

THE WHISTLE BLOWER POLICY

1. PREFACE

This Whistle Blower Policy ("Policy") of MAG Finserv Company Limited (the Company) has been established / adopted / approved by the Audit Committee of the Board of Directors of the Company, in terms of the provisions of Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of the Board & its Powers) Rules, 2014.

The objective of the 'Whistle Blower Policy' is to maintain the utmost levels of ethical, moral, and business standards throughout the company's operations. It aims to cultivate a lasting and robust culture of Corporate Governance within the organization.

The policy sets forth an internal reporting mechanism, allowing staff members to confidentially notify the management of any concerns regarding unethical behavior, actual or suspected fraud, or violations of the Company's Code of Conduct policy.

The policy is designed to encourage all employees to promptly report any suspected or actual instances of illegal, unethical, or inappropriate actions, behavior, or practices by fellow staff. It assures employees that they can report such concerns without fear of retaliation or unfair treatment.

Employees are strongly encouraged to voice their concerns regarding irregularities, malpractices, and other transgressions through this policy. Furthermore, the policy provides critical safeguards and protection to employees who choose to disclose instances of observed unethical practices or behavior within the organization.

A vigil mechanism provides a channel to employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company.

2. GOVERNANCE

Section 177(9) of the Companies Act, 2013 (the Act) mandates the following classes of companies to constitute a vigil mechanism –

- Every listed company;
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of ₹ 50 crore.

3. APPLICABILITY

Accordingly, this Whistleblower Policy ("the Policy") and Vigil Mechanism as part of this Policy has been formulated with a view to provide a mechanism to the Employees, Directors and Third parties who may wish to report a concern related to a potential violation of the Company Code of Conduct.

4. KEY DEFINITIONS

- The Company means "MAG Finserv Company Limited."
- "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013
- "Board" means the Board of Directors of the Company.
- Policy or This Policy means, "Vigil Mechanism Policy."
- "Employee" means all the present employees and Directors of the Company
- "Whistle Blower" is an employee or group of employees who makes a Protected Disclosure under the Policy.
- "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity.

Interpretation terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 read along with the rules as amended from time to time.

5. SCOPE OF THE POLICY

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

6. COVERAGE OF THE POLICY

All Employees, Directors as well as Stakeholders of the Company who are associated with the company can raise concerns regarding malpractices, alleged wrongful conduct and events which may negatively impact the company such as:

- Abuse of authority, Conflict of interest
- Breach of contract or any obligation towards Company;
- Financial misappropriation, fraud and False expense reimbursements, Misappropriation or misuse of the Company's funds/assets & other resources.
- Procurement fraud, Corruption & bribery.
- Inappropriate sharing of company sensitive information, Insider trading.

- Unfair trade practices & anti-competitive behavior, non-adherence to safety guidelines.
- Sexual harassment, Child Labor.
- Any other unethical, imprudent deed/ behavior.
- Violation of human rights and any other matters or activities which affects the interest of the Company.

7. LIST OF EXCLUSIONS

The following types of complaints will ordinarily not be considered and taken up:

- Complaints that are illegible, if handwritten
- Complaints that are Trivial or frivolous in nature
- Matters which are pending before a court of Law, State, Tribunal or any other judiciary or sub judiciary body
- Issue raised, relates to service matters or personal grievance (such as increment, promotion, appraisal etc) also any customer/product related grievance.

8. GUIDELINES

- a. The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors or such whistle blower who avail of the vigil mechanism and report their legitimate concerns or grievances.
- b. Disclosure & Maintenance of Confidentiality Employees and directors –Confidentiality shall be maintained to the greatest extent possible.
- c. In the event of repetitive or baseless complaints being filed by a director or an employee, the audit committee reserves the right to take appropriate action against the individual, which may include issuing a reprimand.

