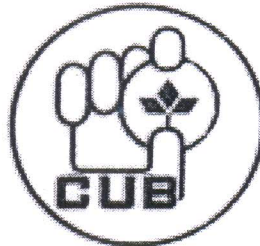


**CITY UNION BANK LIMITED
CENTRAL OFFICE
KUMBAKONAM**



CUB

Trust and Tradition · Since 1904

WHISTLEBLOWER POLICY (FOR EMPLOYEES)

Chapter: 1 Preliminary

1. Short title and commencement

1.1 This policy is called 'Whistleblower Policy for Employees'

1.2 It shall come into force on 04.04.2008

1.3 This Policy is applicable to City Union Bank Limited and the employees of City Union Bank Limited (CUB).

2. Definitions

In this Policy unless the context otherwise requires

2.1 '**Bank**' means City Union Bank Limited (CUB)

2.2 '**Branch**' means branch of City Union Bank Limited

2.3 '**Policy**' means the Whistleblower Policy for the Employees of City Union Bank Limited

2.4 '**Executives**' means officers in the rank of Assistant General Manager and above

2.5 '**Officer of the Bank**' means any person appointed or promoted in any scale between I to VII or any other scale as may be created subsequently and person who holds a supervisory, administrative or managerial post in the bank or any other person who has been appointed and is functioning as an officer of the bank (including officer on contract basis), by whatever designation called.

2.6 '**Employee**' means any person appointed as Clerk, Messenger, Attender of the City Union Bank Limited and shall include all those on Training / Probation / Contract

2.7 '**Bank Employee**' means Employees, Officers and Executives of City Union Bank Limited.

2.8 'Person' includes-

- i. an Individual
- ii. a Hindu Undivided Family
- iii. a Company
- iv. a Firm
- v. an Association of persons or a body of individuals, whether incorporated or not
- vi. every artificial judicial person, not falling within any of the preceding sub-clauses and
- vii. any agency, office or branch owned or controlled by any of the above persons mentioned in the preceding sub-clauses.

Chapter III. WHISTLE BLOWER POLICY

1. Background of the Policy

- 1.1 Disclosure of information in the public interest by the employees of an organization is increasingly gaining acceptance by public bodies for ensuring better governance standards and probity/transparency in the conduct of affairs of public institutions. Government of India (GOI) has passed a resolution on April 21, 2004 authorizing the Central Vigilance Commission (CVC) as the Designated Agency to receive written complaints or disclosure on any allegation of corruption or of misuse of office and recommended appropriate action. The jurisdiction of the CVC in this regard is restricted to employees of the Central Government or of any corporation established by it or under any Central Act, Government companies, societies or local authorities owned or controlled by the Central Government.
- 1.2 The Public Sector Banks and Reserve Bank of India (RBI) have already been brought under the purview of Government of India scheme. But the Government of India Scheme does not include Private sector and foreign banks. As a proactive measure for strengthening financial stability and with a view to enhancing public confidence in the robustness of financial sector RBI decided to include Private Sector and Foreign banks as well in the spirit of the scheme of GOI. Hence Reserve Bank of India has formulated a scheme called 'Protected Disclosure Scheme for Private Sector and Foreign Banks'. In tune with the Guidelines enunciated thereon and to establish an internal mechanism for employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Bank's code of conduct or ethics policy and provide for adequate safeguards against victimisation of employees, this specific 'Whistleblower Policy for Employees' has been framed.

2. Policy Objective

2.1 The basic objective of the Bank is to conduct the business with the utmost confidence of the public in a robust manner and handle all the transactions with impeccable character. Hence the Policy clearly lays down norms for protection of identity of employees making disclosures in the Bank about any act of corruption, misuse of office, criminal offences, suspected/actual fraud, and failure to comply with existing rules and regulations and acts resulting in financial loss /operational risk, loss of reputation detrimental to depositors' interest/public interest.

3. Nature of Complaint

3.1 The Complaints under this Policy would cover the areas such as corruption, misuse of office, criminal offences, suspected/actual fraud, failure to comply with existing rules and regulations such as Reserve Bank of India Act 1934 and Banking Regulation Act 1949 and other relevant acts and the policies of the Bank resulting in financial loss/operational risk, loss of reputation detrimental to depositors' interest/public interest.

