

**Protected Disclosure Scheme (PDS) /
Whistle Blower Policy
2024**



VIGILANCE CELL
CENTRAL OFFICE, KARUR

Vigilance Cell

Protected Disclosure Scheme (PDS) / Whistle Blower Policy

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Reviewed By	Audit Committee of the Board
Approved By	Board of Directors
Issued Date	22.01.2024
Version	9.0
Revision History*	P.T.O
Document Classification	<input type="checkbox"/> Restricted <input type="checkbox"/> Confidential <input type="checkbox"/> Internal <input checked="" type="checkbox"/> Public
Distribution List	All Employees of the Bank
Document Owner (Department)	Vigilance Cell



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Document Revision History		
Version Details	Effective Date	Details
Version-001	01/04/2007	Formulation of Policy
Version-002	29/05/2015	Review
Version-003	01/04/2017	Annual Review
Version-004	27/11/2018	Annual Review
Version-005	28/05/2019	Annual Review
Version-006	01 /04/2020	Annual Review
Version-007	01/04/2021	Annual Review
Version-008	20/05/2022	Annual Review



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1.0. Preamble:

1.1. Karur Vysya Bank is committed to maintaining the highest standards of ethics and integrity in all aspects of its operations and dealings. The Bank believes that upholding these values and promoting a corporate culture of transparency and accountability is essential for its continued success and trustworthy reputation. To pursue this philosophy further, the Bank has framed the present Whistleblower Policy/ Protective Disclosure Scheme in accordance with the guidelines issued by the Reserve Bank of India (RBI) under the 'Protective Disclosures Scheme for Private Sector & Foreign Banks' on April 18, 2007. This Policy also aligns with the requirements of the Section 177 (1) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time.

2.0. Objective:

The Whistleblower Policy (WBP)/Protective Disclosure Scheme (PDS) is an integral part of the Bank's commitment to utmost ethical conduct, strong corporate governance, and sound risk management. This is a vigil mechanism that empowers staff members to raise the perceived complaints internally through a robust and trusted framework without any fear of retaliation or reprisal. The PDS/WBP (here onwards referred to as Policy) serves the following purposes:

- a) Ensuring compliance with the relevant statutory and regulatory obligations.
- b) Identifying and addressing improper, unethical, or inappropriate conduct at an early stage.
- c) Encouraging prompt reporting of misdemeanors and unlawful activities to prevent or deter workplace malpractices and minimize damage.
- d) Providing clear and documented procedures for reporting and handling the reported complaints.
- e) Reassuring employees that disclosures will be acted upon promptly, fairly, sensitively, and confidentially.
- f) Protecting and supporting employees against retaliation or reprisal for making good-faith disclosures.
- g) Fostering a culture of corporate governance where openness, accountability and integrity thrive.
- h) Demonstrating the Bank's commitment to ethical conduct and strong governance to all the stakeholders.

The Policy recognizes that employees are often best positioned to escalate risks to the Bank and act as an early warning system. However, they may hesitate to come forward due to apprehensions about being ignored or



facing adverse consequences. To dispel such anxieties, the Policy mandates maximum protection for employees who report genuine complaints. By implementing the Policy, Bank aims also to make employees feel that the Bank values whistleblowers and the information they provide and, it is right and proper for them to speak up and make disclosures, even if the same eventually turn out to be mistaken.

3.0. Scope and Coverage:

The Policy covers a wide range of reportable misconducts, malpractices, and violations. These include but are not limited to corruption, misuse of office, criminal offenses, suspected or actual fraud, data theft, manipulation of Bank's records, other wrongdoings, non-compliance with the regulations such as the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, and the transgressions that result in financial loss, operational risk, or harm the Bank's interest or reputation. These also include instances of the unauthorized disclosure of Unpublished Price Sensitive Information (UPSI) as per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The above listed violations or misconducts or transgressions are not exhaustive. Discretion and judgment need to be exercised in determining whether a particular misconduct/ violation/transgression falls under the purview of this Policy. Further, the Policy must not be misused for lodging scurrilous or malicious complaints against other employees/officers in the Bank.

