Whistle Blower Policy

YES BANK Limited

Version: [1.8]

Prepared by:
Human Capital Department

Approved by:
Board of Directors
YES BANK Limited

Whistle Blower Policy

1. Policy Objective:
   1.1 YES BANK Limited (“the Bank”) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Bank strongly encourages all its executives and associated stakeholders who may have concerns pertaining to any suspected malpractice/ misconduct to come forward and express themselves without any fear of unfair treatment or vindication.

   1.2 The intent of this policy is to provide a structured mechanism for Bank’s executives and associated stakeholders to raise their concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

2. Regulatory Guidelines:
   The Policy is formulated primarily in compliance with the following directions in addition to principles of good governance and all other applicable law such as provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015:

   2.1 Section 177 (9) of the Companies Act, 2013 - It mandates the establishment of vigil mechanism for all companies, as part of the whistle blower policy, for the Directors and Employees of such companies to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It also provides that a whistle blower mechanism be provided by such company enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.


3. Applicability:
   This policy is applicable to all Employees of the Bank including Advisors/ Consultants/ Trainees etc. In case, if any complaint is received against MD&CEO or any other member of the Board, then the same shall be dealt in the manner as provided in clause 6.2 of this policy.

4. Scope and Coverage:
   This Policy covers all malpractices and events that have taken place or suspected to have taken place including but not limited to the following:
   a) Corruption
   b) Misuse of office
   c) Criminal offences
   d) Suspected/actual fraud
   e) Financial Irregularities
   f) Failure to comply with existing rules and regulations such as Reserve Bank of India Act, 1934; Banking Regulation Act, 1949 etc.
   g) Any act resulting in financial loss/operational risk, loss of reputation etc.
   h) Any act that is detrimental to depositors’ interest/public interest
5. Reporting a Protected Disclosure (“PD”):

5.1 Executive or associated stakeholder may lodge a Protected Disclosure in writing or through the Corporate Whistle Blower Initiative’ (“CWI Portal”) or electronic mail message or any other medium, expect verbal. The Protected Disclosure should contain full details along with supporting documents or other material, if any.

5.2 In case of an executive of the Bank is making a Protected Disclosure, he/she shall preferably furnish the details as per point 5.1 and along with his/ her details such as name, designation, department, institution and place of posting etc.

5.3 For whistle blowers other than executives of the Bank, the Protected Disclosure must be as per 5.1 and he/she should ideally disclose his/her identity by providing details like name, address, his/her relationship with the Bank.

5.4 All whistle Blower complaints filed/ reported must have a unique Identification number. This will facilitate proper numbering of the complaint/s and ensuring its identity.

5.5 Every Protected Disclosure filed shall be made in good faith and the person making such disclosure shall understand that he/she reasonably believes that the information disclosed by him/her and allegation contained therein is substantially true.

5.6 Protected Disclosure reported, (i) Against Executives; and/ or (ii) against MD & CEO and/ or any other member of the Board, will be dealt as per clause number 6 of this policy. 

For details refer Standard Operating Procedure (SOP) on Annexure II.

6. Procedure of Investigation:

6.1. All the Protected Disclosure received by Whistle Blower Executive (“WBE”) through CWI portal or otherwise will be categorized in to two broad categories:

   a. Protected Disclosure against MD & CEO and/ or any other member of the Board of Directors;
   
   b. Protected Disclosure against Executives.

6.2. The Protected Disclosure matter reported against MD & CEO and/ or any other member of the Board, the matter will be routed/ placed before the Board in its first available meeting (from the date complaint is filed) to decide regarding the appropriate Board Committee to look into the same. Final redressal of the complaints against the Directors shall be disposed-off by the Board.

6.3. The Protected Disclosure filed against Executives will be submitted to Whistle Blower Committee (“WBC”) for appropriate action.

6.4. The complaints lodged through whistle blower channel falling under the purview of ‘Sexual Harassment at Work Place’ will be routed to Internal Committee (“IC”) for suitable action and appropriate closure. Further, complaints regarding behavioral issues/grievances (other than Protected Disclosure) or any other area not specified above, will be handled as per Complaint Redressal Policy of the Bank.

