

Code of Conduct

YES BANK LTD.

W.E.F. MARCH, 2013

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Version Control Table

Document History

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1	Deodutta Kurane/ Devamalya Dey/ Jaideep Iyer/ Rajat Monga/ Sanjeev Kapoor	Unified YES BANK Code of Conduct, strengthening the Bank's commitment to the highest ethical standards and compliance with all applicable laws and regulations.	8 th Dec, 2011
2	Deodutta Kurane/ Devamalya Dey/ Jaideep Iyer/ Rajat Monga	Inclusion of SEBI guidelines on the subject of unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication.	27 th Feb, 2013

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Message from the MD & CEO

Dear YES BANKers,

In the last eight years, we have achieved significant Business Excellence through the Pillars of Finest Human Capital, Service and Quality Excellence, Knowledge Banking, World-Class Branch Infrastructure and Responsible Banking, and have successfully built one of the finest branch-banking networks in the world with many, many excellent executives at YES BANK. As we accelerate into - Version 2.0, our vision is to become '**The Best Quality Bank of the World in India**' - an uncompromising commitment to build a highly differentiated, service-oriented financial institution.

At this stage of our journey it is extremely critical to further reinforce our goals internally as well as externally, and we should look forward to achieving greater heights, and champion standards of excellence in Indian banking.

The foundation of excellence in any aspect of Banking is the measure of **FAITH and TRUST** that the institution commands amongst all its stakeholders. Earning, retaining and growing Institutional FAITH and TRUST is the result of the cumulative efforts and contribution of each and every YES BANKer, made through their individual interactions with customers and stakeholders.

The TRUST of stakeholders is built by conducting business in a manner which is '**Regulatory Compliant**' and '**Ethically Appropriate**'. '**Regulatory Compliance**' means following the regulations in letter and spirit. '**Ethically Appropriate**' means conducting business which is in the best interest of both the Bank and the customer, where there is no chance of any reputational risk. Thus, all YES BANK'ers have to unfailingly adhere to all aspects of the YES Bank Code of Ethics/Code of Conduct and regulatory guidelines.

Building and reinforcing **INSTITUTIONAL TRUST** is even more critical today as the banking environment has seen several unfortunate instances of highly unethical behavior, inevitably at the cost of the customer, towards whom Bankers have a responsibility and relationship of TRUST. Even one such instance can tarnish the good work done and the reputation that is built up with significant efforts of now hundreds of people at YES BANK.

We, at YES BANK have immense pride, a deep sense of ownership and possession for the Institution that we have built so painstakingly. We are pledged to the highest standards of ethical behavior and I seek your fullest commitment in practicing and demonstrating the finest standards of Ethical Conduct and Compliance at all times and in all interactions. We have **ZERO Tolerance** towards non compliance with internal and regulatory guidelines which can tarnish the Bank's reputation and position of Faith and Trust.

The formal governance structures within the Bank include the Code of Conduct, Whistle Blower policy, Frauds Management Policy, KYC/AML Policy, Information Security Policy as well as the Central and Operational Surveillance Unit which helps in detecting suspicious transactions and patterns to check any frauds and supports in the implementation of the highest standards of ethics and transparency within the Bank.

We have reviewed and compiled a unified Yes Bank Code of Conduct. The Code of Conduct document is attached for the knowledge and information of all YES BANK executives. All YES BANKers are required to fully imbibe and abide by the organization-wide standards set forth in this Code. The Code is also available under HCM Guide on Yes for You. It is expected that Leaders in all Business Units take special efforts to make their Team members aware of the contents of the Code of Conduct and at all time guide them to act in accordance with the standards set out.

We shall be undertaking various initiatives to enhance Compliance knowledge, and recognize Executives who demonstrate the highest standards of ethical and compliance behavior. Needless to state, instances of unethical /non complaint behavior will not be tolerated and shall be dealt with most severely.

Let us further dedicate ourselves to continue to work diligently to ensure solid **strength and quality of assets, and stupendous growth** for our Bank. The confidence of our stakeholders, both national and international recognitions, and long-term value creation for investors validates our strong financial and business model, and commitment to deliver superior high quality services consistently.

