



Ref: YES-(CS)-POL-(007)

# **(Policy on Code of Business Conduct & Ethics for the Board of Directors and Senior Management V5.0) (V5.0)**

Owner: (Company Secretarial Department)

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Approved by: Human Capital Management Department

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## Document Control

Version	Author	Reviewer	Approved by	Details	Date (DDMMYYYY)
V1.0	Shivanand Shettigar	Human Capital Management Department		As per the Nomination Committee the Bank management, Human Resource department and Internal Audit department along with assistance from the Bank’s Human Resource Consultants viz. Hewitt Associates, prepared a best practice Code of Conduct incorporating requirements of RBI, SEBI, Dr. Ganguly Committee, etc. which was placed before the Board on December 17, 2004 and approved by the Board on January 29, 2005.	29/01/2005
V2.0	Shivanand Shettigar	Human Capital Management Department		Amendment in the existing Code by inserting best practices as prescribed in the IBA code and followed by other Banks. This revision would enhance transparency as well as bring the Code in line with the best industry practices on Corporate Governance.	30/10/2005
V3.0	Shivanand Shettigar	Human Capital Management Department		i) The Securities and Exchange Board of India (SEBI), vide their Circular bearing reference No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, have amended Clause 49 of the equity Listing Agreement which relates to the	30/10/2014

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				<p>Corporate Governance framework for the listed companies. The revised Clause 49 would be applicable to all listed companies with effect from October 1, 2014.</p> <p>ii) One of the requirements of the revised Clause 49 is to incorporate the duties of Independent Directors as laid down in the Companies Act, 2013 in the Code of Conduct of the Company.</p> <p>iii) The Bank already has a Code of Conduct for Directors as required under the previous Clause 49 of the equity Listing Agreement. However, the said Code does not provide for duties of Independent Directors.</p> <p>iv) Amend the Code of Conduct for Directors by inserting the duties of Independent Directors to ensure compliance with the provisions of the revised Clause 49 of the equity Listing Agreement.</p>	
V4.0	Shivanand Shettigar	Human Capital Management Department	Deodutta Kurane	i) Reference to the Listing Agreement has been replaced with SEBI (Listing Obligations and Disclosure Requirements)	12/04/2018

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Version	Author	Reviewer	Approved by	Details	Date (DDMMYYYY)
				<p>Regulations, 2015.</p> <p>ii) Undertaking to be obtained from key personnel at the time of joining the Bank in place Annual undertaking which was being taken at the beginning of the Financial year.</p> <p>iii) Addition of new clause on Annual Declarations to be obtained in compliance with the Code as of end of each financial year from the Key Personnel.</p>	
V5.0	Shivanand Shettigar	Human Capital Management Department	Deodutta Kurane	Definition of Senior Management aligned to Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	17/01/2019

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# 1 Introduction / Background / Purpose of Policy

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YES BANK Limited (the ‘Bank’) is committed to maintaining the highest standards of ethical conduct. This Code of Business Conduct and Ethics for the Board and Senior Management (the ‘Code’) reflects the business practices and principles of behavior that support this commitment. Our BoD is responsible for setting the standards of conduct contained in the Code and for updating these standards as and when appropriate, to reflect legal and regulatory developments. Every member of the Board and Senior Management personnel shall read and understand this Code and its applicability to the performance of his or her responsibilities.

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 decisions must be made, but rather set forth key guiding principles that represent the Bank’s policies and establish conditions for employment at the Bank.

The Code is applicable to the BoD and senior management persons (together hereinafter referred to as ‘key personnel’). Senior Management shall mean persons who are hierarchically one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

All key personnel shall sign the acknowledgment form as per “*Annexure - B*” to this Code and return the same to the Compliance Officer indicating that they have received, read, understood, and agree to comply with the Code. In case of any clarifications or suggestions required in the matter, the key personnel are requested to contact the Company Secretary Department. The aforesaid acknowledgement (undertaking) shall be provided by the key personnel at the time of their joining the Bank.

Further, the key personnel is also required to provide Annual confirmation on Compliance of the Code as of March 31 every year as per “*Annexure - C*”.

## 2 Scope

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The scope of the Policy is to put in place a mechanism for Board of Directors and Senior Management including all key personnel to act in accordance with the highest standards of personal and professional integrity, while carrying out their day to day affairs for the Bank.

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## 3 Roles and Responsibilities

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Covered under the head Policy Details

## 4 Policy Details

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### Introduction

YES BANK Limited (the ‘Bank’) is committed to maintaining the highest standards of ethical conduct. This Code of Business Conduct and Ethics for the Board and Senior Management (the ‘Code’) reflects the business practices and principles of behavior that support this commitment. Our BoD is responsible for setting the standards of conduct contained in the Code and for updating these standards as and when appropriate, to reflect legal and regulatory developments. Every member of the Board and Senior Management personnel shall read and understand this Code and its applicability to the performance of his or her responsibilities.