6.5. Anonymous/pseudonymous Protected Disclosure/complaint will be handled as per Complaint Redressal Policy of the Bank. However, such complaints/ Protected Disclosure against the Directors, including the Managing Director, shall be placed before the Nomination & Remuneration Committee of the Board.
Note: Refer SOP for details on Investigation Procedure and Whistle Blower Committee (Annexure II).

7. **Confidentiality:**
   To the extent possible within limitations of the applicable law and requirements of the investigation, the identity of the Whistle Blower shall be kept confidential by the Bank and shall not be disclosed unless such disclosure is necessary for proper investigation. Any such disclosure if made, for the purpose of a proper investigation shall carry with it a caveat of secrecy and non-disclosure by the recipient, so that any further unauthorized disclosure by such person of the identity of the Whistle Blower shall constitute a breach of disciplinary guidelines applicable to such persons to ensure confidentiality of the same. However, at the appropriate time, the Whistle Blower may have to come forward as a witness.

8. **Governance Structure:**
   The Audit Committee of the Board ("ACB") shall ascertain and ensure that the Bank has adequate and functional vigil mechanism, to ensure that the interests of a person who uses such mechanism are not prejudicially affected because of the same. The Audit Committee(s) shall also review the effectiveness of the vigil mechanism and implementation of the Whistle Blower Policy. The details of establishment of vigil mechanism shall be disclosed by the Bank on the website and in the Board’s report to the stakeholders. Further, new joinees shall be informed about the policy by Human Capital Management Department during new joinee induction programs. It shall be also ensured that, executives have ongoing awareness of the Whistle blower policy through periodical communications.

9. **Reporting:**
   Periodic reports (Quarterly) of "Protected Disclosures against Executives" shall be submitted by Human Capital Management Department of the Bank to ACB on the total number of Protected Disclosures received during the period along with the status/findings of investigation and the corrective actions taken.

10. **Record Keeping:**
    All records pertaining to concerns raised shall be retained for a period of eight (8) years.

11. **Standard Operating Procedures (SOP):**
    The SOP to handle Protected Disclosure are annexed to this policy (refer annexure II).

12. **Policy Owner and Review:**
    The WBC of the Bank shall be the owner of this policy assisted by the WBE, who shall be responsible for maintaining and carrying out subsequent amendments/revision in the Policy annually or as deemed necessary, with approval from Bank’s Board on recommendation of Nomination & Remuneration Committee and ACB.
Annexure I - Process Flow to Handle Protected Disclosure

Complaint

YES Is it Protected disclosure (PD)?

NO

Complaint related to Sexual Harassment at work place

Complaint related to employee behavior / governance, etc.

If it is a anonymous / pseudonymous PD / complaint

Handled as per the Complaint Redressal Policy

For anonymous / pseudonymous PD / complaint against the MD & CEO and / or Director(s)

Submit to the Nomination & Remuneration Committee of the Board for advice

Closure as per Nomination & Remuneration Committee advice, if any

Reporting of protected disclosure to Audit Committee of the Board / the Board, as appropriate, regarding findings and action taken / to be taken

End

Protected disclosure related to executives

Submit to Whistle Blower Committee

Appointment of Investigator

Report submitted to Whistle Blower Committee

Actionable advised by Whistle Blower committee

Closure of actionable, if any

Protected disclosure related to MD & CEO and / or Director(s)

Submit to the Board, for their advice, who will constitute a committee to look into the matter

Whistle Blower Committee / executive, as advice, to appoint investigator

Report submitted to committee constituted by the Board

Final Redressal of the complaint shall be disposed off by the Board
Annexure II - Standard Operating Procedures (SOP)

