PNB MetLife India Insurance Company Limited

Anti-Fraud Policy

Version 12.0

Effective April 1, 2026

Version No.	12.0
Policy Owner	Risk Management
Prepared By	Risk Management
Reviewed By	Chief Risk Officer
Approved By	Board of Directors

Version	Date	Author	Expiry date
12.0	July 29, 2026	Fraud Monitoring Unit	Next Review Cycle

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1. Introduction

PNB MetLife defines Fraud Risk as the risk arising from deliberate or intentional acts by individuals, or groups of individuals, intended to defraud, misappropriate property or money, or circumvent law. Fraud against PNB MetLife can be committed either internally by PNB MetLife Personnel, externally by customers, claimants, and other parties or through an internal person colluding with an external person.

PNB MetLife is committed to maintaining the highest standards of integrity in our business practices. This Policy reinforces PNB MetLife's Code of Business Ethics, which requires PNB MetLife Personnel to adhere to the highest standards of business conduct, and it expects the same standards from all persons and entities with whom PNB MetLife does business.

1.1. Purpose

The Anti-Fraud Policy outlines the framework by which the enterprise governs, prevents, detects, measures and responds to Fraud Risk.

The Policy:

1..1. Establishes the framework for managing Fraud Risk.
1..2. Defines the governance model and reporting requirements for Fraud Risk management.
1..3. Defines roles and responsibilities in the management of Fraud Risk.
1..4. Establishes the strategy for deterring, identifying, escalating, and for reporting Fraud Risk matters.

1.2. Scope

This Policy applies to all PNB MetLife Personnel across its Corporate Office and Branches. The provisions of this Policy shall also extend to the GIFT City branch, as and when applicable, upon the IIO being duly authorized and licensed to operate in GIFT City with the necessary approval of the Authority and in accordance with the applicable regulatory requirements.

1.3. Fraud Risk Management Principles

The following Fraud Risk Management Principles support PNB MetLife's risk management strategy and risk appetite.

I. **Risk Management Framework:** PNB MetLife maintains policies, procedures, and controls to prevent, detect, and respond to Fraud Risk throughout the Company. Fraud Risk is covered by the PNB MetLife Non-Financial Risk Management framework, which relies on controls and monitoring, complemented by risk assessments, ongoing oversight and governance processes that enable identification and escalation of Fraud Risks.

II. **Accountability for managing Fraud Risk:** PNB MetLife Personnel within businesses and functions are expected to understand the Fraud Risks that apply to their area, red flags that suggest a fraudulent act has occurred, and the controls in place to mitigate Fraud Risks. PNB MetLife Personnel understand that it is their responsibility to report suspected fraudulent acts that come to their attention.

III. **Adherence to regulatory requirements:** PNB MetLife is committed to adhering to applicable laws and regulations as it pertains to Fraud Risk management and reporting.

IV. **Promote a risk-based culture:** PNB MetLife maintains a risk awareness culture where, consistent with the Three Lines of Defense model, PNB MetLife Personnel are responsible for managing risk including Fraud Risk.

1.4. Relevant Regulation

Insurance Regulatory and Development Authority of India (IRDAI), as per its circular IRDAI/IID/GDL/MISC/112/10/2025 dated October 09, 2025, effective April 1, 2026, has instructed all the Insurance companies to have in place the Fraud Monitoring Framework.

The Corporate Governance Guidelines issued by IRDA mandate insurance companies to set up an Asset management and Risk Committee (ALMR) of the Board. The ALMR is required to review the formulation of a fraud monitoring policy and framework for approval by the Board. It is also required to monitor implementation of Anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds.

2. Scope and Responsibility

This Policy draws its scope and relevance from the IRDA Guidelines on Insurance Fraud Monitoring Framework released on October 09, 2025, effective April 1, 2026. This Policy covers all employees, processes, functions and entities, others associated with PNB MetLife.

Management has the primary responsibility for the prevention, detection and investigation of fraud. Management must take care to instill a culture in which unethical and fraudulent behavior is unacceptable and must also take appropriate measures to recover any losses incurred and in principle bring perpetrator to justice.

2.1. Classification of Frauds:

Frauds may be classified on below basis:

- **Internal Fraud:** Fraud involving internal staff, including employees and / or senior management.
- **Distribution Channel Fraud:** Fraud involving distribution channels
- **Policyholder Fraud and/or Claims Fraud:** Fraud involving any person(s), in obtaining coverage or payment during the purchase, servicing, or claim of an insurance policy.
- **External Fraud:** Fraud involving external parties' / service providers / vendors etc.
- **Affinity Fraud or Complex Fraud:** Fraud involving collusion among one or more fraud perpetrators in the above categories.

