

MANAPPURAM INSURANCE BROKERS LIMITED

GUIDELINES ON CORPORATE GOVERNANCE

Preamble

Manappuram Insurance Brokers Limited (“the Company”) is committed to practice good Corporate Governance standards in adherence to the IRDA guideline/directions/Notifications, MCA guidelines, Companies Act and the Rules made there under. The Company believes that good corporate governance results from sound processes that ensure that the Directors are well supported by accurate and timely information, sufficient time and resources and unrestricted access to management.

Purpose:-

The purpose of this policy is to frame internal guidelines on Corporate Governance. This policy lays down the detailed procedures for the implementation of the said guidelines in order to comply with the directions issued by the Insurance Regulatory and Development Authority of India from time to time in this regard.

The Policy on Corporate Governance will be reviewed as and when deemed fit and necessary by the Board in the context of changing regulation and emerging best practices with a view to enhancing the Company’s governance.

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BOARD OF DIRECTORS

- A. The Board of Directors along with its Committees shall provide leadership and guidance to the Company’s Management and direct, supervise and control the performance of the Company.
- B. As per the Company’s Articles of Association, the Board’s strength is required to be a minimum of three to a maximum of fifteen directors.
- C. A Director shall not hold the office of Director in more than 20 companies and the maximum number of directorships in public companies shall not be more than 10.
- D. None of the Directors on the Company’s Board shall be a Member of more than 10 Board Committees and Chairman of more than 5 Board Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all companies in which they are Directors.
- E. All the Directors shall make the necessary annual disclosure regarding their change in concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including shareholding, directorships and committee positions and shall intimate changes as and when they take place.

BOARD MEETINGS

Meetings of the Board of Directors shall be held at least four times a year, such that not more than one hundred and twenty days shall intervene between two consecutive meetings.

COMMITTEES OF THE BOARD

In order to effectively focus on the issues and ensure expedient resolution of diverse issues, the BoD shall constitute a set of Committees duly specifying their scope / terms of reference.

Details of the various Committees are as under:

Audit Committee.

- The audit committee shall have minimum three directors as members.
- Two-thirds of the members of audit committee shall be independent directors.
- All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- The company secretary acts as the Secretary of the Audit Committee.
- The Audit Committee shall function as per the Audit Committee Charter

Composition of Audit Committee:

Name of the Member	Position	Category of Directors
Mr. M.N. Gunavardhanan	Chairman	Independent Director
Adv. Ramachandran	Member	Independent Director
Mr. B.N. Raveenrda Babu	Member	Non-Executive Director

MAIBRO - Audit Committee Charter

Principles and Objectives

The role of the Audit Committee shall flow directly from the Board of Directors' oversight function on corporate governance which holds the Management accountable to the Board and the Board accountable to the stakeholders. Acting as a catalyst in helping the organization achieve its objectives, the Audit Committee's review function will include the financial reporting process, the system of internal controls, the audit process, the Company's process for monitoring compliance with laws and regulations and the Code of Conduct.

Authority

The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers it to be necessary

- To have full access to information contained in the records of the Company

Meetings

- The Audit Committee shall meet periodically, but at least 4 times a year and not more than 4 months shall elapse between two successive meetings.
- One meeting shall be held before the annual accounts and quarterly/ half yearly accounts are presented to the Board.
- The quorum for Meetings of the Audit Committee shall be either two members or one-third of the members of the Audit Committee, whichever is higher including one Independent Director.
- The Internal Auditor and a Representative of the External Auditor may be requested to be present as invitees for the meetings of the Audit Committee.
- The Audit Committee may invite such of the executives, as it considers appropriate (particularly, the head of the finance function), to be present at the meetings of the Committee. Such persons shall not have the right to vote. On occasions the Audit Committee may also meet without the presence of any executive of the Company.
- The Auditors of the Company and the Key Managerial Personnel shall have a right to be heard at the meetings of the Audit Committee when it considers the Auditors' Report but they shall not have the right to vote.

Terms of reference :-

The terms of reference of the Audit Committee, *interalia*, shall include the following:

- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the Company, if any, with related parties;
- scrutiny of inter-corporate loans and investments, if any;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds, if raised through public offers and related matters.
- ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks, if any, faced by the Company.
- Review of Frauds – on a quarterly basis
- perform such other act, including the acts and functions stipulated by the Board of Directors, Companies Act, Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 and any other regulatory authority, as prescribed from time to time.

The Audit Committee shall meet in person. However, in case of extraordinary circumstances, the Committee may meet through video conferencing or other audio visual means.

The minutes of the meetings of the Audit Committee shall be duly recorded and maintained properly.

