



Model Code of Conduct for all members of Board of Directors and Senior Management

In terms of Regulation 17(5) of the SEBI LODR, the board of directors shall lay down a Code of Conduct for all members of the Board of Directors and Senior Management of the listed entity. The same shall also be displayed on the Bank's website in compliance with Regulation 46(2)(d) of the SEBI LODR. In accordance with Regulation 26(3) of the SEBI LODR, all members of the Board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.

I. Need and objective of the code

In terms of Regulation 17(5) of the SEBI LODR, the Board of Directors shall lay down a Code of Conduct for all members of Board of Directors and Senior Management of the listed entity. Senior Management has been defined to include personnel who are members of its Senior Management and functional heads.

II. Bank's Belief System

This Code of Conduct attempts to set forth the guiding principles on which the Bank shall operate and conduct its daily business with its multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. It recognizes that the Bank is a trustee and custodian of public money and in order to fulfil its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of public at large.

The Bank acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour. The Bank shall be committed in all its actions to the interest of the countries in which it operates. The Bank is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations. The Bank shall continue to initiate policies, which are customer centric and which promote financial prudence.

III. Philosophy of the Code

The Code envisages and expects:

- Adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
- Full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Bank with government and regulatory agencies.
- Compliance with applicable laws, rules and regulations.



- To address misuse or misapplication of the Bank's assets and resources.
- The highest level of confidentiality and fair dealing within and outside the Bank.

A. General Standards of Conduct:

The Bank expects all Directors and members of the Senior Management to exercise good judgment, to ensure the interests, safety and welfare of customers, employees and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. The Directors and members of the Senior Management while discharging duties of their office must act honestly and with due diligence. They are expected to act with that amount of utmost care and prudence, which an ordinary person is expected to take in his/her own business.

These standards need to be applied while working in the premises of the Bank, at offsite locations where the business is being conducted whether in India or abroad, at Bank-sponsored business and social events, or at any other place where they act as representatives of the Bank.

B. Conflict of Interest:

A "conflict of interest" occurs when personal interest of any member of the Board of Directors and/ or of the Senior Management interferes or appears to interfere in any way with the interests of the Bank. Every member of the Board of Directors and Senior Management has a responsibility to the Bank, 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 Bank's interest such as –

1. **Employment/ Outside Employment** – The members of the Senior Management are expected to devote their total attention to the business interests of the Bank. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Bank or otherwise is in conflict with or prejudicial to the Bank.
2. **Business Interests** – If any member of the Board of Directors and Senior Management considers investing in securities issued by the Bank's customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Bank. Many factors including the size and nature of the investment; their ability to influence the Bank's decisions; their access to confidential information of the Bank or of the other entity and the nature of the relationship between the Bank and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Bank any interest that they have which may conflict with the business of the Bank.



3. **Related Parties** – The Directors and members of the Senior Management should avoid conducting or participating in the meetings of the board, in respect of any transaction involving his/her relative or any other person or any firm, company or Association in which the relative or other person is associated in any significant role. S/he should also inform the Board fully the extent and nature of the related party transaction.

For this purpose, relatives shall include:

- Member of HUF
- Spouse
- Father (including step-father)
- Mother (including step-mother)
- Son (including step-son)
- Son's wife
- Daughter (including step-daughter)
- Daughter's husband
- Brother (including step-brother)
- Sister (including step-sister)

As a general rule, the Directors and members of the Senior Management should avoid conducting Bank's business with a relative or any other person or any firm, Company, Association in which the relative or other person is associated in any significant role.

4. If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the appropriate authority. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.
5. 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.

C. Applicable Laws:

The Directors of the Bank and Senior Management must comply with applicable laws, regulations, rules and regulatory orders. They should report any inadvertent non-compliance, if detected subsequently, to the concerned authorities.

D. Disclosure Standards:

The Bank shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Government and Regulatory agencies. The members of Senior Management of the Bank shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Agencies, as may be required by applicable laws, rules and regulations.



E. Use of Bank's Assets and Resources:

Each member of the Board of Directors and the Senior Management has a duty to the Bank to advance its legitimate interests while dealing with the Bank's assets and resources. Members of the Board of Directors and Senior Management are prohibited from:

- Using corporate property, information or position for personal gain;
- Soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Bank's assets and resources;
- Acting on behalf of the Bank in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.

