



LIFE INSURANCE CORPORATION OF INDIA
'YOGAKHEMA', JEEVAN BIMA MARG, MUMBAI 400021

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

July 2021

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VISION OF LIC

A trans-nationally competitive financial conglomerate of significance to societies and Pride of India.

MISSION OF LIC

Ensure and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development.

OBJECTIVES OF LIC

- Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost.
- Maximize mobilization of people's savings by making insurance-linked savings adequately attractive.
- Bear in mind, in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of the investors as well as the community as a whole, keeping in view national priorities and obligations of attractive return.
- Conduct business with utmost economy and with the full realization that the moneys belong to the policyholders.
- Act as trustees of the insured public in their individual and collective capacities.
- Meet the various life insurance needs of the community that would arise in the changing social and economic environment.
- Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy.
- Promote amongst all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of Corporate Objective.

1. INTRODUCTION

- This Code of Conduct (hereinafter referred to as “**Code**”) is applicable to the Directors and Senior Management of Life Insurance Corporation of India and its unlisted subsidiaries.
- It reflects the Corporation’s underlying ethical values and commitment to lay standards of integrity, transparency, fairness, accountability and pursuit for excellence.
- The purpose of this Code is to enhance the ethical and transparent process in managing the affairs of the Corporation, and thus to sustain the trust reposed in the Management by the stakeholders and business partners.

Compliance to this Code shall ensure:

- (i) Honest and ethical conduct
- (ii) Maintain a working atmosphere in which the integrity and dignity of each individual is appreciated and endorsed
- (iii) Commitment to proper use of the Corporation’s assets
- (iv) Compliance with laws of the land and applicable rules and regulations of the Corporation

Directors and Senior Management are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.

- It shall come into force with effect from the date when approved by the Board of the Corporation.
- The principles prescribed in this Code are general in nature and lay down broad standards of compliance to Department of Public Enterprises Guidelines on Corporate Governance, the Life Insurance Corporation of India Act, 1956 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Corporation currently has in place the Life Insurance Corporation of India (Staff) Rules, 1960 as amended from time to time, which governs the conduct of all employees of the Corporation including Whole-time Directors. The Staff Rules provide for good conduct and discipline as well as provides for penalties in the case of violations and the appeal mechanism. In case of Whole-time Directors and the Senior Management, this Code is applicable in addition to the Staff Rules of the Corporation.

2. DEFINITIONS AND INTERPRETATIONS

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

“**Companies Act**” shall mean the Companies Act, 2013 and the rules framed thereunder, each as amended from time to time.

“**Corporation**” shall mean the Life Insurance Corporation of India.

“**Director**” shall mean a director appointed or nominated or deemed as such under Section 4 of Life Insurance Corporation of India Act, 1956.

“**Independent Directors**” shall mean the Directors appointed under Section 4 (2) (g) of the Life Insurance Corporation of India Act, 1956.

“**LIC Act, 1956**” shall mean the Life Insurance Corporation of India Act, 1956 as amended from time to time..

“**LODR Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Relative**” shall mean ‘relative’ as defined under Section 2(77) of the Companies Act read with The Companies (Specification of definitions details) Rules, 2014, as reproduced in Appendix-III hereto.

“**Senior Management**” shall mean officers/personnel of LIC of India who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole Time Directors, i.e., all officials in the cadre of ZM (s), all Zonal Managers-in-charge of zones and officials independently heading functions of the Corporation and shall specifically include Company Secretary and Chief Financial Officer.

“**Staff Rules**” shall mean the Life Insurance Corporation of India (Staff) Rules, 1960 as amended from time to time.

“**Whole-time Directors**” shall mean the Directors who are in whole-time employment of the Corporation.

In this Code, words importing masculine gender shall include feminine gender and words importing singular shall include plural or vice versa.