The frauds could also be further classified as internal or external depending on the relationship that the subject of investigation maintains with PNB MetLife.

For internal risk management purposes, fraud risks may be further categorized, monitored, and governed through the Company's Non-Financial Risk Management Framework, internal risk taxonomies, governance standards, and supporting procedures. Such internal documents provide detailed guidance on fraud risk ownership, monitoring, escalation, and control frameworks and should be read in conjunction with this Policy, where applicable.

3. Fraud Risk Governance

The fraud management committee (FMC) as constituted and authorized by the Board shall be responsible for operationalizing the Fraud risk management framework and oversee activities, as appropriate, to ensure fraud deterrence, prevention, detection, reporting and remedying.

3.1. Fraud Monitoring Framework

All employees of the organization owe responsibility towards the organization to safeguard organization and its assets from frauds, report and prevent misuse of assets or breach of procedures.

The Company has adopted a well-defined Anti-Fraud Framework to identify, detect, investigate and report insurance frauds. The controls deployed by the Company shall include measures to protect the Company from the threats posted by the above broad categories of fraud. PNB MetLife will ensure the "Three Lines of Defence Model" is well defined and instituted, that defines the roles and responsibilities for each line in detecting and deterring fraud.

i. **1st Line of Defence**, comprising business, operations, and process/system teams, is accountable for identifying, assessing, and mitigating fraud risks through effective controls, documented procedures, and segregation of duties. Departments must regularly review their processes, implement adequate fraud prevention and detection controls, and promptly report suspected fraud incidents to the Fraud Monitoring Unit (FMU). The FMU shall proactively identify and investigate suspected fraud cases, coordinate corrective actions as per the Malpractice Matrix, and conduct an annual Comprehensive Fraud Risk Assessment to identify emerging fraud vulnerabilities and strengthen the Company's fraud risk management framework

ii. **2nd Line of Defence**, comprising Risk Management, Compliance, FMU/SIU, and other oversight functions, shall provide independent oversight, challenge, and guidance on fraud risk management. FMU/SIU shall investigate employee and sales practice frauds, oversee other fraud investigations, assess the effectiveness of anti-fraud controls, and report significant fraud matters to Management, the Board, and regulators. Risk Management shall monitor and report fraud risks within the Operational Risk Framework, Compliance shall ensure adherence to regulatory and policy requirements, and Legal shall provide support in enforcement, recovery, and coordination with law enforcement agencies.

iii. **3rd Line of Defence**, comprising of Internal Audit shall perform independent reviews and validate control health and provide objective opinion.
The Internal Audit shall incorporate fraud-sensitive checks when doing business audits wherever deemed necessary, with a focus on evaluating the adequacy and effectiveness of existing controls.

3.2. Escalation and Reporting

PNB MetLife Personnel escalate and report potential Fraud Risk related issues, risks, or events in accordance with the Issue Management Standard,

Fraud escalations can also be made under the Whistle Blowing Policy, through the Hot Line number by dialing 000-117 then 888-320-1671 to report issues. Alternatively, a person may also choose to log their concern on https://PNB MetLifehelpline.ethicspoint.com for suspected fraud, management irregularities, governance weakness, financial reporting issues or other such matters. Employees, if they choose to, can also write in confidence to the Chairman of PNB MetLife's Audit Committee at chairman_auditcommittee@pnbMetLife.co.in.

Complaints, if received under the Whistle Blower Policy, shall be forwarded to the designated official of SIU (which is a sub-unit of FMU) for investigations. This designated official would be responsible for ensuring closure is available for reported complaints which may require involving Investigators from other departments depending on the nature of complaint.

PNB MetLife does not tolerate retaliation against anyone for raising concern in good faith or assisting with an investigation regarding a potential violation of PNB MetLife's Code of Business Ethics, policies, or laws or regulations.

3.3. Investigations Turnaround time:

While the standard closure timeline for investigation cases is 45 days, certain cases may require additional time due to the nature of the issue or external dependencies. All relevant parties will be notified of the findings, and corrective actions including staff accountability and process improvements—will be implemented as needed.