Thanks & Best Regards,

RANA KAPOOR

Yes Bank Pledge

As a proud YES BANKer, I will constantly strive to achieve our Version 2.0's main objective of becoming 'The Best Quality Bank of the World in India' by 2015. I will walk the extra mile to accomplish this Vision, by discharging my duties as a YES BANKer through sincerity, integrity, responsibility and with utmost conformity to all regulatory guidelines.

I am aware of the fact that I represent YES BANK in my daily interactions. I am the Face of YES BANK, and I will ensure that I comply with YES PERSONALITY guidelines at all times, and deal with our Customers with utmost honesty, transparency and fairness.

*I am proud to be an important part of the "Professionals' Bank of India" and will endeavor to keep the YES BANK flag flying high at all times, as I truly believe that - **YES, it's MY Bank!***

1. Introduction

1.1. Objective of the Code

YES BANK truly believes in the spirit of Professional Entrepreneurship. The Bank is committed towards conducting business and dealing with all its stakeholders, with highest ethical standards and in compliance with all applicable laws and regulations. All executives must therefore conduct themselves with integrity, honesty, in a professional manner and avoid inappropriate behaviour.

This Code of Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all executives. They must refer to other organizational policies, guidelines, operational procedures, Terms & Conditions of their appointment letter, etc. for better understanding of the governance frameworks within the Bank.

All executives are required to abide by the organization-wide standards set forth in this Code. Some business units may define or adopt supplementary policies and / or codes of conduct which executives in that unit may be required to adhere to; however, all such policies shall be reviewed and approved by Human Capital Management and should not dilute or conflict with the Code of Conduct laid out in this document.

This Code is not a contract, and no contract is implied. If any part of this Code conflicts with applicable law, the law will prevail. If any part of this Code is deemed invalid, the validity and enforceability of its other parts & provisions shall not be affected. YES BANK may interpret the Code at its sole discretion.

1.2. Applicability of the Code

The Code of Conduct is applicable to all executives of YES BANK Limited.

1.3. Bank's Responsibility

It is the responsibility of the Bank to ensure that all executives are made aware of the Code of Conduct and other related policies. The Bank shall ensure availability of adequate resources and support. In order to promote better understanding, the Bank shall, from time to time, conduct mandatory compliance education programs; however, executives are encouraged to familiarize themselves fully with the provisions of the code; and in case of any doubts, questions or clarifications, engage with their HCM RM or their Reporting Authority, to seek necessary guidance.

Any changes to the Code of Conduct will be circulated to all executives through publication on YES FOR YOU (The HRIT system of the Bank) in a timely manner.

1.4. Executive's Responsibility

The Bank expects its executives to:

- a) understand their responsibilities under the Code
- b) complete all mandatory compliance education programs in a timely manner
- c) maintain an "open door" policy with executives who report to them directly or indirectly regarding any questions, including those related to personal or business conduct and ethics
- d) sign the declaration form provided in Annexure 1

2. Code of Conduct for YES BANKers

Executives shall uphold the image and dignity of the institution. It is necessary that they keep in mind the objective of the Bank and conduct all dealings on behalf of the Bank with professionalism, honesty, integrity and high moral and ethical standards. They are expected to meet these standards while working in the premises of the Bank, at offsite locations where the business is being conducted, at Bank-sponsored business and social events, or at any other place where they act as representatives of the Bank.

YES BANKers shall abide by the below:

- a) **Conflict of Interest:** Executives must recognize any conflict of interest which may occur and interfere with their judgment or ability to properly fulfill their duties and responsibilities. These may be related to pursuing additional employment outside the Bank, engaging in an independent business venture, performing services for another business organization, outside political activities, undue benefits to family members, etc.

