

CORPORATE POLICY MANUAL ON CONFLICT OF INTEREST, CONDUCT, CONFIDENTIAL & PROPRIETARY INFORMATION AND STAFF ACCOUNTABILITY

Kotak Mahindra Bank Ltd.

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Need for a Policy

Kotak Mahindra Bank Limited “the Company” and its subsidiaries and affiliate companies have an obligation to investors as well as to the public at large to make certain that their actions are above reproach and suspicion.

Since these actions are those of the individual or the officers of the Company, it is incumbent that these individuals act in the best interest of the Company.

Every employee of the Company owes a sense of loyalty to the Company by the fact that he/she has voluntarily accepted employment with the Company. This duty carries obligation that the employee refrains from placing himself/herself in a position that could produce a conflict between his self interest and the interest of the Company.

Scope

The policy applies to all employees of the Company, its subsidiaries & affiliate Companies.

Objectives

The objective of this policy is to outline certain broad, ethically sound principles and avenues of conduct that are to be used for guidance in situations where there may be a question of conflict of interest.

Definition

Definition of term used in the document:

- I. “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. in any of the following manner
 - a. Father (includes step-father)
 - b. Mother (includes step-mother)
 - c. Son (includes step-son)
 - d. Son’s Wife
 - e. Daughter
 - f. Daughter’s husband
 - g. Brother (includes step-brother)
 - h. Sister (includes step-sister)

Responsibility

Employees must comply with all applicable laws, rules, regulations and guidelines prescribed by any statutory and regulatory authorities as well as the internal policies and directives of the Company.

Division Heads, Unit Heads and designated persons are responsible for implementing, maintaining and enforcing these policies and procedures in their respective Divisions and Units. Head HR/Head ER will be responsible for interpretation of all provisions enunciated in the document.

Conflict of Interest

A “Conflict of interest” can better be defined as “Outside Interest”. Such outside interest can be of two broad types: (a) Financial e.g. of self or Relative as owner, stockholder or creditor or, (b) personal e.g. of self or Relative as officer, director, consultant, agent or employee of an entity with which the Company does business.

A conflict of interest arises when an employee of the Company has a financial or personal interest in the entity with which the Company does business, or is party to a transaction involving such entity, that might affect the judgment he/she exercises on behalf of the Company.

All employees are required to declare any such financial or personal interest through designated portal of the Company. The declaration should be updated by the employee on the portal either annually or whenever there is a change in circumstances which gives rise to a conflict of interest whichever is earlier.

Examples

Although it is not feasible in a policy statement to describe all the circumstances and conditions that might be considered as conflicts of interest, the following general statements suggest the type of possible outside relationships that may result in conflicts of interest or raise questions as to the personal integrity and ethical discharge of the functional responsibilities of any employee of the Company.

- Investment in supplier or customer organisation.
- Acceptance of substantial gifts or excessive entertainment from vendors/customers
- Outside employment or any part time occupation..
- Holding of outside directorships in competing companies.
- Participation in civic or professional organizations which might involve divulging Company data.
- Use of Company position for personal gain.
- Borrowing from suppliers or from others with whom the Company does business.
- Appointment of a Relative of an employee or an acquaintance as brokers/intermediaries to do the Company’s business.
- Accepting gratification for Company work.
- Cash dealings with suppliers and clients.
- Trading on personal / acquaintance account with insider or proprietary information.

- Contributing to professional / trade journals, magazines, newspapers.

The Company does not intend to interfere with the right of an employee to engage in outside business activities of his/her own check, which do not conflict with the Company's interest, nor interfere with effective performance of his/her duties.

These general policies shall be practiced by all concerned employees. Since these policies may not cover all situations wherein a conflict of interest may arise, it is incumbent upon the employee to bring such outside activities of this nature to the attention of the immediate superior (Not below M-8 Level), who will obtain a confirmation/ the Company's view on the matter from the Vigilance Department.