3.1. Exclusions:

The Policy shall not apply to certain types of complaints including:

- a) Complaints related to policies and guidelines issued by the Bank.
- b) Employment-related complaints or individual staff grievances, such as issues with engagement, salary, perquisites, leave, promotion, transfer, or interpersonal conflicts between the complaint-discloser and another employee, etc.
- c) Complaints falling within the scope of the Bank's "Prevention of Sexual Harassment at Workplace" Policy will be routed through the Internal Committee (IC) for appropriate action and resolution as per the established procedures and guidelines for the same.
- d) Anonymous or pseudonymous complaints. Such complaints will be handled under the relevant Procedure.
- e) Matters pending before a court of law, tribunal, other quasi- judicial bodies or the Government.



4.0. Definition of Terms:

- a. **"Bank"** refers to Karur Vysya Bank.
- b. **"Policy"** refers to the Whistleblower Policy (WBP)
- c. **"Scheme"** refers to the Protected Disclosure Scheme (PDS).
- d. **"Good Faith"** means making a report or raising a complaint without malice or personal benefit, based on reasonable grounds to believe that the report is true. Good faith does not require the complaint to be proven true. However, good faith will be absent when there is consideration of personal benefit or the complainant/complaint-discloser does not have a factual basis for reporting the complaint.
- e. **"Unethical and Improper Practices/Wrongful Conduct"** encompasses various actions, such as violation of laws, breach of trust or duty of care, misappropriation of funds, morally offensive behavior, fraud, theft, abuse of authority for personal gain, corruption, misuse of Bank property or cash, and acts not conforming to approved professional standards or involving unethical business practices. These transgressions generally involve financial or legal wrongdoings.
- f. **"Whistleblower"** or **'Informant'** or **'Complainant'** or **Complaint-Discloser** refer to an employee or the director of the Bank or any other person who, in good faith and in writing, discloses any unethical and improper practices to the Designated Authority or any other senior executive.
- g. **"Employee"** includes all employees of the Bank, including officers and senior executives.
- h. **"Designated Authority"** means the person- Chief of Internal Vigilance- authorized to receive all disclosures under the Scheme/Policy.
- i. **"Misconduct"** refers to the failure of a staff member, a director or relevant stakeholder to observe the rules of conduct or standards of behavior prescribed by the Bank.
- j. **"Code"** refers to the Code of Conduct.
- k. **"Unpublished Price Sensitive Information (UPSI)"** refers to information that is not generally available, but which upon becoming generally available, is likely to materially affect the price of the Bank's securities. It ordinarily includes but not restricted to, information relating to the (i) Financial Results, (ii) Dividends, (iii) Change in capital Structure, and (iv) Change in key managerial



personnel as per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- l. **"Investigating Officer (IO)"** is the person authorized to conduct the investigation.
- m. **"Protected Disclosure"** refers to a complaint raised or an escalation or complaint made in good faith that provides information or evidence of unethical or improper activity within the Bank. It should be factual, specific, and avoid speculation or conclusions.
- n. **"Complaint"** refers to a Protected Disclosure or complaint escalated or speaking up or any reportable conduct under the PDS/WBP.
- o. **"Subject"** is a person against whom a Protected Disclosure or complaint has been made or complaint escalated or in relation to whom evidence has been gathered during an investigation.
- p. **"Audit Committee"** is the committee constituted by the Board of Directors of the Bank in accordance with Section 177 of Companies Act, 2013 read with Regulation 18 of the Listing Regulations.
- q. **"Disciplinary Action"** includes any action taken upon completion or during an investigation, based on the applicable disciplinary procedure for staff members, considering the seriousness of the matter.
- r. **"Detrimental"** refers to victimization or reprisal against a whistleblower, which can take various forms, such as dismissal, termination, intimidation, discrimination, undue influence, duress, withholding of benefits and entitlements, or any other act that negatively impacts the whistleblower.
- s. **"Stakeholders"** refer to customers of the Bank, non-governmental organizations vendors, suppliers, agencies or employees of the agencies deployed for the Bank's activities (whether working from any of the Bank's offices or any other location), shareholders of the Bank; and any other person having an association with the Bank.

