

WHISTLE BLOWER POLICY

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1. Preamble:

Whistle blowing, involves reporting of wrong doing within an Organization either to internal or external parties.

To safeguard the Bank against internal /external threats like frauds, bribery, corruption, abuse of authority, non - compliance with laid down systems and procedures, transgression of delegated authority etc., involving financial and reputational implication, constant vigilance at all levels is necessary through a process, where each and every employee / director has certain role-play and is duty bound to execute the same.

The staff members/directors are expected not to be silent spectators to any wrong doing in the branch/ office but to report the same to the higher authority/ies concerned. The same is intended to ensure that a few unscrupulous staff members are not vitiating the overall atmosphere / work culture and putting the Bank's interest in jeopardy.

Staff members/directors, many a time, are hesitant to come forward and report to higher authorities about wrongdoings, mishaps around them fearing disclose of identity and probable retribution/ victimization from the official/s concerned. In order to instill confidence in the staff members/directors as well as to prevent the mishap at the initial stage itself, a need was felt for introduction of 'Whistle Blower Policy' which will lead to ensure more effective Corporate Governance.

2. Objective of the Policy:

To encourage the Bank's employees who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

To provide necessary safeguards for the protection of the employees from reprisal for whistle blowing in good faith.

The policy aims at providing an avenue for employees to raise concerns on any violations of regulatory or legal requirements, non - compliance of laid down system and procedures, wrong-doing, misconduct, irregularities, governance weaknesses, financial reporting issues e.g. mis-selling, corrupt business practice, violation of provision of applicable laws.

3. Scope and Coverage:

The Whistle Blower's role is that of a reporting party with reliable information and it intends to unearth serious concerns that could have grave impact on the operations and performance of the business of the organisation. Only, Nodal



Officer will be responsible to open the envelope and access the mail received from Whistle Blower. It will be sole responsibility of the Nodal Officer to maintain the secrecy of the Whistle Blower. Any disclosure of the name of the Whistle Blower may be considered as the Breach of Trust by Nodal Officer and accordingly action can be initiated. The Nodal Officer shall place before the Designated Committee all complaints pertaining to NKGSB Co-operative Bank Ltd., action taken and investigation results. The report to be placed to the Designated Committee may cover areas such as:

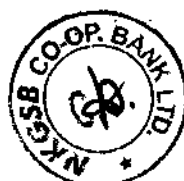
- Breach of Bank's Code of Conduct
- Questionable accounting or auditing matters
- Any Bank matters involving abuse of authority
- Fraud, bribery or corruption
- Employee Misconduct
- Illegality
- Wastage/ misappropriation of Bank's funds / assets
- Victimization of employees and Directors
- Harassment
- Breach of IT security and data privacy
- Any other unethical conduct.
- Breach of any law, statute or regulation by the Bank
- Issues related to accounting policies and procedures adopted for any area or item
- Acts resulting in financial loss or loss of reputation
- Misuse of office, suspected/actual fraud and criminal offences
- Further, the list as mentioned above is of indicative in nature and not exhaustive. Anonymous/pseudonymous complaints may be covered under the Whistle Blower Scheme and entertained, based on the importance of information therein and at the discretion of the Designated Committee on its further investigation. Sexual harassment complaints and HR process related grievances will be referred to Human Resource Department for investigation, resolution and closure.

4. Who can blow the whistle?

Under the Policy all employees of the Bank/directors, depositors/ borrowers/shareholders/public having sufficient grounds for concern about wrong doing/unfair practices carried out in the Bank can lodge the complaints. The complainant would be referred to as the "Whistleblower".

5. Investigating Authority

Nodal Officer: The "Nodal Officer" will be a Senior Executive with proven track record and well respected for his/her integrity, independence and fairness. The Managing Director will act as the designated "Nodal Officer" and he will receive all the complaints



under this Policy and place before the Designated Committee all complaints pertaining to NKGSB Co-operative Bank Ltd., action taken and investigation results.

Designated Committee: A Committee comprising of Chairman of Audit Committee, Managing Director and a Chairman of HR Committee would constitute designated committee of the Bank. The Chairman of the Audit Committee will be the Chairman of the Designated Committee. The quorum of the meeting would be minimum 2 members. Chairman of the Audit Committee and Nodal Officer shall be mandatory members. The Managing Director of the Bank would work as a Nodal Officer for the activities as defined and mentioned in this policy.