4. Fraud Reporting to Authorities

Company shall file annual returns with Authority in forms FMR-1 within 30 days of close of the financial year. In addition to the above any request to the ad-hoc reporting shall also be filed as per the agreed timelines. Company shall report incidents of fraud to Law Enforcement Agencies and/or other relevant agencies subject to applicable laws

5. Training

PNB MetLife provides fraud awareness and prevention training to PNB MetLife employees, general public, customers, distribution channels, senior management and board members. PNB MetLife also provides additional targeted training, as necessary, to facilitate consistent adherence to Standards/Procedures including applicable requirements of related laws, rules, or regulations.

6. Data Privacy

The relevant principles of data protection law apply throughout this Policy and protect the personal data and the rights of PNB MetLife Personnel. For certain jurisdictions there may be a supplement which provides additional mandatory information. The supplement shall be an integral part of the Policy applicable in the designated country and should be read and followed in conjunction with this Policy.

7. Retention of Documents

Documents related to this Policy shall be kept in accordance with the Company's record retention policy and applicable law.

8. Roles & Responsibilities

Role	Responsibility
Fraud Management Committee	• Recommend and regularly update, based on experiences, appropriate measures on fraud risk management to various functions. • Oversee prompt responses to instances or suspicions of fraud. • Facilitate collaboration with industry peers / bodies, law enforcement agencies and regulatory bodies. • Conduct an Annual Comprehensive Fraud Risk Assessment • Identify areas for improvement and adaptation of the Fraud Risk Management Framework.

Fraud Monitoring Unit	• Proactively identify suspected cases, prevent fraudulent claims basis red flags and referrals from other unit such as Underwriting, Business Intelligence, Actuarial and others. Post investigations, actions based on Malpractice Matrix should be undertaken
PNB MetLife Personnel	• Comply with this anti-fraud policy
	• Report observed suspicious activities or potential fraud
Lines of Business and Corporate Functions	• Implement Fraud Risk management framework
	• Ensure PNB MetLife Personnel are aware of and adhere to his Policy
	• Identify and assess Fraud Risk and implement adequate and effective controls
	• Escalate Fraud Risk matters to local, regional, enterprise governance as appropriate
	• Stay alert to potential exposures (including red flags) and maintain a heightened alertness to potentially fraudulent activities
	• Report suspicions/matters of concern
	• Maintain effective systems of internal control and ensure compliance with established processes
Special Investigations Unit	• Investigate concerns received in accordance related to allegations or suspicions of potential misconduct, waste and abuse or violations of PNB MetLife's Code of Business Ethics and policies, applicable laws, rules, and regulations and other referrals and market information
	• Issue reports for substantiated GIU investigations (Global Investigations Unit) related to internal fraud matters to Non-Financial Risk as appropriate
Legal	• Provide advice and support in filing police complaint during fraud or misconduct investigations to protect PNB MetLife's legal rights and ensure that legal privilege is maintained, when required or considered appropriate
Internal Audit	• The Internal Audit shall incorporate fraud-sensitive checks when doing business audits wherever deemed necessary, with a focus on evaluating the adequacy and effectiveness of existing controls

9. Red flag indicators

The Company shall be guided by the Red Flag Indicator Guidelines, which will serve as a comprehensive reference for recognizing potential indicators of fraudulent activity across all business processes. These guidelines will:

- Include all relevant red flag indicators based on industry standards, regulatory expectations, and internal risk assessments.
- Be reviewed and updated on a regular basis to ensure continued relevance and effectiveness.
- Incorporate insights from past fraud cases, investigative learnings, analysis of customer grievances associated with fraud and emerging fraud trends, as well as changes in the external fraud landscape.
- Be communicated to all relevant stakeholders to promote awareness and adherence.

10. Blacklist of employees and agents

The Company shall internally blacklist employees/agents found to be involved in fraud, forgery, or any other integrity-related violations. Such individuals will be barred from future employment within the organization. As part of the hiring due diligence process, the Company shall verify candidate/agents details against the Insurance Information Bureau (IIB) database and internal blacklist to ensure ethical and compliant recruitment practices.

11. Conflict of interest

The Company shall ensure that no individual with an actual or perceived conflict of interest is designated to conduct or participate in any fraud related investigation. This includes situations where the investigator has a personal, financial, or professional relationship with the subject of the investigation that could compromise objectivity or independence. All investigative assignments and fraud management constitutions and meetings shall be subject to a conflict-of-interest check to maintain impartiality, integrity, and adherence to governance standards.

12. Review

The Policy will be reviewed at least once annually and/or as and when required.