5.0. Policy:

5.1. Employees of the Bank, customers, contractors, vendors, suppliers, employees of other agencies deployed for the Bank's activities, shareholders of Bank, Directors of the Bank or any other person having association with the Bank or a member of public can lodge complaints / make disclosure (here onwards referred to as complaint) under this Policy.



5.2. To prevent further wrongdoing in the Bank, all the above persons should feel comfortable in making whistleblowing complaint as the Bank will keep the identity of the complainant secret, except in the following cases:

- a) The complaint turns out to be malicious, vexatious, or frivolous.
- b) The complainant himself / herself has made the details of the complaint public.
- c) Under compulsions of law.

5.3. The Bank will be at liberty to act against the complainants (employee or director) in cases the complaints made under the Policy are subsequently found to be malicious or false or motivated, by using the mechanism defined in the Policy or as the Bank deems fit. Whistleblowers who make such complaints may face prosecution and appropriate disciplinary action including the matter being referred to the law enforcing agencies where it is established that the complaint was made with an intention of malice.

5.4. In case an employee or director has repeatedly filed frivolous complaints, then the ACB may take appropriate action against such director or employee including reprimanding them.

5.5. The Bank will conduct an enquiry/investigation into the complaint and the matter will be taken to its logical conclusion including informing the complainant subject to the legal constraints and the feasibility.

5.6. Under no circumstances, a complainant will be victimized by the Bank. If s/he is a member of the staff, they will be duly safeguarded from any adverse personnel action.

5.7. The Bank will consider suitable forms of recognizing the effort in case of genuine complaints proved as such after investigation, depending on the magnitude of the loss/damage detected/avoided, while maintaining the confidentiality aspect.

6.0. Protection and Support Available to the Complainant:

6.1. If any person suffers any detrimental treatment or feels victimized as a result of making a complaint, s/he can apply to the Managing Director seeking redressal. The Managing Director will ensure appropriate remedial action with that regard. If the complainant is an employee of the Bank, measures will also be taken to prevent any adverse personnel action against him/her.

6.2. If the identity of the complainant is revealed or disclosed despite the Bank's instructions to the contrary, the Managing Director will



ensure suitable action against the person responsible for the disclosure.

6.3 The Policy provides safeguards against the disclosure of identity of the complainant, but only in those cases where the complaint is escalated through the whistleblowing avenues available in the Policy.

6.4 To protect the interest of the complainant for any adverse reporting in annual performance review, s/he may be given an option to request for a review of his/her annual report by the next higher authority of the reviewing authority of his/her report within three (03) months after the closure of the relevant financial year ending 31st March. In such cases, the Designated Authority will ensure that a suitable communication is sent to HRD through HIA with the approval of MD & CEO.

6.5 Any other staff or director assisting in the process of making/lodging the complaint shall also be protected to the extent as the complainant.

6.6. Any member of staff found to be involved in threatening or retaliation against the complainants will be subject to strict disciplinary action.

7.0. Disqualifications from Protection

- a) Protection under this Policy does not extend to the complaints made with a malicious intent or complaints aimed at settling personal grievances. Deliberately making false complaints that the complainant knows to be untrue can have negative consequences for the Bank and the reputation / morale of individuals involved, and, hence, may attract stringent action against the complainant.
- b) No protection under the Policy is available to the complainant if the complaints are directly made to the media including social media.
- c) This Policy does not protect an employee from an adverse action which occurs independent of his/her complaint under this Policy or for alleged wrongful conduct, poor job performance, any other disciplinary issue etc., unrelated to a complaint made under this policy.

8.0. Submission of Complaints under Policy:

8.1. The Chief of Internal Vigilance is the Designated Authority and nodal officer in the Bank to receive all complaints from any person, customer and /or any member of staff under the Policy. Complaints made by the directors will be received by the Chairman Audit Committee of Board.



8.2 The complaint should be sent in a closed / secured envelope. The envelope should be addressed to the Chief of Internal Vigilance, The Karur Vysya Bank Ltd, Registered and Central Office, Erode Road, Karur - 639 002, Tamil Nadu. The envelope should be super scribed "Complaint under Protected Disclosures Scheme for Banks". Complaints can be made by the employee through an internal application and in case of public, complaint can be made through pds@kvbmail.com.