6. Mode of whistle blowing - Make complaint:

Email Complaint : nodalofficer.whistleblower@nkg-sb-bank.com

Physical Complaints: Write a letter to The Nodal Officer, NKGSB Co-operative Bank Ltd., 361, LaxmiSadan, SardarVallabhai Patel Rd., Girgaon, Mumbai-400 004.

7. Whistle Blowing Mechanism - Process Flow for making Complaint:

a) Complaints through e-mail

Whistle blower will have the option of lodging his/her complaint only through offline/e-mail mode. The detailed procedure to be followed by the complainant for lodging the complaint under "Whistle Blower" category is as under:-

The access right to open/view/access the complaints under "Whistle Blower" category is restricted with the nodal Officer i.e. Managing Director and members of designated committee. It will be sole responsibility of the Nodal Officer to maintain the secrecy of the Whistle blower. User ID and password to access the mail will be with the Nodal Officer and members of the designated committee only.

Nodal Officer would ensure to separate name of the Whistle Blower while, taking print-out of the complaint, to safeguard the identity of the complainant and accordingly place it before the committee. This will ensure in protecting the identity of the complainant as also confidentiality of the contents since only Nodal Officer will have right to access the complaint. All such complaints received should be kept in a safe custody i.e. in a lock and key in the custody of the Nodal Officer.

b) For lodging the complaint offline (i.e. in physical form)

The complaint should be necessarily in a closed/sealed envelope, which shall be opened by the Nodal Officer only.

The envelope should be addressed to the Nodal officer and should be super scribed "Complaint under Whistle Blower Policy". If the envelope is not super scribed and not closed, it will not be possible for the Nodal Officer to protect the identity of the



complainant and the complaint will be dealt with as per the normal complaint handling policy. Any such envelopes / complaints received need to be opened only by the Nodal Officer in confidence. The complainant has to provide his/her name and address in the beginning or at the end of the complaint or in separately attached letter. All such complaints received should be kept in a safe custody i.e. in a lock and key in the custody of the Nodal Officer only.

It is optional for the complainant to sign the complaint if preferred to use offline mode for lodgment of complaint. It is worth mentioning here that Nodal Officer/Designated Committee may entertain any anonymous/pseudonymous complaint, subject to importance therein. In case the information contained in such complaint is found to be genuine, Designated Committee may take up a decision on its further investigation. Else, such complaints will be preserved for record purposes only.

8. Resolution Structure -Mechanism for handling Whistle Blower Complaints:

8.1 Handling of Complaints:

- a) **Through e-Mail:** Only Nodal Officer and designated committee members shall have the rights to view and add observations to the whistle blower complaint/s. The Nodal Officer shall separate the identity from the complaint and shall place it before the Designated Committee (defined above) for deliberation and taking appropriate course of action on the complaint.
- b) **Physical Mode:** The whistle Blower Complaints in offline mode shall be received by the office of Nodal Officer (on the address given at point No. 5) and placed before the Designated Committee by taking due care.
- c) If the complaint is made against the Senior Executive or against any Directors, then it may be referred directly to the Chairman of ACB/ Designated Committee, by taking due care.

8.2 The Designated Committee & mechanism outlined below shall deal with the Whistle Blower complaints.

8.3 Nodal Officer, after receipt of the complaint shall take-up with the Designated Committee by shielding/detaching the identity of Whistle Blower. If the complaint is anonymous / pseudonymous, the Nodal officer shall maintain the record of such complaint and escalate it to the Designated Committee for information and deliberation if any, and it will be at the discretion of the committee to take a decision on its further investigation.

8.4 Only Nodal Officer and designated committee members will have the rights to view e-mail and the details of complaints received. User ID and password to access the email will remain with the Nodal Officer only. In case of complaints in physical form, the Nodal Officer will open the envelope by keeping the name of the



whistle blower strictly confidential. While, presenting the complaint to the Designated Committee, the Nodal Officer shall not disclose the name of the Complainant. In case of complaints in physical form, the Nodal Officer will open the envelope by keeping the name of the whistle blower strictly confidential. While, presenting the complaint to the Designated Committee, the Nodal Officer shall not disclose the name of the Complainant.

