



## CORPORATION BANK

### **CORPORATE GOVERNANCE POLICY** **(Revised by the Board of the Bank on 8<sup>th</sup> March 2016)**

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## **CORPORATION BANK**

### **GLOSSARY OF TERMINOLOGIES USED**

- Act, 1980** : The Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980
- Scheme, 1980** : The Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1980



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### CORPORATE GOVERNANCE POLICY

| Sl. No.    | Particulars   |
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| 1.0        | <b>PREAMBLE:</b>  |
| 1.1        | Good governance is an essential requisite for any organization that wishes to maximize its effectiveness. The essence of corporate governance is to promote superior corporate performance. Good governance means that the Board agrees to being accountable to the shareholders and, as a result, takes on the responsibility of directing and controlling the management. Corporate Governance is the traditional responsibility the corporate managers and their Board of Directors have in enhancing the shareholder value, thus contributing to the greater image of the company by following a moral code of conduct. |
| 1.2        | Corporation Bank strongly believes in ethical values and self-discipline to achieve higher standard of Corporate Governance and continues to strive for excellence in business operations through transparency, accountability to its stakeholders, Government and others who deal with the Bank.   |
| 1.3        | The Bank conducts its affairs with its customers, employees, investors, vendors, government and society at large in all fairness and in a transparent manner. The Bank shall maintain its core values; build further values and ethos on a continuous and sustainable basis.  |
| 1.4        | This document enunciates the Corporate Governance Policy of the Bank and codifies its values, ethos and culture.  |
| <b>2.0</b> | <b>OBJECTIVES OF GOOD CORPORATE GOVERNANCE:</b>   |
| 2.1        | The fundamental objective of corporate governance is to enhance the long-term shareholder value while protecting the interests of other stakeholders. <ul style="list-style-type: none"> <li>• Maximising long-term shareholder value in a legal and ethical manner.</li> <li>• Ensuring fairness, courtesy and dignity in all transactions within and outside the Bank with customers, employees, investors, partners, competitors, the government and the society.</li> <li>• Open, transparent, responsible and merit-based management</li> </ul>  |
| 3.0        | <b>NEED FOR CORPORATE GOVERNANCE IN BANKS:</b>  |
| 3.1        | Banks in India are facing increasing competition, within and outside India, both in terms of markets for its products and for sources of fund. It has, therefore become necessary for banks to constantly reengineer, to provide the products and services to suit the ever-changing requirements, to accelerate the speed with which the transactions are completed and to constantly evaluate and provide training to the workforce update the knowledge and impress upon them the necessity to have a professional and competitive approach.   |
| 3.2        | In order to meet the statutory need of having a sound Capital Adequacy requirements, banks are accessing the Capital Market at regular intervals. Hence the Banks need to stimulate the interest of investors at all times. Investors believe that a bank with good governance will provide them a safe place   |



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| 3.3 | <p>for investment and also give better returns. Good Corporate Governance is, therefore, an important factor in a competitive environment.</p> <p>Investors, customers, employees and vendors have all become more discerning and are demanding greater transparency and fairness in all dealings. To attract and retain the commitment of investors, customers, employees, Banks should ensure that they match the global benchmarks in Corporate Governance practices.</p>   |
| 4.0 | <p><b>CORPORATE GOVERNANCE IN CORPORATION BANK:</b></p> <p>Corporation Bank has been practicing the principles of good corporate governance consistently over the years. Corporate Governance at Corporation Bank is evolved not only by ensuring compliance with regulatory requirements but also by being responsive to customer needs. The Bank strives for excellence with the objectives of enhancing satisfaction both to its customers and shareholders. Corporation Bank's ethos, evolve with the customer and have the shareholder as the focal point.</p>  |
| 5.0 | <p><b>FACTETS OF CORPORATE GOVERNANCE:</b></p> <ol style="list-style-type: none"> <li>1 Board of Directors <ul style="list-style-type: none"> <li>• Composition of the Board</li> <li>• Responsibilities of the Directors</li> <li>• Powers of the Board</li> <li>• Vision</li> <li>• Code of Conduct</li> </ul> </li> <li>2 Investor Relations <ul style="list-style-type: none"> <li>• Grievance Redressal Mechanism</li> <li>• Efficient Share Transfer Mechanism</li> <li>• Investor Related information to be provided in the Annual/Half Yearly Report</li> <li>• Policy on Prohibition of insider-trading</li> </ul> </li> <li>3 Financial Disclosures &amp; Controls <ul style="list-style-type: none"> <li>• Timely reporting of financial results</li> <li>• Disclosure standards</li> <li>• Adoption of universally accepted accounting and disclosure policies</li> <li>• Policies</li> <li>• Effectiveness of the system of Internal Financial Control</li> </ul> </li> <li>4. Corporate Citizen <ul style="list-style-type: none"> <li>• Active participation in community development programmes with Corporate Social Responsibility.</li> <li>• Fair and ethical business practices.</li> </ul> </li> </ol> |