8.3. The complainant should give his / her name and address in the beginning or at the end of the complaint or in an attached letter. In case of an employee making such complaint, details such as name, designation, department, place of posting, a mobile or landline phone number etc. should be furnished.

8.4. Copies of documents that may help establishing the veracity of the matter in the complaint may preferably be attached with the complaint.

8.5 In exceptional circumstances when the complainant is not satisfied with the resolution of the complaint, s/he may reach out to the Chairman, Audit Committee of Board either through the email address acbchairman@kvbmail.com or through registered / speed Post / other mode by sending a closed / sealed cover superscribing on the top of the envelope- 'Complaint under Protected Disclosures Scheme for Banks'- at the address: Chairman, Audit Committee of Board, The Karur Vysya Bank Ltd, Registered and Central Office, Erode Road, Karur - 639 002, Tamil Nadu.

8.7. The complainant should evaluate and understand the significance of the complaint before its escalation. Once satisfied with the substantiveness of the wrongdoing, the complaint should be carefully drafted, avoiding any details or clues that may reveal the complainant's identity, and then lodged. The complaint should be specific and verifiable in its content.

8.8. If the complainant has any personal interest in the matter, it must be disclosed at the outset in the forwarding letter/ email message.

9.0. Bank' Response to the Complaints Received

9.1. The complaints received by the Designated Authority (DA) either online or offline, or through any other executive in the Bank, shall be entered into the corporate database of the whistle blower complaints by noting the serial number of the complaint and the date of receipt.

9.2 Afterwards, the complaint shall be examined as to whether the same falls under the scope of the Policy or otherwise. If it is outside the purview of the Policy, it shall be forwarded to the department



concerned for information, if need be. If it comes under the Policy, the DA shall conduct a preliminary assessment and form a view whether (i) the complaint requires to be investigated, and (ii) the contents of the complaint are investigable or otherwise. In either of the situation, recommending the name of a suitable officer for conducting the investigation into a complaint or filing a non-investigable complaint, he shall seek approval from the HIA and take the matter forward.

9.3 Once the investigation is completed, the Designated Authority will do a post-investigation assessment based on the IR findings and decide the further course of action depending upon the allegations being proven, not proven, or proven as false, with the concurrence of the HIA. If disciplinary proceedings are to be commenced, the investigation report and related papers will be forwarded to Head-HR Department, for their necessary action.

9.4 The cases where allegations are proven as false will be subjected to appropriate disciplinary action and, where the allegations could not be proven, the matter will be treated as closed, with the approval of the HIA.

9.5 On completion of the disciplinary proceedings, Head-HR Department will inform the DA regarding the staff-side action taken against the employee(s) named in the Investigation Report, along with the copies of the related orders.

9.6 Legal Department will initiate the criminal and/or civil legal action, wherever essential/warranted.

9.7 The complaints addressed to the Chairman (ACB) will be directly accessed by him and handled in line with the operating procedure as detailed in the SOP of the Policy.

9.8 In case of the complaint is lodged by a director, the Chairman (ACB) shall manage the entire process independently in consultation with the Chairman of the Board so that the identity of the complainant director is duly protected.

9.9 The complainants should not enter any further correspondence with the Bank in their own interest to protect the confidentiality of their identity. If any further clarification is required, the Bank will get in touch with them at the address / phone number / e-mail ID given in the complaint.

9.10 The identity of the complainant will not be revealed unless the complainant himself has made the details of the complaint public or disclosed his identity to any other authority.



10. Time taken in Resolution of the Complaint

The timeframe for end-to-end resolution of the complaint should generally not exceed the 60 days from the date of its receipt by the Designated Authority. This timeframe includes the time taken in the investigation. Exceptions shall require prior approval from the HIA.

11. Responsibility of Board of Directors & Management

The Board of Directors of the Bank has the responsibility for proper implementation of this Policy in the Bank. The Audit Committee of the Board is authorized by the Board to monitor and review the functioning of the Policy in the Bank on a quarterly basis. The Bank Management has a duty to remain visibly committed towards implementing the Policy and setting a tone from the top so that the employees and other stakeholders have trust in the whistleblowing process of the Bank.

