

Code of Conduct & Ethics

Axis Finance Ltd. (AFL)

AXIS FINANCE CODE OF CONDUCT AND ETHICS

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I. Pledge by an Employee

As an employee of Axis Finance Ltd (AFL), I will abide by the ethical values and aid in AFL's commitment to the successful operation of its business keeping in mind the interest of customers, shareholders, stakeholders, employees and other associates. As an employee of AFL, I would embrace the spirit, values and principles of our Code of Conduct and Ethics so that we:

- Conduct ourselves professionally and responsibly;
- Provide exceptional and high-quality services;
- Preserve and enhance the efficiency of our work environment;
- Be respectful in our dealings with AFL's customers, vendors, service providers, stakeholders and others with whom we interact while at work;
- Maintain high ethical standards;
- Comply with all applicable statutory, regulatory and local laws, as well as, AFL's policies and procedures;
- Comply with Axis Finance's core values of Customer Centricity, Ethics, Transparency, Teamwork and Ownership.
- Safeguard information and protect AFL's interest;
- Prevent fraud, abuse, other illegal or unethical activity;
- Recognize that no set of guidelines can be a substitute for good judgment, common sense and professional integrity;
- Value our communities, our society and our environment.

I do solemnly pledge to abide, uphold and promote the AFL's Code of Conduct and Ethics

in all my activities.

The Pledge applies to all employees. If you become aware of a situation that is inconsistent with this Pledge, you have an obligation to report it to your supervisor or to the Human Resource Department. (afl.hr@axisfinance.in)

II. Preamble

This Code of Conduct and Ethics is a statement of AFL's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing their roles and responsibilities across various functions in AFL. The Code is intended to be the charter for day-to-day work to enable employees to make the right decisions and, therefore, serves to (1) underline the fundamental commitment to compliance with regulatory guidelines and laws of the land and (2) set forth basic parameters of ethical and acceptable social behavior.

AFL's core values have been articulated as: Customer Centricity, Ethics, Transparency, Teamwork and Ownership and these define the manner in which we deal with various stakeholders as outlined below.

- a. Customers. Apart from ensuring that the finance services provided to customers are simple and reliable, the most important attribute in AFL's core values is "doing what is right for the customer". In other words, it must be the endeavor of all employees in AFL to always act in the best interest of the customer. This would translate into acting in a completely transparent manner with customers, providing them with the right advices/ information about products and services as well as rendering assistance in case of need. The services shall be in compliance with all the laws and applicable statutory and regulatory guidelines, rules, circulars issued in this regard.

- b. Employees. Employees are a valuable part of AFL's infrastructure and in order to ensure that they will always do what is right for the customer, it is important that they are equipped with adequate Job-skills. AFL's endeavor is to ensure that knowledge of compliance, regulatory and legal aspects relating to services that are provided by employees is up to date.

Another aspect of the Code of Conduct and Ethics for employees relates to public conduct, interactions with external entities, including the media and dealings with colleagues. From the standpoint of creating a culture of cooperation and cohesion, it is also important for us to instill in our employees a sense of pride and the essence of teamwork.

- c. Shareholders. Shareholders are one of our most important constituents and it is our responsibility to provide them with regular disclosure and information about AFL that is accurate, transparent and intended to be in the public domain.
- d. Regulators. Compliance with regulation constitutes one of the main attributes of the Code of Conduct and Ethics. As stated above, employees should endeavor to keep updated and have knowledge of compliance requirements and remain vigilant in preventing breaches in this regard.

Important definitions

Term	Definition
Audit Committee	The Audit Committee of the Board constituted by the AFL
Board	The Board of Directors of the AFL
Code of Conduct and Ethics Policy	The Code of Conduct (COC) and Ethics Policy of the AFL, as may be amended from time to time.
Committee(s)	Collectively the Audit Committee or the Disciplinary Authority/ Committee, as applicable.
Conflict of Interest Policy	The Conflict-of-Interest Management Policy of the AFL, as may be amended from time to time.
Designated Authority	The Whistleblower Committee or the Chairman of the Audit Committee of the Board.
Director	A member of the Board of Directors of the AFL
Employee	The personnel employed by the AFL on a full time, part-time or contractual basis in India or overseas.
UPSI	Unpublished Price Sensitive Information
Disciplinary Procedures & Penalties	For violation of the Code of Conduct or any orders/rules issued by the AFL, an employee shall be liable for any of the Disciplinary penalties as mentioned in the COC
FAQs	Frequently Asked Questions
Third-Party	Customers, shareholders, depositors, vendors, suppliers, contractors, or agencies providing goods or services to AFL.
Whistleblower	An Employee, Director, Third-Party Stakeholder, or any other person who, makes a Protected Disclosure of any actual or suspected occurrence(s) of illegal, unethical, or inappropriate action(s), wrongdoing(s), behaviour (s), or practice(s) by a Subject in relation to the business, operations, or affairs of AFL, in the form and manner as provided in this Policy.
Disciplinary Authority/ Committee	The Disciplinary Authority/ Committee of AFL.

The Code applies to employees of AFL. Several of the (Share Dealing Code Policy, Business Gift Policy, Employment of Relatives Policy, Anti- Money Laundering Policy, POSH Policy, Whistleblower Policy, Conflict of Interest Policy, Dress Code Policy etc.) are comprehensively detailed in separate Policy documents. The rules and principles set forth in this code are general in nature and the compliance with the code shall be ensured to be read with other applicable AFL's policies & procedures and the applicable laws of land wherever AFL operates. Employees are therefore expected to understand the standards of the Code of Conduct as well other applicable policies and respective local regulations and laws.

Application of the Code

It is the responsibility of all employees to fully read this Code as well as all the other applicable regulations, procedures and policies (including policies listed above). The process for seeking clarifications relating to any of these policies or particular issues that one may encounter, which may not be spelt in the policies is outlined below.

i. Seek Guidance

The Code and other related policies cannot anticipate every issue in granular detail. Answers to questions involving ethical considerations are often neither easy nor clear-cut. You should understand and abide by both the spirit and the letter of the policies and standards in the Code. Some key aspects that you should keep in mind are:

- Ensure that you have all the facts.
- Where there is shared responsibility, discuss the issue with the other colleagues involved.
- A basic responsibility is to discuss the problem with your supervisor.

However, in case you are uncomfortable discussing the matter with your immediate supervisor, discuss it with your Department Head, or HR Head (The Whistleblower Policy has also detailed the process for referring matters to designated authorities).

In case of an issue that appears ambiguous, ask yourself if your action is consistent with the Code or other policies

i) Raising Concerns and Reporting Violations

Inappropriate, wrongful or unethical behavior by any employee, supervisor, customer, supplier or other third-party can significantly compromise the reputation of AFL. Such issues must, therefore, be reported immediately. It is your responsibility, therefore, to report concerns or questions relating to unethical behavior, malpractices or apparent violations of law and regulation that you perceive in your workplace. If such behavior appears to be in conflict with this Code, you must promptly inform the following officials or entities.

- Supervisor, Unit Head or the Department Head as appropriate
- Human Resources representative
- Designated contacts under a specific policy or procedure
- Whistle Blower Committee
(whistleblower@axisfinance.in)

No action will be taken against anyone for reporting ethical violations in good faith, or participating or assisting in the investigation of a suspected violation of the Code of Conduct. Any act of retaliation against a person who reports such transgressions, malpractices etc. would tantamount to a violation of the Code of Conduct and Ethics of AFL.

III. Ethical Code and principles

The Code of Conduct & Ethics also sets out ethical code, principles and addresses the key issues/ethical dilemma that employees are likely to meet in the course of their duties. Employees are trusted to use good judgment in their day-to-day activities and to seek further information or assistance when they need it.

The Code of Conduct & Ethics applies to all employees, including the Senior Management, of AFL. All the stakeholders of AFL are required to comply with all necessary and mandated Statutory as well as regulatory guidelines, (including labour laws, EPF/ESIC declaration, Child Labour Prohibition and Abolition Act, etc) Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013 etc. Vendors specifically, are required to comply with all approvals/ licenses/ permissions under the Contract Labour (Regulation and Abolition) Act, 1970, applicable and all applicable central, state and local bye laws, ordinances, regulations and codes in performing its obligations including the procurement of licenses, permits, certificates and payment of taxes wherever required. The Service Provider shall provide as and when demanded a certificate from its external CA certifying that he/ she had complied with statutory compliances, labour regulations and requirements including payment of challans for tax payments i.e., Provident Fund, other statutory dues, etc.

All stakeholders of AFL are required to comply with all of the applicable laws, rules and regulations of India and the states, cities and other jurisdictions, in which AFL conducts its business. Local laws may in some instances be less restrictive than the principles set forth in this Code. In those situations, stakeholders should comply with the Code, even if the conduct would otherwise be legal under applicable local laws. On the other hand, if local laws are more restrictive than the Code, stakeholders should comply with applicable local laws. Further, any provision of this Code that is contrary to law in a particular jurisdiction will have no force or effect in that jurisdiction solely with respect to such provision(s), although this Code (including any such provision) will remain applicable in all other jurisdictions.