3.2 The complaint can be lodged by any Bank Employee of the Bank against any other Bank Employee(s).

4. Procedure for lodging the complaint under Whistleblower Policy

4.1 The complaint should be sent in a closed/secured and sealed envelope

4.2 The envelope should be addressed to Managing Director & Chief Executive Officer (MD & CEO), City Union Bank Limited, Central Office, 149, T.S.R. Big Street Kumbakonam. The envelope should be clearly superscribed as 'Complaint under City Union Bank- Whistleblower Policy'

4.3. The employee making such a complaint should give details such as Name, Employee No., (if given by the bank), designation, department/branch or place of posting along with full and complete postal address either in the beginning or end of the complaint or in an attached letter.

4.4 Complaints can be made through e-mail giving full details as specified above. For this purpose, a specific e-mail id nk@cityunionbank.com has been created.

4.5 Anonymous/pseudonymous complaints will not be covered under this policy and such complaints will not be entertained.

- 4.6 The complainant should study all the relevant facts and understand their significance. He/She should initially make an effort, wherever possible avenues are available to resolve the issue through internal channels available in the Bank in order to avoid making the complaint. He/She should ensure that the issue raised by him/her involves dishonest intention/ acts of moral turpitude on the part of the accused Bank Employee.
- 4.7 The text of the complaint should be carefully drafted so as not to give any details or clue to complainant's identity. The details of the complaint should be specific and verifiable.
- 4.8. To protect the identity of the complainant, the Bank will not issue any acknowledgment of receipt of the complaint. The complainant also should not enter into any further correspondence with the Bank in their own interest.
- 4.9 The Bank assures that, subject to the facts of the case being verifiable; it would take necessary action, as provided under the Policy. If any further clarification is required, the bank will get in touch with the complainant.
- 4.10 If the Bank observes that the complainant has made a motivated/vexatious complaint under the policy then the Bank will give the complainant an opportunity of hearing. If the Bank thereafter is of the opinion the complainant has made a motivated/vexatious complaint then suitable departmental action will be taken against the complainant

5. Action of the Bank on the complaint

- 5.1 On receiving the complaint if the Bank finds it necessary then it would ascertain from the complainant whether he was the person who made the complaint or not.
- 5.2 The identity of the complainant will not be revealed unless the complainant himself/herself has made the details of the complaint either public or disclosed his/her identity to any other authority.
- 5.3 If the identity of the complainant is concealed, the Bank shall make discreet inquiries to ascertain if there is any basis for proceeding further with the complaint.
- 5.4 If the complainant reveals his identity on his own after filing the complaint under the policy without any valid reasons as seen by the Bank then appropriate departmental action will be taken by the Bank on the complainant who made such disclosure

5.5 Either as a result of the discreet enquires, or on the basis of complaint itself without any inquiry, if the Bank is of the opinion that the matter requires to be investigated further then the Bank will proceed with detailed investigation.

5.6 If after detailed investigation if the Bank is of the opinion that the complaint warrants action then the Bank will take the following actions:

- i. Appropriate action will be initiated against the concerned erring employee
- ii. Appropriate administrative steps for recovery of the loss caused to the bank as a result of the corrupt act or mis-use of office, or any other offence covered by the Policy.
- iii. Take corrective measures to prevent recurrence of such events in future
- iv. Consider initiating any other action that it deems fit keeping in view the facts of the case.
- v. Recommend to the appropriate authority/agency for initiation of criminal proceedings, if warranted by the facts and circumstances of the cases

6. Protection to the complainant

6.1 If any employee is aggrieved by any action on the ground that he/she is victimized due to filing of the complaint or disclosure, he may file an application before the MD & CEO of the Bank seeking redressal in the matter. The MD & CEO shall take such action, as deemed fit. The MD & CEO will prevent initiation of any adverse personnel action against the complainant.

