.
- Establish accountability for actions/closure of corrective actions.
- Ensure appropriate closure with complainant.

This Manual governs reporting and investigation of allegations of suspected serious irregularities within the Company and assures protection to the Employees/Directors/Officers raising a concern about such irregularities from any negative consequences. In all instances the appropriate investigation process would be followed.

This Manual recognizes the possibility for leakage or abuse of information relating to complaints which may risk damaging reputations. The Manual therefore requires the strictest confidentiality to be maintained in all respects (i.e. that there is an allegation, what is alleged, who has or may have made the allegation and against whom) and by all parties. It is further clarified that the Manual neither releases Employees/Directors/Officers from their duty of confidentiality in the course of their work, nor is it a route for taking up grievances about personal matters. Requests of a personal nature shall not be entertained through this mechanism and any complaints which are found to be motivated may lead to the invocation of disciplinary procedures as per Company policies.

This Manual should be read in conjunction with existing instructions of the Government of India issued from time to time under Companies Act, 2013, the Listing Regulations and/or any other provisions as applicable to the Company.

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### 1.3 Applicability

The Manual is applicable to all directors, employees of the company including deputed from Group Companies.

The Manual applies to questionable acts that affect customers, company, or employees, including, but not limited to:

- Breach of Business Practices and Company's Code of Conduct
- Non-compliance with the Company's internal or external regulations by any employee
- Misuse/abuse of official position/ authority including but not limited to:
  - discrimination
  - harassment
  - conflict of interest (abuse or wrongful non-disclosure)
  - transactions with related parties (abuse or wrongful non-disclosure)
  - illegal payments.
  
- Corruption, including bribery and money laundering
- Fraudulent practices, such as improperly tampering with books and records of the company, and theft of the property of the company
- Manipulation of Company's data or record or pilferage of confidential information.
- Instances of leak of Unpublished Price Sensitive Information
- Any other unethical practices or events.

#### Exclusions:

Sexual harassment complaints and HR process related grievances will be referred to Human Resource department for investigation and closure.

### 1.4 Review and approval of the manual

Adherence to this Manual and all resulting standards, procedures and guidelines is the responsibility of all directors and employees.

The Managing Director & CEO is authorized to make any amendments to this Manual at any time.

## 2. Procedural Requirements

### 2.1 Reporting Mechanism

- a) Protected Disclosure should be as soon as possible but not later than 30 calendar days after becoming aware or suspect of any fraud or any event of misconduct, irregularities etc.
  
- b) All the all directors, employees shall communicate the complaints in below mentioned manner:
  1. A closed/ sealed envelope, marked "Disclosure under Vigil Mechanism" addressed to the Vigilance Mechanism Officer.
  
  2. E-mail to the designated email ID: [compliancesbilife@sbilife.co.in](mailto:compliancesbilife@sbilife.co.in)
  3. Direct e-mail to the Vigilance Mechanism Officer.
  4. In case, the complainant has reason to believe that the concern / allegation is against the Vigilance Mechanism Officer, the complaint can be addressed to Managing Director & Chief Executive Officer of the Company.

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- c) The concern / allegation should be forwarded under a covering letter along with a proof of identity of the complainant. Where concern is raised over telephone necessary information for verification of identity should be given.
- d) The Vigilance Mechanism Officer or other recipient of the concern / allegation, as the case may be, shall detach the covering letter and proof of identity and forward only the concern / allegation to the Steering Committee for further action on the complaint.
- e) In case, the identity of complainant cannot be ensured, the complaints **will be treated as anonymous/pseudonymous complaints and will not attract further action**. However, if the complaint establishes verifiable facts, the Vigilance Mechanism Officer will review and put up the same to the Steering Committee for investigation of such cases along with the report on accepted and rejected cases.
- f) All allegations received under this Manual shall be enquired under the supervision of the Steering Committee.

Steering Committee: The Steering Committee of the Company shall comprise of

- MD & CEO
  - President & Chief Financial Officer
  - EVP & Chief of HR
  - Compliance Officer
  - Head Legal
  - Vigilance Mechanism Officer
- g) The Steering Committee shall review the concern / allegation, decide on enquiries/ investigation to be made in the preliminary stage to validate and assess the allegation, identify the person(s) who shall carry this out and in what time frame. This Committee shall consider the findings of the preliminary enquiries / investigations and recommend future course of action.
  - h) In case of any complaint relating to any director/CEO of the Company, the matter shall be referred directly to the Chairperson of the Audit Committee and the Audit Committee shall decide and provide for the enquiries / investigation to be made and assess the allegation. The Director named in the allegations shall recuse himself/herself from the proceeding of the Committee.