Consistent with our core values, we list below our:

a) Ethical Code:

- ☐ We abide by AFL's code of conduct & ethics.
- ☐ We are just & fair in our dealings
- ☐ We protect AFL's interest
- ☐ We are transparent in our communications.
- ☐ We safeguard information.
- ☐ We conduct ourselves professionally and responsibly
- ☐ We are respectful in our dealings with one another
- ☐ We respect laws and regulations.
- ☐ We value our communities

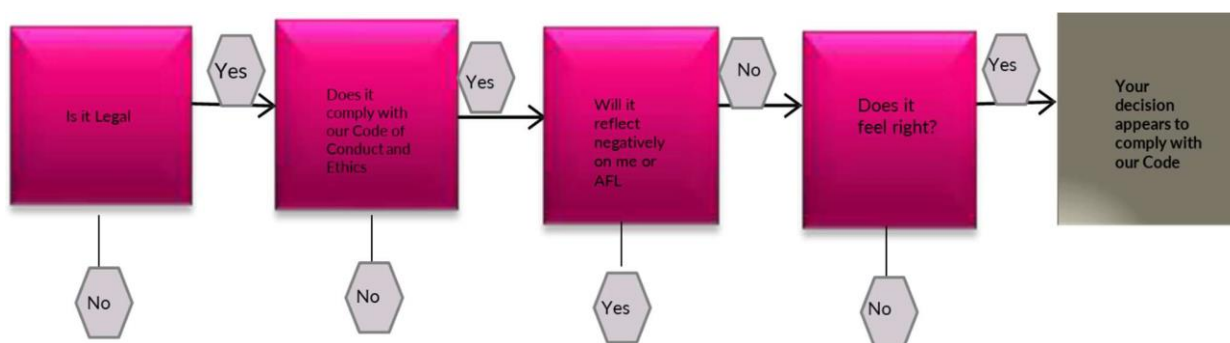
b) Ethical Principles

- ☐ **Integrity & Honesty:** Acting with integrity and honesty means that one should be ethical, sincere and transparent in all our transactions. As employees of AFL, we should keep our commitments. We should speak up when uncomfortable or uncertain, especially if it comes to actions and behaviours that contradict our organisation's core values and culture.
- ☐ **Compliance with laws and regulation:** It is our fundamental duty to comply with regulatory guidelines and laws of the land. Refer to Section VI(ii)

- Confidentiality: AFL's confidential information is a valuable asset and every employee, vendor and stakeholder of AFL must protect it. We must comply with all policies and guidelines relating to security and privacy of confidential information. Refer to Section VIII.
- Conflict of Interest: All employees are required to maintain the highest levels of professional and personal integrity to avoid situations of conflict, in the interest of AFL. Refer to Section V
- Anti-bribery & Anti-corruption: We have zero tolerance towards anything of value that may be seen as an attempt to influence an action or a decision in our dealings with the various entities. This could include money, gifts, favors, entertainment etc. Any actions relating to bribery, kickbacks, improper payments should not be entertained. Refer to Section VI(ii) and Addendum-I
- Gifts & Entertainment: As an organization, all employees are required to strictly follow the guidelines mentioned in Section VII.
- Fair Dealing and responsibilities to customers: We must deal fairly with AFL's customers, vendors, service providers, stakeholders and others with whom we interact while at work. We should refrain from taking undue advantage by manipulating/ concealing/ misrepresenting facts, misusing confidential information or any other unfair practices. Refer to Section VI (ii).
- Accountability: Ethics and values must not get side-tracked in pursuit of any goal. There should not be any compromise on due diligence and complying with KYC norms.
- Trust & Reputation: Any unethical act compromises this trust and brings down the reputation. Each individual unethical act is against the institution and is against all of us. As an employee of AFL, guarding reputation of AFL should be our prime focus.
- Saying No: Having a strong relationship with our customers also means having the ability to say no, especially when in doubt about individuals who are using the financial systems for their non-compliant transactions.
- Citizenship: One must continue to nurture Axis with honor. Guarding ethos of AFL also means our important role in reporting any act of misdemeanor observed.
- Doing right at all times: Finally, one must understand that no business or customer is more important than our responsibility to do right at all times.

c) Ethical Dilemma

When faced with a situation where proper conduct is not self-evident, the Code of conduct and Ethics may help you decide what to do. If you are ever unsure of the proper course of action, a decision tree can help.



d) Interpretation

If any question arises as to the application or interpretation of any of these regulations, it shall be referred to the Head of the Department / Head HR for a decision in the matter.

IV. Insider Trading

The Board of Directors of AFL has formulated and adopted a Securities Dealing Code to regulate, monitor and report trading by insiders ('the Code') under the applicable provisions of the Securities of Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations").

As an employee of AFL, you may have access to Unpublished Price Sensitive Information (UPSI) about AFL, our clients and companies that conduct business with us. The Code and Insider Trading Regulations, prohibits employees of AFL from communicating or causing to communicate, provide, or allow access to any UPSI, relating to AFL or that of its shares/securities listed or proposed to be listed, to any person except in furtherance of a legitimate purpose or performance of duties or discharge of legal obligations.

Further, no employees of AFL shall procure or arrange the procurement of an UPSI of any other listed/ proposed to be listed AFL or that of its shares/securities listed or proposed to be listed, otherwise than in furtherance of a legitimate purpose, performance of duties and or in discharge of legal obligations. UPSI means any information, directly or indirectly relating to AFL or its shares / securities or that of AFL's Listed Client Companies or their shares/securities, which is not generally available and which upon becoming public, is likely to materially affect the price of the shares/securities of AFL or that of the concerned Listed Client Companies. The Code prohibits employees from acting upon material non-public information on securities (including equity securities, convertible securities, options, bonds and any stock derivatives) issued by a company including AFL, to benefit themselves or others. Information is "material" if there is a substantial likelihood that any investor uses it for personal investments, or it could be expected to affect the price of an issuer's securities and relates to future, speculative or contingent events. Information is considered to be "non-public" or "inside" unless it has been publicly disclosed by the issuer in the securities market (for example, through a press release or on AFL website)

Any employee in receipt of confidential or non-public information or potentially material information should notify the Compliance Officer immediately and shall not trade personally in the securities of the companies about which he or she has information. It also applies to transactions for any AFL related account, client account or personal account. Personal accounts typically include accounts of spouses, parents, siblings and child of such individual or of the spouse, any of whom is either dependent financially on such individual or who consults such individual in taking decisions relating to trading in securities.

Further, it prohibits employees of AFL from purchasing/selling/transferring etc. of the AFL's securities (including derivatives contract) whilst in possession of UPSI relating to the securities of AFL. The employees of AFL are also prohibited from entering into contra trades on the floor of the Stock Exchange(s) and from dealing in securities of AFL's Listed Client Companies whilst in possession of UPSI.

Refer latest "Code of Conduct for Prevention of Insider Trading" policy as uploaded in HRMS.

Thus, if you have material inside information about a customer or vendor of AFL, you are responsible for ensuring that any purchase or sale of the customer's or vendor's securities by you or for any personal account is in compliance with the Insider Trading regulations and the Code. A "personal account" is any account in which you have a financial or beneficial interest, or for which you have the power to affect or ability to influence trading or investment decisions, either directly or indirectly. Personal accounts typically include accounts of spouses, children and other members of your household, and accounts over which you have the authority to exercise investment discretion

Using non-public information to trade in securities, or providing a family member, friend or any other person with a “tip”, is illegal and should not be used for personal gain. Similarly, forwarding any market related news received by you (either in the official mail/personal mail / blog or in any other manner) without prior approval by the concerned superior is prohibited. Designated employees shall be subject to additional restrictions and policies (including pre-clearance, blackout periods, legal restrictions and reporting requirements) regarding personal trading of securities (including AFL and related securities). AFL reserves the right to monitor any account for suspicious activity and accounts are subject to applicable regulatory reporting requirements.

No employee shall indulge in gambling or speculative activities in any shares, stocks, securities, commodities or valuables. He/she can, however, make bonafide investment of his/her own funds in such securities as he/she may wish to buy.

Employees of AFL are prohibited purchasing/selling/ transferring etc., of AFL’s securities whilst in possession of UPSI relating to the securities of AFL.
(Refer to the “Securities Dealing Code”)

V. Conflict of Interest

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 AFL 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 may arise when any dealing with any of the entities named above may appear to be influenced by your relationship with them; and/or when personal interest of any employee (or their relative) interferes or appears to interfere in any way with the interests of AFL; and/or when any employee (or their relative) have either a direct or indirect interest in any transaction or proposed transaction involving AFL that might affect a decision.

Such relationships may impair an objective or impartial or **unbiased assessment/ advise/ recommendation/decision** of the dealing/transaction and may not, therefore, be in the best interests of AFL. 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 AFL that may benefit you in any manner.
- b. Engaging in personal investment decisions by conducting trading in personal accounts based on information learned as a result of employment with AFL (also refer to the 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 your 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 AFL or political party outside of AFL for non-profit, trade/industry, government agency without approval by AFL.
- f. Competing with AFL 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 AFL.
- h. Promoting a particular vendor or entity for personal gain.
- i. Using AFL’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 you have worked with in earlier organizations and also being part of their decision / selection process.
- l. Employing relatives* or undertaking business with a relative or any entity where your relative has a financial interest.

- m. Having a relative functionally reporting into you or where you are in a position to influence his/her pay, promotion, transfers etc.

Senior Management (VP and above) shall immediately disclose the names of their close relatives who are employed with business partners of AFL's including Consultants, Vendors, NGOs etc. All the employees of AFL shall annually declare the names of all relatives working in AFL and its subsidiaries. This information shall also be called for from new recruits at the time of joining.

If you have **any direct or indirect conflict of interest, or an interest which** may be perceived to have such a conflict, you must disclose this to your Department Head or Human Resources representative and recuse yourself from attending any meetings where decisions are to be taken with respect to the subject matter.

* "Relative" has been defined in the AFL's Circular on employment of relatives. Employees are required to disclose as per said guidelines.