Review and Examination of Information

Internal audit reports relating to internal control weaknesses.

Financial statements and draft auditors' report thereon, including the draft limited review report of the auditors.

Management discussion and analysis of financial condition and results of operations.

Reports relating to compliance with laws and to risk management.

Management letters / letters of internal control weaknesses issued by the Statutory / Internal Auditors.

Internal Control

Evaluation of the internal financial controls, accounting policies, etc. with the management, external and internal auditors, and to review the adequacy of internal control systems.

Internal Audit

1. Reviewing the Internal Audit Report and action taken thereon.
2. Reviewing the adequacy of the internal audit function, including the Audit Charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
3. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor, if required.
4. Discussing with the Internal Auditor any significant findings and follow-up thereon.
5. Reviewing the findings of any internal investigations carried out by the Internal Auditor into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
6. Reviewing and monitoring the performance and effectiveness of the Internal Audit process Conducting Information Systems Audit of the internal systems and processes at least once in two years to assess operational risk.

External Audit

Recommending to the Board the appointment / re-appointment and removal / replacement of the statutory auditors, fixation of the remuneration and terms of appointment of the auditor and also approval for payment for any other services rendered by the auditor, as permitted by law.

Discussing with the statutory auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.

Reviewing and monitoring the auditor's independence and performance and the effectiveness of the audit process

Related Party Transactions

Transactions with Related Parties or any subsequent modification thereto shall be dealt with by the Audit Committee, as under:

Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as specified in Companies Act, 2013

All Related Party Transactions in the ordinary course of business and at arm's length basis which are above the materiality limits as specified under section 188 of Companies Act, 2013 would require prior approval of the Audit Committee.

A Statement of all Related Party Transactions in the ordinary course of business and at arm's length basis which are below as specified under section 188 of Companies Act, 2013, will be placed before the Audit Committee for noting, on a Quarterly basis.

All Related Party Transactions which are not in the ordinary course of business and not at arm's length basis, would require prior approval of the Audit Committee.

The Audit Committee will have the discretion to recommend / refer any matter relating to Related Party Transaction to the Board for approval.

Defaults

Looking into the reasons for substantial defaults/delays in payments to creditors.

Compliance

Reviewing the findings of any examinations by regulatory agencies and any auditor observations.

Obtaining regular updates from the management and Compliance Officer regarding compliance matters.

Reporting Responsibilities

The Directors' Report shall disclose the composition of the Audit Committee, brief description of the scope of the Audit Committee Charter, names of the members and the Chairperson of the Audit Committee and brief details of meetings and attendance at Audit Committee Meetings.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.

If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Directors' Report together with the reasons therefore.

Other Responsibilities

Performing other activities related to this Charter or in line with the regulatory requirements of IRDA as may be requested by the Board of Directors.

Instituting and overseeing special investigations as needed.

Nomination Compensation and Corporate Governance Committee

The company through its Board of Directors shall constitute the nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half of them shall be independent. Chairman of the committee shall be an independent director. Provided that the chairman of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination, Compensation and Corporate Governance Committee but shall not chair such Committee.

Unless the Board specifically appoints a chairman for the Committee, the committee may elect one among them as the Chairman of the committee, who shall be an independent director. Company Secretary of the company shall be the Secretary of the Committee. The Nomination Compensation and Corporate Governance Committee shall function as per the NCCGC Charter.

Composition of Committee:

Name of the Member	Position	Category of Directors
Adv. V.R. Ramachandran	Chairman	Independent Director
Mr. M.N. Gunavardhanan	Member	Independent Director
Mr. Sooraj Nandan	Member	Director

Reporting to the Board

A summary of the business transacted by the committee as initialled by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

Nomination Compensation and Corporate Governance Committee Charter

1. Principles and Objectives

The Nomination Compensation and Corporate Governance Committee ("Committee") of the Board of directors ("Board") of Manappuram Insurance Brokers Limited("Company") will report to the Board and shall:

- Support the Board in matters related to setup and composition of the Board, its Committees and the leadership team of the Company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and Executive team.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual Directors

Support the Board in matters related to remuneration for Directors, KMPs, Executive team and other employees.

Extend oversight on the familiarization programme of Directors.

Extend oversight on the HR philosophy, HR and People strategy and key HR practices.

1. Meetings

- 2.1. The Committee shall meet as often as needed to discuss matters. It is however, recommended that the Committee meet at least once during the year.

2. Authority and Power

The committee shall have the power to:

- .1 Investigate any matter within the scope of this Charter or as referred to it by the Board.
- .2 Seek any information or explanation from any employee or director of the Company.
- .3 Invite such executives, as it considers appropriate to be present at the meetings of the committee.
- .4 Ask for any records or documents of the Company.

