



Axis Bank Limited

Anti-Bribery and Anti-Corruption Policy

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I. Introduction

Axis Bank 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 Bank prohibits offering, promising, giving or authorizing others to give anything in excess of a certain value defined in Bank'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 policy are mandatory. If a local law or a business unit imposes stricter requirements than those described in Anti-bribery & anti-corruption policy, then the more stringent of the two shall need to be adhered to. The Anti-Bribery and Anti-Corruption laws in some of the significant geographies where Bank operates are as follows:

- Prevention of Corruption (Amendment) Act, 2018 (India)
- UK Bribery Act 2010 (United Kingdom)
- Prevention of Corruption Act, Singapore

Non-Compliance with above laws is a serious criminal and civil offence and can result in the imposition of heavy fines and/or criminal prosecution and severe reputational damage. Hence, Bank employees, joint ventures and their third Parties (like DSAs, Collection agents, and others) and suppliers are required to fully comply with the requirements of this policy.

II. Applicability of Anti-Bribery and Anti-Corruption Policy

Anti-bribery and Anti-corruption policy, is applicable to all officials of the bank, joint ventures, external and internal stakeholders working with or on behalf of the bank including across jurisdictions including but not limited to the following:

- Employees: All Axis Bank board members, officers, directors and employees (including permanent, temporary, casual / contract workers, interns, and trainees) at all grades and levels, centers and jurisdictions. The officials located at overseas locations will also be covered under this policy.
- DSAs: All agents acting on behalf of the bank across counter, over phone, via internet or any other method or channel.
- Collection Agents: All agents acting on behalf of the bank pursuing payments of debts owed by individuals or businesses.
- Vendors: All material and service providers to the Bank.
- Customers: All current or prospective clients / customers of the Bank.
- Others: Any other stakeholder working on behalf of the Bank not included in the above like Third party agents, intermediaries, professional consultants etc.

III. Responsibility

The Chief Ethics Officer with the Chief of Internal Vigilance will be responsible for building and monitoring a strong compliance culture at Axis bank and will have the following responsibilities:

- To implement effective compliance practices to support adherence of the anti-bribery and anti-corruption policy.
- Review any incidents / transactions having a potential integrity conflict and brought to his / her notice and take decisions in best interests of the Bank w.r.t
 - Donations
 - Third party hiring
 - Conflict of Interest
 - Bribery to Government officials or Commercial organisation
 - Private to private sector
- Monitoring, reviewing and maintaining documentation for gifts received / offered by Axis bank employees.
- To ensure that the regular training sessions (classrooms or webinars) and communication of this document has been done throughout the Bank including overseas offices.
- Refer cases of bribery or potential bribery to the Vigilance Department for investigation.

a. Employee responsibility:

Compliance with provisions of anti-bribery and anti-corruption policy is expected from all employees of the bank as under:

- Read and understand the anti-bribery and anti-corruption policy and must ensure compliance with the terms and conditions mentioned in the anti-bribery and anti-corruption policy.
- Participate in and complete the anti-bribery and anti-corruption training that is provided by the Company 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 Bank 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.
- Declare to the Chief Ethics Officer all gifts or hospitality accepted or offered in conjunction with the Gift Policy
- Be mindful of red flags before on-boarding and while dealing with third party intermediaries. If any employee suspects that any of Axis Bank's third parties may be giving or receiving improper payments, they are required to report this to the Chief Ethics Officer.
- 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 the bank and provide information in a timely manner.
- Report any violation of Axis Bank's ABAC policy or instances of bribery / corruption noticed to their Supervisor / reporting manager/ Chief Ethics Officer immediately.

b. Third Parties – Vendors and Suppliers responsibility:

The Bank prohibits bribery in any form to or from any person. Accordingly, the Bank has certain expectations from its third parties (including DSAs, Collection agents, service providers and others) with respect to Anti-Bribery and Anti-Corruption policy. Following are

the duties of the third-party intermediaries (including DSAs, Collection agents, service providers and others):

- Must ensure that they have read and understood the anti-bribery and anti-corruption policy of the bank and, must at all times comply with the terms and conditions of this policy.
- Disclose true and fair information to Axis bank for due diligence conducted at time of on-boarding.
- Not to 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 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 on Bank's behalf.
- Report any conflict of interest with any Axis Bank employee.
- Must provide declaration to the Code of conduct 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 Bank and provide information in a timely manner.
- Participate in the anti-bribery and anti-corruption training that is provided by the bank from time to time.

IV. Actions / Behaviour 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
- The person / entity at the receiving end is a Government official / Government Department. (Refer definition of Government official in this section)
- The person / entity at the receiving end is an employee in commercial organisation / commercial organisation. (Refer definition of Commercial organisation in this Section)
- 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 the Bank and must not obtain any unfair advantages based on any relationship with an existing or prospective client or government/public official or employee.

Further, hiring of relatives in the Bank will be discouraged. As there is a potential conflict of interest and governance issue around pre-existing relationships, the bank 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.