Conflict of Interest can also arise out of a **Personal Relationship with a colleague at Work**. Employees are expected to avoid situations or activities that could interfere with their unencumbered exercise of judgment in the best interests of the organization.

A conflict of interest also exists when an employee manages someone with whom s/he has a family, romantic or dating relationship. Even if s/he are acting properly, the relationship will likely be seen as influencing judgment and may be viewed as bias and favouritism. This can damage and disrupt workplace productivity. It is considered a breach of professional protocol to directly or indirectly supervise any family members or any employee with whom you have a close personal relationship, date or are romantically involved. This includes situations in which you may be able to influence the employees' employment or that employee may be able to influence your employment. No employee should directly or indirectly supervise any colleague if you develop any personal, intimate, romantic or physical relationship with such colleague - even if it is brief or casual. This requirement shall be applicable even when someone is NOT in a position to influence such colleague's work profile.

In addition, it is considered inappropriate for employees to make use of company property or other resources, including time, official communication channels, etc. to advance personal interests or activities during the course of their employment. It is essential that employees perform their duties in a manner that will ensure no conflict, or any appearance of conflict, between their personal interests and those of the organization.

Any such workplace relationships which may jeopardize efficiency, security, morale or supervisory frameworks are accordingly strongly discouraged by the Company.

The Corporate Code of Conduct to be adhered by employees is mentioned as under:

1. Conduct in Business Relationships with Suppliers and Customers

I. Gift or Favour Prohibited

Gift is any benefit (financial or not) provided to an employee or his/her Relatives by an external person or provided by an Employee to an external person or his/her Relatives. Gifts shall also include all kinds of services and the procurement of goods at a price below market value.

- i. No employee may solicit, directly or indirectly, for such employee's benefit or for the benefit of any relative or friend, any gift or favour exceeding Rs.2000/- from any person/entity with which the Company does business (including business done in the past 2 years) or that seeks to do business with such person/entity. The cumulative value of such gifts received by any employee shall not exceed Rs. 5,000/- in a financial year.
- ii. No employee may accept, directly or indirectly, from an organization with which the Company does business, or that seeks to do business with the Company, for such employee's benefit or for the benefit of any relative or friend, any gift or favour, other than:
 - a. One of nominal value and involving normal sales promotion, advertising or publicity, or
 - b. One involving an appropriate social amenity provided there is not even the appearance of a compromise of sound business principles in the relationship.
- iii. No employee may make or grant, directly or indirectly, to an owner, employee or other representative (including any relative or friend on such person's behalf) of an organization with which the Company does business or seeks to do business, any gift or favour, other than:
 - a. One involving Company-approved sales promotion, advertising or publicity and (1) directly related to the sale or service of product sold by the Company, or (2) of normal value; or
 - b. One involving an appropriate social amenity provided there is not even the appearance of a compromise of sound business principles in the relationship.
- iv. An employee who solicits donations on behalf of a charitable or other outside organisation should avoid creating any implication of influence or pressure by the Company.
- v. Employees accepting /becoming aware of gifts received by Employees in value exceeding Rs. 2000/- are required to inform/disclose the details to the Head of Compliance with a copy to HRD.

II. Certain Financial Interests of Employees Prohibited

No employee to whom this portion of the policy applies may acquire or retain, either directly or indirectly, any one of the following financial interests in an organization with which the Company does business:

- i. Any interest as a proprietor or partner in such an organization that is not a corporation; or
- ii. The ownership of or right to acquire stock or bonds in an amount in excess of 1% of the total stock or bonds of the same class of such an organization that is a corporation (whether or not publicly owned); or

- iii. Any interest in the form of a loan, advance or other financial arrangement in an amount greater than 1% of the combined capital and debt of such an organization that is a corporation (whether or not publicly owned)

Exceptions may be granted only with the written approval of the Vice Chairman or, in the case of employees who are members of the Board of Director, the approval of the Board of Directors. If an exception shall have been granted, the employee involved nevertheless may not transact business on behalf of the Company with such organization.

