



Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank

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1. INTRODUCTION

CSB Bank Limited (**"Bank"**), was incorporated on November 26, 1920 under the Indian Companies Act, 1913 as 'The Catholic Syrian Bank Limited'. The Bank commenced business on 1st January 1921 with an Authorised Share Capital of Rs. 5 lakhs and Paid up Share Capital of Rs. 45,270/-. A fresh certificate of incorporation under the Companies Act, 1956 was issued by the RoC on April 14, 1987. The name of the Bank has been changed from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited' with effect from June 10, 2019 on receipt of all requisite regulatory approvals. The Bank is being run on sound business principles and ethics, since its incorporation. However, in order to continue to maintain the high ethical standards in the course of self-regulation and also in voluntary compliance of the applicable laws/rules/guidelines of India, issued by regulatory authorities, it has been decided to have a written Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank (**"Code"**).

The Code prescribes certain standards, which paves the way for the actions to be taken by the Board of Directors and Senior Management Personnel of the Bank. The Code is not exhaustive enough to cover each and every issue or situation that may arise or occur, but would guide how, when and where the decisions are to be taken on ethical lines. The Code covers the Board of Directors and the Senior Management Personnel of the Bank.

As hitherto, the Bank is committed itself to honesty and accountability. The commitment should be reflected in all business activities of the Bank besides reflecting in its relations with the customers, suppliers, competitors etc. The Board of Directors and Senior Management Personnel are expected to conduct themselves as per the Code in letter and spirit. It is distinctly understood that violation of the Code would result in negative consequences to the Bank as well as to the individuals concerned.

The Bank recognizes that all decisions and actions will be taken in accordance with the Code and the applicable laws of India. The Code prescribes certain standards, which paves the way for the actions to be taken. The Code is not exhaustive enough to cover each and every issue or situation that may arise or occur, but would guide how, when and where the decisions are to be taken on ethical lines.

For the purpose of this Code, the term 'Senior Management' shall mean officers/personnel of the Bank who are members of its core management team excluding Board of Directors, and comprising of all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director, including the functional heads and shall specifically include Company Secretary and Chief Financial Officer.

2. APPLICABILITY

The Code applies to the members of the Board (hereinafter referred to as "Directors") and Senior Management team of the Bank. "Senior Management" means the officers/personnel of the Bank who are members of its core management team excluding Board of Directors, and comprising all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director, including the functional heads and shall specifically include Company Secretary and Chief Financial Officer.

3. GENERAL STANDARDS OF CONDUCT:

The Bank expects all Directors and the Senior Management to exercise good judgment, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. The Directors and the members of the Senior Management, while discharging their duties of their office, must act honestly and with due diligence. They are expected to act with utmost care and prudence, which an ordinary person is expected to take in his/her own business. These standards need to be applied while working in the premises of the Bank, at offsite locations where the 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.

4. PHILOSOPHY OF THE CODE:

The Code envisages and expects the members covered under the Code to have highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with the following situations/aspects in relation to the business of the Bank and thus maintain high standards of Corporate Governance such as;

- Prompt reporting of 'Conflicts of interest', if any;
- Enhanced public disclosures;
- Compliance with Laws of India;
- Prohibition of trading in equity shares of the Bank while in possession of unpublished price sensitive information (as defined under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015);
- Protection of Bank's assets and its proper use;
- Protection of confidentiality of information;
- Prohibition of business opportunities for personal gain; and
- Fairness in dealings.

5. CONFLICTS OF INTEREST:

The Directors and the Senior Management occupy a fiduciary position and the power available to them in the context of the management of the Bank is to be exercised only in such a fiduciary capacity. Accordingly, they are expected to work in good faith in the interest of the Bank, and must not exercise their powers for any collateral purpose. A person who is covered under this Code must not place himself/herself in a position where his/her duty to the Bank and his/her personal interests clash. He/she must not profit from his/her position, and is bound to disregard his/her own private interests whenever a conflict with official interests arise. He/she is expected to exercise care and such skill as might reasonably be expected of a person of his/her knowledge, experience and position.

In the event of an actual or apparent conflict of interest between the personal and professional relationships or activities of a Director/Senior Management, he/she is required to handle such a situation in an ethical manner in accordance with the provisions of the Companies Act, 2013 and/or such other provisions of laws of India, as applicable including the terms of this Code.

