



WHISTLE BLOWER POLICY

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Introduction

LIC Mutual Fund Asset Management Limited (“the AMC”) is an investment manager to LIC Mutual Fund (“the Fund”). The AMC is responsible for managing the Mutual Fund Schemes and benefiting investors through its investment decisions.

Scope of the Policy

- The AMC believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity, and ethical behavior.
- The AMC is committed to develop a culture where it is safe for all its stakeholders which includes employees, vendors, suppliers, service providers, contractual staff, and directors to raise concerns about any poor or unacceptable practice and any event of misconduct.
- This Policy focuses on procedure to be followed by a whistleblower while making a protected disclosure and the protection of the interest of such whistleblower.

Definitions

- (a) **“Audit Committee”** means the audit committee constituted by the Board of Directors of AMC in accordance with provisions of SEBI (Mutual Funds) Regulations, 1996 and circulars and guidelines issued thereunder.
- (b) **“Employee”** means any person who is employed or engaged with the Asset Management Company and Trustee Company, whether working in India or abroad, and shall include the Directors in the employment of the AMC and Trustee Company and employee on payrolls of Third Party (Offrole employees).
- (c) **“Inquiry Committee”**
Inquiry Committee shall consist of the following persons of the AMC:
- Executive Director and Business Head;
 - Chief of Operations and Technology;
 - Compliance Officer; and
 - Chief Risk Officer.

If any member(s) of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself, and other members of Inquiry Committee should deal with the matter on hand.

- (d) **“Leakage of Unpublished Price Sensitive Information (UPSI)”** means unauthorised communication or illegal procurement of such information which is/deemed to be UPSI i.e. except in furtherance of Legitimate Purposes, by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever.

- (e) **“Legitimate Purpose”** shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis. The AMC may share the UPSI if required in the interest of the schemes of the Mutual Fund or the unitholders. Legitimate Purpose shall, inter alia, include sharing of UPSI on need-to-know basis by the AMC with entities that it engages with in the ordinary course of its activities, including but not limited to partners, Trustees, Registrars and Share Transfer Agents, Custodians, Valuation Agencies, Fund Accountants, Association of Mutual funds of India (“AMFI”), Credit Rating Agencies, legal advisors, auditors or other advisors or consultants, except where such sharing has been carried out to evade or circumvent the prohibitions of the Regulations.
- (f) **“Malpractice”**
- Malpractice means an instance of professional negligence on the part of the employee. The types of matters that can be regarded as “malpractice” and are considered as a serious offence includes: -
- Fraud or financial irregularity
 - Corruption, bribery, or blackmail
 - Other Criminal offences
 - Failure to comply with a legal or regulatory obligation.
 - Miscarriage of justice
 - Insider trading, including dealing with leakage/suspected leakage of Unpublished Price Sensitive Information (“**UPSI**”)
 - Market Abuse
 - Concealing any of the above
- (g) **“Market Abuse”** shall have the same meaning as ascribed to it under SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.
- (h) **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information about any malpractices.
- (i) **“Stakeholder”** includes employees of the AMC and/or Trustee Company (including offrole employees), Directors, Trustees, and other stakeholders (including but not limited to Registrar and Transfer Agents, Fund Accountant, Custodian for the Schemes of LIC Mutual Fund, other Service Providers/Vendors).
- (j) **“Suspect”** means the person or persons against or in relation to whom an inquiry can be initiated in case of any malpractice.
- (k) **“Unpublished Price Sensitive Information”** (for securities other than Schemes of LIC Mutual Fund) means any information, relating to a AMC or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
 - (v) changes in key managerial personnel.
- (l) **“Unpublished Price Sensitive Information for Schemes of LIC Mutual Fund”** means any information, pertaining to a Scheme(s) of the Fund which is not yet generally available and which upon becoming generally available, is likely to materially impact the net asset value (“NAV”) or materially affect the interest of unit holders, including but not restricted to the following:
- (i) a change in the accounting policy;
 - (ii) a material change in the valuation of any asset or class of assets;
 - (iii) restrictions on redemptions, winding up of scheme(s);
 - (iv) creation of segregated portfolio;
 - (v) the triggering of the swing pricing framework and the applicability of the swing factor;
 - (vi) material change in the liquidity position of the concerned scheme(s) of the Mutual Fund; and
 - (vii) default in the underlying securities which is material to the concerned scheme(s) of the Mutual Fund.
- (m) **“Whistleblower”** means any Stakeholder making a Protected Disclosure under this Policy.

Objective of the Policy

The objective of this Policy is to:

- Provide a framework to promote responsible and secure whistle blowing.
- Give necessary safeguard and protection to the stakeholders who disclose the instances of unethical practices/ behavior observed in the AMC.
- Ensure that there is a transparent mechanism for the Stakeholders to report instances of malpractices, unethical behavior, actual or suspected fraud or any suspicious activity or actual/ suspected leakage of UPSI or violation of the AMC’s Code of Conduct.
- Have a whistleblower policy that reflects the management’s commitment to ethical standards in the conduct of Business.

TARGET AUDIENCE

- This policy should be made available to the Stakeholders.
- The contents of this policy must be thoroughly reviewed and understood by the department's relevant personnels and implemented accordingly.

Process for reporting instances of malpractice (Protected Disclosure)

If any stakeholder has any concerns about malpractice, they should as soon as possible disclose in confidence, the grounds for their belief of malpractice in writing to the Compliance Officer with a copy to the Chief Executive Officer/Managing Director of the AMC, along with the relevant information on the basis of which he/she suspects or has concluded that there was an instance of malpractice.

