

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 the Bank is laid down with an aim to ensure transparency and high ethical standards in managing the affairs of the Bank. This code of conduct would be applicable to all the Board Members of the Bank 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. Every Board Member shall:

1. Act in accordance with the highest standards of personal and professional integrity, honesty, with diligence and responsiveness, excellence in quality and ethical conduct;
2. Act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
3. Not make any statement which has the effect of an adverse criticism of any policy or action of the Bank or which is capable of affecting the relations between the Bank and the general public/government/regulators and the stakeholders.
4. 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.

Do's

- Attend the Board Meetings regularly and effectively.
- Study the Board papers thoroughly and use the office of the Chief Executive for eliciting any information at the Board meeting.
- Be involved 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 levels.
- Be familiar with the broad objective of the Bank and the policy laid down by the Government and the Reserve Bank of India.
- Contribute through constructive ideas for the better management of the Bank and thereby making valuable contribution to the Bank.
- 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 the Bank management.

- Ensure confidentiality of the Bank's agenda papers/notes.

Don'ts

- Do not send any instruction to any individual officer of the Bank 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 or a promotion or a redressal of individual grievances of any employee.
- Do not interfere in the day-to-day functioning of the Bank.
- Do not approach or influence for sanction of any kind of facility from an individual branch manager or any other officer. Do not sponsor any loan proposal, building and sites for Bank's premises, enlistment or empanelment of contractors, architects, doctors, lawyers etc.
- 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 the Bank to anyone as you are under oath of secrecy and fidelity.
- 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 they may require for taking a decision will be made available by the executive.

B. CONFLICT OF INTEREST NORMS

A conflict of interest exists when a person with a fiduciary responsibility is in a situation where his own self-interest and the interests of the organization might be in conflict. Conflict of Interest vis a vis the Board of Directors of the Bank 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 the Bank and their personal, business or other interests.

- The Board Members should adopt the following measures for monitoring and management of any situation of conflict of interest:
 - Make a full and complete disclosure of any actual/ potential conflicts of interest to the Bank on periodic basis. New Members are required to disclose all actual or potential conflict of interest before commencement of their directorship.
 - 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.
- All conflicts of interest are not necessarily prohibited or harmful to the Bank. However, full disclosure of all actual and potential conflicts, a 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.

- If the Board of Directors of the Bank 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.
- Non-disclosure of conflict of interest by any Board Member would be treated as misconduct if the same is conscious and deliberate (not inadvertent) and the Board of Directors may decide on an appropriate penal action for the same. The Board of Directors of the Bank 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 minuted. 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.
- Maintain the confidentiality of information obtained by virtue of their directorship in the Bank and would not allow the use of such information for direct or indirect commercial gains.

C. ROLES AND DUTIES OF INDEPENDENT DIRECTORS

Roles and Duties of Independent Directors shall be as mentioned in the charter of the Board of Directors.