The Bank 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 official; or
- Who has been referred to Axis Bank directly or indirectly by an existing or prospective client or Government/Public official

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 the Bank's borrowers, contractors, consultants and vendors).

All such referrals must be brought to the notice of the HR/ Department Head / Chief Ethics Officer and taken ahead subject to his approval basis actual or perceived quid pro quo arrangement associated, if any.

b. Business dealings with Third Parties (Including vendors, DSAs, collection agents etc.)

Third party intermediaries who work on behalf of Axis Bank are considered as an extension of Axis Bank and any unlawful act committed by them may have adverse consequences for Axis Bank.

Thus, we should take appropriate steps to demonstrate that adequate measures were in place to identify and / or prevent the Third parties like DSAs, collection agents, or suppliers etc. from indulging in any unlawful activity.

(Refer to "Vendor Risk Policy and Policy on Financial Services Outsourcing" as uploaded in myConnect)

c. 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"). While the same may be allowed by law in certain jurisdictions, however the Bank prohibits making or accepting, facilitation payments of any kind.

d. 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 "Policy of Local Travel and car hire" as uploaded in myConnect)

e. Business Gifts

Business Gifts include gift, hospitality, entertainment or other benefits from persons or companies with whom the Bank does or may do business or compete with. It means anything of value, including but not limited to meals, accommodation, loans, cash, favorable terms or discounts on any product or service, services, equipment, products,

transportation, use of vehicles, vacation or other facilities, securities, home improvements, tickets, gift certificates, gift cards, discount cards, memberships or consulting relationships. While as an organization, we do not encourage or solicit gifts or entertainment from any persons or entities, employees are not, in any case, permitted to accept or provide business gift as defined hereinabove in any form or amount that has a market value exceeding Rs. 10,000 or USD 100 or its equivalent from or to any entity that does or seeks to do business with the bank or competes with the bank. Any doubts in this regard should be clarified with the Chief Ethics officer.

(Refer to the "Business Gift Policy" as uploaded in myConnect)

f. Charitable Donations

Charitable donations include donations of money or in-kind donations of goods or services by the Bank, 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; and
- Properly documented

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

(Refer to "Bank's Code of Conduct & ethics" as uploaded in myConnect)

g. Political Contributions

We should not take an active part in politics anywhere even outside the Bank and shall not involve other employees, clients, suppliers, vendors or any other party with whom the company does business.

We should not made political contributions on behalf of the Bank 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 the Bank.

V. Definitions

a. Bribery

Bribery is defined as:

- Offering, paying, promising, giving or authorizing others to give; or requesting, accepting, obtaining, accepting to obtain, agreeing to receive,
- to any person or entity either directly or indirectly (may be of a government or commercial organisation as defined)
- to improperly influence his / her act or decision
- in order to obtain or retain business or to obtain an improper business advantage

Bribery includes not only direct payments, but also authorising or permitting a third party to commit any of the acts or take any part in the actions.

Where an offence is committed by a commercial organisation and such offence is proved in the court to have been committed with the consent or connivance of any director / manager / secretary or other officer shall be of the commercial organization, such director / manager / secretary or other officer shall be guilty of the offence as defined under The Prevention of Corruption (Amendment) Act, 2018.

b. Undue advantage

'Undue advantage' means any gratification whatever, other than legal remuneration.

- The word "gratification" is not limited to pecuniary gratifications or to gratifications estimable in money
- The expression "legal remuneration" is not restricted to remuneration paid to a public servant, but includes all remuneration which an employee is permitted by the the bank, to receive

'Undue advantage' may also include cash, cash equivalents (such as gift cards), items such as jewellery, mobile phones, i-pads, excessive business promotional activities, meals, entertainment of any kind (such as tickets to sporting events). Offers of employment and personal favours or other advantages are some more examples of the many types of things that would qualify as 'undue advantage'.

Refer Annexure A for the examples of bribery and for exceptions, if any for charitable donations and political contributions.

c. Government official

The term "Government official" should be understood broadly. It includes:

- An official or employee of Government at any level (national, state or local) and in any branch of government (executive, legislative, or judicial) (such as a customs official, official of Municipal Corporation, an inspector from a health or environmental agency, or a tax official etc.)
- A director, officer, or employee (irrespective of position or level) of a company or entity owned or controlled by the Government (such as an employee in the procurement department of a state-owned construction company, public utilities, an employee at a state-owned hospital or school, a journalist at a state-owned media company)
- Any official or employee of a public international organisation (such as the World Bank or International Monetary Fund)
- A candidate for a public office
- An official or employee of a political party, and a political party itself
- Relatives of the above
- Anyone acting on behalf of the above, such as advisors or lobbyists

In case of any doubts as to who qualifies as a Government official or foreign official, assume he/she is a government / foreign official and act accordingly.

For the purposes of the bank, all officials of the bank are deemed to be Government officials under Prevention of Corruption (Amendment) Act, 2018.

d. Commercial Organisation

Relevant "commercial organisation" means

- A body which is incorporated in India and which carries on a business, whether in India or outside India;
- Any other body which is incorporated outside India and which carries on a business, or part of a business, in any part of India;
- A partnership firm or any association of persons formed in India and which carries on a business whether in India or outside India; or
- Any other partnership or association of persons which is formed outside India and which carries on a business, or part of a business, in any part of India;

"Business" includes a trade, profession, or providing service.