VI. Promoting Ethical Practices

It is critical to AFL's reputation that the actions of the organization and of its employees are seen to be appropriate and ethical. We should, therefore, review our business activities, sales practices, product features, potential conflicts of interest and aspects that may be frowned upon from a governance standpoint and affect the reputation of AFL. Each line of business is responsible for knowledge of the laws and regulations that apply to its businesses, communicating necessary information to employees and maintaining an appropriate compliance program. The following sections outline some key requirements:

I. Equal Opportunity

AFL is an Equal Opportunity Employer and employment decisions are based on merit and business needs. We do not discriminate on the basis of sex, color, race, ethnicity, economic status, social status, marriage and civil partnership, religion and belief, sexual orientation, disability, pregnancy and/or paternity/maternity status. We value diversity and believe that a diverse workplace builds a competitive advantage.

We are committed to fostering a work environment in which all individuals are treated with respect and dignity. Each individual should be permitted to work in a business-like atmosphere that promotes equal employment opportunities. If you believe that you have been discriminated against, harassed or have not been given equal opportunities at work, you are encouraged to submit a complaint to:

- Your manager
- Your Skip-level manager
- Human Resources
- whistleblower@axisfinance.in
- posh.afl@axisfinance.in, if you believe you have been sexually harassed

II. Fair practices

All employees shall endeavor to deal fairly with AFL's customers, suppliers, competitors and colleagues and not to take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. Employees are committed to provide services to all our customers and ensure that our clients are given right product as well as services as per their needs. We should act fairly and reasonably in all our dealing with customers by meeting the commitments and standards in this Code, for the products as well as services offered by AFL, as per the procedures.

III. Anti-Corruption and Bribery

We have zero tolerance towards all forms of bribery and we should be especially sensitive to this aspect in our dealings with the various entities that we come in contact with. In particular, AFL prohibits offering, promising, giving or authorizing others to give anything in excess of a certain value*, either directly or indirectly, to any person or entity. Under no circumstances may you offer, promise or grant anything of value to anyone for the purpose of influencing the recipient. Payments made indirectly through any intermediary or other third party are subject to the same restrictions. For further details, please refer Addendum I

*** Value has been determined by AFL at INR 10,000/- or equivalent in terms of its Business Gift Policy**

i) Compliance with Regulation relating to KYC and Money Laundering

Compliance with regulation relating to KYC and Money Laundering has a critical bearing upon the quality and integrity of AFL's operations and strict adherence to regulatory guidelines is a pre-requisite that cannot be compromised. Towards that end, it is essential that you exercise utmost diligence in establishing the antecedents of our customers at the stage of on-boarding and that appropriate oversight is maintained upon the operations in customers' accounts for detecting suspicious transactions.

(Refer to the "Policy on Anti-Money Laundering Standards / Know Your Customer (KYC) Norms uploaded in HRMS.

ii) Inappropriate Sales and Customer Commitment

Inducing a customer for purchasing an unnecessary product or indulging in "mis-selling" for the purpose of achieving budgetary targets is an unacceptable practice that not only affects the customer adversely but also results in an erosion of AFL's credibility and reputation. It is, therefore, in contradiction of our objective of being a customer-centric organization. You should help customers achieve an informed decision based upon his requirements, the products most appropriate for fulfilling those needs and the customer's profile. Since AFL acts in an advisory role for sale of third-party products, it is imperative that we satisfy the customers' needs by suggesting the right product mix, depending on their risk profile and financial needs.

It is trust, satisfaction and loyalty of our customers that will help create sustainable businesses for AFL. Understanding customers' needs should, therefore, be integral to the way we undertake business and provide service in AFL.

iii) Gaming

Gaming is defined as the manipulation, misrepresentation, or both of sales or sales reporting in an attempt to receive compensation or to meet sales goals. Any form of gaming, indulged in, for receiving compensation or to meet sales goals etc. is prohibited. Gaming issues may arise in but are not limited to the following categories of activities.

- a. Reclassification or Transfer: Reclassifying or transferring existing business should not be viewed as an actual sale and should not result in sales credit, unless the reclassification or transfer is part of a specific product program
 - is a general strategy of AFL
 - there is a clear benefit to the customer who has provided an express agreement.
- b. Discounts or customer incentives: It is not appropriate for you to supplement standard discounts or customer incentives by substituting your own personal funds, including your salary or incentive income, to complete a sale or earn a higher commission by recording a cross-sell. It is inappropriate to pay a fee, such as a credit card fee, or fund a deposit account on behalf of a customer to complete a sale.

- c. Sales referrals: Only valid sales referrals made by the team member seeking the credit may be submitted to meet sales goals or receive credit under sales incentive programs. Valid referrals typically require team members to have spoken directly with the customer about a specific product or a referral to a different business unit and to have gained the customer's agreement for that product or referral.

iv) Undue Influence

It is not appropriate for you to influence, or attempt to influence, anyone for the purpose of having him or her handle a transaction or process in a way that results in an improper personal benefit to you, your friends, relatives, or even to that particular team member. Such improper benefit may result from using a relationship (whether personal, social, or professional) to prevail upon another person, such as a colleague, vendor, or someone who reports to you, to do something for you that is outside the scope of standard business practice.

v) Handling Business Opportunities

You should not take advantage of opportunities that rightly belong to AFL. For instance, you should not:

- divert business from AFL for personal benefit.
- receive a commission or fee for a transaction you have conducted for the AFL (other than compensation or incentives, if any, paid by AFL).
- you may not refer a customer whose credit application was denied by AFL to another financial institution/entity for funding.

vi) Lending Transactions

No employee shall grant on behalf of AFL any loan or advance to himself/herself or his/her spouse, a Joint Hindu Family of which he/she or his/her spouse is a member or a partnership with which

he/she or his/her spouse is connected in any manner or a Trust in which he/she or his/her spouse is a Trustee, or a private or public limited AFL, in which he/she or his/her spouse hold substantial interest. (Substantial interest as defined in clause of Section 5 of the Banking Regulation Act 1949).

No employee shall grant on behalf of AFL any loan or advance to (a) a family member; (b) an individual who is the guarantor of a family member or an individual who is a partner in business of a family member; (c) a Joint Hindu Family in which a family member is a member; (d) a firm in which a family member is a partner, manager or guarantor; and (e) a AFL in which a family member holds substantial interest or is interested as director manager or guarantor, without prior permission of AFL.

vii) Vendor Management

We expect vendors to comply with all the applicable laws, rules, regulations, contractual agreements and generally recognized standards. Where vendors have an existing Code of Conduct or similar policy in place, it is expected that they follow their own code in addition to the clauses mentioned in this Code. Following are some of the areas, though not exhaustive, which our stakeholders should adhere to in their dealing with AFL:

a. Human Rights and Labour Standards

Vendors are expected to protect the human rights of their employees and treat them with dignity and respect. They should not use any form of forced labour including bonded and underage labour. They are required to comply with all approvals/ licenses/ permissions under the Contract Labour (Regulation and Abolition) Act, 1970, applicable along with guidelines of Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013.

Vendors should maintain a workplace free of unlawful discrimination, which includes, but not

limited to race, gender, sexual orientation, age, pregnancy, caste, disability, union membership, ethnicity, religious belief or any other factors protected by applicable laws. Stakeholders are expected to provide a safe and healthy working environment. Vendors must comply with all applicable wage and compensation requirements as defined under applicable laws including applicable retirement and insurance benefit. They shall provide as and when demanded a certificate from its external CA certifying that he/ she had complied with statutory compliances, labour regulations and requirements including payment of challans for tax payments i.e., Provident Fund, other statutory dues, etc.

b. Ethics and Responsible Business

Vendors shall not engage in any form of corrupt practices and shall not offer bribes, kickbacks or other improper payment to AFL's representative or agency, any customer or third party with an intention of obtaining or retaining business or other improper advantage. Vendors are expected to maintain the integrity and confidentiality of all information provided by AFL. The obligation of confidentiality will remain even after the business relationship is terminated. Vendors must take care to ensure no conflicts of interest arise in the due course of business with AFL. The relationships with other organizations, may be competitors, must not compromise the dealing with AFL.

c. Prohibition of Insider Trading

Vendors, who in the course of their dealing with AFL are in possession of the unpublished price sensitive information, should strictly follow AFL's Code of Conduct and Ethics on the prohibition of Insider Trading and also the SEBI (Prohibition of Insider Trading) Regulation 2015.

VII. Gifts and Entertainment

A business gift refers to anything of value, including, but not limited to, meals, accommodation, loans, cash, favourable terms or discounts on any product or service, services, equipment, products, transportation, use of vehicles, vacation or other facilities, securities, home improvements, tickets (travel, leisure, social, sporting events, etc.), gift certificates, gift cards, discount cards, memberships or consulting relationships, favourable employment, etc. You are not permitted to accept or provide business gift in any form or amount in excess of a certain value*. If the gift exceeds the limit, it is advisable to return the gift amicably to the donor (quoting the relevant provision of this policy). If the return of the gift may not be feasible due to situations, it may be reported to **HR Head**, who may decide appropriately including but not limited to the option of donating it to a designated charity. Prior to making any gift offers to government employees/departments, you must ascertain if there are any limitations or requirements that apply, e.g., limits on gifts and entertainment, requirement to register etc. and be guided by specific directives (or internal policies) including guidelines of Investigation Team.

An employee who procures a service from a vendor (or is involved in the procurement process) should inform the vendor of AFL's gift & entertainment guidelines in order to avoid any embarrassment in this regard.

You are discouraged to accept or solicit gifts, make a donation as a gift or other benefits from any colleague (except for special occasions such as marriage, transfer or retirement) so as to avoid possibility of such gifts or benefits appearing to compromise official relationships.

While facing prospective situations of gift acceptance or giving which may have illegal or unethical implications, you can seek help from **HR Head**, when the proper course of action is unclear or unknown to them.