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| 6.0   | <b>THE BOARD OF DIRECTORS :</b>  |
| 6.1   | <b>FUNCTIONING OF THE BOARD</b>  |
| 6.1.1 | The effective functioning of the Board is the key to good corporate governance. The Board of Directors has the ultimate responsibility for the overall management of the Bank. As the topmost decision-maker in the organization, the Board guides the bank as it strives to achieve its objectives in a prudent and efficient manner.   |
| 6.1.2 | In the interest of good governance, all the key information shall be placed before the Board, and must form part of the agenda papers.   |
| 6.2   | <b>COMPOSITION OF THE BOARD</b>  |
| 6.2.1 | In terms of Section 9(3) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980, the Board of Directors of the Bank shall consist of a maximum of 15 directors, comprising of: <ul style="list-style-type: none"> <li>• Not more than four whole time directors</li> <li>• One official director representing the Central Government</li> <li>• One person possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks to be nominated by the Central Government on the recommendation of Reserve Bank of India.</li> <li>• Two employee directors representing workmen and officers.</li> <li>• One Chartered Accountant director</li> <li>• Not more than three directors to be nominated by the Central Government and</li> <li>• Not more than three directors elected by the shareholders of the Bank other than the Central Government.</li> </ul> |
| 6.2.2 | If Reserve Bank of India is of the opinion that in the interest of the banking policy or in the public interest or in the interest of the bank or its depositors, it can appoint one or more persons to hold office as additional directors of the bank.   |
| 6.2.3 | Shareholder Director to be elected shall possess fit and proper criteria of Reserve Bank of India.   |
| 6.2.4 | The above pattern of composition of the Board ensures that the Board is broad based, consists of employees, professionals from various fields and administrators, and results in representation to the stakeholders and administrators and independent directors in the process of decision making.  |
| 6.2.5 | The predominance of non-executive / independent directors is aimed at enabling the Board to have a meaningful discussion and taking an unbiased and qualitative view on matters placed before the Board.   |
| 6.3   | <b>BOARD'S RESPONSIBILITIES:</b>   |
| 6.3.1 | Globalisation and liberalisation is sweeping across the sectors of economy and banking industry is not an exception. In this era of revolutionary changes, banks shall confront various risks and managing these risks shall be the future challenges of banks.  |
| 6.3.2 | The Bank shall lay down necessary risk parameters and establish proper risk management and control systems for effectively controlling the adverse impact of these risks on the Bank.  |
| 6.3.3 | The Board of Directors shall develop strategies for managing risks associated with its business and for meeting challenges posed by competitors. The Board members shall develop vision to anticipate crisis and possess the will to act pro actively.   |



