



DHANLAXMI BANK

CORPORATE GOVERNANCE - CODE OF CONDUCT FOR
DIRECTORS & SENIOR MANAGEMENT

Version 7.0

Date: 26.03.2024

DOCUMENT DETAILS

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Policy Owner department	Secretarial Department
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Reviewed by	appended below

DOCUMENT VERSION HISTORY

Sr.No.	Date of Document	Version	Remarks
1	September 29, 2015	1.0	Formation of Policy / Initial version
2	April 17, 2019	2.0	Revision
3	February 20, 2020	3.0	Revision
4	March 18, 2021	4.0	Revision
5	March 17, 2022	5.0	Revision
6	March 15, 2023	6.0	Revision

Corporate Governance-Code of Conduct for Directors & Senior Management	Company Secretary	Department Heads	MD & CEO	Nomination & Remuneration Committee	Board
	R/A	C	C/I	I	I

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1. NEED AND OBJECTIVE OF THE CODE

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule IV of the Companies Act, 2013, as amended from time to time, requires the Bank to lay down a Code of Conduct for Directors, including independent Directors, and the Senior Management.

Accordingly, the Bank has laid down Code of Conduct for its Directors, including independent Directors, and Senior Management. Senior Management shall mean Chief Financial Officer, Company Secretary, Chief Compliance Officer, Chief Risk Officer, Head-Internal Audit, Chief Vigilance Officer, Head -Treasury, any other Officer in the grade of Deputy General Manager & above in the Corporate Office of the Bank and any other person who are part of the Bank's core management team appointed by the Board designated as Senior Management.

2. BANK'S BELIEF SYSTEM

The Code of Conduct (hereinafter referred to as the "Code") attempts to set forth the guiding principles on which the Bank shall operate and conduct its daily business with its multitudinous stakeholders, government and regulatory agencies, media, and anyone else with whom it is connected. It recognizes that the Bank is a trustee and custodian of public money and in order to fulfill its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of public at large.

Dhanlaxmi Bank Limited (hereinafter referred to as the "Bank") acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behavior. The Bank shall be committed in all its actions to the interest of the countries where it operates. The Bank is conscious of the reputation it carries amongst its customers and public at large and shall endeavor to do all it can to sustain and improve upon the same in its discharge of obligations. The Bank shall continue to initiate policies, which are customer centric and which promote financial prudence.

3. PHILOSOPHY OF THE CODE

The Code envisages and expects: -

1. adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships;
2. full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Bank with government and regulatory agencies;
3. compliance with applicable laws, rules and regulations;

4. to address misuse or misapplication of the Bank's assets and resources;
5. the highest level of confidentiality and fair dealing within and outside the Bank

4. GOOD CORPORATE GOVERNANCE PRACTICES – DOs AND DON'Ts FOR DIRECTORS

Each member of the Board of Directors of the Bank should adhere to the following “DOs and DON'Ts” so as to ensure compliance with good Corporate Governance practices:-

(a) DOs

- Attend the meetings regularly and effectively.
- Study the Board papers thoroughly and use the good offices of the Chief Executive for eliciting any information at the Board meeting.
- Ask the Bank to furnish with the Board papers and follow-up reports on a definite time schedule.
- Involve as Director on the Board thoroughly in the matter of formulation of general policy and also ensure that performance of the Bank is monitored adequately at Board levels.
- Be familiar with the broad objectives of the Bank and the policy laid down by the Government and the Reserve Bank of India (RBI).
- Contribute constructive ideas for the better management of the Bank.
- Work as a team and not sponsor or be prejudice against individual proposals. Management on its part is supposed to furnish full facts and complete papers in advance.
- Try to give as much wisdom, guidance and knowledge as possible to the Management.
- Try to analyze the trends of economy, assist in the discharge of Management's responsibility to public and formulation of measures to improve customer service and be generally of constructive assistance to the Bank Management.
- Directors are expected to ensure confidentiality of the Bank's agenda papers/notes. Ordinarily, it is suggested that by way of abundant precaution, the Board papers may be returned to the Bank after the meeting.

(b) DON'TS

- Do not send any instruction to any individual officer of the Bank or give direction to individual officer in any matter.
- Do not involve in any matter relating to personnel administration, whether it is appointment, transfer, posting or promotion or a redressal of individual grievances of any employee.
- Do not interfere in the day-to-day functioning of the Bank.
- Do not approach or influence for sanction of any kind of facility from an individual Branch Manager or any other official.
- Do not participate in the Board discussion if a proposal in which any Director is

directly or indirectly interested comes up for discussion. Disclose interest well in advance to the Managing Director & Chief Executive Officer (MD & CEO).

- Do not reveal any information relating to any constituent of the Bank to anyone as Directors are under oath of secrecy and fidelity.
- Directors should not send for individual officers of the Bank or give directions to such officers on any matter.
- Should discourage the individual employee or unions approaching in any matter.
- May indicate Directorship of the Bank on visiting card or letter heads, but the logos or distinctive design of the Banks should not, however, be displayed on the visiting card / letter head.
- Directors should not directly call for papers/files/notes recorded by various departments for scrutiny etc. in respect of agenda items to be discussed in the meetings. All information/clarification that they may require for taking a decision will be made available by the executive.
- Do not sponsor any loan proposal, buildings and sites for Bank's premises, enlistment or empanelment of contractors, architects, doctors, lawyers etc. Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.

5. DUTIES OF INDEPENDENT DIRECTORS

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 behavior, actual or suspected fraud or violation of the Bank's code of conduct or ethics policy;
 12. acting within his 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

6. GUIDELINES OF PROFESSIONAL CONDUCT FOR INDEPENDENT DIRECTORS

In addition to the above duties 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

An independent director shall be held liable, only in respect of such acts of omission or commission by the Bank which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. CODE OF CONDUCT FOR SENIOR MANAGEMENT

The conduct of the Members of Senior Management will be governed by Dhanalakshmi Bank Officers (Conduct & Discipline) Regulations.

8. WAIVERS

Any waiver of any provision of this Code must be approved in writing by the Board of Directors of the Bank.

9. EFFECTIVE DATE

This “Corporate Governance-Code of Conduct for Directors &Senior Management (Version 7.0)” will be effective from the date of approval by the Board.

10.REVIEW OF THE POLICY

The Code is valid for a period of 1 year from the date of approval by the Board of Directors of the Bank. In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, in the interim, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Code and this Code shall stand amended accordingly.

The Board has the power to replace this Code entirely with a new Code.