III. Reporting of Certain Financial and Other Interests of Employees and Relatives in an Organisation with Which Company Does Business

Many employees occupy positions of trust and confidence in the Company and significant “financial interests” held by any of them or by their Relative in organizations with which the Company does business could involve possible conflicts of interest. The Company does business with suppliers of goods and services that are “publicly owned” corporations with shares that are traded actively on securities exchanges. Investment in stocks and bonds of such corporations by employees and their Relative would not be expected to create a conflict of interest, unless the investment is significant, in which case the Company should be informed. Further, the Company should be informed about financial interests in all non-publicly owned organizations with which the Company does business regardless of the amount involved. Except to the extent covered by the provisions of the paragraph II above, those interests are not prohibited, but disclosure will serve both to protect the reputation of the employee against unwarranted suspicion or doubt, and enable the Company to make an appropriate determination in any situation that seems to involve as risk of misunderstanding.

Therefore, in addition to the interests mentioned in paragraph II above, each employee to whom this portion of the policy applies, shall report on the portal of the Company, for information purposes, the details of any of the following interests (financial or otherwise), directly or indirectly held currently or hereafter acquired by such employee, or to the extent known by any such employee, by any Relative, or by both, in an organization with which the Company does business:

- i. With respect to a financial interest held by an Employee in an organisation:
 - a. As a proprietor or partner in such an organization that is not a corporation; or
 - b. The ownership of or right to acquire stock or bonds in an amount in excess of 1% (held singly or jointly with relatives) of the total stock or bonds of the same class of such an organization that is a corporation (whether or not publicly owned); or
 - c. In the form of a loan, advance or other financial arrangement in an amount greater than 1% (held singly or jointly with relatives) of the combined capital and debt of such an organization that is a corporation (whether or not publicly owned)
- ii. With respect to following interest held by a Relative (to the extent known) in an organization:

- a. As a proprietor or partner in such an organization that is not a corporation; or
- b. The ownership of or right to acquire stock or bonds in an amount in excess of 1% (singly or jointly with the concerned employee) of the total stock or bonds of the same class of such an organization that is a corporation (whether or not publicly owned); or
- c. In the form of a loan, advance or other financial arrangement in an amount greater than 1% (singly or jointly with the concerned employee) of the combined capital and debt of such an organization that is a corporation (whether or not publicly owned)
- d. Interest as an employee

IV. Reporting of Financial and Other Interests of Employee in any Organisation

Employees shall not engage directly or indirectly in any trade, business, vocation or occupation or in advisory capacity or accept compensation in any form from any third parties without the express written permission of the Company. Therefore each employee to whom this portion of the policy applies, shall report on the portal of the Company the details of his/her association with any outside enterprise/ organization by way of:

- i. As a proprietor or partner in such an organization that is not a corporation; or
- ii. The ownership of or right to acquire stock or bonds in an organization that is a corporation which is not publicly owned; or
- iii. In the form of a loan, advance or other financial arrangement in an amount greater than 1% of the combined capital and debt of such an organization that is a corporation which is not publicly owned
- iv. Any type of interest (Financial or otherwise) or position of responsibility (as an employee, officer, director, partner, consultant, representative, agent, or advisor etc.) or providing freelance service in any organization (whether or not publicly owned)
- v. Any passive investment/ interest in an organization that is not a corporation

V. Other Interests

In addition, each such employee shall report the details of any interest (other than one arising from a financial interest) having monetary value in any business transaction or transactions to which the Company is, or is about to become, a party, directly or indirectly held, or hereafter acquired, by such employee, or the extent known by such employee by any Relative, or by both.

A financial interest or interest in a business transaction of the type required to be reported for information purpose pursuant to this paragraph III above (unless prohibited by paragraph II) may be retained by employee or by a Relative, unless the employee is notified that, in the judgement of the Vice Chairman, the retention of such interest might influence, or reasonably might be thought by others to influence, the judgment or conduct of the employee in the position occupied

within the Company. In that event, the most feasible course of corrective action will be discussed with the employee, taking into account such factors as the nature of the interest, the circumstances under which was acquired and, when appropriate, the employee's personal and Relative interests as well as the Company's interest in the particular situation.

