

# CONFLICT OF INTEREST POLICY

Recommended for review and approval

Sd/-

Dhruba Bora  
Chief of Compliance

Axis Trustee Services Ltd.,  
Approved by Board of Directors/Committee  
On: 12.10.2023

Sd/-

Authorized Signatory



**AXIS TRUSTEE**

## **PART I: For Employees and Directors of ATSL**

### **A. Objective**

Axis Trustee Services Limited ('ATSL', 'Company' or 'Axis Trustee') provides clients with trusteeship and other related services through high quality service and hence faces potential and actual Conflicts of Interest. A Conflict of Interest is a situation where one or more persons or entities have competitive interests and the serving of interest may be detrimental to another. The objective of this Policy is to help employees and Directors to act in accordance with high professional and ethical standards. The Policy lists out non-exhaustive possible scenarios and minimum standards to be adhered to. An employee or Director who knowingly violates the internal policies and guidelines shall be subjected to disciplinary action, including dismissal.

### **B. Scope**

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

### **C. Purpose**

The purpose of this Policy will be to:

- I. Identify circumstances which may give rise to conflicts of interest which involve a risk of damage to customers', stakeholder's or Company's interests.
- II. Describe the arrangements which Company has put in place to forestall or manage such conflicts of interests.

### **D. Definition**

A "Conflict of Interest" occurs when personal interest of any employee of the Company interferes or appears to interfere in any way with the interests of the Company. Conflict of Interest includes but is not limited to, a director or an employee who is a party to, or who is a director or an employee of, or who has a material interest in, any person who is a party to a material contract or proposed material contract with Company. It also means any situation that could reasonably be expected to impair their ability to render unbiased and objective advice / decision / recommendation or that could reasonably be expected to adversely affect that person's responsibility towards Company. Every employee of the Company has a responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Company's interest, such as –

- a. Employment/Outside Employment** - The employees of the Company are expected to devote their total attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to the Company.
- b. Business Interests** - If any employee considers investing in securities issued by the Company's customer, supplier or competitor, they should ensure that these investments do not compromise

their responsibilities to the company. Many factors including the size and nature of the investment, their ability to influence the Company's decisions, their access to confidential information of the Company, or of the other entity, and the nature of the relationship between the Company and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Company any interest that they have which may conflict with the business of the Company.

**c. Related Parties –**

All the employees of the Company shall annually declare the names of all relatives working in the Company and its subsidiaries to the HR Department of the Bank and provide a list of his/her relatives and to the extent the employee is aware of the interests of such relatives in other bodies corporate, firms, HUFs and other entities. In addition, Senior Management (DGM/SVP & above) shall immediately disclose the names of their close relatives who are employed with business partners of the Company including Consultants, Vendors, NGOs etc. This information shall also be called for from all new recruits at the time of joining.

As a general rule, employees of the Company should avoid conducting Company's business with a relative or any other person or any firm, company, association, HUF in which the relative or other person is associated in any significant role. Relatives shall include (as defined in the Companies Act, 2013):

1. Spouse
2. Father
3. Mother (including stepmother)
4. Son (including stepson)
5. Son's wife
6. Daughter (including stepdaughter)
7. Father's father
8. Father's mother
9. Mother's mother
10. Mother's father
11. Son's son
12. Son's son's wife
13. Son's daughter
14. Son's Daughter's husband
15. Daughter's husband
16. Daughter's son
17. Daughter's son's wife
18. Daughter's daughter
19. Daughter's daughter's husband
20. Brother (including stepbrother)
21. Brother's wife
22. Sister (including stepsister)
23. Sister's husband

If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the appropriate authority (Chief Compliance Officer of the Company). Any

dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.

In the case of any other transaction or situation giving rise to conflicts of interests, the appropriate authority should after due deliberations decide on its impact.