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All key personnel shall sign the acknowledgment form as per “ **Annexure - B**” to this Code and return the same to the Compliance Officer indicating that they have received, read, understood, and agree to comply with the Code. In case of any clarifications or suggestions required in the matter, the key personnel are requested to contact the Company Secretary Department. The aforesaid acknowledgement (undertaking) shall be provided by the key personnel at the time of their joining the Bank.

Further, the key personnel is also required to provide Annual confirmation on Compliance of the Code as of March 31 every year as per “ **Annexure - C**”

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### **Fair Practices**

We expect all key personnel to act in accordance with the highest standards of personal and professional integrity, while carrying out their day to day affairs for the Bank.

We consider Fair Practice as a conduct that is practiced with utmost care and without malafide intention. We believe that key personnel shall confirm to the accepted professional standards of conduct and not have conflict of actual or apparent interest between personal and professional relationships.

Importantly, no payment in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action.

### **Conflicts of Interest**

A “conflict of interest” may exist whenever the interests of the key personnel conflict in any way (or even appear to conflict) with the interests of the Bank. While the key personnel shall be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any interests that adversely influence the performance of their responsibilities. A conflict situation can arise when a key personnel takes actions or has interests that may make it difficult to perform his or her responsibilities towards the Bank objectively. Conflicts of interest also may arise when key personnel, or a member of his or her or their family, receive improper personal benefits as a result of his or her or their position with a Company, whether received from that Company or a third party.

The duty of the key personnel to the Bank demands that they avoid and disclose actual and apparent conflicts of interest.

Except as may be approved by the Board of Directors or a committee of independent directors, key personnel are prohibited from

- (a) taking for themselves personally any opportunities that belong to Bank or are discovered through the use of Bank’s property, information, or position;
- (b) using Bank’s property, information, or position for personal gain; and
- (c) competing with the Bank

### **Disclosures**

Key personnel shall make utmost efforts to comply with all the applicable Compliance and Accounting Disclosures. Further, they shall also provide true and fair information or data to the public at large in their communications. The Bank’s reports and documents are required

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to be filed with or submitted to the Reserve Bank of India, Securities and Exchange Board of India, stock exchanges in India, Registrar of Companies and other regulatory agencies and true and fair information must be provided to all such regulatory agencies. The public communications of the Bank shall include full, fair, accurate, timely and understandable disclosure. In order to achieve this goal, the Bank expects the Key personnel to exercise due diligence and care and provide prompt and accurate answers to inquiries related to the Bank’s public disclosure requirements. Further, no single individual or entity must be given preference while disclosing any information pertaining to the Bank.

### **Confidentiality**

Confidential proprietary information generated and gathered in our business is a valuable asset. All key personnel must maintain the confidentiality of confidential information entrusted to them by Bank, except when the Bank authorizes disclosure or the same is required to be disclosed by laws, regulations, or legal proceedings. The term “confidential information” includes, but is not limited to, non-public information that might be of use to competitors of the Bank, or harmful to the Bank or its customers if disclosed. Whenever feasible, key personnel should consult the Legal & Secretarial Department, if they believe they have a legal obligation to disclose confidential information.

Unauthorised use or distribution of proprietary information violates the Bank’s policy and could be illegal. Such use or distribution could result in negative consequences for both the Bank and the individuals involved, including potential legal and disciplinary actions. We respect the propriety rights of other companies and their proprietary information and require our key personnel to observe such rights.

Your obligation to protect the Bank’s proprietary and confidential information continues even after you leave the Bank, and you must return all proprietary & confidential information in your possession upon leaving the Bank.

### **Use Insider Information**

The Bank considers that using non-public information to trade in securities, or providing a family member, friend or any other person with a “tip”, is illegal. All non-public information should be considered inside information and should never be used for personal gain. All key personnel are required to familiarise themselves and comply with the Bank’s Code of Conduct for Prevention of Insider Trading, copies of which are distributed to all employees, officers and directors and are available from the Company Secretary. You should contact the Company Secretary, with any questions about your ability to buy or sell securities.

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### **Compliance with applicable Statues**

The key personnel must comply with all of the laws, rules, and regulations applicable to the Bank from time to time. Key personnel must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and should seek advice from the Legal & Secretarial department. Violation of applicable laws and regulations may subject the key personnel to criminal or civil liability as well as to disciplinary action by the Bank. Such individual violations may also subject the Bank to civil or criminal liability or the loss of business. The Bank shall devote the necessary resources to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with this code.