VI. Other Business Relationships

- i. An employee whose duties result in direct or indirect relationship with an organization in which such employee or a Relative has any financial interest whatever, or which employs a relative or close friend, should take appropriate precautions, in such relationships and, if a business transaction is involved, should not act on behalf of the Company if any suspicion of preferential treatment reasonably might be attached to the employee's action.
- ii. No employee shall disclose information to any outside organization or individual, at any time of prior to the authorized release of such information to all interested parties.
- iii. During the course of performing their activities, the Company employees frequently acquire information about the Company, its business or the business of other organizations that has not yet been made available to the general public. Employees may not use such information for their own financial gain or other personal advantage, nor they may they disclose such information to enable other persons to profit from it. Opportunities to use such inside information are most frequently found in securities transactions. If an employee learns of a significant fact which might reasonably be expected to affect the price of a stock or influence a person's decision whether to invest in it, the employee should not buy or sell any of that stock unless the information has been published or otherwise released to the public. So long as the information remains nonpublic, its use by an employee or anyone else to whom the employee relays the information gives that the person an unfair advantage over the general investing public, and could result the liability for both the employee and the other person involved.
- iv. No employee may perform work or render services for an organization with which the Company does business, or that seeks to do business with the Company, outside the normal course of the employment with the Company, without written approval of the Vice Chairman or the CEO or, in the case of any employee who is the member of the Board of Directors by the Board of the Directors. Without written approval as aforesaid, no employee may be a director or the office holder of or consultant to any business organization, whether or not such organization conducts business or seeks to do business with the Company, nor shall such employee permit the employee's name to be used in any fashion that would tent to indicate a business connection with such organization, outside the normal course of employment with the Company, without such written approval.

- v. It is and always has been the policy of the Company to treat its clients and the public courteously and fairly. Accordingly, employees should refrain from any action that reasonably might be expected to prejudice or embarrass them or the Company or that might give, or reasonably appear to give to any organization an unfair competitive advantage over others similarly situated.
- vi. Employees should not place themselves in a situation where they, rather than the Company, profit from a business transaction in which the circumstances indicate that the business opportunity and the related profit rightfully should have been made available to the Company. In general business opportunities which might reasonably be expected to be of interest to the Company, should be brought to management's attention for a determination as to whether the Company wishes to pursue them or not.

Head HR/Head ER is responsible for interpretation of this portion of the policy.

VII. Disclosing Personal Relationship with a Colleague.

If **an employee** has/develops any personal, intimate, romantic or physical relationship at the workplace, or has/develops a family relationship with a colleague, **s/he** shall immediately disclose such relationships to the HR RM and also declare on the portal. It is the responsibility of both parties in the relationship to disclose the same to HR as it is the responsibility of every employee to make aware or discuss with HR any activity that might result in a conflict of interest or conflict of commitment. Company may find Resolution which may include, separating the parties at work, or any other action as deemed fit in the interest of the organization.

All disclosures and their resolutions will be documented and copies of the documentation will remain confidential in HR records. Failure to disclose possible conflict of interest or commitment or refusal to cease activities that are determined to be in conflict with the organization's best interests may be grounds for disciplinary action and may lead to termination.

This clause strictly cautions personal relationships that interfere with work performance or which may constitute harassment.

2. Confidential Information

- I. Means non-public information provided by an external source (such as a client, prospective client or other third party) who may reasonably expect that the information will be kept confidential and used solely for the business purposes for which it was provided; including material generated by the Company that contains or is derived from such confidential information. While there may

be exceptions, information obtained in the course of a client assignment should generally be considered confidential. However, in certain circumstances, confidential information would not include information obtained by the Company acting as principal on an arm's length basis (in the absence of a confidentiality letter, agreement or understanding to keep such information confidential). When in doubt, you should ask the Secretarial and Legal/Compliance Departmental whether information is to be treated as confidential.