* Value has been determined by AFL at Rs. 10,000 /- or equivalent in terms of Business Gift Policy

VIII. Privacy & Confidentiality Obligations

i. Privacy of Employee Information

Safeguarding of personal and confidential information relating to an employee should be strictly exercised. AFL maintains appropriate safeguards to respect the personal privacy of staff members and protect the confidentiality of personal information about them. Employee-related information should not be shared or discussed with any external agencies or employees, except where internally authorized or required by applicable law, regulation, jurisdiction, administrative or legislative body. You must comply with all policies and guidelines relating to security and privacy of personal and confidential information, ignorance of which can lead to disciplinary measures. Responses to requests for such information may be provided only as permitted by applicable internal policies and authorization, law or regulations. Workforce guidelines for privacy and security cover our employees as well as other individuals whose information is provided to AFL within the context of the working relationship.

ii. Protecting Proprietary and Confidential Information

Proprietary and confidential information relating to AFL's business and operations (listed illustratively below) is the property of AFL. It may include sensitive information and data that is not in the public domain and should not be shared.

- a) AFL's business plans
- b) AFL's financial performance, if it has not been disclosed
- c) AFL's trading activities, holdings of investments
- d) Customer data and transaction data

- e) Our suppliers and distributor relationships
- f) Employee data
- g) Information relating to our products, services, and pricing
- h) Intellectual property AFL has not disclosed to the public
- i) Information relating to technology, systems and processes
- j) Information related to Data centers
- k) Passwords, computer programs and software being used by AFL
- l) Marketing plans, strategies, and costs
- m) Potential acquisitions and divestments

You must safeguard and not disclose or misuse personal or confidential information about AFL, its customers, suppliers, distributors or employees to any unauthorized person (including other employees) or external entities, except where permitted or required by applicable law, administration, legislation or regulation. Improper release of or unauthorized access to confidential information damages our customers' trust in AFL and can result in loss of business and even legal action. All employees of AFL are required to sign a declaration of fidelity and secrecy in the prescribed form.

While maintaining the above guidelines, we should practice the following:

- Keeping records that are complete and accurate (retaining them for the required period of time as per policies and disposing the information which is not required to be filed or maintained for records).
- Complying with legal, accounting, tax, IT security and regulatory reporting requirements (including the timely submission of required filings).
- Taking reasonable steps to properly safeguard AFL's information against loss, damage, misuse or unauthorized or unlawful use and acquiring and handling it in accordance with internal policies.
- Protecting AFL information from illegal copying or other misuse of our logo, patents, trademarks and copyrights in accordance with our branding standards.
- Maintaining business continuity measures to protect staff, critical businesses and functions in the event of a business disruption.
- Ensuring that access to work areas, infrastructure and computers is properly controlled.
- Not communicate about proprietary or confidential information in public places such as elevators,

- hallways, restaurants, restrooms and public transportation, or through mobile phones, the Internet or
- any other electronic media (including blogs and social networking sites).
- Promptly reporting any concerns regarding records that contain questionable or inaccurate information; or any instance where an individual is misusing or not appropriately safeguarding AFL's Information.

Once our employment or association with AFL ceases, you must return all means of access to AFL information, copies of such information, any AFL property, including but not limited to all ID cards, keys, telephone cards, laptops, cellular phones, fax machines and any other means of accessing such information. Forwarding of such information to personal computer, any e-mail address, or to any third-party service provider, server or website, or engaging in any other unauthorized use, misappropriation or disclosure of such information in anticipation of your resignation or termination of employment can lead to disciplinary issues. Similarly, you may not bring to AFL any trademark or confidential information of any former employer, or use such information to aid the business, without the prior consent of your former employer and unless permitted by applicable law or regulation.

IX. Commitment to External Stakeholders

i) Maintaining Business Relationships and Fair Competition

AFL's commitment to dealing with external stakeholders such as customers, competitors, suppliers, and any related agency is based on the principles of fair competition, compliance with laws and regulations of the land, and in the spirit of honesty and integrity of our corporate values. While maintaining a competitive outlook in the market, we will practice the following:

- Following transparency in all of our business dealings
- Conducting business in accordance with applicable laws and regulations
- Respecting the confidentiality, privacy and intellectual property of external stakeholders
- Transfer of accurate and complete information from and to our customers while complying with internal proprietary policies, data protection laws and any contractual obligations
- Avoiding conflict of interest in business dealings for the customer whose assets we manage. This includes having controls to minimise and resolve potential conflicts
- Fair hearing to any concerns from our customers while acting promptly on the resolution. If the complaint involves data privacy or an accounting or auditing matter, special measures will be followed.
- In terms of supplier relationship, AFL's protocols on pricing quotation, SLAs, quality of services or goods or any other related matter will be followed in compliance with internal and external rules or be subject to other internal restrictions or disclosure obligations under securities or other laws.

To maintain the spirit of fair dealings with any external body, we will refrain from the following:

- Engaging with any third party known to be involved in manipulative or concealing market practices (fixing prices, allocating sales markets, exclusive dealing with vendors) or with activities that threaten public order or safety.
- Payment, acceptance, offer, or authorisation of money, gifts, or any other forms of bribe and corruption with the customers.
- Offering of anything of value to external stakeholders that could be construed as requiring or influencing any official decision and would give an impression of either obtaining or retaining business, suggesting that any business or service may be withdrawn or awarded in return for other business or securing an improper advantage vis-a-vis other organization in the market.

ii) Maintaining Transparency with Regulators

AFL maintains a candid and proactive relationship with its regulators. This includes appropriately communicating significant corporate developments and actions to relevant regulators. Utmost co-operation with the regulators and thorough understanding of the regulators' mission, perspective and processes in alignment to AFL's internal policies and procedures is of key importance. AFL's commitment to following applicable laws, rules, and regulations of all localities, states, and countries where we do business, is not only the right thing to do, it helps maintain and protect our reputation. As an employee, you are expected to support this commitment and to serve AFL's best interest by:

- Being responsible for ensuring that conduct in our activities are in accordance with the principles mentioned in the regulatory bulletins, circulars, advisories, manuals, checklists, and other guidance inclusive of statutory compliance and risk management guidelines.
- Discourage lobbying activities that attempts to influence or defeat the legislation on behalf of AFL. On suspicion of any untoward activities relating to conduct and relationship with regulators, promptly bringing to the notice of the compliance officials.

iii) Co-ordination with Government and Regulators

All employees are expected to be responsive, fair and transparent with officers from regulatory, legislative or administrative bodies. Responses to regulatory information requests should be completed accurately within the agreed time frame as per the internal policy guidelines and external regulations and must be safeguarded for delays, if any, by keeping the internal and external authorities in loop. You are also required to co-operate and report (and not withhold or misrepresent any information) for any violations of regulations, laws, internal processes, contract requirements, guidelines, etc., in any investigation as an involved party, witness or in terms of role responsibility. It is prohibited to disclose any aspect of investigation to any persons (either within our outside the organization) and maintain confidentiality of the situation. Making false statements, misleading internal or external auditors, investigators, legal counsel, other employees, regulators or other governmental entities can result in severe penalties.

iv) Charitable Contributions, Civic Activities & Sponsorships

Any personal activities related to charitable and/or educational activities should not interfere or in any way conflict with your work or with AFL in any manner. When associated with a charity or civic activities in your personal capacity, it has to be ensured that there is no implied or presumed support of AFL.

v) Participating in Trade associations, Conferences and speaking engagements

Meetings at professional gatherings, trade associations or conferences activities should not interfere or in any way conflict with your job duties or with AFL in any manner and may not be undertaken without the approval of the authorized personnel. There may be instances of contact with competitors for which you must follow the rules related to fair competition referenced in this Code and AFL policies.

vi) Political Activities & Contributions

- No employee shall take an active part in politics, represent in a political party and contest for election anywhere outside AFL and shall not involve other employees, clients, suppliers, vendors or any other party with whom AFL does business.
- Employees may not contribute or solicit political contributions, AFL's funds or assets, resources to any political candidate, party, or similar organization; unless such contribution is expressly permitted by law/ regulation / directive and has been pre-approved by the appropriate authorized representative of AFL. Under no circumstances will AFL directly or indirectly reimburse any employee for their individual contributions.
- Volunteering of personal services during AFL's working hours on behalf of a candidate,

lobbying or engaging in any outreach to public officials, including attempts to influence legislation, government agencies, etc. is prohibited.

X. Workplace Conduct & Acceptable Social Behaviour

All employees are expected to adhere to all applicable Laws, rules, principles and norms of society.

AFL rejects all contacts with individuals or entities involved in activities in violation of the law or accepted standards of responsible social behavior, which adversely affect public order and the wholesome operation of AFL.

i. Fair Behaviour and Employment Practices

All employees are expected to practice our Code of Conduct and Ethics guidelines and maintain professionalism, integrity, mutual respect and fairness in our daily course of business and relationship with colleagues or any other point of contact (internal or external). We aspire to be a meritocratic organization wherein employees continuously and consistently strive to demonstrate excellence and initiative. We, therefore, are committed to providing employees with the best opportunities to realize their potential and an environment where diversity is embraced. At all times, we must treat our teammates with respect, share the responsibility for our successes and accept accountability for our failures. Employees are prohibited from creating situations which are threatening, intimidating, hostile, spreading false rumours or display abusive behaviour in the workplace. We should strive to maintain a disciplined, ethical, healthy and productive work environment and resolve any conflicts in an amicable manner. Respectful workplace concerns escalated by employees and/ or customers will be taken seriously and dealt with promptly. You should refrain from favoritism and making business decisions on emotions. All employees should also honestly disclose any information on family or relatives who work at AFL. No employee shall use his position or influence directly or indirectly, to secure employment for his son, daughter or any other member of his family in any private undertaking having official dealing with the AFL's borrowers, contractors, consultants and vendor.