3. APPLICABILITY

1. This Code shall be applicable to the following persons:
 - a. All Whole-time Directors including the Chief Executive & Managing Director of the Corporation.
 - b. All Non-Executive Directors including Independent Directors under the provisions of law.
 - c. Senior Management
2. Unless, the Board of Directors of the Corporation approves, no waiver of any of the provisions of this code shall be given
3. All Directors and Senior Management shall sign the acknowledgment form at **Appendix-I** and return the form to the Company Secretary and Executive Director (Personnel) respectively, indicating that they have received, read and understood the provisions of the Code, and agree to comply with the same. All Directors and Senior Management shall be required to affirm compliance with this Code on an annual basis, within 30 days of close

of every financial year to the Company Secretary and Executive Director (Personnel) respectively, in the form annexed at **Appendix-II**.

4. EXPECTED BEHAVIOUR

The Directors and Senior Management shall act within the authority conferred upon them in the best interests of the Corporation and will:

- a. Act in the best interest of, and fulfill their fiduciary obligations to the Corporation and its shareholders.
- b. Act honestly, fairly, ethically and with integrity.
- c. Be fair and take action not to discriminate on the basis of race, sex, religion, caste, age, disability, national origins or any other factor.
- d. Acquire and maintain professional competence to be Excellent.
- e. Conduct themselves in professional, courteous and respectful manner and not take undue advantage of their position.
- f. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated.
- g. Use their prudent judgment to avoid all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Corporation.
- h. Not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the Corporation declines to pursue such opportunity for its business interest(s).
- i. Avoid conducting business on behalf of the Corporation except with the prior approval of the Board; with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he along with his relative holds more than two per cent of its paid-up share capital; and (d) with a firm in which he or his relative is a partner.
- j. Not hold any positions or jobs or engage in outside businesses or other interests that are prejudicial to the interests of the Corporation.
- k. Disclose and avoid having any personal and/or financial interest in any business dealings concerning the Corporation. Inform the Board, at the earliest opportunity, any existing or potential conflict of interest situation.
- l. Avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Corporation.

It is clarified that it would not be a conflict of interest for the Directors & Senior Management of the Corporation or members of their immediate family to have dealings in normal course with and to obtain services from persons or entities who also deal/provide services to the Corporation, including legal, accounting or brokerage services, loans & services from banks or insurance from insurance companies etc., at rates customary for similarly situated customers.



5. OTHER DIRECTORSHIPS

Unless specifically permitted by the Board, the Directors shall not serve as Director of any other Corporation or as Partner of a firm that is engaged in a competing business with the Corporation. This clause is not applicable to Ex-officio Government Nominee Directors.

Directors shall ensure not to incur disqualification as provided under LIC Act, 1956.

Senior Management shall obtain prior approval of the Chief Executive for accepting Directorship of any other Company or partnership of a firm.

6. CONTRIBUTION TO POLITICAL PARTIES OR GIFTS AND DONATIONS

Prior approval of the Board of Directors of the Corporation is compulsory for use of corporate funds, credit, property or services, directly or indirectly, to support any political party or candidate for public office.

The Directors and the Senior Management shall neither receive nor offer or make, directly or indirectly, any gifts, donations or comparable benefits which are intended to or perceived to obtain undue favors in the transactions detrimental to the interest of the Corporation, except for nominal value, which are customarily given and are of commemorative nature for special events and should never be of a kind that could create an appearance of impropriety.

7. PUBLIC REPRESENTATION

The Corporation honors the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing information in relation to the Corporation's activities to public constituencies such as the media, the financial community, employees and shareholders, the Corporation or its subsidiaries shall be represented only by specifically authorized Directors and employees. It will be the sole responsibility of these authorized representatives to disclose Corporation related information, subject to restrictions on disclosing unpublished Price Sensitive Information

8. INSIDER TRADING

The Directors and Senior Management shall comply with the Code of Internal Procedures and Conduct in dealing with the securities of the Corporation as applicable from time to time.

9. CONFIDENTIALITY OF INFORMATION

Any information concerning the Corporation's business, its customers, suppliers, etc. to which the Directors and Senior Management have access or which is possessed by the Directors and Senior Management, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless

(i) Specifically authorized; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.

10. COMPLIANCE TO LAWS AND REGULATIONS

Every Director and Senior Management shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

11. PROTECTION OF ASSETS

The Directors and Senior Management of the Corporation shall employ the assets of the Corporation and for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment, facilities, resources as well as intangible assets such as proprietary information, relationships with customers, etc.

