

**Protected Disclosure Scheme (PDS) /
Whistle Blower Policy
2021**



**INSPECTION & AUDIT DEPARTMENT
CENTRAL OFFICE
KARUR - 639 002**



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| Policy Title | Protected Disclosure Scheme (PDS) / Whistle Blower Policy |
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Protected Disclosure Scheme (PDS) / Whistle Blower Policy

1.0. Preamble:

1.1. Karur Vysya Bank is committed to the highest standards of ethics and integrity. The Bank encourages an open culture in all its dealings between staff, managers, customers and all people with whom it comes into contact. The Board of Directors [Board] and the Senior management of the bank is committed to maintenance of higher standards of honesty and integrity, and to promoting and maintaining corporate culture that adheres to these values. In pursuance of this philosophy and as per the guidelines issued by Reserve Bank of India [RBI] under Protective Disclosure Scheme for private sector banks, this policy is formulated.

1.2. With a view to further raising the bar for ethical behavior, the bank considered it appropriate to provide a channel to its various stake holders for informing fearlessly any event/information of concern to the designated authority in the bank.

2.0. Objective:

The policy aims at quickly spotting aberrations and dealing with it at the earliest. It will be disseminated among the employees assuring confidentiality and protection to the whistle blower against any personnel vindictive actions such as humiliation, harassment or any other form of unfair treatment.

3.0. Scope and coverage:

The complaints/ disclosures under the Scheme 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, Banking Regulation Act 1949 etc. and acts resulting in financial loss / operational risk, loss of reputation, etc. detrimental to the interest of the Bank, the depositors and the public including the instances of leak of Unpublished Price Sensitive Information (UPSI) in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended.

Unpublished Price Sensitive Information (UPSI) in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, means any information, relating to a Bank or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following



- i. Financial Results,
- ii. Dividends,
- iii. Change in capital Structure,
- iv. Mergers, De-mergers, acquisition, delisting, disposal and expansion of business and such other transactions and
- v. Change in key managerial personnel.

4.0. Scheme:

4.1. Employees of the Bank, customers, stakeholders, non-governmental organizations (NGO) and members of the public can lodge complaints/disclosures under this scheme

4.2. Anonymous / pseudonymous complaints/disclosures will not be entertained.

4.3. The Bank will keep the identity of the complainant / customer / other person (whistle blower) secret, except in the following cases:

- The complaint turns out to be vexatious or frivolous and action has to be initiated against the complainant.
- The complainant himself / herself has made the details of the complaint public.
- Under compulsions of law

4.4. The Bank will be at liberty to take action against the complainants in cases where motivated / vexatious complaints are made under the scheme, by using its own mechanism / the law enforcing agencies as the Bank deems fit.

4.5. The Bank will conduct an enquiry/investigation and the matter will be taken to its logical conclusion including intimating to the complainant suitably.

4.6 Under no circumstances a genuine complainant will be victimized by the Bank, if he/she is a member of the staff. They will be safeguarded from any adverse personnel vindictive action.

4.7 The Bank will consider suitable forms of recognizing the effort in case of genuine complaint/s proved subsequently on investigation, depending on the magnitude of the loss/damage detected/avoided, maintaining confidentiality aspect.

5.0. Procedure for lodging complaints under the scheme:

5.1. The Head of Vigilance Department in the Bank will be the nodal officer to receive complaints under the scheme.



5.2. The complaint should be sent in a closed / secured envelope.

5.3. The envelope should be addressed to the Head of Vigilance Department, The Karur Vysya Bank Ltd, Registered and Central Office, Post Box No. 21, Erode Road, Karur - 639 002, Tamil Nadu. The envelope should be super scribed "Complaint under Protected Disclosures Scheme for Banks".

5.4. 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, institution and place of posting etc. should be furnished.

5.5. Complaints can be made through IAD web, for which a separate menu is available or through pds@kvbmail.com

5.6. The complainant should ensure that the issue raised by him involves dishonest action/practice detrimental to the interest of the Bank/ the customers / the shareholders/ the employees / the public at large. He should study all the relevant facts and understand the significance of the matter and thereafter having satisfied of the misdeed or wrongful act make the complaint

5.7. 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.