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| 6.3.4  | The Bank shall lay down proper ALCO/Risk Management Policies duly encompassing the management of liquidity and interest rate risks so as to optimize the returns.  |
| 6.3.5  | The Board of Directors has the ultimate responsibility for the overall management of the Bank. The Board guides the bank to achieve its objectives in a prudent and efficient manner.  |
| 6.3.6  | The Board shall be primarily responsible for ensuring that all financial transactions are legal and that all disclosures are made as per regulations. The responsibility of the management is to implement the strategy for the Bank that is designed to deliver increasing value to the shareholders. The Board shall ensure that information flows upward and the authority flows downward and thus the Bank is under their control, direction and superintendence.  |
| 6.3.7  | In the interest of good governance, all the key information shall be placed before the Board, and must form part of the agenda papers. An illustrative list of items that shall normally form part of the agenda for the Board Meeting is given in <b>Annexure - A</b> .   |
| 6.3.8  | Bank shall put in place various policies, which are approved by the Board. Bank shall conduct its operations/activities within the parameters laid down under these policies. All the policies shall be placed before the Board for review at least once every year.   |
| 6.3.9  | The Non-Executive/Independent Directors shall execute the 'Deed of Covenant' as per the Report of the Consultative Group of Directors on Banks and Financial Institutions (Dr. Ganguly Group) and also as per the recommendations of RBI and as per the guidelines of Reserve Bank of India for shareholder directors.   |
| 6.3.10 | All the Directors and Senior Management of the Bank shall affirm the Code of Conduct annually as adopted by the Board of Directors of the Bank. The Annual Report shall contain a declaration to this effect signed by the <b>Chairman or Managing Director &amp; CEO</b> .  |
| 6.4    | <b>POWERS OF THE BOARD:</b>  |
| 6.4.1  | In exercise of powers conferred by Section 9 of the Act, the Central Government has framed The Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1980, for carrying out the provisions of the Act. Directors are nominated or elected in terms of Clause 3 of the Scheme. According to clause 7 of the Scheme, the Board of Directors is vested with the powers of general superintendence, direction and management of affairs and business of the Bank. It is entitled to exercise all such powers and do all such acts and things as the Bank is authorized to exercise and do. However, in discharging its functions, the Board is guided by the directions of the Central Government on matters of policy involving public interest. |
| 6.5    | <b>ROLE OF NON-EXECUTIVE DIRECTORS:</b>  |
| 6.5.1  | The non-executive directors shall play an increasingly important role as the representatives of shareholders and other stakeholders.   |
| 6.5.2  | In this connection they shall: <ul style="list-style-type: none"> <li>• Attend the meetings regularly,</li> <li>• Be active participants in board meetings, and not passive advisors,</li> <li>• Have clearly defined responsibilities within the board;</li> <li>• Analyse &amp; interpret various statutes, laws its implications and accounts presented to them.</li> <li>• Shall play an increasingly important role as the representatives of shareholders and other stakeholders and in overseeing the performance of whole time directors.</li> <li>• In view of the diverse background, qualifications and experience of the non-whole time directors, it</li> </ul>   |



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|       | <p>is the endeavour of the Bank to impart internal or external training to them in matters of banking, regulatory requirements and current trends in global banking.</p> <ul style="list-style-type: none"> <li>• Be allowed to take independent professional advice, on matters of vital importance for which an agreed procedure shall be established.</li> <li>• Bring an independent judgment to bear on issues of strategy, performance, resource planning, appointment of key personnel and prescription of standards of conduct, and</li> <li>• Be active, have defined responsibilities and be conversant with bank's account.</li> <li>• The non-executive/independent directors play an important role in deliberations at the board meeting and bring to the Bank their wide experience in the fields of finance, housing, accountancy, law, technology, public policy, engineering and industry.</li> </ul>  |
| 6.6   | <b>TENURE OF OFFICE OF NON-EXECUTIVE DIRECTORS:</b>  |
| 6.6.1 | The tenure of office of non-executive directors shall be as specified in the Scheme, 1980 as amended from time to time or as per terms of appointment indicated to them by the Central Government.   |
| 6.7   | <b>BOARD COMMITTEES:</b>   |
| 6.7.1 | To ensure better and more focused attention on the affairs of the Bank, the Board shall delegate specific matters to committees of the board set up for the purpose. Management Committee, Audit Committee, Departmental Promotion Committee, <b>Stakeholder Relationship Committee</b> , Risk Management Committee, Information Technology Committee, Committee to Monitor Large Value Frauds, Customer Service Committee, Remuneration Committee, Nomination Committee, Internal Capital Adequacy Assessment Committee, Committee for Selection of Business/Managements/Operational Consultants, Share Transfer Committee, Credit Approval Committee, Human Resource Committee, Committee of the Board – Voting for shareholder Directors and Board level committee for monitoring of recoveries, Securities Allotment Committee and Annual Performance Appraisal Review Committee (APAR Review Committee), <b>Review Committee for Wilful Defaulters</b> , <b>Review Committee for Non-Cooperative Borrowers</b> are the Committees set up exclusively for the purpose, with clear-cut role and responsibilities. |
| 6.7.2 | The Board may set up any other Committee from time to time in line with the guidelines/directives received from the statutory/regulatory authorities or depending upon the need of the hour.   |
| 6.8   | <b>PERIODICITY OF MEETINGS OF THE BOARD/ COMMITTEES OF THE BOARD, MEETING PROCEDURE AND PAYMENT OF SITTING FEE</b>   |
| 6.8.1 | The Board shall meet regularly, retain full and effective control over the Bank and monitor the executive management. The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1980 provides that the meetings of the Board shall ordinarily be held at least six times in a year and at least once in every quarter. However, endeavour shall be made to conduct the Board Meetings at least once a month.  |
| 6.8.2 | Meetings of the Committees of the Board shall be held as required under the statutes/guidelines/ <b>SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b> governing such meetings and as often as required by the circumstances.  |
| 6.8.3 | The Meetings of the Board/Committees of the Board shall be held with reasonable time at the Head Office of the Bank or at such other place as the Board/Committee may decide.  |
| 6.8.4 | The Notice of the Meetings of the Board/Committees of the Board generally be given at least 15 days before the date of the Meeting and in case of intervening changes in Meeting Date and or Place be also notified in short notice due to administrative reasons if any, after obtaining approval from the Chairman of the Board/Committees. Meetings at shorter notice may also be called to address specific urgent need or   |