9. PROCEDURE

Any employee or director shall submit a report of the genuine concerns or grievances to the Audit Committee. An audit committee shall oversee through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand. In exceptional case, the vigil mechanism shall provide direct access to the Chairperson of the Audit Committee. Audit Committee shall appropriately investigate all grievances received. In this regard, Audit Committee to investigate into the matter and prescribe the scope and time limit therefore. Audit Committee shall have right to outline detailed procedure for an investigation. The Audit Committee or chairman, as the case may be, shall have right to call for any information/ document and examination of any employee or director of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy. A report shall be prepared after completion of investigation and the Audit Committee shall consider the same. The decision or direction of Audit Committee shall be final and binding.

Any one of the following ways to lodge a complaint to the Chairman's Office:

- I. By sending an email to chairman@magfinserv.in with the subject "Protected Disclosure under the Whistle Blower Policy".
- II. By sending letter in a closed and secured envelop to the Chairman's Office–Dr. Babasaheb Ambedkar Chowk, Opp. Phaltan Nagarpalika, Raviwar Peth, Phaltan, Maharashtra, India, 415523. Letter should either be typed or written in a legible handwriting in English or Hindi or Marathi.

10. INVESTIGATION

- a) The investigation would be carried out to determine the legality of the allegations and fact-finding process.
- b) The investigation team should not consist of any member with possible involvement in the said allegation.
- c) During the course of the investigation: Audit Committee will have authority to take decisions related to the investigation. Any required information related to the scope of the allegation would be made available to the investigators.
- d) The findings of the investigation should be submitted to the Audit committee by the investigator with all the supporting documents.

11. ROLE OF INVESTIGATOR

- a. A structured approach should be followed to ascertain the creditability of the charge.
- b. Ensure the confidentiality and secrecy of the issue reported and subject is maintained.
- c. Provide timely update to the Committee on the progress of the investigation.
- d. Ensure investigation is carried out in independent and unbiased manner.
- e. Investigator have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- f. Investigation Report including the approach of investigation should be submitted to the Committee with all the documents in support of the observations.

12. MAINTAINING SECRECY AND CONFIDENTIALITY

The Company expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the whistle blower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

13. PROTECTION

a.No Whistleblower who has reported a Protected Disclosure under this policy will face unjust treatment. The company unequivocally denounces any form of discrimination, harassment, victimization, or other unfair employment practices directed at Whistleblowers. Whistleblowers will receive full protection against any retaliation, threats, intimidation, termination/suspension of service, disciplinary action, transfer, demotion, or denial of promotion.

b.The identity of the Whistle blower shall be kept confidential to the extent possible and permitted under law. The identity of the Whistle blower will not be revealed unless he/she himself/herself has made either his/her details public or disclosed his/her identity to any other office or authority. In the event of the identity of the Whistle Blower being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.

c. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower. Provided however that the Whistle blower before making a complaint has reasonable belief that an issue exists, and he has acted in good faith. Any complaint not made in good faith as assessed such by the Audit Committee shall be viewed seriously and the Whistle Blower shall be subject to disciplinary action as per the Rules. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

d. A Whistle Blower may report any violations of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

14. DECISION

The Audit Committee to conclude that an improper or unethical act has been committed, the Management shall recommend appropriate disciplinary or corrective action to the Chairman of the Audit Committee for his consideration and approval. The company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

15. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall retain the right to directly access the Chairman of the Audit Committee in exceptional cases. The Chairman of the Audit Committee is authorized to provide appropriate guidance and directions regarding such exceptional circumstances.

16. REVIEW

The Audit Committee shall review the functioning of the Whistle-blower mechanism, at least once in a financial year.

17. COMMUNICATION

For a Whistle Blower policy to be effective, proper communication to employees is crucial. Employees shall be informed via email and through the company's website to ensure awareness and understanding of the policy.

18. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 8 (Eight) years or such other period as specified by any other law in force, whichever is more.

19. RIGHT TO AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

20. INTIMATION

The Whistleblower Policy & Vigil Mechanism will be displayed on the website of the Company. The policy as amended from time to time shall be disclosed by the company on its website and in the Board's report and notified to them in writing.