- II. May be received from partners, officers or employees of, or bankers, lawyers, accountants or other professionals involved with, a client, prospective client or other third party.
- III. May include "tips" receive directly or indirectly from corporate insiders whether or not in the context of a client relationship. Tips are especially liked to be considered confidential information when the recipient knows, or should know, that the corporate insider has disclosed the information improperly, in breach of the insider's duty to his or her own company.
- IV. Is "non-public" if it has not been effectively disseminated to the general public by way of a press release, an article in a news publication, a public filing made with a regulatory agency, a mailing such as a prospectus sent to share holders or potential through public disclosure services. In this context, it is important to note that even following a public announcement of a major corporate transaction, many aspects of the matter may remain non-public.

3. Proprietary Information

- I. Means non-public information, analyses and plans that are created or obtained by the Company for the Company's business purposes, other than that which constitutes confidential information entrusted to the Company or its personnel by an external source.
- II. May include unpublished research information, opinions, estimates and recommendations; finance industry's information about the Company or its affiliates' securities trading positions or trading intentions; the Company's or its affiliates' investment, trading or financial strategies or decisions; pending or contemplated customer orders; data collection and client bases; advice to client; and analyses done by the Company in respect of Companies that are potential acquires of other companies or their assets, or companies that are possible candidates for acquisition, merger or sale of assets.
- III. Is "non-public" until it has been effectively disseminated, such as by means of a research report or publication materials, communicated to potential investors or customers, or materials available from public disclosure services.

4. Material Information

- I. Means information likely to be viewed by a reasonable investor as important in deciding whether to purchase, sell or hold a security; including trading or other information likely to have an effect on the value of the security
- II. May include, but is not limited to, information about changes in dividends, financial forecasts or projections (especially estimates of future earnings or losses); changes in previously released figures of earnings or earnings estimates; changes in dividend policy; changes in accounting procedures; write down of assets; additions to reserves for bad debts; expansion or curtailment of operations; increase or declines in orders; significant product developments; major litigation; liquidity problems; repurchases programmes; changes in management; bids for corporate control; anticipated public offerings of securities; short positions, proposed transactions such as refinancing, refunding, tender or exchange offers, recapitalizations, leveraged buy-outs, acquisitions, mergers, restructurings, or purchases or sale of assets; adoption of new accounting rules, unreleased Government reports and statistics, and certain unannounced Government actions
- III. May relate to uncertain or contingent events

5. Use of Material Confidential or Proprietary Information

Material confidential information obtained directly or indirectly from a client shall be used only for the specific purpose or transaction for which it was given. Any other use without the permission of the client is a misuse

Proprietary information shall be used only for the business purposes for which the information was created or obtained. Any other use without the express prior approval of the appropriate Division Head is a misuse. Confidential or proprietary information shall not be used by an officer or employee for the benefit of that person or any related person.

No one shall communicate confidential or proprietary information to any other person under circumstances in which it is reasonably foreseeable that such communications is likely to result in the misuse of the information.

Where the Company has issued a confidentiality letter, officers and employees must adhere strictly to its provisions.

6. General Procedures for safeguarding Confidential and Proprietary Information

To safeguard the confidentiality of non-public information, the Company uses the following procedures as are appropriate to particular activities:

I. Guidelines

a. Password Usage

It is mandatory for every employee of the Company to follow the Company's password policy highlighted below:

- The password should have minimum length of 6 characters
- The password should be alpha numeric with -Min 2 characters alpha and Min 2 characters numeric.
- Passwords should be changed at frequent periodicity, ideally every 30 days. In any case same passwords should not be used for more than 60 days.
- Every time the password is changed, the new password should be different from the last 5 passwords.
- You may get logged out from the system on typing 3 wrong passwords.
- You need to ensure that you systems are password protected.
- Passwords should not be easily guessable words or standard dictionary terms.
- Ensure that you do not share your passwords with anyone.
- You should not write your passwords anywhere.