1. Important Definitions:
   a. “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 292A of the Companies Act 1956, Sec 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement.
   b. “Director” means a Director on the Board of Directors of the Bank whether whole time or otherwise.
   c. “Disciplinary Action” means any action that can be taken on the completion of/during the investigation proceedings, including but not limited to, a warning, recovery of financial loss incurred by the Bank, suspension/termination from the services of the Bank or any such action as is deemed to be fit by the Bank considering the gravity of the matter.
   d. “Executives” or “Employees” means every employee of the Bank including Advisors/Consultants/Trainees etc. but does not include MD&CEO and/or any other member of the Board.
   e. “Nomination & Remuneration Committee” constituted by the Board of Directors of the Company as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
   f. “Protected Disclosure” are complaints under this Policy, which would cover areas such as corruption, misuse of office, criminal offences, suspected/actual fraud, failure to comply with existing rules and regulations such as Reserve Bank of India Act, 1934; Banking Regulation Act, 1949 etc. and acts resulting in financial loss/operational risk, loss of reputation etc. detrimental to depositors’ interest/public interest.
   g. “Named Person” means person/s against or in relation to whom a Protected Disclosure has been made or evidence gathered during course of an investigation.
   h. “Whistle Blower” is defined as any Executives/ Employees and associated stakeholders such as Director, Customer, Vendor, NGO, Members of Public, and/or third-party intermediary engaged in conducting business on behalf of the Bank such as agents and consultants who has or had access to data, events or information about an actual, suspected immoral or illegal activity within or by the Bank, and, whether, makes or attempts to make a deliberate, voluntary disclosure of Protected Disclosure.
   i. “Whistle Blower Committee” comprising of following senior executives of the Bank. The quorum of the WBC would be three members, who must be present at each meeting.
      1. Senior Group President - Governance and Controls
      2. Group Chief Financial Officer
      3. Chief Risk Officer
      4. Head - Human Capital Management
      5. Senior Group President & Global Head - Climate Strategy & Responsible Banking
      6. Senior Group President II and Group Chief Strategy Officer

   Whistle Blower Committee may induct such officer/s of the Bank on a need based given their area of expertise.
j. “Whistle Blower Executive” means a person designated under this policy to receive Protected Disclosure. Head – Employee Risk Intelligence & Service Delivery of the Bank shall be the Whistle Blower Executive for this policy.

2. Reporting a Protected Disclosure:
   a. How to Raise a Protected Disclosure?
      The Bank has implemented a web-based ‘Corporate Whistle Blower Initiative’ (“CWI Portal”), which is an independent online reporting service aimed at facilitating a simple method for secure and confidential communication between the organization and whistle blower. The CWI Portal can be accessed by executives via internet from anywhere, anytime. To know more about this initiative, executives may log on to www.cwiportal.com.

   b. To Log a Protected Disclosure:
      1. Go to www.cwiportal.com
      2. Click on the ‘Lodge Report’ button on the home page and use the Organization code: YESCARE
      3. Enter the concern with relevant details like the background /dates/documents
      4. Upon lodging the concern, a tracking number will be generated. Click on ‘Track Report’ button on the home page and enter this number to follow up on the report and view organizational feedback

      In cases, where a Whistle Blower is not satisfied with the action taken on concerns raised by the Whistle Blower or Whistle Blower being victimized, the Whistle Blower can lodge a Protected Disclosure directly to the Chairman of the Audit Committee.

   c. Alternate approach:
      A Whistle Blower may raise a Protected Disclosure with Whistle Blower Executive by sending an email or by submitting a letter or by any other mode except verbal at the following coordinates:

      Sangram Pradhan,
      Human Capital Management, YES BANK Ltd,
      YES BANK Tower, IFC II, 27th Floor, Elphinstone (W), Senapati Bapat Marg, Mumbai - 400 013.
      Email: sangram.pradhan@yesbank.in

      Protected Disclosure against Whistle Blower Executives and in exceptional & appropriate cases can directly be addressed to the Chairman of the Audit Committee. The contact details of the Chairman of the Audit Committee are as follows:

      Chairman of Audit Committee
      YES BANK Ltd,
      YES BANK Tower, IFC II, 15th Floor, Elphinstone (W), Senapati Bapat Marg, Mumbai - 400 013
d. **Protection to Whistle Blowers:**

i. The Bank, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will therefore be given genuine to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower’s right to continue to perform his duties/functions including making further Protected Disclosure.