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| 6.8.5 | <p>with consent of all of the directors by duly recording the reason thereof in the Minutes of the Meeting. In case of exigencies or urgency Resolution are also being passed by circulation among Directors as per the provisions of the statutes/guidelines/ <b>SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b> applicable to the Bank. The agenda for the Board/Committees of the Board Meetings generally be sent to the Directors at least 7 days prior to the Meeting. In exceptional cases agenda may also be sent to Directors 2 days prior to the Meeting, in addition to this agenda be sent electronically. All information relevant to the agenda to be discussed at an upcoming Meeting shall be distributed in writing or electronically to all members to facilitate informed decisions at the Meeting. However, the Agendas are placed at the Meeting only if it is specifically so mentioned by the Authority.</p> <p>The remuneration to the whole time directors and sitting fees to other directors are being paid to the Directors for their functions and attending the Board or its Committee Meetings in accordance with the guidelines of the Government of India.</p> |
| 6.9   | <b>VISION:</b>   |
| 6.9.1 | <b>Emerge as a Model for Inclusive Growth and Innovative Banking Services.</b>   |
| 7.0   | <b>INVESTOR RELATIONS:</b>   |
|       | Maintaining good relationship with Investors, through transparency in operation by means of an efficient and timely communication of accurate information, is considered to be of utmost essence to maintain cordial relationship with existing and prospective investors.   |
| 7.1   | <b>GRIEVANCE REDRESSAL MECHANISM:</b>  |
| 7.1.1 | In order to redress the grievances and to provide prompt and expeditious service to the shareholders, a separate department viz. Investor Services Department shall be set up at the Corporate Office of the Bank. The Department shall serve as a contact point for shareholders on issues such as share transfers, dividends and other matters relating to the shares issued by the Bank.  |
| 7.1.2 | The Department shall endeavour to redress the grievance of the shareholders at the earliest opportunity. Towards this end in view, the Department shall work in close co-ordination with the Registrar and Share Transfer Agent.   |
| 7.2   | <b>EFFICIENT SHARE TRANSFER MECHANISM:</b>   |
| 7.2.1 | The endeavour of the Bank shall be to dispose of the share transfer proposals received within a maximum period of <b>15</b> days from the date of its receipt.   |
| 7.2.2 | The Bank shall appoint the Registrar and Share Transfer Agent for speedy & expeditious processing of share transfer proposals. The Share Transfer Agent shall scrutinize the share transfer proposals received from the shareholders/investors and recommend to the Bank for approval.   |
| 7.2.3 | A Share Transfer Committee designated by the Board for the purpose shall accord approval of transfer of shares and updation of Register of Members. The Committee shall meet at fortnightly and in consonance with the frequency of transfer proposals received so as to dispose of shareholder requests within 15 days.   |
| 7.3   | <b>INVESTOR INFORMATION IN THE ANNUAL REPORT/HALF YEARLY REPORT:</b>   |
| 7.3.1 | The management shall be responsible for the preparation, integrity and fair presentation of the financial statements and other information in the Annual Report.   |