It is the responsibility of every executive to disclose proactively and willfully to their reporting authority, the details of situations that may give rise to a conflict of interest.
- b) **Confidentiality and non-disclosure of Information:** Executives will not disclose nonpublic information or any confidential business information or trade secrets of the Bank to anyone outside the Bank, including family and friends, except when such disclosure is required for business purposes under specific management knowledge and approvals. Even then, take appropriate steps, such as execution of a confidentiality agreement, to prevent misuse of the information.
- c) **Fair Dealing:** Executives should deal fairly with Bank's customers, competitors, employees, suppliers and other business associates as well as public authorities. An executive should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair-dealing practice such as bribe or other illegal gratification, which may cause disrepute or disgrace to the institution.
- d) **Acceptance of Gifts/Benefits:** Executives are advised that as part of the Bank's corporate philosophy, they should refrain from accepting any favor, gift, entertainment

or any other benefit, the quantum or frequency of which exceeds normal business contact. *Please refer to the Gift Acceptance Policy.*

- e) **Product Appropriateness & Suitability:** Executives must ensure that product recommendation is well suited to the needs and means of the customer in view of the customer's objectives, degree of financial knowledge and sophistication, the level of acceptable risk and other factors made known to the Bank. Executives should not mis-sell products, conceal or willfully withhold details, product features and risks pertaining to products being offered by the Bank.
- f) **Assets and Resource Usage:** All executives shall protect and ensure efficient use of Bank's assets including but not limited to the result of an executive's work, money and funds, information about corporate or customer transactions, Intellectual Property, proprietary information, equipment, computer systems and software, furnishings etc. *Please refer to the IT Usage Guidelines.*
- g) **Intellectual Property:** All assets developed by the executive during the course of employment with the Bank shall belong exclusively to the Bank and ownership of copyrights of such assets and those of any derivative assets lies with the Bank.
- h) **KYC and AML:** Executives should uphold the Bank's Policy on "Know your customer and Anti-money laundering". Executives are advised to undergo/attend relevant training on applicable internal KYC/AML guidelines, as held from time to time.
- i) **Staff Account Monitoring Policy:** Executives should ensure that they use their staff accounts for bona fide transactions. *Please refer to the Staff Account Monitoring Policy.*
- j) **Whistle Blower Policy:** If executives observe behavior that may represent a violation of the Code, they must raise the issue promptly. *Please refer to the Whistle Blower Policy.*
- k) **Insider Trading Policy:** Executives must maintain the confidentiality of sensitive or material non-public information. *Please refer to the Code of Conduct for Prevention of Insider Trading.*
- l) **Policy regarding Prevention of Sexual Harassment:** Every executive must uphold and maintain the dignity of other executives working in the Bank. They should maintain a productive work environment that is free from sexual harassment. *Please refer to the Policy regarding Prevention & Prohibition of Sexual Harassment at Workplace.*
- m) **Business Expenses:** Executives should ensure the accuracy of the Bank business and financial records that they are aware of within the framework of their professional duties. These include not only financial accounts, but other records such as quality reports, time records, expense reports and submissions such as benefits claim forms.

Executives must report their business expenses accurately and in a timely manner. The timelines for the same shall be communicated by the Human Capital Management or other authorized teams to all executives.

The following policies also govern business expenses:

Bank Car Policy, Bank Leased Accommodation Policy, Domestic Outstation Travel Policy, Local Conveyance Policy, Mobile Phone Reimbursement Policy, Personal Car Policy, and Reimbursement Policy for Transfer & Relocation.

- n) **Personal & Professional Conduct:** Executives should maintain good conduct, discipline, punctuality and show courtesy and attention to all persons – colleagues, customers, business associates & vendors, regulators, and any other external stakeholders, in their transactions or dealings with the Bank.
- o) **YES Personality:** Executives should ensure that they are appropriately dressed and properly groomed at all times. *Please refer to the YES Personality Guidelines.*
- p) **Leave and Time Discipline:** Executives will adhere to the Bank’s defined work timings and leave management guidelines at all times. *Please refer to the Leave Policy.*
- q) **Business Communication and Correspondence:** Executives should ensure adherence to the Bank’s policy on business communication & correspondence. *Please refer to the Business Communication Guidelines.*
- r) **Public Representation:** Executives should refrain from any direct interaction with the media, press and financial community, unless otherwise authorized to do so.
- s) **Non-Smoking Policy:** Executives are urged to continue compliance with the Non Smoking policy in offices and also in other public places as required under the law.
- t) **Environmental considerations:** Executives are expected to incorporate environmental, health and safety considerations into their daily activities.
- u) **Audit & Investigation:** Executive must cooperate with any internal or external investigation or audit, or any regulatory examination. If at any time, the executive is involved in any legal/administrative/quasi-judicial proceeding(s), they should immediately inform their HCM RM and their Reporting Authority, with relevant supporting documents and a brief summary of the proceedings.
- v) **Regulatory Compliance:** Comply with all applicable laws and regulations.
- w) **Handling of Market News/Information:**
 - Executives should not encourage or circulate rumours or unverified information obtained from client, industry, any trade or any other sources without verification.
 - Executives should bear in mind that any market related news received by them either in their official mail/personal mail/blog or in any other manner, should be forwarded only after the same has been seen and approved by the Compliance Officer. If an employee fails to do so, he/she shall be deemed to have violated the various provisions contained in SEBI Act/Rules/Regulations etc. and shall be liable for action.