#### **E. General Guidelines**

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

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

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

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

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

- 1) To adhere to the laid down Code of Conduct and Ethics and to prevent and manage various conflict of interests which may arise in the course of business.
- 2) Exercise highest integrity and independence while discharging their duties.
- 3) If an employee believes that he has a conflict of interest, or may be perceived to have such a conflict, he must disclose this to his Department Head or Human Resources representative who would report this to the Chief Compliance Officer .
- 4) As part of Mandatory Declarations on One Axis App, an employee must annually disclose a statement that there are no material interest or any other conflicting interests, in any person / entity who is a party to a material contract or proposed contract with the Axis Bank Group. In case of any doubt in regard to the extent of disclosure applicable, kindly contact the Secretarial Department of ATSL.
- 5) **Do's and Don'ts**

### **Do's**

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

- e) The employee / Director would be expected to be sensitive to any activities, interests or relationships that might interfere with or even appear to interfere with his/ her ability to act in the best interests of Company and its customers.

### **Don'ts**

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

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

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

### **I. Exception**

Any Exception to Part I Policy guidelines requires the approval of Managing Director.

### **J. Confidentiality Note**

This document is not for general distribution and is meant for use only by the person / persons they as specifically issued to. This document shall not be loaned or given to anyone outside Axis Bank Ltd., and its subsidiary companies. Copying or unauthorised distribution of this document, in any form or means including electronic, mechanical, photocopying or otherwise is illegal.

## **PART II: For Third Parties Service Providers**

### **A. INTRODUCTION**

Axis Trustee Services Limited [ATSL/the Company] is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and provides debenture trusteeship services for client companies issuing listed debt securities.

ATSL is committed to maintaining the highest professional standards and principles in providing the due diligence and periodical monitoring services to the underlying beneficiaries of the listed debt securities. ATSL's policies and procedures, which address and manage conflicts of interest as may arise, are intended to ensure that those interests are well served.

ATSL vide this policy intends to lay down policies and procedures in place to identify, consider and manage potential conflicts of interest and protect the integrity of the third party service providers relationships with the client companies of listed debt securities. All third party service providers engaged by ATSL for undertaking due diligence and periodical monitoring services in connection with listed debt securities must comply with this policy and they may not indirectly commission any act that they are prohibited from doing directly under this policies and procedures.

### **B. DEFINITIONS**

#### **(i) CLIENT COMPANY/IES**

"**client company/ies**" shall mean Company to which ATSL provides its listed debt securities trusteeship services.

#### **(ii) CONFLICT OF INTEREST**

"**conflict of interest**" means any situation in which any third party service provider, or a representative has an actual or potential interest that may, in rendering their services to client company(ies)/ ATSL:

(a) Influence the objective performance of his, her or its obligations to that client company(ies) / ATSL; or

(b) Prevent the third party service provider or representative from rendering an unbiased and fair service to that client company(ies) /ATSL, or from acting in the interests of that client company(ies)/ATSL, including but not limited to-

(i) a financial interest;

(ii) an ownership interest; and/or

(iii) any continuing relationship with client company or past relationship for a period of three years prior to engagement by ATSL.

#### **(iii) THIRD PARTY SERVICE PROVIDERS**

"**Third party service providers**" shall mean and include the following professionals/professional firms engaged for the purpose of conduct of due diligence as per SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020:

- (i) Law firms
- (ii) Registered Valuer Firms
- (iii) Chartered Accountants/ Chartered Accountancy firms
- (iv) Company Secretaries Firm
- (v) Third Party Constituted Attorneys
- (vi) Vendors

### **C. GENERAL CONFLICT OF INTEREST**

A potential conflict of interest arises where work could be affected by a personal interest or personal association. The third party service providers should avoid situations that might cause, or be perceived to cause, a loss of independence or objectivity. Independence and objectivity must be maintained so that ATSL maintains the benefit of work and opinions unaffected by any potential conflict of interest.