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| 7.3.2 | The Annual Report would be sent to all the shareholders of the Bank at least 25 clear days before the Annual General Meeting. The main source of information for the shareholders is the Annual Report, which includes inter-alia, Notice calling Annual General Meeting, the <b>Chairman or Managing Director &amp; CEO</b> Statement, the Report of the Board of Directors, Management Discussion and Analysis, Corporate Governance Report, Cash flow Statements and the Audited Financial Results (both stand-alone and consolidated). Alternatively, the Bank shall also prepare and send to all the shareholders, an Abridged Annual Report in which the information on Balance Sheet and Profit and Loss account shall be given in an abridged format as specified. Corporation Bank recognizes the importance of regular dialogue with its shareholders to ensure that the Bank's strategy is clearly understood. |
| 7.3.3 | The annual financial results of subsidiary companies are presented to the shareholders of the Bank in the Consolidated Balance Sheet.   |
| 7.3.4 | The Bank shall provide investor related information in the Annual Report as part of the Corporate Governance Report as per the guidelines of Statutory/Regulatory Authorities/ <b>SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b> . An illustrative list of such items is enclosed <b>(Annexure - B)</b> .   |
| 7.3.5 | As part of the Green initiative in Corporate Governance, the Bank shall send all periodic communications and documents such as Notices of Annual General Meetings and other general meetings, explanatory statements thereto, Annual Reports, Balance sheets, Directors' Reports, Auditors' Reports, Half yearly results and other day to day shareholder communications to the email address registered by the shareholders with the Bank/ Depository Participant.   |
| 7.4   | <b>ANNUAL GENERAL MEETING:</b>  |
| 7.4.1 | Shareholders shall have an opportunity to attend the Annual General Meeting (AGM), which shall be held within six weeks from the date on which the balance sheet is submitted to the Government / Reserve Bank of India or within such other statutory time limit stipulated from time to time under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980.  |
| 7.4.2 | In the Annual General Meeting the shareholders have to discuss, approve and adopt the annual accounts of the Bank, besides the business outlook and the relevant aspects of the Bank's operations.  |
| 7.4.3 | The final dividend shall be declared by the shareholders at the AGM on recommendation of the Board of Directors of the Bank.  |
| 7.4.4 | Approval of the shareholders if required to be obtained on any other item of the business, shall be obtained at the AGM   |
| 7.4.5 | A maximum of three Directors representing the shareholders shall be elected at the AGM or at another general meeting of the shareholders of the Bank.   |
| 7.4.6 | The AGM shall be held at the place of the Head Office of the Bank.  |
| 8.0   | <b>PREVENTION OF INSIDER TRADING</b>  |
| 8.1   | Insider trading means trading in the shares of the Bank by persons who are in possession of undisclosed price sensitive information regarding the working of the Bank, and which is not available to others. Such trading, as it involves misuse of confidential information, is unethical tantamounting to betrayal of fiduciary position of trust and confidence. In order to prevent and curb the insider trading in securities, the SEBI has issued guidelines - <b>SEBI (Prohibition of Insider Trading) Regulations, 2015</b> , as amended.   |



