

# **INDUSIND BANK LIMITED**

## **CODE OF ETHICS AND CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

### **I. INTRODUCTION**

It is vital to the financial and reputational success of the Bank that business is conducted with honesty and integrity and in compliance with all applicable legal and regulatory requirements.

This Code attempts to set forth the guiding principles on which the Bank shall operate and conduct its business with its multitudinous stakeholders, Government and regulatory authorities, media, and other counterparties. It recognizes that the Bank is a trustee and custodian of public money, and that in order to fulfil its fiduciary obligations and responsibilities; it has to enjoy the trust and confidence of the public at large. This Code also brings together, in one document, the obligations and responsibilities of the Directors and members of the Senior Management.

The Bank shall continue to initiate policies which are customer-centric, and which promote financial prudence. The Bank is committed to continually review and update its policies and procedures. This Code is complementary to all Process Manuals prescribed for conduct of various activities of the Bank. Further guidance on the Bank's standards in specific areas is contained in related corporate policies and guidelines.

### **II. NEED AND OBJECTIVE OF THE CODE**

This Code sets out the fundamental standards to be followed by Directors and Senior Management Officials. The Code envisages and mandates the following:

- a. 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.
- b. Full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed by the Bank with Government and regulatory authorities.
- c. Compliance with applicable laws, rules and regulations.
- d. Address misuse or misapplication of the Bank's assets and resources.
- e. Highest level of confidentiality and fair dealing within and outside the Bank.

### **III. APPLICABILITY**

This Code is addressed to Board members and to the Senior Management of the Bank. "Senior Management" shall mean officers / personnel who are members of the 'Core Executive Team', Key Managerial Personnel and all personnel one level below the Executive Directors, including all Functional Heads.

#### **IV. GENERAL STANDARDS OF CONDUCT**

Board Members and Senior Management officials shall engage in and promote honest and ethical conduct of Bank's business in a professional manner in order to protect Bank's public image and reputation while discharging their duties. They are expected to act with the level of care and prudence which an ordinary person would 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.

All Directors and Senior Management personnel shall ensure compliance with applicable laws, rules and regulations applicable to them from time to time.

The Independent Directors on the Board of the Bank shall in addition to compliance with applicable laws adhere to the duties / roles and responsibilities as provided in Code for Independent Directors under Schedule IV of the Companies Act, 2013 (indicated in the Annexure).

#### **V. CONFLICT OF INTEREST**

Board members and Senior Management officials shall endeavor to avoid situations in which their personal interest may conflict or appear to conflict with either the interests of the Bank or its stakeholders.

They shall disclose to the Board any material transaction or relationship that could reasonably be expected to give rise to such a conflict.

Conflict of interest arises when any dealing of the Board members / Senior Management officials with any of the related parties such as vendors / customers / other entities, their relatives and also among themselves may appear to be influenced by virtue of powers / authority vested in them.

Board members and Senior Management officials should avoid any activities that could involve or lead to involvement in any unlawful practice or any risk of harm to the Bank's reputation or image.

Some of the examples of situations where conflict of interest may arise are:

- a. Accepting outside engagements for personal interest.
- b. Engaging in trading in shares on personal account based on business information.
- c. Taking a business decision that may result in personal gain, or benefit to a relative or acquaintance.
- d. Competing with the Bank for a business opportunity or diverting opportunities.
- e. Accepting money, favours, gifts, meals, entertainment or other benefits (not in ordinary course of business) that may influence business or commercial decisions of the Bank.

- f. Serving in a fiduciary capacity or as a director, official, any elected post of a company or political party outside the Bank for non-profit, trade / industry, government agency without approval by the Bank.
- g. Using the Bank's facilities, employees, funds, property or resources towards personal activities.
- h. Employing relatives\* or undertaking business with a relative or any entity where relative of a Board member or Senior Management official has a financial interest.

If anyone believes that he / she has a conflict of interest, or may be perceived to have such a conflict, he / she must disclose this to the Managing Director or any other person authorised by the Board in this regard.