6.0. Procedure for receiving complaints:

Complaints under the scheme of the Protected Disclosure Scheme (PDS) of the Bank will be received by the Head of Vigilance department from any person, customer and / or any member of staff.

7.0. Procedure for maintenance of records:

7.1. The Head of Vigilance Department will maintain a register of such complaints noting the serial number of the complaint and date of receipt.

7.2. In order to keep confidentiality of the identity no acknowledgment will be issued to the Complainant on date of receipt.

7.3. Complaints, if any, received under the scheme, other than by the Vigilance Department shall be forwarded to the Vigilance Department with a covering letter in duplicate to serve as acknowledgement for the recipient Department, marked 'confidential - complaint under protected disclosure scheme'.



8.0. Procedure for enquiry:

8.1. Complaints under the scheme received by the Head of Vigilance Department shall be discreetly enquired into immediately. Either as a result of the discreet inquiry or on the basis of the complaint itself, if the Bank is of the opinion that the matter requires to be investigated further, the Managing Director & Chief Executive Officer will get it investigated by the Vigilance or other related Department/s.

8.2. The complainants need not enter into any further correspondence with the Bank in their own interest to protect the confidentiality of the identity of the complainant. The Bank assures that, subject to the facts of the case being verifiable; it would take necessary action, as provided under the scheme. If any further clarification is required, the Bank will get in touch with the complainant at the address / phone number / e-mail ID given in the complaint.

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

8.4. Either as a result of the discreet enquiry, 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, it will call for the comments / response from the concerned official of the Bank.

8.5. After obtaining the response of the concerned official and / or on the basis of an independent scrutiny conducted / ordered by the Bank, if it is of the opinion that the allegations are substantiated, the Bank shall take appropriate action against the concerned officer/ employee. These shall, inter alia include the following:-

- (i). Appropriate action to be initiated against the concerned official.
- (ii). Appropriate administrative steps for recovery of the loss caused to the Bank as a result of the corrupt act or misuse of office, or any other offence covered by the Scheme.

8.6. Recommend to the appropriate authority / agency for initiation of criminal proceedings, if warranted by the facts and circumstances of the cases

8.7. Recommend taking corrective measures to prevent recurrence of such events in future.

8.8. Consider initiating any other action that it deems fit keeping in view the facts of the case.



8.9. If the complaint is in electronic form the Bank will take the following steps.

- It would ascertain from the complainant whether he / she were the person who made the complaint.
- 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 identity to any other authority.

9.0. Protection available to the complainant:

9.1. If the complainant is a staff member he / she should give his / her name and address with pin code, phone number and or e-mail ID, if any, prominently at the beginning or at the end of the complaint or in the covering letter. Details such as name, designation, branch / department at which he / she is working should also be clearly mentioned.

9.2. If any person is aggrieved by any action on the ground that he is victimized due to filing of the complaint or disclosure, he may file an application before the Managing Director & CEO seeking redressal in the matter. Managing Director & Chief Executive Officer will take such action, as deemed fit. In case the complainant is an employee of the bank, the Bank will take all measures, preventing initiation of any adverse personnel action against the complainant.

9.3. The system evolved herein shall be in addition to any of the existing grievances redressal mechanism in place. However, secrecy of identity shall be observed, only if the complaint is received under the scheme.

9.4. In case the Bank finds that the complaint is motivated or vexatious, it shall be at liberty to take appropriate steps.

9.5. In the event of the identity of the informant being disclosed in spite of Bank's directions to the contrary, The Managing Director & Chief Executive Officer will be initiating appropriate action as per extant regulations against the person or agency making such disclosure. The Managing Director & Chief Executive Officer may also direct such person or agency to suitably compensate the complainant.



10.0. Responsibility of Board of Directors:

The Board of Directors of the Bank has the responsibility for proper implementation of this "Protected Disclosure Scheme" in the Bank. The Audit Committee of the Board is authorized by the Board to monitor and review the functioning of the scheme in the Bank on a quarterly basis.