A person is said to be associated with the commercial organisation, if such person performs services for or on behalf of the commercial organisation.

e. Conflict of interest

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. Further, 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.

VI. Training, Certification and Communication

Compliance Certification and Training

- The Bank requires all employees to complete anti-corruption compliance training when they join the Bank, and all employees in senior management, sales, procurement, government or regulatory relations, legal or other functions identified by the Chief Ethics Officer are required to undergo training once a year.
- Chief Ethics Officer may also require other employees to participate in supplementary training from time to time.
- For active third-party intermediaries, DSAs and suppliers, the Bank shall conduct periodic trainings as per their risk profile but atleast once in two years.

VII. Record Keeping and Internal Controls

- All employees must provide accurate and complete information relating to gifts, hospitality, travel and entertainment claims etc., together with approvals for recording in the books of accounts. All transactions must be recorded in Axis Bank's books/ records and all transactions must be classified in accounts appropriately according to their nature.
- All books and records along with the supporting documentation w.r.t. the transactions covered under the policy must be maintained in line with the laid down guidelines.

VIII. Reporting violations and Monitoring

a. Reporting:

- i. It is the duty of all those covered under anti-bribery and anti-corruption policy to comply with this policy 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 Chief Ethics Officer.
- ii. 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.
- iii. The Bank takes all potential violations of this policy and applicable anti-corruption laws seriously. Thus, all allegations will be kept confidential and proper investigation will be conducted as directed by the Chief Ethics officer.
- iv. A quarterly report on the findings under this Policy will be submitted to the Audit Committee of the Board for information by the Chief Ethics Officer.
- v. If any question arises as to the application or interpretation of any of these regulations, it shall be referred to the Chief Ethics Officer for a decision in the matter.

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

- i. Failure to comply with this policy or any misrepresentation, violation may be grounds for disciplinary action to be initiated by the Bank, as considered appropriate, including termination of employees as per Axis bank code of conduct & Ethics. In respect of vendors, in addition to termination of services, penalties may be applied. Non-awareness of this policy shall not be an excuse for misrepresentation.
- ii. 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 Policy or an anti-corruption/anti-bribery law. Such cases will be referred by the bank to the law enforcement agencies and no support will be rendered by the bank to the concerned employee or vendor.
- iii. In case of violations of this policy, the Chief Ethics Officer shall take appropriate steps such as:
 - a) Assigning an Investigation Team / Committee
 - b) Conducting an Investigation
 - c) Disciplinary Actions and Penalties

c. Monitoring

The Chief Ethics Officer, Chief of Internal Vigilance and Chief Audit Executive will be responsible for review of compliance of this document on an on-going basis through virtual surprise tests, filling detailed questionnaires by Employees, DSAs and Suppliers. Further, periodic independent reviews of documentation of third parties such as DSAs and suppliers may be conducted as part of monitoring. Regular revisions to Anti-bribery and anti-corruption policy shall be ensured as and when required by any statute or by any change in internal policies of the Bank, which have a direct impact on this policy.

Exceptions to the anti-bribery and anti-corruption policy

There are no exceptions to anti-bribery and anti-corruption policy. However, in case a payment is done where Axis Bank / any employee / associate faces situations of threat to health or safety, the incident must be brought to the notice of the Chief Ethics Officer as soon as it is safe to do so but no later than 15 days.

IX. Annexures

Annexure A: Examples of bribery

1) **Offering a bribe**

Amar, an employee of Axis Bank, offers a potential client, tickets to a major sporting event, only if they agree to do business with the Bank. 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 official 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

1) 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 Bank's image, and present the products and services of the Bank.

2) 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.

3) 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 Chief Ethics Officer.

4) 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 Chief Ethics Officer.

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 Chief Ethics Officer. Examples of potential red flags for third parties include:

1) Working or on-boarding a third party recommended by a Government official.

- 2) The Third party working on behalf of the Bank is associated with relatives or close associates of a Government official, or it refuses to disclose its ownership structure.
- 3) The Third party lacks relevant experience or relies primarily on political contacts.
- 4) The Third party has requested for fees that is significantly above the market rate for comparable work.
- 5) The Third Party insists on receiving a commission or fee payment before signing the contract
- 6) The Third party requests for payment to be made to another person not involved in the work, to an offshore bank account, or through another unusual arrangement or in cash or requests for no records of the payment to be made.
- 7) The Third party refuses to agree to anti-corruption contractual provisions.
- 8) There are news reports, past convictions, or allegations or rumours relating to payment of bribes being made by the third party.
- 9) The Third Party demands lavish hospitality or gifts before commencing or continuing contractual negotiations or provision of services
- 10) The Third Party requests for employment to be provided to a friend or relative.
- 11) 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.
- 12) 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 Bank.

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