

WHISTLE BLOWER POLICY



Confidential and proprietary

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WHISTLE BLOWER POLICY

1. PREFACE

- a) The Bank believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Bank has adopted the Code of Conduct (“The code”) which lays down the principles and standards that should govern the activities of the Bank and actions of its employees. Any actual or potential violation of the code, howsoever significant or perceived as such, would be a matter of serious concern for the Bank. The role of the stakeholders and employees in pointing out such violations of the Code cannot be undermined and a provision therein requires stake holders and employees to report violations.

The code is formulated to provide opportunity to employees to approach in good faith the Audit Committee in case they observe unethical and improper practices or any other alleged wrongful conduct in the Bank and to prohibit Managerial person from taking any adverse personal action against those employees.

- b) Accordingly a “Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for stake holders and employees of the Bank to approach the Chairman of the Audit Committee of the bank.

2. DEFINITIONS.

The definitions of some of the key terms used in this policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- a) “Bank” means – The South Indian Bank Ltd.,
- b) “Audit Committee” means the Audit Committee of Board of Directors
- c) “Ethics Counsellor” means The Chief of Internal Vigilance of the bank or any other person appointed by the Board.
- d) “Employees” means every employee of the Bank (whether working in India or abroad), including the Directors in the employment of the Bank.
- e) “Code” means the Bank’s Code conduct.
- f) “Investigators” mean those persons authorized, appointed, consulted or approached by the Ethics Counsellor/Chairman of the Audit Committee and includes the Inspectors of the Bank and the Police.

- g) Protected Disclosure means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- h) “Subject” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- i) “Whistle Blower” means a Stakeholder or an Employee making a Protected Disclosure under this Policy.
- j) “Stake holder” includes Shareholders, Customers, Employees & their representative bodies and Directors of the Bank.

3. SCOPE

- a) This policy is an extension of the Bank’s Code of conduct. The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial actions that may be warranted in a given case.
- b) Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ethic Counsellor or the Chairman of the Audit Committee or the Investigators.
- c) Protected Disclosure will be appropriately dealt with by the Ethics Counsellor or the Chairman of the Audit Committee, as the case may be.

4. ELIGIBILITY

All Stake holders and Employees of the Bank are eligible to make protected Disclosures under the policy. The protected disclosures may be in relation to matters concerning the Bank only.

5. PROTECTION

- a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Bank, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower’s right to continue to perform his duties/functions including making further Protected Disclosure. The Bank will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Bank will arrange for the Whistle Blower to receive advice about the procedure, etc.,

- b) A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- c) A Whistle Blower, if he happens to be a Director of the Bank, may report any violation of the code to the Chairman of the Audit Committee of Board who shall investigate into the same and recommend suitable action to the management.
- d) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- e) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

6. DISQUALIFICATIONS.

- a) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, an abuse of this protection will warrant disciplinary action.
- b) Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a 'malafide' intention.
- c) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be 'malafide' or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this policy.

7. PROCEDURE.

- a) All Protected Disclosures concerning financial (conduct of business)/accounting matters should be addressed to the Chairman of the Audit Committee of the Bank for investigation.
- b) The Bank will not entertain anonymous /pseudonymous complaints under this policy
- c) Ethics Counsellor/ Head office Vigilance Division will maintain a register of such complaints noting the serial number of the complaint with full particulars viz. number & date of complaint, date of receipt, brief contents/allegations levelled in the complaint.
- d) In order to keep confidentiality of the identity no acknowledgment will be issued to the Complainant on date of receipt

- e) If a protected disclosure is received by any executive of the Bank other than Chairman of Audit Committee the same should be forwarded to the Ethics Counsellor or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- f) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, or in the regional language of the place of residence or place of employment of the Whistle Blower.
- g) The protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee/Ethics Counsellor as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- h) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- i) For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure with his/her full address

8. INVESTIGATION

- a) All protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Counsellor/Chairman of the Audit Committee of the Company who will investigate/oversee the investigations under the authorization of the Audit Committee.
- b) The Ethics Counsellor/Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- c) The decision to conduct an investigation taken by the Ethics Counsellor/Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d) The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

- f) Subjects shall have a duty to co-operate with the Ethics Counsellor/Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g) Subjects have a right to consult with a person or persons of their choice, other than the Ethic Counsellor/Investigators and/or members of the Audit Committee and/or the Whistle Blower. However, if the allegations against the subject are not sustainable, then the Bank may at its sole discretion consider reimbursing such costs.
- h) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the subjects.
- i) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j) Subjects have a right to be informed of the outcome of the investigation.
- k) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure. But the Chairman of the Audit Committee of Board may extend the period of investigation as and when considered necessary.

9. INVESTIGATORS

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Counsellor/Audit Committee when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Ethics Counsellor, as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

10. DECISION

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee may recommend to the Management of the Bank to take such disciplinary or corrective action as the Chairman of the Audit committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. REPORTING.

The Ethics Counsellor shall submit a report to the Chairman of the Audit Committee on a half-yearly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

12. RETENTION OF DOCUMENTS.

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Bank for a minimum period of seven years.

13. AMENDMENT

The Board of Directors of the Bank reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, such amendment or modification will be informed to the Stakeholders and Employees by means of Notice Board display at Controlling office/Branches, Publishing in the web site of the Bank and by means of HO circulars and are binding on Stakeholder and Employees.