## 2.2 Investigation

The decision to make enquiries or conduct an investigation is not an accusation and shall be done as a neutral fact finding process and with all reasonable efforts to maintain confidentiality. The outcome of the investigation may or may not support conclusion that an unethical act was committed and, if so, by whom.

All concerns/allegations reported under this Manual will be promptly and thoroughly investigated.

1. The identity of the complainant should be maintained in confidence and should not be disclosed even to the investigators unless required for investigation. In case additional information is required to be collected from the complainant, it should be obtained through Vigilance Mechanism Officer.
2. On receipt of complaint, the Vigilance Mechanism Officer will inform the Steering Committee members and take other necessary action to address the complaint within 7 days of the receipt of the complaint.

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3. In case any member of the Committee is not available, other members will hold the meeting provided that at least two members are physically present. Other member(s) may participate by teleconference.
4. The Steering Committee members shall make an assessment or decide on enquiries / investigation to be made in the preliminary stage to validate and assess the allegation, identifying the person(s) who shall carry this out.
5. The Steering Committee shall continue to monitor the enquiries/investigation, using such internal or external resources as considered appropriate, and shall also consider the outcome of such enquiries/investigations, making recommendations for final resolution/closure/action.
6. In case the disclosure made does not have any specific and verifiable information, the Vigilance Mechanism Officer will be authorized not to take any action. This would be suitably recorded and placed before the Steering Committee.
7. The Company reserves the right, and may have a legal obligation, to refer any concerns or complaints regarding malpractices to appropriate external regulatory or statutory authorities.
8. For certain matters, such as allegations of material frauds or misstatements in the accounts, the President & Chief Financial Officer or the Chairperson of the Audit Committee may inform and consult the Statutory auditors at the appropriate stage, if required.
9. No investigation shall arrive at an adverse finding against anybody without giving them a full and fair opportunity to be heard and to present evidence in their defense. No allegation of wrong doing against a Staff Member/Director/Officer shall be considered sustained unless at a minimum, a preponderance of the evidence supports the allegation. This does not however limit in any way SBI Life Insurance right to hand over an investigation to an appropriate regulatory/statutory authority where this is deemed appropriate.
10. Depending upon the nature of disclosure and its gravity, the Vigilance Mechanism Officer will take a view to take up investigation on a priority basis and fix shorter time frame for its completion.
11. All Employees/Directors/Officers have a duty to cooperate in the investigation of concerns/allegations reported and shall be subject to strict disciplinary action up to and including immediate dismissal, if they fail to cooperate in an investigation, or deliberately provide false information during an investigation.
12. Each enquiry/investigation shall be completed by the nominated/appointed investigators as soon as is reasonably possible, ordinarily at an average of 45 days from the receipt of concern/allegation. In case the same cannot be completed within the stipulated period, an interim report should be submitted giving, inter- alia, the tentative date of completion further the status of the same should also be reported to the MD & CEO until the final closure.
13. Every complainant shall have access to MD & CEO.
14. The action taken against the subject/employee as stated in this Manual will be in addition to any other action or prosecution which may be initiated against said subject/employee under any statute or law in force.
15. If, at the conclusion of its investigation, the Company determines that a violation has occurred, or the allegations are substantiated, the Company will take remedial / disciplinary action as the case may be. The Company will take reasonable and necessary

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measures to prevent any further violations which may have resulted in a complaint being made.

16. All complaints received during a quarter shall be reported to MD & CEO.

17. Employees/Directors/Officers have a responsibility not to interfere with the investigation and to adhere to admonitions from investigators in this regard. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached or intimidated.

### 2.3 Protection & Confidentiality

- The identity of the complainant, who makes the complaint in good faith, will be protected and shall be kept confidential, except as otherwise required by law and to the extent possible while allowing investigation to proceed. In order to enable the Company to maintain the confidentiality/identity of the complainant, the complainant should use his/her best endeavors to make the complaint to the Vigilance Mechanism Officer and/or MD & CEO only.
- A complainant may make a Protected Disclosure without fear of retaliation or intimidation. The company prohibits its Employees from engaging in retaliation or intimidation that is directed against a complainant. Employees who engage in retaliation or intimidation in violation of this Manual will be subject to disciplinary action.
- Complete protection will be given to complainant against any service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment etc.
- Any other employee assisting in the said investigation or furnishing evidence and members of investigation team shall also be protected to the same extent as the complainant.
- The complainant, the subject and everyone involved in the process shall:
  - a. Maintain complete confidentiality/ secrecy of the matter.
  - b. Not discuss the matter in any informal/ social gatherings/ meetings/social media.
  - c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
  - d. Not keep the papers unattended anywhere at any time.
- If anyone is found not complying with the above, he/she shall be held liable for such disciplinary action as deemed fit.
- Complainant should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested.
- All reports and records associated with 'disclosures' are considered confidential information and access will be restricted to the MD & CEO, Vigilance Mechanism Officer and members of Steering Committee. Information may be shared with others, strictly on need to know basis only.



