DUTIES, PROFESSIONAL CONDUCT AND ROLE & FUNCTIONS OF NON-OFFICIAL DIRECTORS (NODs)

(I) Duties:

The director shall:

1. Act in good faith in order to further the objects enumerated in the preamble to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, viz, to meet progressively and serve better the needs of development of the economy in conformity with national policy and objectives, in the best interests of the bank, its shareholders, its employees, the community and for the protection of environment;
2. Exercise her/his duties with due and reasonable care, skill and diligence, and shall exercise independent judgement.
3. Not involve in situation in which she/he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the bank.
4. Not achieve or attempt to achieve any undue gain or advantage either to herself /himself or to her/his relatives, partners or associates.
5. Not assign her/his office.
6. Undertake appropriate induction and regularly update and refresh her/his skills, knowledge and familiarity with the Bank.
7. Seek appropriate clarification or amplification of information.
8. Strive to attend all meetings of the Board of Directors and the Board Committees of which he/she is a member.
9. Participate constructively and actively in the committees of the Board on which he/she is Chairperson/member.
10. Strive to attend the general meetings of the Bank.
11. Where she/he has 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.
12. Keep herself/himself well-informed about the Bank and the external environment in which it operates.
13. Not unfairly obstruct the functioning of an otherwise proper Board or committee thereof;
14. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assures herself/himself that the same are in interest of the Bank;
15. Ascertain and ensure that the Bank has an adequate and functional vigilance mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
16. Report concerns about unethical behaviour, actual or suspected fraud, or violation of Bank's code of conduct or ethics policy;
17. Acting within her/his authority, assist in protecting the legitimate interests of the Bank, its shareholders and its employees; and
18. 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.



(II) Guidelines for Professional Conduct:

The Director shall:

1. Commit herself/himself effectively to her/his responsibilities;
2. Uphold ethical standards of integrity and probity;
3. Act objectively and constructively while exercising her/his duties;
4. Exercise her/his responsibilities in a *bona fide* manner in the interest of the bank;
5. Devote sufficient time and attention to her/his professional obligations for informed and balanced decision-making;
6. Not allow any extraneous considerations that will vitiate her/his exercise of objective and independent judgement in the paramount interest of the bank, while concurring in or dissenting from the collective judgement of the Board in its decision-making;
7. Not abuse her/his position to the detriment of the bank or its shareholders or for the purpose of gaining direct of indirect personal advantage or advantage for any associated person;
8. Refrain from any action that would lead to loss of her/his independence;
9. Where circumstances arise which make the director lose her/his independence, the director must immediately inform the Board regarding the same; and
10. Assist the bank in implementing best corporate governance practices.

(III) Role and Functions:

The director shall:

1. Help in bringing independent judgement to bear on the Board's deliberations, especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. Satisfy herself/himself on the integrity of financial information and that financial controls and systems of risks management are robust and defensible;
3. Safeguard the interests of all stakeholders, particularly minority shareholders; and
4. Balance the conflicting interest of stakeholders.