We at AFL, seek to maintain an inclusive diversity of our staff across branches and departments and recruit, develop and retain highly qualified, diverse and dedicated individuals for our workforce. The equal employment opportunity principles are based on fair employment regulations and non - discriminatory practices at workplace.

ii. Harassment and Discrimination

Harassment is an undesirable verbal or physical behaviour that interferes with work or creates an intimidating, hostile or offensive work environment. Examples include:

- Public or private tirades or bullying by a supervisor, subordinate, or peer
- Severe or repeated insults related to personal or professional competence
- Threatening or insulting oral or written comments
- Deliberate desecration of religious, racial, ethnic, or national symbols
- Malicious and knowingly false complaints against others

We prohibit from any discrimination (race, gender, caste, religion, disability, marital status, pregnancy, culture, ancestry, socioeconomic status etc.) while in employment or advancement. AFL promotes a work environment where employees are valued and not discriminated on the basis of any reason. We prohibit discrimination or harassment of any nature that violates our policies, whether committed by or against a manager, co-worker, client, supplier or visitor.

AFL prohibits uses of its communications, equipment, systems and services, including e-mail services and/or intranet/Internet services, to create a hostile, discriminatory, or offensive work environment. This includes downloading, transmitting, viewing or exchanging "jokes," pictures, stories, videos or other communications or content which are threatening, harassing, demeaning or offensive to any individual.

iii. Sexual Harassment (POSH)

AFL's POSH policy, as applicable to all employees and is in consonance with the provisions contained under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013".

According to The Supreme Court of India, the definition of sexual harassment is any unwelcome sexually determined behaviour, such as:

- ☐ Physical contact and advances
- ☐ A demand or request for sexual favours
- ☐ Sexually coloured remarks
- ☐ Showing pornography and
- ☐ Any other unwelcome physical, verbal or non-verbal conduct of a sexual nature

AFL strictly prohibits any kind of sexual harassment and takes allegations of sexual harassment seriously. Employees will be subject to disciplinary measures for sexual harassment up to and including termination. Anyone experiencing and reporting such unwelcome behaviour should know that the matter will be handled with the utmost sensitivity. Refer to the latest "Prevention of Sexual Harassment Policy" on HRMS.

i. Workplace Health & Safety

AFL strives to provide a safe work environment and comply with guidelines and applicable local laws or regulations that govern workplace health and safety. To ensure healthy, safe and secure working environments, we must practice the following:

- Take all reasonable measures to avoid putting others' lives and health at risk by preventing workplace accidents and injuries;
- Give customers and colleagues adequate health and safety information;
- You should be alert to individuals who are on premises of AFL without proper authorization and report any unusual activities being conducted within the workplace to the Unit Head or reporting authority;
- Ensure that visitors on AFL premises follow the appropriate procedures to prevent unauthorised access to materials, information or persons;
- Should not possess, distribute, sell, transfer or use alcohol, drugs, firearms or other items that could adversely affect health, safety and security in the workplace;
- Take adequate measures to protect the integrity of computer and information systems, including password protection.

ii. Communication with Media

Any official communication, verbal or electronic (which includes speeches, interviews etc.) with media and publishing houses, blog posts, websites, agencies, books, articles, podcasts, web casts, videos, can be undertaken only after authorization by the Human Resources department of AFL. Please be alert in situations where you may be perceived as representing AFL and do not make any statements on behalf of the organization unless you have been authorized to do so. You should also be diligent while using social media like Twitter, Facebook, Youtube, LinkedIn, etc. You should not post a comment, provide any recommendation, or endorse customers or vendors (either current or former) in the social media unless you are authorized to do so.

Refer to the latest 'Media & Communications' Policy as uploaded in HRMS.

iii. Social Media

Social media like blogs, wikis, social networks, team spaces are changing the way we are

communicating and engaging with customers, colleagues and the world at large. In view of the growing prominence of social media and increased use of these technology platforms by customers, AFL uses Social Media platforms to engage with customers, exemplify AFL / brand values, draw awareness to its products and services, gain feedback and position itself as a technologically savvy and innovative financial services provider. AFL currently has its social properties across 6 mainstream social channels – Facebook, Twitter, YouTube, Google+, LinkedIn & Instagram.

While AFL recognizes the ubiquity and benefits of social media in building stronger and successful business relationships, it is desirable to provide guidance to employees on what is appropriate and acceptable to post about AFL or its products, services, employees and other stakeholders in social networking sites and media. AFL's core values together with the Code of Conduct and Ethics provide the foundation for the guidelines for the use of social media by employees. The principles and guidelines enunciated in the Code of Conduct and Ethics, apply to the employees of AFL and their activities, be it traditional media or online.

The following disclaimer should be pasted on the employee's personal social media profile(s), where matters related to AFL are discussed / likely to be discussed – "Views expressed are the personal views of the user and do not necessarily represent the opinions of AFL. AFL takes no responsibility whatsoever if anyone acts on the basis of the views expressed." Employees must only use their personal email ID to create a personal website or post content on social media.

Employees are advised to refrain from engaging in discussions which may hurt people's religious, racial and political sentiments or posting comment, content or images which are libelous, offensive, harassing, threatening, hateful, intruding privacy, inappropriate and obscene or in violation of AFL's internal guidelines, including POSH guidelines, or any applicable law. Employees should not publish, post or engage in discussions in the social media that are considered confidential and not made available in the public domain by AFL. It is imperative that employees use good judgment and common sense to ensure that their actions reflect the values of AFL.

In case an employee needs access to a specific website, access to the same shall be given under Line Manager/ Compliance supervision and prior approval must be recorded by email

In case as an exception, if the above access is provided to any employee, then such employee shall not use the above electronic tools and emails for personal use. Also, the employees shall not use the above electronic tool/personal email for unauthorized circulation and spreading of unauthorized market related news or rumors.

Should there arise an occasion where an employee receives a query from online media (bloggers, news agencies, online media through their social media channels) or mainstream media (print, TV, etc.) it should be referred to the Marketing and Communications Team or mailed to afl.marketing.com. Further, if any employee spots any potential feedback/query/customer issue that may warrant an official response or come across any negative remarks related to the AFL on the social media landscape, the same should be brought to the immediate notice of the Marketing and Communications Department.

(Refer to latest 'Corporate Communications Policy' as uploaded on HRMS)

ii) Maintaining accurate Records and Reporting Requirements

Data and information relating to AFL that is publicly disclosed or is provided to regulators should be complete and accurate. AFL is committed to integrity of financial reporting and complete disclosures as mandated under applicable law and regulation. Falsification of any information or data (i.e. mis- statement, alteration, modification, omission or deleting of information) related to AFL is a serious misdemeanour and is prohibited.

iii) Information Security

Information Security is the practice of protecting information and systems from unauthorized access, use, disclosure or modification. AFL has developed procedures covering physical access control to ensure privacy of communications, maintenance of the security and safeguard AFL's assets from theft, misuse and destruction. Employees are responsible for complying with the security policies of AFL. Employees must be aware of our policies and procedures relating to information management. All information must be treated in accordance with our Information Security and Privacy Policy.

By practicing small and simple steps we can make a big difference in protecting our information assets like

- Always wear your ID card in person.
- Always use strong passwords for all your accounts.
- Lock your computer screen whenever you leave the work desk.
- Lock away all documents and files before leaving the office.
- Pick printouts immediately after printing. Do not leave them unattended.
- Shred hard copies with sensitive information before disposal.
- Always ensure that nobody is behind you while logging into official account to avoid shoulder surfing.

If you suspect any security vulnerabilities or incidents with the AFL system report it to afl.infosec@axisfinance.in or Head- Information Security

iv) Protecting AFL's Property and Assets

Any property and assets of the AFL, whether tangible or intangible in nature, may be used only for approved purposes. The assets of AFL should be used responsibly for professional and legitimate business purposes and not for personal gain. Assets are inclusive (but not limited to) of cash, funds, securities, physical property, professional services, internal plans or business strategies,

client and employee information, supplier details, distributor information, equipment like computers, telephones, fax machines, intellectual property (software, office mails, shared disk drives, computer programs, models, copyrights and other items), AFL logo & brand, office supplies and all other personal, proprietary and confidential information. AFL reserves the right to intercept, monitor and record your communication on AFL's systems including mails, computers etc., in accordance with the law of the land

You should protect AFL's assets and ensure their efficient use. All assets of AFL should be used for legitimate business purposes only and any suspected fraud or theft of AFL's property must be reported for investigation immediately. To protect AFL's physical assets, you must:

- Avoid using AFL's property, assets or equipment in an improper manner, i.e. for purposes other than the conduct of AFL's business;
- Report any suspected fraud or theft of AFL's property.

v) Managing Personal Finances

As a financial institution, AFL's business depends on public confidence in our ability to help manage the financial affairs of others. In general, your personal finances are private. However, because you represent AFL, it is important that you manage your personal finances in an appropriate and prudent manner, avoiding instances of excessive indebtedness or bankruptcy. Any improper handling of your personal finances including return of cheques/ NACH/ ECS, etc and overdue of loan accounts could undermine your credibility and that of AFL. It could also cause others to question your decision-making on the job.

You must refrain from any personal financial transaction with fellow employees, however in exceptional scenarios the transactions should not exceed Rs.25,000/- in aggregate in one financial year. Any kind of transactions with customers, channel partners, out sourced employees, vendors or suppliers, including borrowing or lending is strictly prohibited. You must not lend personal funds to, co-sign, endorse, guarantee, or otherwise assume responsibility for the borrowings of any customer or vendor of AFL unless the customer or vendor is a family member, other relative, or close personal friend and the personal or family relations, and not AFL's business, is the basis for the transaction.