This Code does not summarize all laws, rules, and regulations applicable to the Bank. However, the key personnel may consult the Legal & Secretarial department in case they have any queries.

### **Efficient Use of Resources**

All key personnel should perform their duties in a manner that protects the Bank’s assets and other resources and ensures their efficient/optimum use. All resources provided by the Bank should be used for legitimate business purposes only. The sole purpose of the Bank’s equipment, vehicles, supplies and electronic resources (including, hardware, software and the data thereon) is the conduct of its business. They may only be used for the Bank’s business, consistent with the Bank’s guidelines.

### **Preventive Measures**

The Audit Committee of the Board of Director’s (‘ACB’) is responsible for establishing internal processes and controls for the efficient functioning of the Bank. Key personnel should bring to the attention of the ACB any concerns or issues regarding internal process and control as well as report any deviations observed for remedial measures.

### **Commitments**

In the context of the relationships and business environment in which YES BANK operates, key personnel in discharge of their services shall also complement the responsibility of the Bank in meeting its commitments towards various stakeholders such as Employees, Consumers, Shareholders, Business Partners, Community, Environment and last, but not the least Competitors.

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### **Breach of the provisions of the Code**

It is one of the important responsibilities of the key personnel to help enforce this Code in the best interest of the Bank. Key personnel should bring to the notice of the Human Capital Management (HCM) department any observed violation of this Code or any other policies of the Bank or other rules or regulations governing the Bank or any probability of occurrence of such violations.

Open communication of issues and concerns by the key personnel without fear of retribution or retaliation is vital to the successful implementation of this Code. Key personnel shall cooperate in any internal or external investigations relating to such violations.

The Bank will take appropriate action against any key personnel whose actions are found to violate the Code or any other policy or rules or regulations of the Bank. Disciplinary actions may include immediate termination of employment at the Bank’s sole discretion.

### **Waivers and Amendments of the Code**

This Code is subject to review, revision, alteration or modification. Any amendment or waiver of any provision of this Code shall be approved in writing by the Bank’s HCM Department, ratified by the Board of Directors and promptly disclosed on the Bank’s website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details of the nature of the amendment or waiver.

**XIII.** Additional Code of Conduct as applicable to the Independent Directors as per Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as “*Annexure A*”.

## **5 Policy Exception**

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Not applicable.

## **6 Reporting of Policy Violation / Reporting of Compliance**

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Not applicable.

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## **7 Change History**

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Already covered under the head "Document Control"

**GUIDELINES APPLICABLE TO INDEPENDENT DIRECTORS**  
**FORMING PART OF THE CODE**

**I. Guidelines of professional conduct:**

An independent director shall:

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

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## **II. Role and functions:**

The independent directors shall:

- i) 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;
- ii) bring an objective view in the evaluation of the performance of board and management;
- iii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi) balance the conflicting interest of the stakeholders;
- vii) 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;
- viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder’s interest.

## **III. Duties:**

The independent directors shall –

- i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii) 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 company;
- iii) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v) strive to attend the general meetings of the company;
- vi) where they have concerns about the running of the company 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;
- vii) keep themselves well informed about the company and the external environment in which it operates;
- viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

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- ix) 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 company;
- x) ascertain and ensure that the company 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;
- xi) report concerns about unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct or ethics policy;
- xii) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii) 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.

**IV. Separate meetings:**

- o The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- o All the independent directors of the company shall strive to be present at such meeting;
- o The meeting shall:
  - i) review the performance of non-independent directors and the Board as a whole;
  - ii) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - iii) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



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**ANNEXURE “B”**

**To,  
The Compliance Officer  
YES Bank Limited  
Mumbai**

**ACKNOWLEDGMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND  
ETHICS FOR THE BOARD AND SENIOR MANAGEMENT**

I have received and read and understood the Code of Business Conduct and Ethics for the Board and Senior Management (the ‘Code’).

I hereby undertake to comply with the standards and policies contained in the Code and other policies or laws specific to my responsibilities to the Bank.

Signature

Name of the Director/Senior Management

Date



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ANNEXURE “C”

To,  
The Compliance Officer  
YES Bank Limited  
Mumbai

**CONFIRMATION OF ANNUAL COMPLIANCE OF THE CODE OF BUSINESS  
CONDUCT AND ETHICS FOR THE BOARD AND SENIOR MANAGEMENT**

I have read and understood the Code of Business Conduct and Ethics for the Board and Senior Management (the ‘Code’) and hereby confirm that I have complied with all the applicable clauses of the Code for the Financial Year ended 31st March \_\_\_\_\_.

Signature

Name of the Director/Senior Management

Date