The Committee may also engage (on reasonable terms acceptable to the Board and at the expense of the Company) independent consultants and other advisors and seek their advice on matters related to discharge of their responsibilities.

3. Responsibilities

The responsibilities of the Committee shall include the following:

Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the board and recommend to the board for their appointment and removal thereof.

Filling in a timely manner vacancies on the board of the company and evaluating the performance of every director.

4. Board Composition

Recommend to the Board the setup and composition of the Board. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.

Recommend to the Board, the appointment of KMP and Executive team members. The Committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer (“CFO”).

5. Evaluation related:

- a. Carry out the evaluation of every Director's performance and support the Board and Independent Directors as may be required ,in evaluation of performance of the Board ,its committees and individual Directors
- b. Oversee the performance review process for the KMPs and Executive team with the view that there is an appropriate cascading of goals and targets across the Company.

7. Remuneration related:

Recommend the Remuneration Policy for the Directors, KMPs, Executive team and other employees. This includes review and recommendation of the design of annual and long term incentive plan for Managing Director / Directors, KMPs and the Executive team. While formulating such a policy, the Committee shall ensure that:

1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. remuneration to Directors, KMPs and Executive team involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the Company and its goals
4. On an annual basis, recommend to the Board, the remuneration payable to Directors, KMPs and Executive team of the Company. This includes review and recommendation of actual payment of annual and long term incentives for KMPs and Executive team.
5. Review matters related to remuneration and benefits payable upon retirement and severance to, KMPs and Executive team.
6. Assist the Board in fulfilling its Corporate Governance responsibilities relating to remuneration of Board, KMPs and Executive team members. This includes review and approval of any information related to Directors, KMPs and their remuneration to be presented in the Annual report

11. Reporting

The Committee will periodically report to the Board on various matters that it has considered.

12. Committee Evaluation

The Committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

1. Degree of fulfilment of key responsibilities
2. Effectiveness of meetings & composition
3. Committee dynamics,
4. Quality of relationship of the Committee with Board and Management.

13. Review of Charter

The adequacy of this Charter shall be reviewed and reassessed by the Committee, as and when required based on the changes that may be brought about due to any regulatory framework or otherwise.

Notes:

The Executive team shall mean the Members of the Senior Management (as may be identified from time to time)

CODE OF CONDUCT

Code of Conduct for Board and Senior Management

1. Manappuram Insurance Brokers Ltd is committed to upholding the highest standards of moral and ethical values in the conduct of its business. The board of directors, senior management and all employees of this company share this commitment. The company has adopted the following code of conduct as its policy guide in the conduct of its business. Commitment to ethical professional conduct is expected of every member and all employees should understand and implement the code adopted by the company in its true spirit.

For the purposes of this code the Board means all directors of the company including the chairman and managing director. Senior management shall mean Deputy General Managers and above including CFO & CS and all functional heads reporting to the Chief Executive Officer/ Chairman .

2. Honesty, integrity and diligence are the fundamental aspects qualifying every act on the part of the board and senior management. They should act in good faith for and on behalf of the company and adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company
3. Any confidential information obtained during the course of their duty should not be used for personal aggrandizement or financial gain to self or to a third party.
4. They shall not engage in any business, which is detrimental to the interests of the company. They shall maintain the confidentiality of all material and non-public information about the company and its business and must always act in the best interests of the Company and its stakeholders.
5. They Shall not accept any gifts, benefits in cash or in kind or other personal favours from the customers or from those seeking any business from the company and shall conduct the activities outside the Company in such manner as not to adversely affect the image or reputation of the Company.
6. The directors shall not associate with other Insurance Companies/Insurance Intermediaries registered with IRDA outside the group either as a Director or in any managerial or advisory capacity, (not including statutory compliance and audit) without the prior approval of the Board.
7. They must obey existing local, state, national, and international laws unless there is a compelling ethical basis not to do so.
8. They shall strive to achieve the highest quality, effectiveness and dignity in their work and must accept social responsibilities for their acts.
9. They shall always abide by the Code of Conduct, and shall be accountable to the Board for their actions/violations/default.

DISCLOSURES

The Company shall make the disclosures required to be made under the Companies Act, 2013 and the Rules framed there under, the IRDA Regulation and such other laws and regulations as may be applicable to the Company.

COMPLIANCE OFFICER

The Board of Directors shall designate a Compliance Officer to ensure compliance with applicable laws. The policies adopted may be reviewed by the Board from time to time.