

Code of Conduct for the members of the Board of Directors of DCB Bank Limited

Title	Code of Conduct for the Board of Directors of DCB Bank Ltd
Applicability	Board of Directors
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Effective Date	
Authorized By	Board of Directors
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DCB Bank Limited (the Bank) is committed to the highest standards of corporate governance in all its activities and processes. In furtherance with the same philosophy, the Board of Directors of the Bank has adopted this Code of Conduct (the “Code”) and summarizes the standards that must guide their actions. While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decision/s must be made, but rather set forth key guiding principles that represent the DCB Bank's policies, regulators' intent and in compliance with the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] in that regard. Reference to the Code set forth below and reliance on common sense and good judgment will help resolve issues not specifically dealt with in the Code. However, for interpretation / understanding the wider meaning or scope of the terms “Listing Regulations”, “Confidential Information”, “Insider Trading” and “Conflict of Interest”, a reference may be made to the Chairman who may consult his advisors / Head Legal and Compliance or seek any general advice.

This Code supersedes the earlier Code of Conduct for Board Members of DCB Bank Ltd approved by the Board at its Meeting held on 3rd May 2007.

Code of Conduct for all Board Members

Board members should observe the highest standards of ethical conduct and abide by all applicable laws and regulations (including on insider trading) to which they are subjected to.

When exercising the powers and carrying out the tasks and duties conferred upon them, Board members are expected to act in the interests of DCB Bank to the best of their ability and judgement, consistent with their responsibilities to the regulators.

As a part of good corporate governance practices, the Board members are expected to attend the Board meetings regularly and participate in the deliberations and discussion effectively.

As Directors on the Board, they shall be providing broad directions to the management team and would undertake such steps as necessary for good corporate governance and

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compliance of all regulatory requirements. They will monitor the performance of the bank on a periodic basis and provide guidance to the Management on key aspects relating to key policy matters.

Board members are expected to maintain the confidentiality of non-public information about DCB Bank or its activities or operation to which they have access by virtue of their functions as Board Members (Confidential Information). If Board members are required to disclose "Confidential Information" by reason of legal requirements, they should inform the Chairman of any such requirement, if practicable in advance, who may, if appropriate, raise the matter with the Board. On request, the Directors shall surrender any documents and other materials, made available to them by the Bank.

When making public statements on DCB Bank related matters, Board members will refrain from making any statements on behalf of the Bank and in case there is a need, they will consult the Chairman.

The Directors of the Bank shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Bank.

A Director, he/she is required to declare any directorships, appointments and interests, including any conflict of any interest of the Director with the interest of the Bank to the Board in writing in the prescribed form from time to time at the commencement of the Financial Year, as well as any changes thereto during the Financial Year.

If a conflict of interest or appearance of a conflict of interest, with the DCB Bank arises, Board members are expected to take action, as appropriate, to address the conflict. Board member should inform the Chairman, who may, if appropriate raise the matter with the Board.

Board members may seek information in the interest of the Bank generally from the MD & CEO directly and from the members of the management committee of the Bank if necessary.

It is expected that Non-Executive Directors should not involve themselves in general or personal administration or day to day functioning of the Bank, in conformity with the requirements under the Listing Regulations.

Subject to the provisions of the Companies Act, 2013 and the Rules made there under, Directors of the Bank shall act in accordance with the articles of the Bank.

The Directors of the Bank shall act in good faith in order to promote the objects of the Bank for the benefit of its members as a whole, and in the best interests of the Bank, its stakeholders viz. employees, shareholders, the community and for the protection of environment.

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The Directors of the Bank shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

The Directors of the Bank shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates and if such directors are found guilty of making any undue gain, they shall be liable to pay an amount equal to that gain to the Bank.

Additional Code of Conduct specifically for Independent Directors

In addition to the above, the below mentioned code is a guide to professional conduct for Independent Directors only. Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An Independent Director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the Bank;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Bank as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the Bank or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the Bank in implementing the best corporate governance practices.

II. Role and functions:

The Independent Directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

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- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management;
- (8) moderate and arbitrate in the interest of the Bank as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The Independent Directors shall—

- (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 with their authority, assist in protecting the legitimate interests of the Bank, shareholders and its employees
- (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

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