AFL prohibits improper transactions by employees, such as, but not limited to, issuance of cheques on their personal accounts without keeping sufficient balance therein. AFL reserves the right to review the accounts of employees for unusual activity, both regularly and during investigations.

Every employee on first appointment and as on 31st March every year, shall submit a return of assets and liabilities giving full details of:

- ☐ The immovable property owned or acquired or held by the employee in his/her name or in the name of any member of his / her family or in the name of any other person;
- ☐ All financial securities and AFL deposits including cash balances owned or acquired or held by the employee;
- ☐ Debts and other liabilities incurred by the employee directly or indirectly, including loans from AFL.
- ☐ All employees as and when required by AFL will have to submit/upload a copy of their Income tax returns and Balance sheets.
- ☐ Employee's will have to share bank statements of their own and family members accounts maintained in Axis Finance or any other banks as and when required by AFL.

AFL reserves the right to check/ access the details of the employee during the onboarding process or as required by AFL from various bureaus/ Central Fraud Registry/ Borrower Quick Scan (BQS), CIBIL etc. Any deficiency / negative records in the above checks may attract suitable actions.

For the purpose of this Rule "Family" means

- ☐ Spouse, whether residing with the employee or not, but does not include a legally separated spouse; Children or step children or adopted children of the employee whether residing with the employee or not and dependent wholly on such employee but does not include children or step children of whose custody the employee has been deprived of by or under any law; and
- ☐ Any other person related to, by blood or marriage to the employee or to the employee's spouse and wholly dependent upon such employee.

AFL may also, at any time, by general or special order, require an employee to furnish within a period to be specified in the order, a statement of movable or immovable property owned, held or acquired by the employee or on the employee's behalf or by any member of the employee's family as may be specified in the order. Such a statement shall, if so required by AFL include the details of the means by which or the sources from which such property was acquired.

vi) Infractions of the Code

AFL has a "zero tolerance" policy for any violation of the Code of Conduct and Ethics. This means that when an occurrence of a violation has been verified, appropriate action commensurate with the nature and pervasiveness of the violation will be taken. Employees who violate the Code may be subject to disciplinary actions, up to and including termination. The following behaviours at

work or activities while using AFL's systems are examples of actions that are prohibited and can result in disciplinary action. This is only an indicative list and not exhaustive. AFL reserves the right to take Disciplinary Action against any unethical activity that is in violation of the Law or acceptable standards of responsible social behavior:

- i. Sending or posting discriminatory, harassing, or threatening messages or images through AFL's internal mails and internet.
- ii. Using AFL's time and resources for personal gain.
- iii. Stealing, using, or disclosing someone else's code or password without authorization.
- iv. Copying, pirating, or downloading software and electronic files without permission.
- v. Engaging in unauthorized transactions that may incur a cost to the organization.
- vi. Participating or doing any activity that could damage AFL's image or reputation.
- vii. Participating in the viewing or exchange of pornography or obscene materials.
- viii. Attempting to break into the computer system of another organization or person.
- ix. Refusing to cooperate with investigation.
- x. Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities.
- xi. Using AFL's internet/ intranet for promoting political causes or activities, religious activities, or any sort of gambling.
- xii. Sending anonymous e-mail messages.
- xiii. Engaging in any other illegal activities.
- xiv. Working under the influence of alcohol or illegal drugs.
- xv. Fighting or threatening violence in the workplace.
- xvi. Spreading rumours and un-authenticated information
- xvii. Use of foul language (including verbal) in the workplace.
- xxviii. Negligence or improper conduct leading to damage of AFL or customer-owned property.
- xix. Insubordination or other disrespectful conduct with colleagues, customers etc.
- xx. Violation of safety or health rules.
- xxi. Smoking in the workplace at non-designated areas.
- xxii. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
- xxiii. Excessive absenteeism, overstaying leave or leaving workplace without permission or any absence without notice.
- xxiv. Unsatisfactory performance or conduct.
- xxv. Refusing reasonable directions including moderate changes in responsibilities that may from time to time be given on account of business necessity and exigencies.
- xxvi. Participation in any demonstration against the AFL or its officials
- xxvii. Violation of any of the provisions of the security policy including IT security policy of AFL.
- xxviii. Failure to perform duties with utmost integrity, honesty and diligence.
- xxix. Failure to avoid indebtedness in any manner while in service.
- xxx. Submitting and claiming false bills for reimbursement.
- xxxi. Misuse of AFL's vehicle for personal journeys.
- xxxii. Violation of AFL's Dress Code.
- xxxiii. Drunk driving or driving under the influence.

Refer to the "Dress Code Policy" on HRMS.

vii) **Demonstration:**

No employee shall engage himself / herself or participate in any demonstration which is prejudicial to the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, or which involves contempt of court, defamation or incitement to an offence.

XI. Manager and Leader Responsibilities

As a progressive organization, managers and leaders have a special responsibility to demonstrate our values through their actions. As Managers and leaders, you must foster an environment of integrity, honesty and respect. This includes creating a work environment that is free from discrimination, harassment, intimidation or bullying of any kind. You must also ensure that all aspects of the employment relationship are free from bias and that decisions are based upon individual performance and merit. As a Manager or senior leader, you are therefore additionally accountable for the following:

- To be thoroughly familiar with the requirements of and the procedures established by the Code and to exemplify the highest standards of ethical behaviour.
- To ensure that team members understand that business results are never more important than ethical conduct and compliance with applicable law and AFL's policies.
- To ingrain the principles of the Code and compliance with applicable laws, regulations, and policies into your business unit's practices.
- To create a culture in which team members feel comfortable asking questions and raising ethical concerns without fear of retaliation.

XII. Disciplinary Procedures and Penalties

- a) For major transgressions and repeat minor misconducts resulting in violation of the Code or any orders/rules issued by AFL, an employee shall be liable for any of the following penalties under the AFL's Disciplinary Process (L2 framework):

- Counselling
- Caution
- Warning or Censure
- Withholding of increments/Withholding of Variable Pay/ Revision of Pay/Withholding of incentives/Reduction in PL
- Withholding of promotion
- Reduction to lower grade or salary
- Suspension
- Discharge from service.
- Dismissal from service
- Recovery from salary or full and final settlements amounts as may be due to him of the whole or part of any pecuniary loss caused to AFL by negligence or breach of orders
- Withholding processing of resignation
- Compulsory retirement

Complaints (other than unintentional/minor operational lapses and behavioural matters) can be reported in Case Manager portal.

- b) Minor misconduct cases (eg. unintentional/minor operational lapses and behavioural matters) will be dealt with under the Staff Accountability Framework (L1 framework) which has come in force with effect from June 01, 2025 onwards pursuant to notification by HR department.
- c) Complaints related to behavioural matters can be reported under the Staff Accountability Framework to:

- Your manager
- Your Skip-level manager
- Human Resources Department/HR RM.
- HR mail id –ethics@axisfinance.in

- d) For any other misconduct cases (i.e. outside the Staff Accountability Framework), the matter may be dealt with under the AFL's disciplinary process and for such matters an enquiry need not be held and a disciplinary order may be issued against the concerned employee basis the findings in the investigation report.
- e) For major misconduct cases, a Show Cause Notice will be issued to the concerned employee for submitting a response within 14 (fourteen) days of receipt, a personal hearing will be conducted if required by such employee.
- f) In the event the employee does not submit a reply to the show cause notice or fails to attend the personal hearing within the stipulated period the Disciplinary Authority will proceed to pass an appropriate order ex- parte, and the same shall be binding on the employee.
- g) For all cases, where an employee has made a voluntary admission of his misconduct at any time prior to or during investigation of the misconduct, an enquiry need not be held and a disciplinary order may be issued against the concerned employee basis the findings in the investigation report.

Notwithstanding anything stated herein, if the investigation report concludes that the employee was involved / indulged in misconduct which is in the nature of:

omission/ commission with a mala-fide intent; serious/major offence including but not limited to misappropriation of funds, physical violence, forgery, bribery, gratification etc.; and /or causing grave reputational risk/ loss to Axis Finance and the employee has accepted the same / there is conclusive evidence for the same as stated in the investigation report, a disciplinary order may be issued against the concerned employee basis the findings in the investigation report.

An appeal may be filed to the AFL's Appellate Authority within 21 days from the date of receipt of the disciplinary order. AFL has a right to reject appeals filed after the said period. AFL also has a right to reject any second appeals. The Appellate Authority may pass an order confirming, enhancing, reducing or setting aside the penalty or remitting the case back to the Disciplinary Authority with such directions as it deems fit in the circumstances of the case.

An employee may be suspended at any time after detection of a transgression and/or receipt of a complaint with approval from a senior official in the grade of President & Above (DAC Committee/ HR Head) if the investigation department or the said authority is prima-facie of the opinion that the employee has committed a major offence and/or the employee's continued presence in AFL may hamper the investigation or be prejudicial to the interest of AFL and/or other employees/officers of the AFL.

An employee of Axis Finance may also be suspended by the concerned authority (including HR) if the employee is arrested or detained in judicial/police custody for any reason whatsoever (even if such reasons are not in relation to his employment with AFL). The suspension order so passed shall continue to be in force until revoked by the authority which issued the order of suspension (or by a higher authority).

