

CODE OF CONDUCT (SENIOR MANAGEMENT) 2018-19

1. Preface

The Code of Conduct for the Senior Management of the Bank is laid down with an aim to ensure transparency and high ethical standards in managing the affairs of the Bank. This Code of Conduct would be applicable to all the Senior Management of the Bank and would be observed by the Senior Management while carrying out the fiduciary duties conferred upon them by the statute. Every Senior Managerial Personnel shall adhere to the Code of Conduct and the Norms prescribed for monitoring and management of the conflict of interest.

Regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 requires that the Board of Directors shall lay down a code of conduct for Senior Management of the listed entity.

Accordingly, the Bank has laid down Code for its Senior Management/Members of the Core Management. The Senior Management/the Members of the Core Management means all Functional Heads (irrespective of grade/scale) and all General Managers of the Bank (irrespective of place of posting).

2. Bank's Belief System

This Code of Conduct attempts to set forth the guiding principles on which the Bank shall operate and conduct its daily business with its multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. It recognises that the Bank is a trustee and custodian of public money and in order to fulfil its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of public at large.

The Bank acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour. The Bank shall be committed in all its actions to the interest of the countries in which it operates. The Bank is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations. The Bank shall continue to initiate policies, which are customer centric and which promote financial prudence.

3. Philosophy of the Code

The Bank expects all members of the Core Management to exercise good judgement, to ensure the interests, safety and welfare of customers, employees & other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. The members of the Core Management while discharging duties of their office must act honestly and with due diligence. They are expected to act with the extent of utmost care and prudence, which an ordinary person is expected to take in his/her own business. These standards need to be applied while working in the premises of the Bank, at offsite locations where the business is being conducted whether in India or abroad, at Bank-sponsored business and social events, or at any other place where they act as representatives of the Bank.

The Code envisages and expects -

- (a) Adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
- (b) Full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Bank with government and regulatory agencies.
- (c) Compliance with applicable laws, rules and regulations.
- (d) To address misuse or misapplication of the Bank's assets and resources.
- (e) The highest level of confidentiality and fair dealing within and outside the Bank.

3.1. Conflict of Interest

A “conflict of interest” occurs when personal interest of any member of the Core Management interferes or appears to interfere in any way with the interests of the Bank. Every member of the Core Management has a responsibility to the Bank, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Bank's interest such as-

- (i) **Employment / Outside Employment** - The members of the Core Management are expected to devote their total attention to the business interests of the Bank. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Bank or otherwise is in conflict with or prejudicial to the Bank.

- (ii) **Business Interests** - If any member of the Core Management considers investing in securities issued by the Bank's customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Bank. Many factors including the size and nature of the investment; their ability to influence the Bank's decisions; their access to confidential information of the Bank, or of the other entity, and the nature of the relationship between the Bank and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Bank any interest that they have which may conflict with the business of the Bank.
- (iii) **Related Parties** - As a general rule, members of the Core Management shall ensure that he/she or any of their relatives or any other person as specified or any firm, Company or Association in which he/she or any of the relatives or such other person is associated in significant role, shall not enter into any transaction with the Bank.
- (iv) **Relatives shall include:**
- (a) Members of HUF
 - (b) Spouse
 - (c) Father (including step-father)
 - (d) Mother (including step-mother)
 - (e) Son (including step-son)
 - (f) Son's wife
 - (g) Daughter
 - (h) Daughter's husband
 - (i) Brother (including step-brother)
 - (j) Sister (including step-sister)

If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the appropriate authority and take prior permission from Audit Committee of the Board for such Related Party Transactions. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.

In the case of any other transaction or situation giving rise to conflicts of interests, the Audit Committee of the Board should after due deliberations decide on its impact.

3.2. Applicable Laws

The Core Management must comply with applicable laws, regulations, rules and regulatory orders. They should report any inadvertent non-compliance, if detected subsequently, to the concerned authorities.

3.3. Disclosure Standards

The Bank shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Government and Regulatory agencies. The members of Core Management of the Bank shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Agencies, as may be required by applicable laws, rules and regulations.

3.4. Use of Bank's Assets and Resources

Each member of the Core Management has a duty to the Bank to advance its legitimate interests while dealing with the Bank's assets and resources. Members of the Core Management are prohibited from:

- using corporate property, information or position for personal gain;
- soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Bank's assets and resources;
- acting on behalf of the Bank in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.

3.5. Confidentiality and Fair Dealings

3.5.1. Bank's Confidential Information

- (i) The Bank's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Bank and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Core Management by the Bank either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Bank. All confidential information must be used for Bank's business purposes only.
- (ii) This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Bank's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which the Bank has rightfully received under non-disclosure agreements.
- (iii) To further the Bank's business, confidential information may have to be disclosed to potential business partners. Such disclosure should be made after considering its potential benefits and risks. Care should be taken to divulge the most sensitive information, only after the said potential business partner has signed a confidentiality agreement with the Bank.

- (iv) Any publication or publicly made statement that might be perceived or construed as attributable to the Bank, made outside the scope of any appropriate authority in the Bank, should include a disclaimer that the publication or statement represents the views of the specific author and not the bank.

3.5.2. Other Confidential Information

The Bank has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Bank to enter into a business relationship. At other times, the Bank may request that a third party provide confidential information to permit the Bank to evaluate a potential business relationship with that party. Therefore, special care must be taken by all the members of the Core Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties.

The Bank requires that every member of Core Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

The members of Core Management shall not accept any offer, payment promise to pay, or authorization to pay any money, gift, or anything of value from customers, suppliers, shareholders/ stakeholders, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

3.5.3. Code of Conduct for Unpublished Price Sensitive Information

All the members of the Core Management shall adhere to Bank's Code of Conduct for Unpublished Price Sensitive Information (UPSI).

4. Do's and Don'ts

The Senior Management shall adhere to the Do's and Don'ts specified under the Union Bank of India Officer Employees' (Conduct) Regulations, 1976, as amended from time to time.

5. Waivers

Any waiver of any provision of this Code of Conduct for a member of the Core Management must be approved by the Board of Directors of the Bank.

6. Violation of the Code

The Board shall have the powers to take necessary actions in case of any violation of the Code.

7. Affirmation of Compliance of the Code

The matters covered in this Code of Conduct are of the utmost importance to the Bank, its stakeholders and its business partners, and are essential to the Bank's ability to conduct its business in accordance with its value system.

All members of the Core Management shall affirm compliance with the Code of Conduct of Senior Management on an annual basis by signing the below mentioned affirmation and sending the signed copy of Code to Board Secretariat -

AFFIRMATION

I have received and read the Bank's Code of Conduct and affirm that I have complied with the said code during the current financial year and also agree to comply with the same in future.

Name :

Signature :

Place & Date :

References:

1. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. The Banking Regulation Act, 1949
3. The Companies Act, 2013
4. Union Bank of India Officer Employees' (Conduct) Regulations, 1976, as amended