

## **CONFLICT OF INTEREST POLICY**

Conflict of Interest may arise where an employee places his or her personal interests before the interests of the Bank and where such personal interests unduly influence that employee's business judgements, decisions, or actions. Failure to manage such situations may have serious ethical risks as well as legal and regulatory consequences. As a mitigating and sensitization measure, the Bank has formulated a Conflict-of-Interest Policy to clearly articulate the conduct norms for the staff in this regard, effective from 1st August 2021.

### **Purpose:**

The Conflict-of-Interest policy is to spell out in general terms the norms of the conduct expected from the employees when facing a conflict-of-interest situation. This policy is applicable to all the employees of the Bank.

### **Meaning:**

Conflict of Interest means the existence of conflict between public duty of a public official and the private interest of such official, in which the private interest of such official could improperly influence the performance of official duties and responsibilities by any person or result in breach of a public trust or be calculated to further the private or commercial interest of any person or organization.

### **Types:**

Normally, there are three types of Conflict of interests: i-Actual, ii-Potential, and iii-Perceived.

### **Mitigating Conflict of Interest:**

The Conflict of Interest may arise in various scenarios. The bank expects its employees to act responsibly by avoiding situations, positions, activities, or relationships where personal interest may interfere with professional duties. In this regard, the employees, in course of the conduct of their role and responsibilities, are required to adhere to the undernoted guidelines towards mitigation of any Conflict of Interest.

- A. **While being part of a committee:** at the start of every committee meeting, any member who is in a conflict of interest in relation to an agenda item, must declare it to the committee. After the declaration, one of the undernoted actions may be taken (i) No recusal (ii) Partial recusal and (iii) Complete recusal.
- B. **While dealing with customers:** Employees are prohibited to demand, seek, or accept any benefit, financial or otherwise, in lieu of any banking service being provided, or proposed to be provided to any existing or prospective customer. employees are required to inform their immediate supervisor prior to any dealing with a customer if he or she happens to be closely related person. The employee shall abstain from any decision-making process involving a credit proposal.
- C. **While dealing with third party Vendor/intermediary:** employees shall not accept or extend, directly or indirectly any kind of benefit, financial or otherwise

from the third-party vendor intermediary with whom the Bank either has a business relationship or is expecting to enter in future. The employees shall conduct all business dealings in a transparent and professional manner.

D. **While competing:** All the employees are expected to deal fairly with our customers and not place his or her desire to increase our performance before their best interest.

E. **While dealing with information:** the employees shall treat all customer, business or any other information held by the bank as confidential and shall not disclose it unless authorized by the Bank. Employees are prohibited from sharing any confidential information with their colleagues who are not authorized to access it. Employees shall not share any confidential information with any outside individual entity competitor unless mandated by the Bank.

### **Disclosure**

All employees are required to immediately disclose to their HR Department when they find themselves in a situation of acutely or potential conflict of interest. They are also required to immediately notify any conflict of Interest that arises out of any activity being undertaken by any person that is closely related to them.

### **Reporting:**

The Exception reports from the operating units shall be collated, analysed and a consolidated report would be put up at regular interval centrally.

### **Breaches:**

If the conduct of the employee does not meet the policy guidelines, it would constitute a breach of the policy and the employee may be subject to action in terms of the applicable service rules or contract terms.

(This is an abridged version of the Policy)