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| 8.2   | The Bank endeavours to curb the insider trading by its personnel, who are privy to certain price sensitive information viz. financial Results, intended declaration of Dividend, Further Issues etc. Key Personnel, who are associated with these activities, shall refrain from purchasing or selling securities of the Bank during this relevant period, nor do they communicate such information to any other person.  |
| 8.3   | The Bank shall put in place a Policy on Prevention of Insider Trading - Corporation Bank Code of Conduct for Prevention of Insider Trading - as per SEBI Regulation.  |
| 9.0   | <b>FINANCIAL DISCLOSURES AND CONTROLS</b>   |
| 9.1   | <b>TIMELY REPORTING OF FINANCIAL RESULTS:</b>   |
| 9.1.1 | The working results shall be furnished to the Stock Exchanges within 30 minutes of closure of the Board Meeting where the Board takes the results on record. The Working Results of the Bank would also be published in major financial dailies on quarterly basis, within 48 hours of taking on record the financial results by the Board. Further, the financial results are also put on the website of the Bank <a href="http://www.corpbank.in">www.corpbank.in</a> .   |
| 9.1.2 | The Working Results of the Bank shall be published as per statutory requirements on quarterly basis. The working results (subject to Limited Review by Auditors) for the quarters ending 30 <sup>th</sup> June, 30 <sup>th</sup> September and 31 <sup>st</sup> December would be published within 45 days from the end of the relevant quarter. The Working Results of the last quarter viz. 31 <sup>st</sup> March in case of Audited would be published within 60 days.  |
| 9.1.3 | Financial Results, Shareholding Pattern, Directors' Report, Corporate Governance Report, Management Discussion and Analysis and other information as per the instruction of SEBI shall be disseminated to the shareholders and investors, by electronically filing the information on the website prescribed by SEBI and also upload in the Website of the Bank.  |
| 9.1.4 | The Bank communicates with its institutional shareholders through a combination of Analysts briefings and individual discussions between the fund managers and the management team. Institutional investors shall be encouraged to have a regular, systematic contact at senior executive level to exchange views and information on strategy, performance, board membership and quality of management. To have a fair play and for the benefit of other small shareholders, the regular briefings made to the institutional shareholders would also be released in the press and also upload in the Website of the Bank. |
| 9.1.5 | At the time of meetings with the analysts, brokers, institutional investors, there shall be at least two representatives of the Bank. The Bank shall make available the press release on its website.   |
| 9.2   | <b>DISCLOSURE STANDARDS:</b>  |
| 9.2.1 | The Bank shall make timely and correct disclosures, follows consistency in transparency and qualitative analysis of performance aimed at investors' protection, prudential regulations, customers and employee satisfaction and satisfaction of the public at large. Bank shall make the disclosures strictly in accordance with the guidelines of RBI. The Bank shall also endeavour to meet the international disclosure standards.   |
| 9.2.2 | The accounting policies and principles shall conform to the standard practices and where they do not, full disclosure would be made of material departures. All applicable Accounting Standard issued by the Institute of Chartered Accountants of India as applicable to be Bank should be complied with.  |
| 9.2.3 | Bank shall make all the disclosures as stipulated in the Listing Agreement executed with the Stock Exchanges and also as per the guidelines and instructions received from the statutory/ regulatory authorities from time to time. Bank shall also use its dedicated website for posting the disclosures to the extent feasible.   |



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| 9.2.4 | All pecuniary relationship or transactions or shareholding including convertible instrument of the Non-Executive Directors of the Bank in relation to the Bank shall be disclosed in the Annual Report.   |
| 9.2.5 | All the materially significant related party transactions i.e., transactions of the Bank of material nature, with its Directors or the Management, its subsidiaries or relatives, etc. that may have potential conflict with the interests of the bank at large shall be disclosed in the Annual Report and also place before the Audit Committee of the Board of the Bank.   |
| 9.2.6 | The Company Secretary of the Bank shall be designated by the Board from time to time, the “Compliance Officer” for dissemination of the information to the Stock Exchanges as per the <b>Regulation 6 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.</b>   |
| 9.2.7 | The Bank shall obtain a certificate from the Auditors of the Bank or Company Secretary in Practice regarding compliance of conditions of corporate governance as stipulated by SEBI and annex the certificate with the Directors’ Report, which is sent annually to all the shareholders of the Bank. The same certificate shall also be sent to the Stock Exchanges along with the annual reports submitted by the Bank. |
| 9.2.8 | CEO/CFO Certification – A Certificate from <b>Managing Director &amp; Chief Executive Officer</b> of the Bank and a General Manager of the Bank designated as CFO of the Bank, be submitted to the Board and be attached to the Annual Report of the Bank.  |
| 9.3   | <b>CONFORMING TO GENERALLY ACCEPTED ACCOUNTING PRACTICES AND DISCLOSURE POLICIES</b>  |
| 9.3.1 | The Bank shall endeavour to conform to the Generally Accepted Accounting Practices and Disclosure Policies. Further, the Bank also endeavour to align with the International Financial Reporting Standard (IFRS) <b>and conform to the IND AS as applicable</b> in line with the regulatory guidelines to ensure highest accounting standard and enhanced disclosures.  |
| 9.3.2 | Bank is committed to adopt the best practices to achieve global standards and enhance the reputation.   |
| 10.0  | <b>POLICIES OF THE BANK:</b>  |
| 10.1  | Bank has put in place various policies, which are approved by the Board. Bank shall conduct its operations/activities within the parameters laid down under these policies.   |
| 10.2  | All the policies shall be placed before the Board for review at least once every year.  |
| 11.0  | <b>CORPORATE CITIZEN:</b>   |
| 11.1  | The Bank shall participate actively in community development programmes. The Bank shall adopt fair and ethical business practices in all its dealings with the customers, employees, investors, vendors, government and the society at large and to take Corporate Social Responsibility in an earnest and modest manner.   |



