

## **CONFLICT OF INTEREST MANAGEMENT POLICY**

### **1. Objective**

Axis Bank provides customers with financial services globally through a variety of channels and platforms and hence faces potential and actual Conflicts of Interest. A Conflict of Interest is a situation where one or more persons or entities have competing interests and the serving of interest may be detrimental to another. The objective of this Policy is to help employees and Directors to act in accordance with high professional and ethical standards. The Policy lists out non-exhaustive possible scenarios and minimum standards to be adhered to.

An employee who knowingly violates the internal policies and guidelines shall be subjected to disciplinary action, including dismissal.

### **2. Scope**

To take all needed steps to identify, prevent or manage any conflicts of interest and applies to all the employees and Directors of Axis Bank.

### **3. Purpose**

The purpose of this Policy will be to:

- 1) Identify circumstances which may give rise to conflicts of interest which involve a risk of damage to customers', stakeholder's or Bank's interests
- 2) Describe the arrangements which Axis Bank has put in place to forestall or manage such conflicts of interests

## 4. Definition

A “Conflict of Interest” occurs when personal interest of any employee of Axis Bank interferes or appears to interfere in any way with the interests of the Bank. Conflict of Interest includes but is not limited to, a director or an employee who is a party to, or who is a director or an employee of, or who has a material interest in, any person who is a party to a material contract or proposed material contract with Axis Bank. It also means any situation that could reasonably be expected to impair their ability to render unbiased and objective advice / decision / recommendation or that could reasonably be expected to adversely affect that person’s responsibility towards Axis Bank.

Every employee of Axis Bank has a responsibility to the Bank, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Bank's interest, such as -

- a) **Employment/Outside Employment** - The employees of the Bank are expected to devote their total attention to the business interests of the Bank. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Bank or otherwise is in conflict with or prejudicial to the Bank.
- b) **Business Interests** - If any employee considers investing in securities issued by the Bank’s customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Bank. Many factors including the size and nature of the investment, their ability to influence the Bank's decisions, their access to confidential information of the Bank, or of the other entity, and the nature of the relationship between the Bank and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Bank any interest that they have which may conflict with the business of the Bank.

- c) **Related Parties** – All the employees of the Bank shall annually declare the names of all relatives working in the Bank and its subsidiaries to the HR Department of the Bank and provide a list of his/her relatives and to the extent the employee is aware of the interests of such relatives in other bodies corporate, firms, HUFs and other entities. In addition, Senior Management (SVP & above) shall immediately disclose the names of their close relatives who are employed with business partners of the banks including Consultants, Vendors, NGOs etc. This information shall also be called for from all new recruits at the time of joining.
- d) As a general rule, employees of the Bank should avoid conducting Bank's business with a relative or any other person or any firm, company, association, HUF in which the relative or other person is associated in any significant role. Relatives shall include (as defined in the Companies Act, 1956):
- 1) Spouse
  - 2) Father
  - 3) Mother (including stepmother)
  - 4) Son (including stepson)
  - 5) Son's wife
  - 6) Daughter (including stepdaughter)
  - 7) Father's father
  - 8) Father's mother
  - 9) Mother's mother
  - 10) Mother's father
  - 11) Son's son
  - 12) Son's son's wife
  - 13) Son's daughter
  - 14) Son's Daughter's husband
  - 15) Daughter's husband
  - 16) Daughter's son
  - 17) Daughter's son's wife

- 18) Daughter's daughter
  - 19) Daughter's daughter's husband
  - 20) Brother (including stepbrother)
  - 21) Brother's wife
  - 22) Sister (including stepsister)
  - 23) Sister's husband
- e) If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the appropriate authority (Chief Ethics Officer of the Bank). Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.
- f) In the case of any other transaction or situation giving rise to conflicts of interests, the appropriate authority should after due deliberations decide on its impact.

## 5. General Guidelines

All employees are required to maintain the highest levels of professional and personal integrity to avoid situations in which an individual's personal interest may conflict or appear to conflict with either the interest of the Bank or that of our stakeholders. Conflict of interest issues may arise in dealings between employees and vendors, employees and customers, employees and counterparties / other entities, employees and their acquaintances and also employees and relatives. A conflict of interest arises when any dealing with any of the entities named above may appear to be influenced by your relationship with them. Such relationships may impair an objective or impartial assessment of the dealing/transaction and may not, therefore, be in the best interests of the Bank. It may even result in a financial/non-financial gain to the employee, his family member or acquaintance. Some examples of situations where conflict of interest may arise are (the list is not exhaustive)

- a) Accepting engagement outside the Bank that may benefit the employee/ Director in any manner.