\* The term "Relative" shall be as defined under Section 2 (77) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014.

## **VI. VIOLATIONS OF LAW OR BANK'S POLICIES**

Board members and Senior Management officials of the Bank must comply with applicable laws, regulations, rules and regulatory orders and with the Bank's policies. They should promptly report to the Compliance Officer any violations of law, ethical principles or Bank's policies that come to their knowledge.

## **VII. DISCLOSURE OF INFORMATION**

The Bank shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Government and regulatory authorities viz., RBI, SEBI, Stock Exchanges, MCA, etc.

Senior Management officials of the Bank shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Authorities, as may be required by applicable laws, rules and regulations.

Board members and Senior Management officials shall safeguard the Bank's interests and confidentiality of information and business plans, and respect the confidential information of the other parties with which the Bank does business.

## **VIII. USE OF BANK'S ASSETS AND RESOURCES:**

Board members and Senior Management officials have a duty to the Bank to advance its legitimate interests while dealing with the Bank's assets and resources. Board members and Senior Management officials 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 relatives have a significant direct or indirect interest.

## **IX. CONFIDENTIALITY AND FAIR DEALING**

- a. The Bank's confidential information is a valuable asset. It includes all trade-related information, trade secrets, 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 Board members and Senior Management officials 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.
- b. 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.
- c. 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.
- d. 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.
- e. The Bank has many kinds of business relationships, with several 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. Special care must be taken by Board members and members of the Senior Management to ensure that the confidential information is handled in accordance with the agreements with such third parties.
- f. The Bank requires that every Director and 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.
- g. Board members and 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, 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.

## X. GOOD CORPORATE GOVERNANCE PRACTICES

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

### Directors

Sr. No.	Do's	Don'ts
1	Exercise his duties with due and reasonable care, skill, diligence and independent judgment.	Non-executive Directors do not intervene in the day to day functioning of the bank.
2	Dedicate adequate time and attention to ensure the diligent performance of his / her duties including making all reasonable efforts to attend Board or Committee Meetings.	Do not reveal any information relating to any constituent of the Bank to anyone.
3	Act in good faith in order to promote the objects of the Bank for the benefit of all stakeholders ensuring protection of environment.	Do not display the logo / distinctive design of the Bank on their personal visiting cards / letter heads.
4	Be familiar with the broad objectives of the Bank and the policies laid down by the Government and the various laws and legislations.	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.
5	Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Bank.	Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.

## Senior Management

Sr. No.	Do's	Don'ts
1.	Involve actively in the matter of formulation of general policies	Do not reveal any information relating to any constituent of the Bank to anyone.
2.	Be familiar with the broad objectives of the Bank and the policies laid down by the Government and the various laws and legislations.	Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.
3.	Ensure confidentiality of the Bank's agenda papers, notes and Minutes	-

### XI. VARIATION OF THE CODE AND WAIVERS

The Code which has been reviewed and approved by the Committee on May 6, 2022, was reviewed and approved by the Board at its meeting held on May 10, 2022.

The Code shall be reviewed at-least annually or pursuant to changes in the applicable laws, whichever is earlier. The Code shall be submitted for its annual review by April 30, 2023.

The Board may review and approve amendments proposed to the Code, as recommended by the Compensation and Nomination & Remuneration Committee or necessitated due to change in applicable laws.

In the event of change in the applicable laws, amendments to the Policy may be carried out, subject to approval by the Managing Director & CEO of the Bank. The revised Code shall be effective from the date of said approval and placed at the ensuing meeting of the Compensation and Nomination & Remuneration Committee / Board, for its noting.

### XII. ANNUAL DECLARATION

As required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all Board members and Senior Management personnel shall affirm compliance with this Code on an annual basis to the Company Secretary or any other person authorised by the Board in this regard.

### XIII. VIOLATION OF THE CODE

The Board shall have the powers to take necessary action in case of any violation of the code. If required, the Board may delegate such powers to Managing Director from time to time.

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**Duties of Independent Directors'**

The Independent Directors shall –

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.