b. Workstation Usage

- Always lock your workstation while you are away from your desk.
- Ensure that you have enabled the screen saver with a password for automatic locking of your computer / laptop when not in use (should be enabled for maximum of 5 minutes of inactivity and should be less than that in case when more sensitive applications are used). You are responsible for all activity carried out through your login and you would be held accountable for any unauthorized activity carried out by anyone else using your login.
- Do not load any unapproved software / applications on your desktops.
- Regular users are not given administrative access to their machines.
- Floppy/CD drive access is given to users only if their work requires such access.
- Floppies/ CDs should be used with extreme caution, since they can spread viruses; external media should be thoroughly checked.

c. Data / Information Handling

- Data on network drives is regularly backed up. However backing up data on local drives is individual responsibility of every user.
- If you have to destroy old papers that carry important / sensitive information, the papers should not be just thrown in dustbins, but should be appropriately shred.
- When you take printouts or give papers for faxing, ensure you pick up your papers fast enough to avoid important information found lying around.
- Ensure that you regularly clean – up your local computer drives and the network directories for unused files and data.
- Do not share your local or network drives.

d. External Entities / Vendors

- Visitors / outsiders / vendors should be escorted in and out of our office.
- No external entity is allowed to connect their machines (desktops / laptops) into our network without appropriate permission.
- Question any suspicious / unknown person seen moving around in our office.

e. Email Usage

- Do not open any email / attachments received through emails that have come from unknown sources, since they may be virus – infected messages.
 - Do not send any mass mails using the official mail id. All mass mail requests would be send to Central Service Desk (mass.mailer@kotak.com).
- Use the official mail id strictly for sending official communication only.
- Ensure that the mail size including attachments is minimal and not more than 1 MB.
- Ensure that you regularly archive your mail box to keep its size minimal.
- Do not use the official mail id to send personal emails or festival greetings internally within the Company.
- Emails should be only functional mails and sending decorative emails should be avoided.
- Fancy Signatures attached to emails add to the email size and hence should be avoided.

f. Internet Usage

- Internet is supposed to be used for official purpose and only work relevant sites should be visited.
- Access to indecent sites would be viewed seriously and strong action will be taken against such usage.
- Users are prohibited from downloading any software, applications, games, 'exe' files, etc.
- Users are advised not to connect to Internet through dialup using modems from their desktops / laptops, while their machine is connected to the Company network.

g. General

- Follow a CLEAR DESK POLICY and do not let important papers lie open on your table, in your absence.
- Exercise caution in discussing important office matters while travelling in public places like buses / trains / elevators / staircases; etc.
- A user is responsible and accountable for all usage of resources / services / equipment made in his / her name.

II. Disclosure

Officers and employees should not disclose confidential or proprietary information except to other Company personnel or such persons outside the Company (such as the Company's lawyers or accountants or a client's lawyers or accountants) who have valid business reason for receiving such information in order to serve the business purposes of the Company or its clients. In addition, an officer or employee shall not disclose confidential information obtained directly or indirectly from a client or proprietary information prepared on the basis of such confidential to any person who does not have a "need to know" without the consent of the client from whom the information was obtained or for whom it was prepared. This policy does not prohibit disclosure of confidential information regarding a client to a lender, participant, transferee, assignee, purchaser or other person for the purpose of advancing the client's interest and with the client's explicit or implicit permission.

Except as permitted by, and subject to the policies and procedures set forth in this Manual and in applicable policies, rules or guidelines in force from time to time, confidential or proprietary information should not be disclosed to another officer, employee or any other person, ever if there is reason to believe that the other person will keep the information in confidence. This means that:

- i. Anyone working on a confidential matter should, in general, avoid discussing the matter with officers or employees not assigned to the matter, except for supervisory personnel within the individual Division or Business Unit, internal or outside legal counsel, or others having a need

to know, unless such discussion is conducted in accordance with any applicable policies, rules or guidelines in force from time to time.

