



## CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS

### A. CODE OF CONDUCT FOR DIRECTORS

The code of conduct for the Board of Directors of Axis Capital Limited ("Axis Capital") is laid down with an aim to ensure transparency and high ethical standards in managing the affairs of Axis Capital. This code of conduct would be applicable to all the Board Members of Axis Capital and would be observed by the Members of the Board while carrying out the fiduciary duties conferred upon them by the statute. Every Board Member shall adhere to the Code of Conduct and the Norms prescribed for monitoring and management of the conflict of interest.

1. Every Board Member shall act in accordance with the highest standards of personal and professional integrity, honesty, with diligence and responsiveness, excellence in quality and ethical conduct;
2. The Members of the Board shall always act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
3. A Board Member shall not make any statement which has the effect of an adverse criticism of any policy or action of Axis Capital or which is capable of embarrassing the relations between Axis Capital and the general public/government/regulators and the stakeholders.
4. Board Members shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of the business of Axis Capital.

#### Do's

- Attend the Board Meetings regularly and effectively.
- Study the Board papers thoroughly and use the good offices of the Chief Executive for eliciting any information at the Board meeting.
- Involve yourself as Director on the Board thoroughly in the matter of formulation of general policy and also ensure that performance of Axis Capital is monitored adequately at Board levels.
- Be familiar with the broad objective of Axis Capital and the policies laid down by the Government and SEBI.
- Contribute through constructive ideas for the better management of Axis Capital and thereby making valuable contribution to Axis Capital.
- You must work as a team and not sponsor or be prejudiced against individual proposals. The management on its part is supposed to furnish full facts and complete papers in advance.



- Analyze and understand the trends of economy, assist in the discharge of management's responsibility to public and formulation of measures to improve customer service and be generally of constructive assistance to Axis Capital management.

#### **Don'ts**

- Do not send any instruction to any individual officer of Axis Capital or give direction to individual officer in any matter. Do not encourage the individual employee or unions approaching you in any matter.
- Do not involve yourself in any matter relating to personnel administration - whether it is appointment, transfer, posting, promotion or redressal of individual grievances of any employee.
- Do not interfere in the day-to-day functioning of Axis Capital.
- Do not participate in the Board discussion, if a proposal in which you are directly or indirectly interested comes up for discussion. Disclose your interest well in advance to the Chairman.
- Do not reveal any information relating to any constituent of Axis Capital to anyone as you are under oath of secrecy and fidelity.
- Directors should not directly call for papers/files/notes recorded by various departments for scrutiny etc. In respect of agenda items to be discussed in the meetings, all information/clarification that they may require for taking a decision will be made available by the executive.
- Directors are expected to ensure confidentiality of Axis Capital's agenda papers/notes.

#### **B. CONFLICT OF INTEREST NORMS**

A conflict of interest exists when a person with a fiduciary responsibility is in a situation where his /her own self-interest and the interests of the organization might be in conflict. Conflict of Interest vis a vis the Board of Directors of Axis Capital may be defined as a transaction or relationship or situation that presents or may present an existing or perceived conflict between a Board Member's obligations to Axis Capital and their personal, business or other interests.

Measures for monitoring and management of any situation of conflict of interest are as follows:

1. Board Members are expected to make a full and complete disclosure of any actual/potential conflicts of interest to Axis Capital on periodic basis. New Members are required to disclose all actual or potential conflict of interest before commencement of their directorship.
2. Board Members would regularly update the Board of the directorship/membership/partnership/shareholding in closely held companies/substantial shareholding in a listed company or any other association with any institution/company/trust/firm or any other entity.



3. All conflicts of interest are not necessarily prohibited or harmful to Axis Capital. However, full disclosure of all actual and potential conflicts, determination by the disinterested Board members, with the interested Board member(s) recusing themselves from participating in deliberations and voting on the matter is required.
4. If the Board of Directors of Axis Capital has reason to believe or has knowledge of any development that may give rise to a situation of conflict of interest vis a vis any Board Member, it may advise the concerned Board Member (s) to give a declaration in writing, clarifying the situation of conflict of interest, if any.
5. The Board of Directors of Axis Capital may post facto ratify an inadvertent non-disclosure of the conflict of interest by any Board Member. The fact of any such ratification and the reason for non-disclosure would be duly examined.
6. Any conscious and deliberate (not inadvertent) non-disclosure of conflict of interest by any Board Member would be treated as misconduct and the Board of Directors may decide on an appropriate penal action for the same.
7. If a conflict of interest is significant, ongoing and irreconcilable and if it impedes the ability of a Board Member to carry out the assigned roles and responsibilities, the Board may recommend reassigning of the allocated function.
8. Board Members would maintain the confidentiality of information obtained by virtue of their directorship in Axis Capital and would not allow the use of such information for direct or indirect personal gains.

## **C. ROLE AND DUTIES OF INDEPENDENT DIRECTORS**

### **I. Role and functions:** The Independent Directors shall:

1. Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. Bring an objective view in the evaluation of the performance of Board and Management;
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Satisfy themselves on the integrity of financial information and that the financial controls and the systems of risk management are robust and defensible;
5. Safeguard the interests of all stakeholders, particularly the minority Shareholders;
6. Balance the conflicting interest of the stakeholders;

7. Determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management;
8. Moderate and arbitrate in the interest of Axis Capital as a whole, in situations of conflict between Management and Shareholder's interest.

**II. Duties :**The Independent Directors shall :

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with Axis Capital and external environment in which it operates;
2. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of Axis Capital;
3. Participate constructively and actively in the Committees of the Board in which they are Chairpersons or Members;
4. In case of concerns about the running of Axis Capital or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
5. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of Axis Capital;
6. Ascertain and ensure that Axis Capital has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
7. Acting within his/her authority, assist in protecting the legitimate interests of Axis Capital, Shareholders and its Employees;

**III. Manner of appointment, re-appointment and resignation of Independent Directors**

The manner of appointment, re-appointment and resignation shall be on the same terms as provided under the Companies Act, 2013

**IV. Separate Meetings:**

1. At least one meeting in year, meet without the attendance of non-independent directors and members of management.
2. Review the performance of non-independent Directors and the Board as a whole.
3. Review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive Directors.



4. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and responsibly perform their duties.

**V. Evaluation Mechanism:**

The performance evaluation of independent Directors shall be done by the entire Board of Directors excluding the director being evaluated.