- 8.5 Investigation Initiation Process:** The Nodal Officer upon receipt of the complaint /concern shall immediately take it up with the Designated Committee for a preliminary view. Accordingly, as per the direction of the Committee, set in motion appropriate action to inquire into the matter.
- 8.6 Investigating arm:** The designated committee shall generally use the Audit and Inspection Wing for investigating the matter further wherever required. After the Completion of the same, the Audit and Inspection Wing will submit to Nodal Officer for further placing it to Designated Committee.
- 8.7 Investigation Report:** After conducting investigation, if it reveals that there was misuse of office and/or substance in the allegations of corruption, the designated committee, shall recommend appropriate course of action which shall inter-alia include following:
- Appropriate proceedings against the concerned staff member,
 - Recommend to appropriate authority / agency for initiation of criminal proceedings in suitable cases, if warranted, by facts and circumstances of the case
 - Recommend corrective measures to prevent recurrence of such events in Future
 - Any other action as deemed fit by the Designated Committee.
- 8.8 Decision of the Designated Committee:** The identity of the complainant will not be revealed unless the complainant himself has made the details of the complaint public or disclosed his identity to any other office or authority. If the allegations made in the complaint are specific and verifiable then the same will be placed before the designated committee for deliberation. The designated committee shall make discreet inquiry through Investigating Arm or otherwise to ascertain whether there is any basis for proceeding further to investigate the matter. If the Committee is of the opinion that there is no sufficient ground for proceeding further in the complaint, it shall decide for closure of the matter. If the committee, as a result of the discreet inquiry or otherwise is of the opinion that the complaint requires further investigation, it will forward the complaint to the investigators through Nodal Officer, for further investigation and to seek report in the matter. Investigations will be commenced only after review by the Committee.
- 8.9 Role of Fraud Monitoring Committee:** However, wherever there is an element of fraud in the complaint, the designated committee, post investigation, may



refer to the Fraud Monitoring Committee for their inputs and further course of action. The designated committee may also take the inputs of Cluster Heads for taking any final view on the complaint, if required or may direct Fraud Monitoring Committee for deliberating and taking a decision in the matter.

- 8.10 Maintaining Transparency in the Investigation:** On receipt of matter with the relevant papers/ documents in respect of the matter raised in the complaint. The committee may advise the authority/ies from whom such report sought, to keep the identity of the complainant as secret, even if for any reason/s, the said authority/ies come to know the identity of the complainant. In spite of the directions of committee to protect the identity of the complainant, if the identity of the complainant gets disclosed, Nodal Officer, in consultation with other members of the designated committee shall be authorized to recommend appropriate action against the authority/person responsible for making such disclosures. Hence, it is of utmost importance that the Investigating Arm or any machinery or Official part of investigation are under this policy, bound to maintain the transparency and secrecy as outlined in this policy. Designated Committee may question to Nodal Officer for any such disclosure, since, it is required to be strictly confidential.
- 8.11 Confidentiality Concern for Whistle Blower Investigations:** In specific cases Designated Committee through Nodal Officer may constitute a committee or a group of executives with requisite skills/expertise to investigate into the complaint. The committee/group shall submit its report to Nodal Officer in a time bound manner. Investigator will maintain confidentiality about identity of Whistle Blower. The investigator shall also maintain confidentiality about the investigation process and about the investigation findings.
- 8.12 Investigation by external Agencies:** External technical and other resources may be drawn upon as necessary to augment the investigation. Designated Committee through Nodal officer will decide on the appointment of external agencies, depending on the nature of investigation. In case of appointment of external agency, Nodal Officer will keep Designated Committee informed through quarterly reporting. Investigating agency, including investigators working for the agency, shall be bound to maintain confidentiality about identity of the Whistle Blower.
- 8.13 Timelines for Investigation:** Inquiry into the concerns received by Nodal Officer shall be normally completed within 45 to 90 days of the date of receipt of the concern. Concerns requiring additional time to investigate shall be intimated to the Nodal Officer to take it further to Designated Committee for extension of time, at the time of reporting the status of the inquiry and action on a quarterly basis.
- 8.14 Interviews:** Permission need to be obtained from the Designated Committee for disclosing the name of the Whistle Blower, in case of inquiry compulsions, during the course of investigation. On obtaining permission from the Designated Committee, authorised officials may interview relevant person to seek information. Such interviews can be in the form of in person, telephonic



discussions, explanation sought through and email and seeking written explanation. Prior intimation of the interview may be given through the Nodal Officer, and it will not be discretion of the Investigation Officer. In person and telephonic discussions may be recorded to ensure integrity of the investigation process and to maintain proper records. Recordings shall not be provided to any authority except with the prior approval of Nodal Officer/Designated Committee.