13. AMENDMENTS TO THE CODE

The provisions of this Code can be amended/ modified by the Board of Directors of the Corporation from time to time in line with any changes in law, changes in Corporation's philosophy, vision, business plans or otherwise and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management shall be duly informed of such amendments and modifications.

14. ENFORCEMENT OF CODE OF CONDUCT

All Directors and Senior Management shall be accountable for fully complying with this Code.

15. ADDITIONAL REQUIREMENT FOR INDEPENDENT DIRECTORS

In addition to the compliance of this Code, Independent Directors are also required to adhere to the Code of Conduct (in line with Schedule-IV of the Companies Act) meant for Independent Directors of the Corporation. Independent Directors' duties are annexed to this policy (Appendix- IV).

16. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE

- a. In case of breach of this Code by the Directors, the same shall be dealt with by the Board of Directors of the Corporation for initiating appropriate action, as deemed necessary.
- b. In case of breach of this Code by the Senior Management, the same shall be dealt with by Chief Executive in accordance with the Staff Rules of the Corporation.



APPENDIX-I

**LIFE INSURANCE CORPORATION OF INDIA
CODE OF CONDUCT
FOR
DIRECTORS AND SENIOR MANAGEMENT**

ACKNOWLEDGEMENT FORM

I (Name & Designation) of
LIC of India have received and read the Corporation's "CODE OF CONDUCT FOR
DIRECTORS AND SENIOR MANAGEMENT and I agree to comply with this Code.

Place:

Signature:

Date:

Name:

Designation:



APPENDIX-II

LIFE INSURANCE CORPORATION OF INDIA

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

ANNUAL COMPLIANCE REPORT*

**To,
The Board of Directors,
LIC of India,
Yogakshema,
Jeevan Bima Marg,
Mumbai - 400021**

Dear Sir,

**In compliance with the provisions of Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I,
..... (Name & Designation) of LIC of India do hereby affirm compliance with the General Code of Conduct and Ethics formulated by the Board of LIC of India for its Directors and Senior Management.**

Place:

Signature:

Date:

Name:

Designation:

***To be submitted by 30th April each year**

**APPENDIX-III
LIFE INSURANCE CORPORATION OF INDIA
CODE OF CONDUCT
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DIRECTORS AND SENIOR MANAGEMENT**

EXTRACT OF SECTION 2(77) OF THE COMPANIES ACT AND RULES THEREUNDER

Meaning of “relative”

“relative”, with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family;***
- (ii) they are husband and wife; or***
- (iii) one person is related to the other in such manner as may be prescribed;***

The Companies (Specification of definitions details) Rules, 2014-para 4 prescribed as under:

List of relatives in terms of clause (77) of section 2.- A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) Father: provided that the term “Father” includes step-father.***
- (2) Mother: Provided that the term “Mother” includes the step-mother.***
- (3) Son: Provided that the term “Son” includes the step-son.***
- (4) Son’s wife.***
- (5) Daughter.***
- (6) Daughter’s husband.***
- (7) Brother: Provided that the term “Brother” includes the step-brother;***
- (8) Sister: Provided that the term “Sister” includes the step-sister.***

APPENDIX-IV
LIFE INSURANCE CORPORATION OF INDIA
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DIRECTORS AND SENIOR MANAGEMENT

Duties of the Independent directors as per Schedule IV to the Companies Act
(Framed under Regulation 17(5) (a) and (b) of LODR Regulations

- 1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Corporation;
- 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 the Corporation;
- 3) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) Strive to attend the general meetings of the Corporation;
- 6) Where they have concerns about the running of the Corporation 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;
- 7) Keep themselves well informed about the Corporation and the external environment in which it operates;
- 8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) 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 the Corporation;
- 10) Ascertain and ensure that the Corporation 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;
- 11) Report concerns about unethical behaviour, actual or suspected fraud or violation of the Corporation's code of conduct or ethics policy;
- 12) Acting within his authority, assist in protecting the legitimate interests of the Corporation, shareholders and its employees;
- 13) Not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.