- b)** Engaging in personal investment decisions by conducting trading in personal accounts based on information accessed as a result of employment with the Bank (also refer to the Bank's Insider Trading Guidelines)
- c)** Taking a business decision (including lending decisions, guarantees) that may result in personal gain, or benefit to a relative or acquaintance.
- d)** Using employee's/Director's authority or knowledge of confidential information for personal benefit.
- e)** Serving in a fiduciary capacity or as a Director, official, any elected post of a company or political party outside of the Bank for non-profit, trade/industry, government agency without approval by the Bank.
- f)** Competing with the Bank for a business opportunity or diverting opportunities.
- g)** Accepting money, favours, gifts, meals, entertainment or other benefits (seen to be beyond normal business courtesies) that may influence business or commercial decisions of the Bank.
- h)** Promoting a particular vendor or entity for personal gain
- i)** Using the Bank's facilities, employees, funds, property or resources towards personal activities.
- j)** Contributing to a charitable cause/fund at the behest of a customer in order to maintain a business relationship.
- k)** Sourcing candidates an employee has worked with in earlier organization(s) and also being part of the decision / selection process.
- l)** Employing relatives or undertaking business with a relative or any entity where the employee's/ Director's relative has a financial interest.
- m)** Having a relative functionally reporting into the employee / Director or where the employee / Director is in a position to influence his/her pay, promotion, transfers etc.

## **6. Conflicts of interest through Pro Bono or other outside Business activities:**

1. Due to potential conflicts with Axis Bank Group, the employee/ Director must obtain approval from Chief Ethics Officer of the Bank before accepting a position as a director of an unaffiliated for-profit company or organization or when the employee / Director work with a professional organisation / association outside Axis Bank Group.
2. Working with professional organisations / associations does not typically create a conflict of interest where:
  - a. The work is related to the legitimate professional interest and development of the employee / Director and does not interfere with the employee's / Director's regular duties
  - b. Does not use official resources inappropriately (either physical resources or time)
  - c. Does not compete with the work of Axis Bank Group and is not otherwise contrary to the best interests of the Bank
  - d. Does not violate national, international or local law.
  - e. It may however be mentioned that, while undertaking outside activities, Axis Bank Group name, facilities, or relationships should not be used for personal benefit. Further any employee accepting an appointment, as director of an unaffiliated for-profit company / organisation must ensure proper treatment of confidential information received from such entity in connection with being a Director.

## **7. Roles and responsibilities of the Employees**

- 1) To adhere to the laid down Code of Conduct and Ethics and to prevent and manage various conflict of interests which may arise in the course of business.

- 2) Exercise highest integrity and independence while discharging their duties
- 3) If an employee believes that he has a conflict of interest, or may be perceived to have such a conflict, he must disclose this to his Department Head or Human Resources representative who would report this to the Chief Ethics officer at the email ID [ethics@axisbank.com](mailto:ethics@axisbank.com).
- 4) As part of Mandatory Declarations on OneAxis App, an employee must annually disclose a statement that there are no material interest or any other conflicting interests, in any person / entity who is a party to a material contract or proposed contract with the Axis Bank Group. In case of any doubt in regard to the extent of disclosure applicable, kindly contact the Ethics Team under Corporate Affairs Department.

## 5) **Do's and Don'ts**

### Do's

- a) Act in the best interests of Axis Bank Group and its customers and handle activities, interests or relationships in a sensible manner
- b) Handle conflicts of interest as per applicable Conflicts of Interest Framework
- c) Submit an annual statement of Conflicts of Interest on the OneAxis App.
- d) If any employee Director is aware of any circumstance which may give rise to a conflict of any kind, or if the employee / Director becomes aware of information which places them in difficulty in carrying out their function (for example, if the employee obtains confidential information about a company), the employee must handle the same as per the conflict of interest framework applicable to Bank.
- e) The employee / Director would be expected to be sensitive to any activities, interests or relationships that might interfere with or even appear to interfere with his/ her ability to act in the best interests of Axis Bank and its customers.

### **Don'ts**

- a) Undertake personal investments or outside activities or involve in any financial transaction with colleagues, customers or suppliers that would create conflicts of interest.
- b) While undertaking personal investments, it should be borne in mind that such investments should not:
  - a. Affect or appear to affect the ability to make unbiased business decisions for Axis Bank;
  - b. Be contrary to Axis Bank's interest (e.g. using proprietary knowledge obtained through the course of employment to make investments that are not in the best interest of Axis Bank)
  - c. Be in the business of Axis Bank's customers, suppliers or competitors that could cause divided loyalty or even the appearance of divided loyalty

## **8. Obligation to escalate the Conflict of Interest**

All employees / Directors are subject to an obligation to escalate both actual and potential conflict of interest to the Ethics Team in Corporate Affairs Department as soon as they are aware of the same. Ethics Team, Corporate Affairs Department is empowered to decide on the escalated matters. However, they shall keep the Top Management abreast of the developments.

## **9. Effective Date**

This Policy is effective 30<sup>th</sup> April 2022 and supersedes all prior guidelines on the subject matter.



## 10. Exception

Any Exception to these Policy guidelines requires the approval of Group Executive

## 11. Confidentiality Note

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## 12. Revision History

This Policy document will be reviewed by the Policy Owner on an annual basis from the last review date

Version	Review Date	Policy Owner	Authored by	Reviewed / Proposed by	Approved by	Change description
1.0.1	15.02.2022	Head Ethics	Head Ethics	Head Ethics	Chief Ethics Officer	Revised Version
CORPORATE OFFICE: Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai- 400 025. Tel: - 022- 24252525 / 43252525						Page 9 of 9