"Conflict of Interest" occurs when personal interest of the Directors or Senior Management interferes or appears to interfere in any way with the interests of the Bank. Every Director and Senior Management has a responsibility to the Bank, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Bank's interest.

All related party transactions entered by the Directors and Senior Management should comply with the provisions of Banking Regulation Act, 1949, Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Bank's Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party and they must fully disclose the nature of the related party transaction to the appropriate authorities as per the regulations applicable.

6. ENHANCED PUBLIC DISCLOSURES:

The Bank shall maintain effective communication with its shareholders by furnishing all the requisite information accurately regarding the financial aspects and results of its operations.

The Bank shall file the required documents, notices, particulars etc. with all the regulatory authorities such as the Reserve Bank of India, Ministry of Corporate Affairs, Stock Exchanges, Securities and Exchange Board of India etc. in compliance with the norms and regulations.

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

7. COMPLIANCE WITH THE LAWS OF INDIA:

The Bank is committed to comply with various laws of India including the rules and regulations of various regulatory authorities, in the course of all its business dealings.

No Director or Senior Management Personnel shall commit an illegal or unethical act either directly or indirectly for any reason whatsoever.

The Bank shall disseminate information that affect its business in compliance with the laws, rules and regulations and other policies adopted by the Bank.

Members of the Board shall adhere to their duties as prescribed in the Banking Regulation Act, provisions of the Companies Act, 2013, SEBI Regulations and RBI circulars, guidelines etc. from time to time and the Do's and Don'ts prescribed by RBI in order to ensure compliance with good corporate governance practices. Further, the independent directors of the Bank shall ensure compliance with the provisions of Schedule IV of the Companies Act, 2013, including the duties set out under **Annexure A** hereto.

8. PROHIBITION OF TRADING ON INSIDER INFORMATION:

The Directors and the Senior Management of the Bank are prohibited from trading in securities of the Bank either directly or indirectly when in possession of unpublished price sensitive information [as defined under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]. They should follow the Code of Conduct - Prohibition of Insider Trading Policy, adopted by the Bank.

9. PROTECTION OF BANK'S ASSETS AND ITS PROPER USE:

The Bank's assets should be protected and safe guarded against loss, theft or other misuse. It is the duty of each and every one who is covered under this Code to safeguard each and every asset of the Bank and prevent its misuse by anyone.

Each member of the Board of Directors and the Senior Management has a duty to the Bank to advance its legitimate interests while dealing with the Bank's assets and resources. Members of the Board of Directors and Senior Management 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 relative(s) have a significant direct or indirect interest.

10. PROTECTION OF BANK'S CONFIDENTIAL INFORMATION:

Except where required by law and authorised by the Bank, all the confidential proprietary information collected while associated with the Bank, should be protected and maintained in strict confidence. All confidential information must be used for Bank's business purposes only. Proprietary information includes, but is not limited to any information which is non-public, which may be of use to a competitor. It may also be harmful either to the Bank or to its customers if disclosed. Further, the intellectual property rights such as trade secrets, patents, trademarks, copy rights etc. as well as the product plans, records, databases etc. should be protected. The information which a Director or a Senior Management Personnel may come across during their tenure should not be used after leaving the Bank.

11. OTHER CONFIDENTIAL INFORMATION

The Bank has many kinds of business relationships with many 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. Therefore, special care must be taken by the Board of Directors and members of the Senior Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements entered into with such third parties.

Directors and the members of Senior Management shall not accept any offer, payment, promise to pay, or authorisation to pay any money, gift, or anything of value from customers, suppliers, shareholders / 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.

No one is allowed to make unfair advantage of another person through manipulation, concealment, improper use of privileged information or any other unfair dealing practice.

12. PROHIBITION OF BUSINESS OPPORTUNITIES FOR PERSONAL GAIN:

The persons who are covered under this Code are prohibited from taking for themselves business opportunities that arise through the use of business property, information and position in the Bank. No Director or Senior Management Personnel shall compete with the Bank.

13. FAIR DEALING WITH THE STAKEHOLDERS

The persons who are covered under this Code shall endeavor to deal with the customers, suppliers, competitors, the general public and one another fairly at all times and in accordance with sound business principles and on ethical lines.