6.2 Either on the basis of the application of the complainant or on the basis of information gathered, if the Bank is of the opinion that either the complainant or the witnesses in the case need protection, then the Bank shall take further course of action to protect the complainant or the witnesses.

7. Investigation procedure

7.1 On receiving the complaint under the Policy the MD & CEO will appoint a team of employees with a leader to help him investigate the complaint impartially.

7.2 The MD & CEO will be the sole authority to decide upon the composition of the investigation team and the leader.

7.3 The MD & CEO will decide upon the time frame within which the investigation team should complete the investigation and submit the detailed report. The time frame will depend upon the complexity of the case. If for some reasons the investigating team is not able to complete the task within the time frame fixed by

then the MD & CEO will be the sole authority to extend the time period or change the composition of the investigating team depending upon the merits of the individual case and the circumstances.

- 7.4 The leader of the team will submit a detailed report to the MD & CEO on the findings for further course of action.
- 7.5 If the findings warrant punishment then the MD & CEO will direct the General Manager (Inspection, Audit & Vigilance) or such other Executive who has necessary authority vested to him in this regard to take appropriate action such as Disciplinary proceedings etc in accordance with the service conditions of the bank and in conformity with the Industrial Disputes Act or any other law prevailing.

8. Monitoring Committee of directors

- 8.1 The Board of directors of the Bank will appoint a Committee of directors with Chairman of the Bank as the Chairman of the Committee or the Audit Committee of the Board (ACB) to monitor the complaints received under the policy.
- 8.2 The MD & CEO will not be a member of the Committee.
- 8.3 The responsibilities of the MD & CEO to the Committee or the ACB under the Policy are :
- i. Submit the complaint
 - ii. Decision of the MD & CEO about the genuineness or motivated/vexatious nature of the complaint
 - iii. In the case of motivated/vexatious complaint the action taken by the MD & CEO against the complainant
 - iv. In the case of prima facie genuine nature of complaint as decided by the MD& CEO, then the names of the members and the leader of team appointed by him to investigate the complaint, to be furnished.
 - v. Submit the findings of the investigating team and further course of action taken.
 - vi. Recommend the proposed punishment on the erring employees to the Committee or the ACB
 - vii. In the case of disclosure of the complainant by himself/herself in spite of secrecy maintained by the Bank as envisaged under the Policy then the action taken by the MD & CEO against the complainant
 - viii. Application filed by any aggrieved party and the action taken by MD & CEO

- ix. Decision of the MD & CEO to offer protection to the complainant or witnesses as and when warranted and the nature of protection.
- x. Recommend to the Committee or the ACB to refer the matter to appropriate authority/agency for initiation of criminal proceedings, if warranted by the facts and circumstances of the cases
- xi. Action taken by the MD & CEO to avoid recurrence of such cases in the Bank in future.

8.4 On the basis of information filed by the MD & CEO it is the responsibility of the Committee or the Audit Committee of the Board :

- i. to ensure that complaints under the Policy are dealt with quickly, speedily and impartially.
- ii. to ensure that proper punitive action is taken on the erring employees and the spirit of the Policy is always upheld.
- iii. to take action on the recommendation of the MD & CEO pertaining to the punishment proposed on the employees found guilty or ratify the action / punishment imposed on the concerned employees by MD & CEO or the Disciplinary Authority.
- iv. to evaluate the appropriate action taken by the MD & CEO to prevent recurrence of such cases in the Bank.

8.5 The Committee or the ACB has the right to call any further information or to direct any course of action in monitoring the complainant.

8.6 The Committee or the ACB has also the right to ratify the punishment recommended by the MD & CEO or alter/modify with suitable reasons.

8.7 The periodicity, date, time and venue for the meeting of the Committee or the ACB will be decided by the MD & CEO of the Bank.

8.8 Periodical Statement to the Committee or the Audit Committee of the Board about receipt of complaints under the Policy, its details and actions taken thereon.

9. Grievance redressal policy

9.1 The Bank has a grievance redressal policy. This policy is in addition to the grievance redressal policy.

10. Alteration to the Policy

10.1 Alterations, amendments and modifications of this Policy can be made as recommended by the Committee or the ACB to the Board of directors .