The following are considered acts of misconduct and may invite disciplinary action:

- a) Unauthorized disclosure and use of confidential information, including after severance of relationship with the Bank.
- b) Using confidential price sensitive or material non-public information in any transaction, personal or otherwise. *Please refer to the Code of Conduct for Prevention of Insider Trading.*
- c) Financial impropriety, including theft, embezzlement, fraud or dishonesty in connection with the business or property of the bank or of property of another person within the

premises of the bank as well as willful damage to or loss of the bank's goods or property.

- d) Accepting or giving fees, commissions, gifts, or any undue gratification for any transaction or purposes, on behalf of the Bank.
- e) Usage of staff accounts for unauthorized/non bona fide transactions.
- f) Any mis-sell of products, concealment or willful withhold of details, product features and risks pertaining to products being offered by the Bank - in violation of basic principles and tenets related to Product Appropriateness and Suitability.
- g) Behavior towards colleagues that may be construed as a form of harassment whether physical, sexual, psychological or verbal. *Please refer to the Policy regarding Prevention & Prohibition of Sexual Harassment at Workplace.*
- h) Express, exhibit or take any actions which demonstrate any bias towards or against any caste, creed, race, religion, ethnicity and gender.
- i) With holding mandatory information or furnishing false information regarding name, age, parent/guardian's name, legal relationship with another YES BANKer, qualification, ability or previous service or any other matter germane to the employment, at the time of employment or during the course of employment.
- j) Negligence or lack of devotion to duty at any time.
- k) Willful insubordination or disobedience, whether or not in combination with other, of any lawful and reasonable order of their superior.
- l) Riotous or disorderly behaviors during working hours at the establishment or any act subversive of discipline.

*The Executive Accountability Policy shall also act as a guide to identify such and additional misconducts and measures shall be taken according to the Policy for Executive Discipline and Appeal Regulation.

3. Observing the Code of Conduct

Declaration

All executives are required to affirm their having read and understood the Code of Conduct and confirm to abide by its provisions. Executives may be required to make such declarations on a periodic basis. Failure to read the Code or affirm the Declaration, does not excuse an executive from compliance with the Code. The confirmation in this behalf may be obtained by the Bank in writing or through Yes for You (the HRIT System of the Bank), which will be deemed binding on the executive.

Breach of the Code

Those who violate this Code of Conduct may be subject to disciplinary action, *including possible dismissal. In case of breach of Code, measures shall be taken according to the Policy for Executive Discipline and Appeal Regulation.*

Exceptions

The Code of Conduct applies to all executives of YES BANK. However, in certain situations exceptions may be made solely with the prior written approval of the MD & CEO.

4. Review of the Code of Conduct

YES BANK may review and amend/ modify the Code of Conduct, from time to time, as deemed necessary and appropriate.

In case of any questions or clarifications, executives may contact their HCM RM or Reporting Authority.

Annexure 1-Declaration Form



Declaration for Code of Conduct

I hereby declare that I have read & understood the Code of Conduct and understand my obligations as an employee to hereby comply with the Code of Conduct, as applicable at all times. I confirm, and undertake to abide by the same in letter and spirit.

I am also aware that failure to abide by the above Code of Conduct may lead to disciplinary action as per Bank's policies.

Employee Name: _____

Employee Code: _____

Signature: _____

Date: _____