- ii. No one should seek to obtain confidential or proprietary information from any person unless he or she has a need to know the information in order to perform assigned tasks and unless he or she observes procedures for obtaining such information described in this Manual and in any applicable policies, rules or guidelines in force from time to time.

III. Discussions

Officers and employees should avoid discussions of sensitive information relating to the Company's or its client's affairs with, or in the presence of, person who have no need to know the information. They should use extreme caution when discussions take place in social gatherings or public places. They should avoid using speakerphones in circumstances in which confidential information may be over heard. Mobile telephones should be used with great care and circumspection because they are not secure.

IV. Access

Officers and employees should limit access to office areas where confidential or proprietary information may be discussed and only person with the business reason for being in such an area should be permitted to enter or be present. Work on confidential projects should take place in the area that is physically secure. Meetings with non-company personnel should be conducted in conference rooms rather than at the office or work place of officers or employees.

V. Code Names

Code names should be used for sensitive projects and solicitations. Where code names have been assigned to a project, all documents and information generated internally by the Company with the respect to that project should refer to the relevant companies only by their code names.

VI. Press Inquiries

Only Vice Presidents are authorized to respond to press inquiries concerning a particular matter should refer all calls relating to the matter to Corporate Communication Department.

VII. Control

The Company reserves the right to review such outside activities of an employee as may involve:

- i. The utilization of proprietary Company information or
- ii. The question of undue influence of his/her company job or

- iii. Depriving the company of the full measure of his/her working time, attention to assigned duties and loyalty.

It is the responsibility of the employee to review with his immediate superior any activities that might result in a conflict of interest and, in turn, the immediate superior will review the case with the Secretarial and Legal Function to assure a decision which protects both the employee and the Company.

VIII. Reporting

It is the purpose of the section to establish the manner in which incidents of conflict of interest will be reported.

IX. When to Report

Upon issuance of this policy, all employees are requested to submit a “Memorandum” for having read and accepted the term and conditions mentioned in the Manual. All new hires will also prepare a Memorandum at the time of hire to the “Head of Personnel”.

X. Penalty of Violation

Where a definite possibility of a conflict of interest is determined, even though no dereliction of responsibility or undue influence has occurred, the employee will be given a reasonable time to correct the conflict.

If an employee chooses not to bring his activities in this area to the attention of Management his choice might subsequently work to his disadvantage.

The Company recognizes that there are many borderline situations. It does not intend to be arbitrary in considering these cases, but to approach each one with reason, giving full recognition to the attendant circumstances.

Violation of the foregoing policy shall make the employee subject to such action, including dismissal, as may be deemed advisable by the Company.

7. Political Involvement

- I. No employee may devote any work time to any campaign for a candidate or political party, nor may any employee permit any campaign or candidate to use any facility or property of the Company, including Company's trademark, without prior approval in writing from the Company.
- II. From time to time, the Company identifies legislative issues that affect the Company's business. In certain instances, the Company may encourage employees to support or oppose such legislation. In no instance, however, should an employee use his or her position of authority to make another employee feel compelled or pressured to work for or on behalf of any legislation, candidate, political party or committee, to make contributions for any political purpose or to cast his or her vote one way or the other.

8. Borrowing

No employees or their immediate Relative shall be habitual borrowers. Further, they shall not borrow disproportionate to their known sources of income; neither shall such borrowing be at terms other than what may be reasonably considered normal; and nor will such borrowing be resorted to from such sources as a pawn broker, money lenders or subordinate employees etc.

Staff Accountability

9. Objective

We are in the business of Banking and financial services, which operates on the foundation of "TRUST".

Our customers trust us with their financial transactions & portfolios and we are expected to operate and maintain the highest standards of openness and transparency in all our dealings.