Notwithstanding anything to the contrary, if an employee remains under arrest or detention and/or under judicial/police custody for one month or more, the concerned authority (including HR) will have a right to directly discharge/dismiss the concerned employee without any liability to the employee

- h) An Officer may be placed under suspension by – HR Head as per the recommendation of the Disciplinary Authority.
 - 1. If the said authority is prima-facie of the opinion that the officer has committed an offence which warrants detailed investigation and the officer's continued presence in AFL may hamper the investigation and may be prejudicial to the interest of AFL and other officers of AFL.
 - 2. If the officer is arrested and/or if the officer is charged of having committed a serious criminal offence under the Indian Penal Code and/or other appropriate criminal laws of the

country.

The suspension order so passed shall continue to be in force till final disciplinary proceedings initiated/to be initiated against the said officer are finally disposed of or otherwise revoked by the authority which issued the order of suspension (or by a higher authority).

The officer so placed under suspension shall be entitled to receive subsistence allowance equal to fifty per cent of the last drawn basic pay and monthly allowances excluding conveyance allowance for the first six months of suspension.

For the period of suspension beyond six months, for the remaining period of suspension, subsistence allowance equal to seventy-five per cent of the basic pay and monthly allowances excluding conveyance allowance, will be paid, provided the delay in the completion of disciplinary proceedings against such officer is not directly attributable to the conduct of such officer.

During the period of suspension, an officer may be allowed, at the discretion of AFL, occupation of AFL's owned or leased accommodation but shall not be entitled to free use of AFL's car, if applicable.

During the period of suspension, statutory deductions such as Provident Fund, Income Tax will continue to be made proportionately as per the subsistence allowance (basic + allowances) payable. GSLIC contribution will continue to be deducted as in normal course.

No leave or Leave Travel Allowance or leave encashment shall be granted to an officer under suspension, though he may avail of Medical Reimbursement, to the extent admissible.

No Loans shall be disbursed to suspended officers. No further disbursements will be made during the period of suspension in respect of loans that are partially disbursed.

Notwithstanding anything contained in this Code, an employee shall not be entitled to tender his resignation and/or any resignation tendered by him shall not be effective or operative against AFL, unless AFL decides to accept the resignation or if AFL decides to revoke an earlier acceptance of the resignation, if any investigation or disciplinary action is pending against him or is intended or proposed to be taken against him by the appropriate authority, at the time or after such resignation has been tendered. The exit process of such employees will be blocked, and the concerned employee will not be entitled to avail any loans from AFL and/or receive any ESOPs till the completion of the investigation and disciplinary proceedings.

In cases the employee has been discharged/ dismissed from Axis Finance, AFL shall be free to communicate the reasons for the same to the future employers/ any other organization/ government entities / statutory or regulatory authorities/ central fraud registry.

Where the officer is fully exonerated by the Disciplinary Authority, the period of suspension in such case shall be treated as period spent on duty and the officer will be reimbursed in full his salary and allowances from the date of suspension. In this case all administrative recoveries such as loan recoveries will also be effected in full.

In all other cases and where the officer is not subjected to the penalty of dismissal, the period spent under suspension shall be dealt with in a manner as may be decided by the Disciplinary Authority.

An officer may appeal to the Appellate Authority against the order of suspension within 21 days from the date of receipt of the order.

XIII. Review of the Code of Conduct

The Code of Conduct & Ethics to be reviewed annually and necessary amendments / modifications may be carried out as deemed necessary and appropriate.

XIV. Employee Declaration – New Hires/ Existing Employees

I, Mr./ Ms. _____ acknowledge that I have read AFL's Code of Conduct and Ethics and understand my obligations as an employee to comply with the principles and policies outlined therein, including any amendments made by AFL from time to time. I understand that a current copy of the Code of Conduct and Ethics is available in HRMS.

I am aware that AFL has a "zero tolerance" policy for violation of the Code of Conduct and Ethics and if any of my actions do not meet the provisions of the Code, appropriate action commensurate with the nature and pervasiveness of the violation will be taken against me.

I also confirm that in addition to the Code of Conduct and Ethics, I have read and understood all the policies updated in HRMS the following guidelines

- Code of Conduct for Prevention of Insider Trading
- Guidelines on Gift and Entertainment
- Employment of Relatives
- Dress Code Guidelines
- Sexual harassment in the Workplace Guidelines & Redressal
- Policy on KYC Norms/ AML/CFT
- Whistleblower Policy

I also confirm to submit all the details mentioned in the Mandatory declarations on HRMS on an annual basis within the prescribed timelines, failing which I understand that, AFL has the right to initiate disciplinary action against me.

It is my responsibility to be updated on amendments to/introduction of new policies related to Code and in the event of any conflict, bring the same to the attention of AFL.

I have already disclosed and confirm to disclose the following details to AFL in terms of their respective declaration schedule or in the event of any change:

- Relatives in AFL
- All AFL accounts being held by me – either singly or jointly with other family members
- Assets and Liabilities as on 31st March every year

I also understand my obligations under the AFL's Code of Conduct and Ethics to declare any conflicts of interest, as and when it arises during my employment with AFL, to the Human Resources representative.

Signature: _____ Date: _____

Name: _____ Emp. No. _____

(This signed and completed form must be returned New Hires within by 7 days of receiving the joining kit to your Human Resources representative. Failure to do so will not affect the applicability of this Code or any of its provisions to you.)

XV. Annual Affirmation

All employees including the Senior Management of AFL shall affirm compliance with the Code on an annual basis. The affirmation shall be provided in the following form: I, (name and designation), of Axis Finance Limited have received and read the AFL's Code of Conduct and Ethics ("the Code") and do hereby affirm that I have complied with the provisions of the Code during the financial year ended 31st March.

Signature:

Name:

Designation:

Date:

Place:

Addendum I

Anti-bribery and Anti-corruption

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I. Introduction

Axis Finance has zero tolerance towards all forms of bribery, and we should be especially sensitive to this aspect in our dealings with the various entities that we come in contact with and remain committed to our Core Values (Customer Centricity, Ethics, Transparency, Teamwork, and Ownership) in all situations. In particular, the Axis Finance prohibits offering, promising, giving, or authorizing others to give anything in excess of a certain value defined in Axis Finance's Gift Policy, either directly or indirectly, to any person or entity. We must not offer, promise or grant anything of value to anyone for the purpose of influencing the recipient under any circumstances. Payments made indirectly through any intermediary or other third party are subject to the same restrictions.

Compliance with the provisions of Anti-bribery and Anti-corruption Addendum is mandatory.

Non-Compliance with the Anti-corruption and Anti bribery laws of the aforesaid jurisdiction is a serious criminal and civil offence and can result in the imposition of heavy fines and/or criminal prosecution and severe reputational damage. All Axis Finance employees and officials (including on a permanent, contract basis and interns/trainees) , directors, vendors and other stakeholders (e.g. collection agents, DSAs, suppliers, etc.) are required to fully comply with the requirements of this Addendum.

II. Applicability of Anti-bribery and Anti-corruption Addendum

The Anti- bribery and Anti-corruption addendum, is applicable to all Axis Finance employees and officials (including on a permanent, contract basis and interns/trainees), directors, vendors and other stakeholders (e.g collection agents, DSAs, suppliers, etc.) are required to fully comply with the requirements of this Addendum.

III. Responsibility

The Investigation Team will be responsible for the following:

- Investigate any incidents / transactions of potential or actual integrity, bribery, corruption, conflict brought to his / her notice in best interests of Axis Finance w.r.t
- Donations
- Third party hiring
- Conflict of Interest
- Bribery to Government officials or commercial organisation
- Private to private sector
- Any other non-compliance to the Addendum
- To ensure that the regular training sessions and communication of this document has been done throughout the AFL including overseas offices.
- Refer proven cases of bribery and corruption to the Ethics Department for taking disciplinary action.

a. Employee responsibility:

Compliance with provisions of Anti-bribery and Anti-corruption Addendum is expected from all employees of Axis Finance as under:

Read and understand the Anti-bribery and Anti-corruption Addendum and must ensure compliance with the terms and conditions mentioned in the Anti-bribery and Anti-corruption Addendum.

Participate in and complete the anti-bribery and anti-corruption training that is provided by AFL from time to time.

Should not offer or give to any person or accept from any person any bribes, kickbacks, or any other improper benefits. The AFL prohibits bribery in any form to or from any person.

Must be particularly careful about any interactions with Government officials as provision of any business gift or hospitality to a government official is subject to more stringent guidelines.

Must not make any facilitation payments or political contributions.

Be mindful of red flags before on-boarding and while dealing with third party vendors. If any employee suspects that any of vendor may be giving or receiving improper payments on behalf of Axis Finance or otherwise, they are required to report this to the Ethics Department (Ethics@axisfinance.in),

Travel and entertainment expenses should be incurred only for business transactions/official purposes and are to be claimed on the basis of supporting documentation.

Report any conflict of interest with any present or prospective employees, third parties, suppliers and customers.

Must cooperate with any internal audits/investigations conducted by AFL and provide information in a timely manner.

Report any violation of Axis Finance's Anti bribery and Anti-corruption Addendum or instances of bribery /corruption noticed to their Supervisor/reporting manager/HR Department (Ethics@axisfinance.in) immediately.

Third party vendors should only be engaged after carrying out adequate due diligence,

Employees shall ensure that no rejected and/or blacklisted vendor is onboarded with AFL.

Employee must ensure that work begins only after the contract with the vendor/third party has been executed. In the event of an exception, it is necessary to obtain approval from the Vendor Management Committee (VMC) of AFL.

b. Third Parties – Vendors and Suppliers responsibility:

Axis Finance prohibits bribery in any form to or from any person. Accordingly, all third-party vendors engaged by Axis Finance are required to:

Ensure that they have read and understood this Anti-bribery and Anti-corruption Addendum and must at all times comply with the terms and conditions of this Addendum.

Disclose true and fair information to Axis Finance at all times, including for due diligence conducted at time of on-boarding.