ii. The Bank will take all safeguards to prevent harassment or victimization of the Whistle Blower raising a genuine concern. If the Whistle Blower feels, as a result, he/she is being victimized or has suffered adverse treatment; he/she should submit a formal complaint to the Chairman of the Audit Committee. If it appears that there are reasonable grounds for making the complaint by the Whistle Blower, the onus will be on the person against whom the complaint of adverse treatment has been made, to prove that the same is not the case or that the actions complained of were not taken in retaliation to the concern raised by the executive.

iii. Where it is determined that there is *prima facie* case that the Whistle Blower has suffered adverse treatment, harassment or victimization as of result of his or her disclosure or reporting of genuine concerns or grievances, a further investigation may take place and appropriate disciplinary action may be taken against the perpetrator in accordance with the relevant procedure. This may also include, at the Bank’s discretion, directing the perpetrator to suitably compensate the Whistle Blower for the loss suffered by him/her, if any.

iv. If a Whistle Blower makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against the individual. However, if an executive makes an allegation frivolously, maliciously or for personal gain, appropriate disciplinary action may be taken against him/her. In case of repeated frivolous Protected Disclosure being filed by a director or an executive, the Audit Committee may take suitable action against the concerned director or executive.

v. If a Whistle Blower makes an allegation in good faith, but if such allegation is not confirmed by the investigation, no action will be taken against the Whistle Blower. However, Whistle Blowers, who make any Protected Disclosures against Executives, which have been subsequently found to be *mala fide*, frivolous or malicious, the Bank reserves its right to initiate appropriate disciplinary action (if applicable) against him/her and/or seek other legal remedies, if any. However, such Whistle Blower(s) would be afforded an opportunity of personal hearing before taking any penal action.

3. **Procedure of Investigation:**

a. On receipt of Protected Disclosure alleging Bank’s Executives, the Whistle Blower Executives of the Bank shall consult at least two Whistle Blower Committee members and appropriately arrange for investigation under the guidance of WBC.

In this regard, they may perform all such acts as it may deem fit at its sole discretion, including, the following functions:

i. Obtain legal or expert view in relation to Protected Disclosure

ii. Appoint external agency to assist in investigation

iii. Seek assistance of Internal Auditor
iv. Request any officer(s) of the Bank to provide adequate financial or other resources for carrying out investigation
v. Seek explanation or solicit Named Person’s submission on Protected Disclosure or give reasonable opportunity to Named Person to respond on material findings contained in investigation report
vi. Call for any information/document and explanation from any person(s) as they may deem appropriate for the purpose of conducting investigation.
b. The Whistle Blower Committee shall endeavor to close a case within sixty (60) days of receipt of the Protected Disclosure.
c. The Whistle Blower Committee shall have right to outline a detailed procedure for an investigation and may delegate such powers and authorities, as it may deem fit to any officer of the Bank for carrying out any investigation.
d. Named Person(s) will not be entitled to any form of legal representation during the investigation process.
e. The Named Person shall have a duty to co-operate with the investigator and responsibility not to interfere or obstruct with the investigation process.
f. Upon completion of investigation, a report shall be prepared by the appointed investigator, which will be submitted to the Whistle Blower Committee. On receipt of the said report, the Whistle Blower Committee of the Board may direct necessary Disciplinary/Corrective Action (if allegations are found to be valid) after providing reasonable opportunity of being heard to the Subject based on the principal of natural justice.
g. Whistle Blower Committee will be the Disciplinary Committee only for Protected Disclosures against Executives and will supersede the Disciplinary Committee defined in Policy for Executive Accountability, Discipline and Appeal Regulation.

4. Conflict of Interest:
Where any investigating official or member of the Whistle Blower Committee/ Audit Committee/ Nomination & Remuneration Committee/ Board of Directors has a conflict of interest in the matter, he/she shall recuse themselves and the remaining members may proceed to deal with the matter.