

Corporate Communications Division

CCD/300/2016

July 19, 2016

DONATION POLICY

1. Policy Statement:

This Policy sets out Bank's position in relation to requests for financial assistance.

2. Vision:

It is envisaged that through donations/financial assistance Bank fulfill its social obligations and contributes/plays its role in Corporate Social Responsibility.

3. Objective:

The objective of this policy is to provide a structure for making donations in accordance with the Bank's core values following a transparent process.

4. Budget:

As per the Reserve Bank of India directives vide their communication No. 237/2205-06DBOD.No.Dir. BC 50/13.01.01/2005-06 dated 21st December 2005:

4.1. Bank may make Donations during a financial year aggregating up to one percent of published profit of the Bank for the previous year.

4.2. The contributions made by Bank to Prime Minister's Relief Fund and subscriptions to Professional Bodies/Institutions like Indian Bank's Association, National Institute of Bank Management, Indian Institute of Banking and Finance, Institute of Banking Personnel Selection and Foreign Exchange Dealer Association of India are exempted from the above ceiling.

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4.3. The unutilized portion of the limit of one percent will not be carried forward to the next year.

5. Procedure:

5.1 Purpose:

5.1.1 To render financial support/assistance to various Trusts (including Union Bank Social Foundation Trust)/Social Organisation for different projects aiming at social upliftment within India.

5.1.2 To encourage research and development, Donation can be made to Specific Purpose Fund for setting up Professional Chairs, Granting Fellowship/Scholarships for studies and research at Universities and approved Institutions and for commissioning special project for investigation, analysis and research for areas pertaining to Banking, Finance, Statistics, Management and Economics etc. The amount of the Fund will be decided by the Board.

5.1.3 Financial assistance to Hospitals for purchase of equipments/expansion/purchase of Ambulance.

5.1.4 To assist Schools/Colleges for purchase of Computer/Equipment.

5.1.5 Any other Social Cause justifying Financial Assistance.

5.2 Guidelines:

5.2.1 Amount of donation to be made will be assessed on merit.

5.2.2 The organization to which donation is made should have been granted relevant tax benefit under Income Tax Act.

5.2.3 Application should be received by the Bank in writing with all relevant papers.

5.3 Limitations:

- 5.3.1.1 In general Bank should not make donation to other than not for profit organization.
- 5.3.1.2 No Donations be made to individuals. However, in exceptional circumstances donations to individuals in deserving cases may be approved by Board
- 5.3.1.3 No donations shall be made to benefit any official of the Bank or relative of the official of the Bank. The definition of relative shall be as prescribed under SEBI guidelines (List annexed as per Annexure 'A').

6 Disbursement Method:

Disbursement of Donation will be done through the General Manager under whose jurisdiction the activity proposed is to be undertaken.

7 Provisioning:

- 7.1 In case any proposal is approved and the activity/disbursement does not happen in the same fiscal then no provisioning will be done by the department, and such activities will be part of the next year's budget.
- 7.2 All other facts remaining the same, disbursal in the next fiscal may be done based on earlier approval.

8 Monitoring:

The end use of funds of Donation given to Donees will be monitored by the respective disbursing authority.

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9 **Review:**

Every year in the 1st/2nd Management Committee Meeting (MCM) of the financial year, the department will place a note to MCM furnishing details of the donations approved and disbursed in the previous financial year.

10 The bank will endeavor to make donations to only those organizations where the Tax benefit is more than 50%.

11 **Delegated Authority :**

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| Up to Rs. 1.00 Lakh | - General Manager, CCD |
| Above Rs. 1.00 Lakh upto Rs. 5.00 Lakhs | - Executive Director |
| Above Rs. 5.00 Lakhs to Rs. 10.00 Lakhs | - Chairman & Managing Director |
| Above Rs. 10.00 Lakhs | - Management Committee of Directors |

12 **Term of the Policy**

This policy shall be valid for the FY2016-17 and its continuity may be extended for a further period not exceeding 3 months with specific approval of the Chairman & Managing Director.


(MONIKA KALIA)
GENERAL MANAGER

List of Relative as per SEBI guidelines:

Relative includes the following :

1. Member of HUF
2. Spouse
3. Father (including step-father)
4. Mother (including step-mother)
5. Brother (including step-brother)
6. Sister (including step-sister)
7. Son (including step-son)
8. Daughter
9. Son's Wife
10. Daughter's Husband

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