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| 12.0 | <b>CONCLUSION:</b>  |
| 12.1 | In competitive business environment, organizations that adopt good corporate governance and best practices will be able to survive and attain sustainable growth levels. Public Sector Banks need greater functional autonomy in a deregulated environment. Such autonomy, however, needs to be accompanied by greater accountability on the part of their boards to the stakeholders. A Corporate Governance Policy shall serve as an effective instrument for achieving this goal. Corporation Bank marches towards achievement of this goal. |
| 12.2 | Corporation Bank believes that Corporate Governance is not just compliance with statutory requirements but doing what is best in the interest of all the stakeholders and the society at large in a transparent and ethical way so that the Bank always remains a responsible Corporate Citizen.  |
| 13.0 | <b>DISCLOSURE OF THIS POLICY</b>  |
|      | This Policy shall be posted in the website of the Bank and shall be available in print on any shareholder of the Bank requesting it.  |

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## CORPORATION BANK

### Annexure - A

#### Information to be placed before Board of Directors

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the Bank and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Any material default in financial obligations to and by the Bank.
8. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Bank or taken an adverse view regarding another enterprise that can have negative implications on the Bank.
9. Details of any joint venture or collaboration agreement.
10. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
11. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
12. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
13. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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## CORPORATION BANK

### Annexure - B

#### Suggested List of items to be Included in the Report on Corporate Governance in the Annual Report

1. A brief statement of Bank's philosophy on code of governance.
2. Board of Directors:
  - Composition and category of directors for example promoter, executive, non-executive, independent non-executive, nominee director, which institution represented as Lender or as equity investor.
  - Attendance of each director at the BoD meetings and the last AGM.
  - Number of other BoDs or Board Committees he/she is a member or Chairperson of.
  - Number of BoD meetings held, dates on which held.
3. Audit Committee.
  - Brief description of terms of reference
  - Composition, name of members and Chairperson
  - Meetings and attendance during the year
4. Remuneration Committee.
  - Brief description of terms of reference
  - Composition, name of members and Chairperson
  - Attendance during the year
  - Remuneration policy
  - Details of remuneration to all the directors, as per format in main report.
5. Shareholders Committee.
  - Name of non-executive director heading the committee
  - Name and designation of compliance officer
  - Number of shareholders complaints received so far
  - Number not solved to the satisfaction of shareholders
  - Number of pending share transfers
6. General Body meetings.
  - Location and time, where last three AGMs held.
  - Whether special resolutions
  - Were put through postal ballot last year, details of voting pattern.
  - Person who conducted the postal ballot exercise
  - Are proposed to be conducted through postal ballot
  - Procedure for postal ballot
7. Disclosures.
  - Disclosures on materially significant related party transactions i.e. transactions of the Bank of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Bank at large.
  - Details of non-compliance by the Bank, penalties, strictures imposed on the Bank by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
8. Means of communication.
  - Half-yearly report sent to each household of shareholders.
  - Quarterly results
  - Which newspapers normally published in.
  - Any website, where displayed
  - Whether it also displays official news releases; and
  - The presentations made to institutional investors or to the analysts.
  - Whether Management Discussion & Analysis is a part of annual report or not.
9. General Shareholder information
  - AGM : Date, time and venue
  - Financial Calendar



## **CORPORATION BANK**

- Date of Book closure
- Dividend Payment Date
- Listing on Stock Exchanges
- Stock Code
- Market Price Data : High/Low during each month in last financial year
- Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.
- Registrar and Transfer Agent
- Share Transfer System
- Distribution of shareholding
- Dematerialization of shares and liquidity
- Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity
- Plant Locations
- Address for correspondence

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