Not offer or give to any person or accept from any person any bribes, kickbacks, or any other improper benefits.

Must be particularly careful about any interactions with government officials and not offer any bribes, kickbacks, or any other improper benefits, including by way of business gift or hospitality to any government or political officials.

Must not make any facilitation payments or political contributions on Axis Finance's behalf.

Report any conflict of interest with any Axis Finance employee.

Must provide declaration to the Code of Conduct and Ethics at the time of onboarding and on renewal of contract/agreement thereafter as per Third Party Risk Policy.

Must cooperate with any internal audits/investigations conducted by Axis Finance and provide correct and accurate information in a timely manner.

Participate in the anti-bribery and anti-corruption training that is provided by Axis Finance from time to time.

IV. Actions / Behavior that may be construed as 'Bribery'

While deciding whether an action and behaviour can be interpreted or perceived as anti-lawful and / or corrupt, the following should be kept in mind:

Intent of the transaction

Whether or not there is a 'quid pro quo' involved

Whether or not adequate approvals and documentation exist for the transaction

Whether it would create an actual or perceived 'conflict of interest'.

Bribery risks are not limited to cash payments and may arise from an offer or transfer of anything of Value. Some typical areas that are most susceptible to bribery and corrupt practices are as mentioned below:

a. Conflict of Interest

All employees, third parties and suppliers must be selected on the basis of merit and requirements of Axis Finance and must not obtain any unfair advantages based on any relationship with an existing or prospective client or government/public officials or employee.

Further, hiring of relatives in Axis Finance will be discouraged. As there is a potential conflict of interest and governance issue around pre-existing relationships, Axis Finance will ensure that these employees are not posted in a direct or indirect supervisory chain of command, in which one has influence over the other's status.

Axis Finance may not attempt to obtain or retain business or to secure an improper advantage of any kind by offering or providing any employment (including temporary employment or secondment or an internship) to any candidate:

Who is an existing or prospective client;

Who is a Government/ Public Official

Who is related to or closely affiliated with an existing or prospective client or Government/ Public officials; or

Who has been referred to Axis Finance directly or indirectly by an existing or prospective client or Government/Public officials

No employee shall use his/her position or influence directly or indirectly, to secure employment for his/her son, daughter or any other member of family in any private undertaking having official dealings with the company (this will include Axis Finance's borrowers, contractors, consultants and vendors). All such matters must be referred to HR Department by writing to Ethics@axisfinance.in for approval.

b. Facilitation Payments

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action (e.g., the issuance of licenses, registering property under rental agreement etc.) by an official, also known as "speed payments / speed money"). Axis Finance prohibits making or accepting, facilitation payments of any kind.

c. Travel and Entertainment expenses

Travel and entertainment expenses such as tickets, hotel, food, incidentals etc. may be incurred by the employees for bonafide official / business development purposes. All such expenses must be supported by original receipts / invoice and details of the guests, if applicable. (Refer to the "Travel Policy" as uploaded on HRMS

d. Business Gifts:

Please refer to section VII Gifts and Entertainment (page no 13)

e. Charitable Donations/Sponsorships/ Membership

Charitable donations include donations of money or in-kind donations of goods or services by AFL, such as to schools or community organisations. At a minimum, all charitable contributions must be:

Made to a legitimate, bonafide organisation for causes such as Education, Health & Sanitation, Environment etc.;

Reasonable in nature and amount;

Permitted under all applicable laws and regulations;

Properly documented;

Pre-approved by HR Department (Ethics@axisfinance.in);

Note: Any sponsorship intended to improperly influence decisions or gain an unfair advantage is prohibited.

Personal donations made by the employees of Axis Finance are allowed provided those donations should not interfere or in any way conflict with the official work of the employee or with Axis Finance in any manner.

f. Political Contributions

Employees are not permitted to take an active part in politics anywhere even outside Axis Finance and shall not involve other employees, clients, suppliers, vendors, or any other party with whom the company does business.

Employees are not permitted to make any political contributions on behalf of Axis Finance to any political party official or political party unless such contribution is expressly permitted by law/ regulation / directive and has been pre-approved by the appropriate authority in Axis Finance .

g. Petty Cash

Petty cash should not be used for making payments of fines, penalties, government approvals, government challans, direct payment to government officials any other expense of similar nature.

V. Training, Certification and Communication

Compliance Certification and Training

Axis Finance requires all employees to complete anti-corruption compliance training when they join, and all employees as identified by Axis Finance are required to further undergo a training once a year.

VI. Record Keeping and Internal Controls

All employees must retain accurate and complete information relating to gifts, hospitality, travel and entertainment claims etc., together with approvals as per Axis Finance's processes, and provide accurate and complete details if required during any investigation or inquiry being conducted by Axis Finance

All books and records along with the supporting documentation w.r.t. the transactions covered under the addendum must be maintained as per AFL Policy on Record Management.

VII. Reporting violations and Monitoring

a. Reporting:

It is the duty of all those covered under Anti-bribery and Anti-corruption Addendum to comply with this Addendum and report any concern or information that they may have in relation to the violation of this provision of this document in respect of anti-bribery. The report may be submitted to the HR Department (Ethics@axisfinance.in).

Alternatively, concerns on the violations of the company policies may be reported through the Whistle Blower mechanism. Person reporting may choose to remain anonymous; however, identifying yourself is encouraged to facilitate communications. Axis Finance ensures protection for the Whistleblowers and will not tolerate any form of reprisal or retaliation under this Policy.

Axis Finance takes all potential violations of this Addendum and applicable anti-corruption laws seriously. Strict disciplinary action will be taken for any violation of the Anti-Bribery and Anti-Corruption Addendum.

b. Breach of Anti-bribery and Anti-corruption Addendum

Failure to comply with this Addendum or any misrepresentation, violation may be grounds for disciplinary action to be initiated by Axis Finance, as considered appropriate, including termination of employees as per Axis Finance's Code of Conduct & Ethics. In respect of vendors, in addition to termination of services, penalties may be applied. Non-awareness of this Addendum shall not be an excuse for misrepresentation.

Bribery is a criminal offence. The defaulting Designated Person will be accountable whether she/he pays a bribe herself/himself or authorizes, assists, or conspires with someone else to violate this Addendum or an Anti-corruption/Anti-bribery Law. Such cases will be referred by the AFL to the Law Enforcement Agencies

and no support will be rendered by Axis Finance to the concerned employee or vendor.

In case of violations related to Anti Bribery and Anti-Corruption, the matter will be investigated and for proven cases disciplinary action will be taken in accordance with the Code of Conduct and Ethics Policy of the Axis Finance.

c. Monitoring

The Investigation Team will be responsible for review of compliance of this document on an annual basis.

VIII. Annexures

Annexure A: Examples of bribery

1) Offering a bribe

Amar, an employee of Axis Finance, offers a potential client, tickets to a major sporting event, only if they agree to do business with Axis Finance. This would be an offence as Amar is making an offer to gain a commercial advantage.

2) Receiving a bribe

Chetan works in the Supply Chain Management Department in XYZ Automobiles. Beta, a regular supplier offers a job for Chetan's brother in return for continued business. This would be an offence as Chetan's receives a bribe in kind for providing continued business to Beta.

3) Bribing a government official

Customs officials asks Mr. X for payment to speed up the process of clearing goods through customs. This transaction is in the nature of facilitation payments, which are not permitted.

Annexure B: Examples of Gift

Reema, Sales Manager, invites an important existing client for dinner at a 5-star hotel as part of an exercise to build good relations and enhance the client's knowledge of our products and services within approved limits. This hospitality seems to be reasonable and justifiable as the intention is to improve Axis Finance's image and present the products and services of Axis Finance

Kartik invites a potential client to watch an IPL match a week before the deadline for RFP opening for a large deal, for which Kartik is bidding. Due to the timing of this hospitality, it would constitute as bribery, as it would be made with the intention of influencing the potential client to obtain business.

An existing supplier offers a five-star holiday package to Dubai, to an employee and his family as a token of his appreciation for a contract awarded to the supplier. Such gift has been made as a quid pro quo to the contract and seems to be excessive; the same should be declined by the employee and reported to the HR Department (Ethics@axisfinance.in).

A potential sub-contractor gives Mahesh an expensive bottle of wine a week before Mahesh has to select the contractor for the goods. The gift appears to have been made with the clear intention of influencing Mahesh for obtaining the contract. Mahesh should return the gift and report to the Ethics Department (Ethics@axisfinance.in).

Annexure C: Examples of "red flags" to look out for in third-party relationships

Any "red flag" or potential "red flag" should be brought to the immediate attention of the Ethics Department (Ethics@axisfinance.in). Examples of potential red flags for third parties include:

Working or on-boarding a third party recommended by a government official.

The Third-party working on behalf of Axis Finance is associated with relatives or close associates of a government officials, or it refuses to disclose its ownership structure.

The Third-party lacks relevant experience or relies primarily on political contacts.

The Third-party has requested for fees that is significantly above the market rate for comparable work.

The Third-party insists on receiving a commission or fee payment before signing the contract.

The Third-party requests for payment to be made to another person not involved in the work, to an offshore AFL account, or through another unusual arrangement or in cash or requests for no records of the payment to be made.

The Third-party refuses to agree to anti-corruption contractual provisions.

There are news reports, past convictions, or allegations or rumours relating to payment of bribes being made by the third party.

The Third party demands lavish hospitality or gifts before commencing or continuing contractual negotiations or provision of services

The Third-party requests for employment to be provided to a friend or relative.

The Third party insists on the use of side letters (i.e. agreed terms in a letter or other document outside the written contract between the parties) or refuses to put the agreed terms in a written contract.

The Third-party requests/ requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Axis Finance