## 2.4 Conflict of Interest

- Where a Protected Disclosure concerns any member of the Compliance team that member of the Compliance team shall be prevented from acting in relation to that Protected Disclosure.
- In case of doubt, MD & CEO shall be responsible for determining whether a member of the Compliance team must recuse himself or herself from acting in relation to a Protected Disclosure.

## 2.5 General

- The complainant who makes three or more complaints and all of which are subsequently found to be mala-fide shall be disqualified to report further Protected Disclosures.
- The complainant who rejects or fails to cooperate with the investigation process will be subject to disciplinary action
- Any false or bogus allegations made by a complainant, knowing it to be false or bogus or with a mala fide intention, shall be subject to disciplinary actions.

## 2.6 Responsibilities

### a. Steering Committee

- Supervising the development and implementation of this Manual.
- Periodically review the Manual to consider whether amendments are necessary, and, if so, it shall communicate any such amendments to all employees as soon as possible.
- Receive reports from the Compliance team concerning the investigation and resolution of Protected Disclosures made pursuant to the Manual on a quarterly basis as per the guidelines given.
- Responsibility for coordinating the investigation of any serious Protected Disclosures concerning the alleged violation of laws or regulations those apply to the Company.

### b. Vigilance Mechanism Officer and Compliance Team

- Comply with and support implementation of this manual and any resultant standards, guidelines and procedures.
- Maintain a duly updated Vigil Mechanism Register.
- Quarterly Reporting to Managing Director & CEO.

## 3. Reporting

Status report of complaints shall be submitted to the Steering Committee and any other information relating to the disclosures received under the Vigil Mechanism Manual on quarterly basis. The status report would include the following:

- a) The status of the disclosure received during the present and prior period and action taken thereon.

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- b) The special areas which need focused attention.
- c) The nature of complaint made and their function wise distribution.

The Steering Committee may take such corrective measures to prevent recurrence of such events in future.

### 4. Record keeping

All documents shall be preserved for a period as specified in the applicable regulations and as per Board approved Record Maintenance and Document Retention Policy.

### 5. Appendices

#### 5.1 Definitions

**5.1.1 “The Company”** means SBI Life Insurance Company Ltd.

**5.1.2 “Group”** means all entities forming part of the State Bank group ie. The Bank and Other Group Entities.

**5.1.3 “Code of Conduct”** means the Terms and conditions of services of SBI Life Officers issued by the Company from time to time.

**5.1.4 “Director”** means the Directors appointed to the Board of the Company as defined under Section 2(34) in the Companies Act, 2013.

**5.1.5 “Disciplinary Action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as deemed fit, considering the gravity of the matter.

**5.1.6 “Employee”** means a person employed at a workplace for any work on regular, temporary, ad hoc or daily wage basis, either directly or through an agent, including a contractor, with or, without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis or otherwise, whether the terms of employment are express or implied and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name.

**5.1.7 “Protected Disclosure”** means a concern raised by a written letter/email made in good faith that discloses or demonstrates:

- a. Breach of Business Practices and Company’s Code of Conduct.
- b. Non Compliance with the Company’s internal or external regulations by any employee.
- c. Corruption, including bribery and money laundering.
- d. Fraudulent practices, such as improperly tampering with books and records of the company, and theft of the property of the company.
- e. Manipulation of Company’s data or record or pilferage of confidential information.
- f. Any other unethical practices or events.
- g. Protected Disclosure for the purpose of this Manual will not include *Sexual harassment complaints, HR process related grievances, other personal grievances*

**5.1.8 “Subject”** means a person against whom or in relation to whom, a protected

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disclosure is made or evidence gathered during the course of an investigation.

**5.1.9 “Complainant”** means an employee or director or deputed from Group Companies, vendors, channel partners and distributors of the Company who makes a Protected Disclosure under this Manual.

**5.1.10 “Vigilance Mechanism Officer”** means an officer designated as such for ensuring the compliance of this Manual in letter and spirit.