### **D. DISCLOSURE OBLIGATIONS OF THIRD PARTY SERVICE PROVIDERS/ EMPLOYEES OF ATSL**

A third party service provider of ATSL or a representative must, in writing, at the earliest reasonable opportunity:

(i) disclose to Compliance Officer of ATSL any conflict of interest in respect of that client company(ies)/ customer(s), the nature of any relationship or arrangement with a client company that gives rise to a conflict of interest, provide details of the client company(ies)/ customer(s) to enable the Compliance Officer of ATSL to understand the exact nature of the relationship or arrangement and the conflict of interest; and

(ii) inform a Client Company/customer of the conflict of interest and how it may be accessed.

Further, the third party service provider shall provide a declaration on conflict of interest as per Annexure-A of the policy at the time of engagement.

### **E. IDENTIFYING CONFLICTS OF INTEREST**

The third party service providers of ATSL are required to identify and escalate any identified conflicts of interest in accordance with this Policy.

#### **Types of conflict:**

- (1) Conflict arising out of business interest
- (2) Personal Relationships
- (3) Inducements in the nature of gifts, remuneration, bribes, etc.
- (4) Any other activity/transaction that creates/ likely to create a bias

### **F. CLIENT CONFIDENTIALITY**

The third party service providers/employees must maintain the confidentiality of documents /information shared for client companies/customers during the course of their engagement. Further, the third party service providers must refrain from engaging into any transaction which may lead to commercial advantage.

### **G. FUTURE ENGAGEMENTS**

The third party service providers should not engage into any business relationship with the client companies/customers of ATSL for which the third party service providers have provided their services in the course of their engagement for a period of six months from the expiry of their term/agreement with ATSL. However, in case any engagement is proposed to be undertaken with the client, prior approval of ATSL would need to be obtained.

### **EFFECTIVE DATE**

This Policy is effective from October 12, 2023 and supersedes all prior guidelines on the subject matter.



## **POLICY MONITORING AND REVIEW**

The policy will be monitored to assess the effectiveness and adherence of the Policy. Any required amendments will be applied and placed before the Board for review and approval.

This policy will be reviewed on an annual basis or as when material changes occur.

## Annexure-A

### **[Declaration on Conflict of Interest by Third Party Service Providers]**

1. We have read and understood the Conflict of Interest Policy of Axis Trustee Services Limited including the definition of 'Conflict of Interest' contained therein namely:

"**conflict of interest**" means any situation in which any third party service provider, or a representative has an actual or potential interest that may, in rendering their services to client company (ies)/ ATSL:

(a) Influence the objective performance of his, her or its obligations to that client company(ies)/ ATSL; or

(b) Prevent the third party service provider or representative from rendering an unbiased and fair service to that client company/ATSL, or from acting in the interests of that client company/ATSL, including but not limited to-

(i) a financial interest;

(ii) an ownership interest; and/or

(iii) any continuing relationship with client company or past relationship for a period of three years prior to engagement by ATSL.

2. We warrant that no conflict of interest (actual, potential or perceived) exists on our part with regard to the services to be performed as per the terms of engagement/ service agreement.
3. We agree to comply with the conflict of interest policy of ATSL.
4. We shall avoid situations that might cause, or be perceived to cause, a loss of independence or objectivity. Independence and objectivity must be maintained so that ATSL maintains the benefit of work and opinions unaffected by any potential conflict of interest.
5. In the event of entering any transaction/ engagements that may give rise to any potential conflict of interest during the term of engagement, we shall immediately disclose the same in writing at the earliest reasonable opportunity to the Compliance Officer of ATSL by providing complete details of client company(ies)/ customer(s), the nature of any relationship or arrangement with a client company that gives rise to a conflict of interest, provide details of the client company(ies)/ customer(s) to enable the Compliance Officer to understand the exact nature of the relationship or arrangement and the conflict of interest.
6. We shall not engage into any business relationship with the client companies/customers of ATSL for which we have provided our services in the course of their engagement for a period of six months from the expiry of their term/agreement with ATSL. However, in case any engagement is proposed to be undertaken with the client, prior approval of ATSL would need to be obtained.

Signature:

Name of the officer/authorized representative/partner:

Name of the Company/Firm:

Date:

Place:

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