- 8.15 Filing of Police Complaints:** In case of criminal breach of trust, fraud or such activity is detected during the course of investigation, falling within ambit of criminal proceedings, and if required under prevalent law/regulations, Bank would initiate action and Legal Support Service Department will be responsible to file the complaint under the directions of Nodal Officer/Designated Committee. Responsibility of Fraud Monitoring Report if any would be with Risk Management Department in case of Fraud Cases.
- 8.16 Reporting to Regulators:** First Person Responsible (FPR's) embedded within each business group assigned with specific responsibility of reporting frauds in Fraud Monitoring System would be responsible for reporting frauds reported under Whistle Blower Policy, in line with extant fraud reporting procedures.
- 8.17 Recovery of fraud losses/misappropriation:** In case of any loss to the Bank, respective Business/Operations group will initiate recovery proceedings with the involvement of Human Resource Department and Legal Support Department and take suitable legal recourse as may be necessary.
- 8.18 Categorisation of complaints:** Based on conclusion of investigation, complaints will be categorized in three categories as follows:
- a. **Allegations substantially proven:** In case of genuine complaints, action will be initiated and will be reported to the Designated committee.
 - b. **Allegation investigated and proven "False" :** In case of false alarm cases, if investigators find proof that complaint was made with malicious intent, if identity of the complainant is known or is traced by the investigators, matter would be reported to the Designated Committee for initiating any action if required against the Complainant. Accordingly, on receipt of remarks from Designated Committee, Human Resources Department will suggest the appropriate action within parameters of Banks Code of Conduct and report to Nodal Officer to obtain consent of the Designated Committee for execution of the said action. Designated Committee may even relinquish the charges with warning.



c. Allegations could not be proven: Allegations could not be proven due to lack of evidence incomplete information and lapse of substantial time between occurrence of the event and complaint. In case of complaints which could not be proven, no action would be taken and as such, the status will be reported to Audit Committee accordingly/Nodal Officer/ Designated Committee.

8.19 The Committee shall make recommendations to appropriate authorities for taking suitable action within ten working days from the date of receipt of the report.

8.20 Technical and other sources may be drawn upon as necessary to augment the investigation. The designated committee, if deems fit, may call for further information and may involve any other/additional Officer or outside agency for investigation. While doing so, it must be observed that the confidence of the staff member is not divulged / does not shake.

8.21 The Investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process. The investigation shall normally be completed within 45 to 90 days of the receipt of the protected disclosure and is extendable by such period as the designated committee deems fit.

8.22 If the complaint is found out to be frivolous or Bank is not taking any action, then the same will be intimated to the whistle blower by updating the status of the complaint through email to the whistle blower or by letter addressed to whistle blower.

9. Reporting to the Audit Committee:

9.1 Reporting Frequency: In relation to Whistle Blower Complaints and Senior Management Escalations, on a quarterly basis, Nodal Officer will provide details of cases received, as well as complaints under investigation, during the period, to the Audit Committee. Details would include gist of the complaints, investigation status and actions taken, but not the identity of the Whistle Blower. Further, action will also be taken by Nodal Officer based on the feedback received from members of the Audit/Designated Committee. All complaints received and status of investigations/actions thereto, will be reported at the subsequent quarterly Audit Committee Meeting.

9.2 Contents to be Reported: A quarterly report on Whistle Blower complaints will be submitted to the Audit Committee containing following information:



- MIS of complaints received and action taken during reporting quarter and status of pending cases which were received during previous quarters.
- Case wise information including details of action taken on directions of the Committee.
- Such other details as desired by the Committee from time to time.

9.3 Review of Complaints: A senior official designated by Nodal Officer will monitor and review the progress, status of investigation, investigations report and compliance of closure related actions on regular basis.

9.4 Submission of Report: The investigators shall submit their report to Nodal Officer in a time bound manner, report should be in a closed and sealed envelope, to ensure that the matter is kept confidential.

10. Closure of Complaint:

10.1 Criteria for closure of complaints:

False alarms and complaints which could not be proven will be considered as "Closed" immediately on conclusion of investigation and briefed to that effect to the Nodal officer. Closure status would be approved by Nodal Officer. In case of genuine complaints, such cases will be considered as "Closed" once following actions, as applicable and appropriate have been taken:

- Action against person/persons against whom charges were proven
- Initiation of recovery of the losses suffered due to fraud, if any
- Police complaints being filed
- Reporting in Fraud Monitoring System in case of frauds

10.2 Only after confirmation of compliance with the above requirements, a case will be reported as "Closed" to the Audit/Designated Committee.

