

Code of Conduct

Corporate Governance - Model code of Conduct

Project VIGEYE

The Government of India monitors the vigilance function and implements the anti corruption measures and maintenance of integrity and probity in public services viz. Central Government Departments and Public Sector Undertakings (PSUs) including Banks mainly through the Central Vigilance Commission (CVC). The Central Vigilance Commission was set up by the Government of India by its resolution dated 11.2.1964 in pursuance of the recommendation made by the Committee on Prevention of Corruption (popularly known as the Santhanam Committee). The Commission acts as the apex body for exercising general superintendence and control over vigilance matters in administration and probity in public life.

Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines rule of law, leads to violations of human rights and allows organized crime to flourish. Looking into the magnitude of corruption, a comprehensive and multidisciplinary approach is required to prevent and combat it effectively. Preventing corruption also requires an effort from all members of society at large. For these reasons, The United Nations Convention against Corruption also calls on countries to promote actively the involvement of civil society, and to raise public awareness of corruption.

Information about corruption, malpractices or misconduct on the part of public servants may come to the notice of authorities through complaints which are made with the objective of getting instantaneous redressal of complaints and, expose the wrongdoers. The Central Vigilance Commission, with a view to improving vigilance administration and giving a tool to the general public to air their grievances and taking their help in fighting the menace of corruption, has started Project VIGEYE.

Project VIGEYE (Vigilance Eye) is a citizen-centric initiative, wherein citizens join hands with the Central Vigilance Commission in fighting corruption. It is a platform through which vigilance information flows freely from common public to the commission, making it possible to provide easy access for sending sensitive information in complaints quickly. The Project VIGEYE should be given wide publicity to sensitize the members of public about corruption. Procedure for registration and lodging complaints by the citizens, on line in digital form through mobile phone and internet, on the VigEYE portal is given here in below.

Requirements for registering complaints through Mobile

1. **GPRS** facility enabled mobile phone.
2. Citizens having a suitable mobile (see the list of supported mobile phone models on http://www.vigeye.com/register_mobile_init.php) can lodge complaints through mobile phone, after downloading the mobile software.

How to Register for VigEYE application through Mobile

3. Send a **blank SMS** to **09223174440**.
4. A registration link will be received on your mobile (http://www.vigeye.com/register_mobile_init.php).
5. Click the link.
6. Enter name, address, mobile number, mobile model, email (optional).

7. System confirms the request and sends mobile application link, with login and password as SMS to mobile and email, if provided.
8. Download the application by clicking on the link received in the SMS.
9. Application automatically prompts for installation after download.
10. Permit the application to be installed on the mobile.

How to submit a complaint on mobile phone

11. Login with the user-id and password provided in the SMS earlier.
12. Lodge the complaint with Category, Complaint type, Organisation, Region in first screen.
13. Press **Next**.
14. Reference-Id will be displayed on the screen.
15. Uploading option is available for attaching Photo, Video, Audio, Notes with the complaint.
16. Press **Thanks** for submitting the complaint.
17. Login with registered mobile number and password to see the status of the complaints lodged.

How to Register for VigEYE application through Internet

18. Go to **www.vigeye.com** (can also reach this site through CVC website **www.cvc.nic.in**)
19. Under the tab "**WEB COMPLAINTS**", register by further clicking either the "Web Complaints System" or "Register Web" links appearing on the first two lines in the content of the page.
20. A "**Web User Registration**" Screen appears
21. Register with your complete details like Name, E-Mail, Address, Pin Code, State, Mobile Number and press **Submit**.
22. System sends user name and password at the email and an SMS provided during registration.

How to submit a complaint through Internet

23. Login using the provided username and password
24. Fill up the textual complaint in the web form. Upto 5 files may be uploaded with the complaint.
25. Complaint ID will be given by the system once complaint is lodged.
26. Login with registered user name and password to view the status of the complaint.

27. Please refer **VigEYE website (www.vigeye.com)** for any clarification/details.

2. Need and objective of the Code

Clause 49 of the Listing agreement entered into with the Stock Exchanges, requires, as part of Corporate Governance the listed entities to lay down a Code of Conduct for Directors on the Board of an entity and its Senior Management. The term "Senior Management" shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management, one level below the Executive Directors including all functional heads.

3. 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 fulfill 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 behavior. 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 endeavor 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.

4. 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.

General Standards of conduct :

The Bank expects all Directors and members of the Core Management to exercise good judgement, 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 Core 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 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.

Conflict of Interest :

A "conflict of interest" occurs when personal interest of any member of the Board of Directors and of the Core management interferes or appears to interfere in any way with the interests of the Bank. Every member of the Board of Directors and Core 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 :

Employment /Outside Employment - The members of the Core 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.

Business Interests - If any member of the Board of Directors and Core Management considers investment 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.

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• **Related Parties** - As a general rule, the Directors and members of the Core 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. Relatives shall include :

- Father
- Mother (including step mother)
- Son's Wife
- Daughter (including step daughter)
- Father's father
- Father's mother
- Mother's mother
- Mother's father
- Son's son
- Son's son's wife
- Son's daughter
- Son's daughter's husband
- Daughter's husband
- Daughter's son
- Daughter's son's wife
- Daughter's daughter
- Daughter's daughter's husband
- Brother (including step brother)
- Brother's wife
- Sister (including step sister)
- 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. 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.

C. Applicable Laws

The Directors of the Bank and Core 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 Core 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 Core 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 Core 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

(i) 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 each member of the Board of Directors and the core 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 information includes the safeguarding, securing and proper disposal of confidential information in accordance with the Bank's policy on maintaining and managing records. The obligation extends to confidential 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 disclosures 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.

(ii) 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 the party. Therefore, special care must be taken by the Board of Directors and members of the Core 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 Core Management, General Managers 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 members of Core 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.

1. Good Corporate Governance Practices

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

(a) Dos

- Attend Board meetings regularly and participate in the deliberations and discussions effectively.
- Study the Board papers thoroughly and enquire about follow-up reports on definite time schedule.
- Involve actively in the matter of formulation of general policies.
- Be familiar with the broad objectives of the Bank and policies laid down by the Government and the various laws and legislations.

- Ensure confidentiality of the Bank's agenda papers, notes and minutes.

(b) Don'ts

- Do not interfere in the day to day functioning of the Bank.
- Do not reveal any information relating to any constituent of the Bank to anyone.
- Do not display the logo / distinctive design of the Bank on their personal visiting cards / letter heads.
- Do not sponsor any proposal relating to loans, investments, buildings or sites for Bank's premises, enlistment or empanelment of contractors, architects, auditors, doctors, lawyers and other professionals etc.
- Do not do anything, which will interfere with and/ or be subversive of maintenance of discipline, good conduct and integrity of the staff.

2. 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 Core 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.