No one is allowed to make unfair advantage of another person through manipulation, concealment, improper use of privileged information or any other unfair dealing practice.

14. HUMAN RESOURCES/EMPLOYEE RELATIONS

Directors and Senior Management Personnel shall strive to maintain cordial employee relations, mutual respect, integrity and fairness within the organisational dealings. They shall aspire to transform the Bank into a unique organization wherein employees continuously and consistently strive to demonstrate excellence and initiative, providing employees with the best opportunities to realize their potential and an environment where diversity is embraced and teammates are treated with respect. They should refrain from favoritism and making business decisions based on emotions. As a Bank, we seek to maintain an inclusive diversity of our staff across branches and departments and recruit, develop and retain highly qualified, diverse and dedicated individuals for our workforce. The equal employment opportunity principles are based on fair employment regulations and non-discriminatory practices at workplace.

Directors and Senior Management Personnel should cause the organization to build competency-based human resources systems and maintain human resources policy that is directed at managing the growth of the organization effectively.

15. HEALTH, SAFETY AND ENVIRONMENT

All the Directors and Senior Management Personnel should cause the organization to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the organization, with all regulations regarding the preservation of the environment of the territory it operates in. The organization should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any emissions on the ecological environment in accordance with the applicable laws. They should ensure that the organization is aware of the potential environmental risks and participates in initiatives to address the environmental issues and further adopts most efficient management system, prevention of energy waste and effective utilization of natural resources at its premises and operations.

16. ANNUAL CONFIRMATION

All members of the Board of Directors and Senior Management shall affirm compliance with the Code on annual basis as per the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015 in the format given in “**Annexure B**”. The Annual Report of the Bank shall contain a declaration to this effect duly signed by the Managing Director & CEO.

17. PROHIBITIONS IN THE CODE

The Directors and Senior Management shall not undertake any actions that would cause risk of reputation to the Bank or cause the Bank to face any investigation or invite disciplinary action. The Directors and Senior Management shall adhere to the Code in true letter and spirit.

18. COMPLIANCE

- The compliance of this Code is expected from all the persons who are covered under the Code, as the Code will be strictly implemented.
- Violations of this Code would entail corrective and other actions to be dealt with by the Board.
- Enforcement of the Code will come under the purview of the Nomination and Remuneration Committee of the Board.

- The persons covered under the purview of this Code should report of any actions that may involve a conflict of interest to the concerned authority, being the Nomination and Remuneration Committee of the Bank.
- The Bank expects any violation of this Code to be reported to the concerned authority including cases where there are conflict of interest.

19. AMENDMENTS AND WAIVERS:

Any amendment or waiver of the provisions of this Code shall be done by the Board of Directors of the Bank.

Annexure A

- (1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Bank;
- (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 Bank;
- (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 Bank;
- (6) where they have concerns about the running of the Bank 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 Bank 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 Bank;
- (10) ascertain and ensure that the Bank 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 behaviour, actual or suspected fraud or violation of the Bank's code of conduct or ethics policy;
- (12) act within their authority, assist in protecting the legitimate interests of the Bank, shareholders and its employees; and
- (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.
- (14) Shall not make press media statements on his/her own without prior approval from the Board.

Annexure B

The Board of Directors
CSB BANK LIMITED
CSB BHAVAN,
PO BOX NO. 502,
ST MARYS COLLEGE ROAD
THRISSUR - 680020

Dear Sirs/Madam,

CODE OF CONDUCT & ETHICS

I(name)(designation), having read and understood the Code of Conduct and Ethics for Board of Directors and Senior Management Personnel of the Bank, hereby solemnly affirm that I shall comply with the Code of Conduct and Ethics in true spirit.

I understand that it is my responsibility to consult the Compliance Officer if I have any questions regarding the provisions of the Code of Conduct and Ethics. I agree that as a Director/Senior Management Personnel, it is my responsibility to promote the application of the Code of Conduct and Ethics.

Signature.....

Name.....

Designation

Employee Number (if any).....

Email ID.....

Mobile No.....

Place.....

Date.....

Note: Please sign and return this form to the Compliance Officer