Management expects high degree of ethics, compliance, honesty, integrity and diligence from each employee of the Company and violation of the same will be viewed seriously. Each employee should adhere to the manuals, guidelines, policies, integrity capsules etc. issued by the Management from time to time. We have zero tolerance to any violation of the above and any such violation will attract stern action including dismissal/termination from the services of the Company.

10. Applicability

This will be applicable to all employees

11. Punishments

The following punishments can be imposed by the competent authority for the proven acts of misconduct committed by the employee:

I. Minor Penalty

- i. Warning

II. Major Penalties

- i. Forfeiture of annual increase in compensation and/or variable pay
- ii. Malus and clawback of variable compensation given in the past
- iii. Termination from the services.

III. Recovery of Financial Loss

Apart from above, the competent authority can order for recovery of financial loss caused to the Company by the employee due to proven acts of misconduct committed by him/her. The financial loss caused to the Company can also be recovered from the terminal benefits of employee.

12. Suspension of Employee

An employee involved in alleged acts of misconduct may be placed under suspension by the competent authority under the following circumstances:

- I. Reported irregularities such as fraud, misappropriation etc., which is under investigation or prima facie irregularities committed by employee directly or by colluding with an outsider.
- II. If in the opinion of the Management, there exists a reasonable apprehension that an employee, whose involvement in any reported irregularity is prima facie established and continuation of such employee in the Branch/ office may result in destruction of evidences/ documents and at the same time, immediate disengagement of the said employee is likely to cause hindrance to the completion of investigation and recovery of the financial loss likely to be caused to the Company.

13. Competent Authority to Issue Suspension Order

The competent authority can suspend an employee after getting a recommendation from the Business Head/ RCU/ Vigilance Dept.

Disciplinary Authority will be the competent authority to issue a suspension order.

14. Subsistence allowance and other allowances during the suspension period

- I. An employee, who is placed under suspension, shall, during the period of suspension, be entitled for $\frac{1}{3}$ of his existing basic pay and special allowance calculated on the reduced basic pay, for the first three months of the suspension.
- II. For the subsequent period of suspension, after three months, the employee shall be entitled to $\frac{1}{2}$ of the reduced basic pay (i.e. $\frac{1}{6}$ of the original) and special allowance calculated on such reduced basic pay.
- III. If the suspended employee is fully exonerated from the charges, then he/she shall be granted for the period of suspension, the full pay with allowances to which he/she would be entitled, had he/she not been suspended.

15. Closure of the suspension of the employee

The suspension of an employee shall come to an end only after issuance of an order to that effect from the competent authority:

- I. Upholding the allegations of misconduct and for termination of the services of the suspended employee; or
- II. Upholding the allegations of misconduct with punishment other than termination, depending upon gravity of the irregularities committed by the employee; or
- III. Exoneration of the employee from the allegations.

16. Imposition of penalty by competent authority

After the conduct of an enquiry into the acts of misconduct, the competent authority will issue an order indicating the penalty being imposed, if the act of misconduct is upheld. The employee would be bound by that order and necessary administrative actions will be taken accordingly.

17. Declaration of Assets & Liabilities

Specified employees shall make a declaration of assets and liabilities held as at 31 March every year by self; spouse; and dependants; either singly or jointly (Assets in joint name indicating the extent of joint ownership will also have to be given) with others in the prescribed mode. Details to be declared are as follows:

I. Moveable Assets

- i. Cash in hand
- ii. Deposits (with Banks Including all deposits)

- iii. Shares & Securities
- iv. Insurance Policies
- v. Loans and advances given
- vi. Motor Vehicles, Yachts, boats and aircrafts
- vii. Jewellery, bullion, silver, precious stones and other such valuable thing(s)
- viii. Archaeological collections, drawings, paintings, sculptures or any work of art

II. Immoveable assets - Land/House/ Flat/Shop/Industrial Plot, Building, etc.

III. Liabilities in form of loans and advances (secured and unsecured)