11. Protection to Whistle Blower:

11.1 If one raises a complaint under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance of any manner. As a result of reporting under Protected Disclosure the protection is available provided that:

- The Whistle Blower has chosen to identify himself.
- The communication/disclosure is made in good faith.
- The Whistle blower reasonably believes that information and any allegations contained in it, are substantially true.
- The Whistle Blower is not acting for personal gain.



- A whistle blower has the right to protection from retaliation. But this does not extend to the immunity for involvement in the matters that are subject of the allegations and investigations.

11.2 Anyone who abuses the procedure (for example by maliciously raising a complaint knowing it to be untrue) will be subject to investigation by external investigative agency as per law of natural justice clause of Constitution. However no such investigation will be carried out against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

11.3 Further, if any official/director is aggrieved by any action on the ground that he is being victimised due to the fact that he had filed a complaint, he may file an application before the Chairman of Designated Committee/Audit Committee of the Board seeking redressal in the matter. Chairman of the Designated Committee/Audit Committee of the Board will ensure that no punitive action is taken by any concerned authority against any person on perceived reasons /suspicion of being "Whistle Blower".

12. Retaliation: Whistle Blower will not in any way be liable to disciplinary action or loss of benefits, right or prospects as a result of his/her action. Retaliation shall not be permissible against any Whistle-Blower and the Bank will not tolerate any attempt on the part of anyone to apply any sanction or disadvantage or to discriminate against any person who has reported concern.

13. Responsibilities of Whistle Blower

The intent of this Policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures. Employees are expected to exercise their rights under this Policy in a judicious manner by adhering to the following guidelines.

- Avoid anonymity when raising a concern
- Follow the procedures prescribed in the Policy for making a disclosure.
- Bring to early attention of the Bank any improper practice he/she become aware of delay in reporting may lead to loss of evidence and also financial loss for the organisation.
- Co-operate with investigating authorities, maintain full confidentiality.

14. Escalation Matrix:

If the Whistle Blower/Complainant is not satisfied with the response of the Designated Committee or is not satisfied with the decision of the Investigating /Screening Committee he/she is free to take up the matter with



the **Vice Chairman of Board** through written communication for reconsideration.

15. Display/Awareness of the Policy:

NKGSB Co-operative Bank Ltd. Whistle Blower Policy will be displayed on the web-site of the Bank. Branch/Offices will disseminate the contents of the policy amongst all staff members.

16. Periodicity of reiteration: Whistle Blower Policy will be reiterated to all employees, at least every six months communications will be sent through email and records of the same will be maintained under records retention policy for a period of 10 years.

17. List of Documents to be maintained (As applicable)

- a. Copy of complaint in hard form that can be filed and preserved.
- b. Copy of the complaint in soft form that can be provided through email whenever required.
- c. Records collected during investigation including, electronic data and documents.
- d. Reports submitted by the investigators.
- e. Final reports submitted to concerned Business/Operations group.
- f. Audit Committee reports/reviews.
- g. Back-up of Committee papers.
- h. Any communication to/from Business Group, Operations Group, HRDetc.
- i. Records of action taken.
- j. Notes/details submitted to Audit Committee.
- k. Any other working papers relevant to the case.

18. Record retention: To provide protection to whistle blower and to maintain secrecy about identity of complainant, records collected during investigation, including complaint copy need to be preserved with strict controls by HR/Legal / Facilities Department. Further, to avoid leakage of information and avoid misuse of the information, data maintenance and retrieval need to be under proper controlled environment.

19. Recognition:

In case a complaint results in detection of unethical practices/abuse of authority/fraud/other wrong doings and thereby averts or minimizes the financial / reputational loss to the Bank, the moral courage shown by the whistle blower will be recognized by the Bank by way of appropriate indirect incentives/benefits.

Towards this end, Chairman of the Audit Committee/Nodal Officer will ensure along with the Head-HR that such genuine informants are given due weightage in career growth and placement as deemed fit. A dossier will be personally maintained by the HR head in strict



confidence for the purpose. The Designated Committee will ensure full protection against disclosure of identity of the whistle blower.