F. Confidentiality and Fair Dealings:

1. Bank's Confidential Information – The Bank's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Bank and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Board of Directors and the Senior Management by the Bank either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Bank. All confidential information must be used for Bank's business purposes only.

This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Bank's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which the Bank has rightfully received under non-disclosure agreements.

To further the Bank's business, confidential information may have to be disclosed to potential business partners. Such disclosure should be made after considering its potential benefits and risks. Care should be taken to divulge the most sensitive information, only after the said potential business partner has signed a confidentiality agreement with the Bank.

Any publication or publicly made statement that might be perceived or construed as attributable to the Bank, made outside the scope of any appropriate authority in the Bank, should include a disclaimer that the publication or statement represents the views of the specific author and not the bank.

2. Other Confidential Information – The Bank has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Bank to enter into a business relationship.



At other times, the Bank may request that a third party provide confidential information to permit the Bank to evaluate a potential business relationship with that party.

Therefore, special care must be taken by the Board of Directors and members of the Senior Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties.

The Bank requires that every Director and the member of Senior Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the members of Senior Management shall not accept any offer, payment promise to pay or authorization to pay any money, gift or anything of value from customers, suppliers, shareholders/ stakeholders, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud or opportunity for the commission of any fraud.

IV. Good Corporate Governance Practices

Each member of the Board of Directors and Senior Management of the Bank should adhere to the following so as to ensure compliance with good Corporate Governance practices:

(a) DO's:

- (i) Attend the Board meetings regularly and effectively.
- (ii) Study the Board papers thoroughly and use the good offices of the Chief Executive for eliciting any information at the Board meeting.
- (iii) Ask the Managing Director & CEO to furnish the Board papers and follow-up reports on definite time schedule.
- (iv) Involve as Director on the Board thoroughly in the matter of formulation of general policy and also ensure that performance of the Bank is monitored adequately at Board level.
- (v) Be familiar with the broad objectives of the Bank and the policy laid down by the Government and the Reserve Bank of India.
- (vi) Provide constructive ideas for better management of the Bank and for making valuable contribution.
- (vii) Work as a team and not sponsor or be prejudiced against individual proposals. Management on its part is supposed to furnish full facts and complete papers in advance.
- (viii) Try to give as much wisdom, guidance and knowledge as possible to the management/ Board of Directors;
- (ix) Ensure confidentiality of the Bank's agenda papers/ notes.
- (x) Try to analyse 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 the bank management.



Further, the Independent Directors shall abide by the duties of Independent Directors as laid down in the Companies Act, 2013.

(b) DON'T's*

- (i) Do not send any instruction to any individual officer of the bank or give direction to individual officer in any matter.
- (ii) Do not involve in any matter relating to personnel administration whether it is appointment/ sponsoring or transfer/ posting/ promotion/ redressal of individual grievances of any employee.
- (iii) Do not interfere in the day-to-day functioning of the Bank.
- (iv) Do not approach or influence for sanction of any kind of facility from an individual Branch manager or any other official.
- (v) Do not involve yourself in the routine of everyday business and in the management functions.
- (vi) 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 Chief Executive.
- (vii) Do not reveal any information relating to any constituent of the Bank to anyone as you are under oath of secrecy and fidelity.
- (viii) Do not call individual officers of the Bank or give directions to such officers on any matter.
- (ix) Do not encourage the individual employee or unions approaching in any matter.
- (x) Directors may indicate their Directorship of the Bank on visiting card or letter heads, but the logos or distinctive design of the Bank should not, however, be displayed on the visiting card/ letter head.
- (xi) Do 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 may be required for taking a decision will be made available by the executive/s.
- (xii) Do not sponsor any loan proposal, building and sites for Bank's premises, enlistment or empanelment of contractor, architects, doctors, lawyers etc.
- (xiii) Do not do anything which will interfere with and/or be subversive of maintenance of discipline, good conduct and integrity of the staff and interest of the Bank.

(*) Corporate Governance Practices under Para IV (b) "Don'ts", are not applicable to MD&CEO, EDs, and members of Senior management of the Bank.

V. WAIVERS

Any waiver of any provision of this Code of Conduct for a member of the Bank's Board of Directors or a member of the Senior Management must be approved in writing by the Board of Directors of the Bank.

The matters covered in this Code of Conduct are of the utmost importance to the Bank, its stakeholders and its business partners and are essential to the Bank's ability to conduct its business in accordance with its value system.