12. Periodical Reporting

The Designated Authority shall submit monthly status reports of complaints to HIA, quarterly reviews to ACB, and annual review to the Board, incorporating an analysis of the effectiveness of the Policy, the awareness and attitude of employees towards it and identified gaps with the suitable remedial actions as part of Vigilance review.

13. Root cause Analysis (RCA) and Corrective Interventions:

By conducting a comprehensive root cause analysis, the Bank would gain insights into the underlying causes and determine the factors that contributed to the misconduct raised through the whistle-blowing complaints. Based on the findings, appropriate corrective actions will be implemented to address the causative factors and mitigate the similar incidents in the future. The Vigilance Department will conduct the RCA and incorporate the findings in its periodical reports to HIA, ACB and Board with a view to enhance effectiveness of the existing whistleblowing framework.

14. Conflict of Interest

Where a complaint relates to any member of the Audit Committee, that member of the Audit Committee, shall recuse from acting in relation to that complaint. In case of doubt, the Chairman of the ACB shall be responsible for determining whether a member of the Audit Committee must recuse himself or herself from acting in relation to such a complaint.



15. Confidentiality & Data Protection

Everyone associated with any process under the Policy is obliged to observe strict confidentiality relating to all the information that has come to his/her knowledge. Personal data gathered during investigation will also be handled with full confidentiality and in accordance with the relevant policy of the Bank.

16. Communication of the Policy

To ensure that the Policy is properly known and accessible to all employees and other stakeholders, it will be posted on the Bank's website and Intranet. Raising awareness and providing training about the whistleblower framework will be a continuous activity in the Bank. Lessons learnt from the complaints received under the Policy and the attendant outcomes meted out to the delinquent employees should be shared with staff members for demonstrative purpose. Newly recruited employees of the Bank will also be suitably made aware of the availability of such a Policy in the Bank.

17. Compliance

The Policy will be administered through a defined Standard Operating Procedure (SOP).

It is the responsibility of all employees to comply and report violations or suspected violations in accordance with the Policy. If an employee fails to report, when certain, of an occurrence, included but not limited to the violations as mentioned earlier in point 3, s/he may be regarded to have committed a misconduct.

18. Retention of Documents

All complaints, investigation reports and other related documents or data shall be securely retained by the Bank for a minimum period of seven years, or as mentioned in applicable law, if any. The records should be kept in a way as to safeguard against any possible data leakage or breach.

19. Annual Affirmation

The Bank shall annually affirm that it has not denied any employee access to the Chairperson of the Audit Committee of the Board and that it has provided protection to the complainant from adverse action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Bank.



20. Linkage with other Policies

The Policy shall be read in conjunction with all the relevant policies of the Bank including the following:

- Code of Conduct for Employees
- Code of Ethics and Conduct for Directors and Senior Management
- Investor Grievance Redressal Policy
- Policy for Examination of Staff Accountability
- Fraud Risk Management Policy
- Operational Risk Management Policy

21. Policy Owner and Custodian

The Chief of Internal Vigilance shall be responsible for the ownership of the Policy. Custody of the Policy shall be domiciled with the Internal Audit.

22. Review

The Policy will be reviewed annually. The Vigilance Department shall undertake the review of the Policy and place before the Audit Committee of the Board and the Board of Directors for approval. If any change to this Policy is warranted consequent upon any change in legislation or regulatory guidelines, such changes will be approved by MD & CEO for incorporation in the Policy and placed before the Board in the ensuing meeting. MD & CEO will be authorized to issue the clarifications, if any, in respect of the functioning of the Policy.

23. Disclosures and Reporting to SEBI

Pursuant to the SEBI (Prohibition of Insider trading), third Amendment, Regulations, 2019, nothing in this Policy shall be construed as limiting in any manner, the right of a complainant to make reporting to SEBI and such reporting may be made in addition to, and in substitution of any reporting made to the Bank.

24. Disclaimer

The Bank reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