In the event that the instance of malpractice concerns the Compliance Officer or the Chief Executive Officer/Managing Director, the same may be reported to the Chairperson of the Audit Committee. The Contact Details of Chairman of Audit Committee of LIC Mutual Fund Asset Management Limited, Managing Director & Chief Executive Officer and Compliance Officer are provided in **Annexure A**.

Protected Disclosures should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern. To the extent possible, the following information should be covered in the Protected Disclosure:

- Name, address, contact details of the whistle-blower, type of incident, names of other personnel aware of the issue, specific evidence and amounts involved if any, etc.
- To enable this investigation and for protection to the Whistleblower, it is encouraged that the Whistleblower should disclose his/her identity at time of making such Protected Disclosure. However, in cases where Whistleblower wishes to keep his identity anonymous then the Protected Disclosure should be accompanied strong evidence and data. The relevant authority may at their discretion consider anonymous Protected Disclosure(s) if the same is otherwise substantiated.
- Specific details about the alleged malpractice with details about people involved and nature of the Malpractice.
- If sent by a letter, the envelope should be sealed and marked “Whistle-blower”. If sent by email, the same should be marked Confidential with a subject line as “Whistle-blower”.
- On receipt of the disclosure, the Compliance Officer/Chairperson of the Audit Committee as applicable, shall forward such disclosure to the Inquiry Committee to investigate and assess further course of action depending on the merits of the case.
- Zero harassment will be assured to the whistle-blower.
- The Whistle-blowers identity will be protected by the AMC. Full confidentiality shall be always maintained to safeguard the whistle-blower.

- The exception to this is if the whistle blower's allegations are proven unfounded and with willful malicious intent, strict action would be taken against them.
- After investigation, if it is established/concluded that, an improper or unethical act has been committed, the Audit Committee shall recommend appropriate disciplinary or corrective action.

The following punitive actions could be taken against employees, where the Audit Committee finds the accused guilty:

- a) Counseling & a Warning letter b) Withholding of promotion / increments/Bonus c) Suspension d) Termination of appointment with or without cause on a summary basis e) Legal suit, etc.

The above are only suggestive and the Audit Committee may decide on the actions to be taken on a case-to-case basis depending on the gravity of the offence.

Roles, Rights and Responsibilities of Whistle-Blower (Reporting Party)

- Provide initial information based on a reasonable belief that an alleged wrongful conduct has occurred including the events wherein the Whistleblower has reasonable grounds for knowing or suspecting, that there has been a Leakage of UPSI. The motivation of a whistle-blower is irrelevant to the consideration of the validity of the allegations.
- Responsible for setting forth all known information regarding any reported allegations. Whistle-blowers must provide sufficient corroborating evidence to justify the commencement of an investigation.
- Refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered as an improper activity.
- Whistle-Blowers are "reporting parties," and not investigators. They are not to act on their own in conducting any investigative activities, nor shall they have a right to participate in any investigative activities other than as requested by the investigating authority.
- The identity of the whistle-blower will not be disclosed except where required under the law or for the purpose of the investigation.
- No unfair treatment will be meted out to a whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The AMC, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against any whistleblower. Complete protection will be given to Whistleblower against any adverse action, i.e., no action will be taken against Whistleblower solely on the basis of Whistleblower having made a Protected Disclosure. Such actions include retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his duties/functions, including making further Protected Disclosure ("**Adverse Actions**"). The AMC reserves the right to initiate appropriate action against persons who are seen to be undertaking Adverse Actions against a Whistleblower, only on the account of Whistleblower making a Protected Disclosure.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistleblower knowing it to be false or bogus or with a mala fide intention. A whistle-blower's right to protection from retaliation does not grant him immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrongdoing. While it will be ensured that genuine Whistleblower is accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action against a Whistleblower or would not be considered for investigation.

- The AMC will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal, regulatory or disciplinary proceedings, the AMC will endeavor to arrange for the Whistleblower to receive advice about the procedure, as permissible in law.
- The identity of the Whistleblower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary procedures already taking place concerning a Whistleblower.
- Any other person assisting the Whistleblower reporting an actual or suspected Leakage of UPSI shall also be protected to the same extent as the Whistleblower.
- This policy may not be used as a defense by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under AMC's rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee, whose conduct or performance warrants that action, separate and apart from that employee making a disclosure.

Roles and Responsibilities of the Inquiry Committee

- Conduct an enquiry in a fair, unbiased manner to ensure complete fact-finding.
- To authorise any person(s) to collect necessary evidence;
- Maintain strict confidentiality.
- Decide on the outcome of the investigation whether an improper practice has been committed and if so by whom.
- To provide opportunity of being heard to the suspect, during the inquiry proceedings; and
- To notify the suspect of the allegations at the outset of an internal inquiry and provide him/her with an opportunity to represent his/her case and submit evidence.
- Recommend an appropriate course of action and preventive measures to the appropriate authority.

Policy Review & Update

The Policy should be reviewed at least once annually.

In case the provisions of this Policy are inconsistent with applicable laws, then such provisions of applicable laws shall prevail over the provisions hereunder and this

References

- [SEBI \(Mutual Funds\) Regulations, 1996 including Circulars /guidelines issued thereunder](#)

Annexure A

Sr. No.	Particulars	Contact details (Email ID)
1.	Chairman of Audit Committee of LIC Mutual Fund Asset Management Limited	<u>Whistleblower@licmf.com</u>
2.	Managing Director & Chief Executive Officer	<u>ceo@licmf.com</u>
3.	Compliance Officer	<u>cs.co@licmf.com</u>