

WHISTLE BLOWER POLICY

1.0 INTRODUCTION:

- 1.1** Corporation Bank, over a period of time, has evolved an image of a growing tech-savvy, clean Bank. The Bank has established time tested systems and procedures and has been functioning within the standards set. The Bank was being talked about as a private sector bank in the public sector, setting standards of performance. Of late the Bank is surmounted by a spate of complaints and deficiencies leading to frauds in its various schemes. Therefore, it was felt necessary to get to the root of the problems and find out the causes and how it did not come to the notice of anyone. Such an analysis showed that these violations were known to the grass root level workers who could have averted such frauds at the initial stage itself. Peer pressure and fear of being harassed was the main reason for such indifference.
- 1.2** Our Bank believes in the conduct of its operations in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and accountability. This alone can lead to betterment of all its stakeholders. In furtherance of this a need is felt, where, every employee of the Bank takes collective responsibility to promptly report to the Chief Vigilance Officer or the Designated Officer any serious violation of systems and procedures, abuse of power, malpractice, commitment of a fraud or an event he/she becomes aware of, that could adversely affect the business or reputation of the Bank. As the Bank is aware of the possible consequences of harassment to the informer/s it has formulated and adopted this Whistle Blower Policy whereby the employees can address these concerns on misdemeanor in respect of untoward events that may come to their notice, without any fear of being identified.

2.0 RATIONALE OF THE POLICY:

- 2.1** An analysis of various instances of fraud, impropriety, abuse of delegated power and such misdemeanors has revealed that, they happened with the knowledge of the operational staff. Employees in the branch where such impropriety took place were either benefited by the largesse offered by the perpetrators or majority of them were silent spectators who were reluctant to report for fear of being targeted and victimized. Some were not even aware that they could report such matters to higher authorities. Majority of the employees were honest but reluctant to report as they were not assured of their identity being kept a secret. Therefore, there was an urgent need to activate and protect these staff members from any act of harassment or discrimination by the perpetrators of frauds or violators of law.

2.2 With a view to dispel such a fear of the employees, this "WHISTLE BLOWER POLICY" is framed. The objective of this policy is to identify any untoward events with the help of the employees and to take timely corrective measures so as to prevent/ protect the Bank at the initial stage itself.

3.0 APPLICABILITY:

3.1 This Policy is applicable only to all the employees of the Bank and made effective from 01.07.2007.

4.0 POLICY:

4.1 The untoward events as are intended to be covered by this Policy would mean any event/ activity which would be against the interest of the Bank or the Society as a whole (hereinafter referred to as "the adverse events"). A few examples of such adverse events are listed below. The list is only illustrative and the adverse incidents could be beyond what is covered in this list.

- i. Gross or willful negligence.
- ii. Any action which is a violation of the policy of the Bank (ex: Demanding and / or accepting gratification).
- iii. Acts of recklessness in decision making.
- iv. Any act of financial malpractice (ex: kite flying operations, accommodation, etc.).
- v. Abuse /misuse of power, including harassment.
- vi. Any acts indicating living beyond the known sources of income.
- vii. Acts of blatant violation to laid down systems and procedures.
- viii. Manipulation of the systems to suppress wrong doings.
- ix. Suppression of facts from controlling office.
- x. Any corrupt practices followed at the Branch/Office.
- xi. Commitment of frauds, forgery of documents for a personal gain/gain to a third party.
- xii. Any activity that could damage the image of the Bank.
- xiii. Possession of assets disproportionate to his/her known sources of income.
- xiv. Acts of misappropriation, cheating or other criminal offences.

4.2 Any person coming across such adverse events shall promptly report the same to the Chief Vigilance Officer of the Bank or the Designated Official nominated for the purpose immediately on noticing the said adverse activity.

- 4.3** The petitioner (Whistle Blower) shall, together with the intimation about the said adverse event, may furnish the information, if possible, along with material which may substantiate his / her suspicion. The Bank does not expect the petitioner to prove the concern voiced by him so far as the said issues are raised in good faith and in bonafide interest of the Bank. Therefore, the Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 4.4** The Whistle Blower shall communicate in writing so as to ensure a clear understanding of the issues raised. It should either be typed or written in a legible handwriting and addressed to the Chief Vigilance Officer of the Bank or the Designated Official. The petition should be forwarded under a covering letter, which shall bear the identity of the Whistle Blower. Anonymous / pseudonymous petitions will not be entertained as it may lead to avoidable harassment and may be resorted to with ulterior motives.
- 4.5** Whistle Blowers should not on their own conduct any probe nor do they have a right to participate in any investigative activities other than as requested by the Investigating Officer/s. It will be ensured that genuine Whistle Blowers shall be accorded complete protection from any kind of unfair treatment as herein set out. Protection under this Policy would not mean protection from punitive action arising out of false / bogus / malicious allegations made by a Whistle Blower.
- 4.6** The Chief Vigilance Officer of the Bank or the Designated Official nominated for the purpose, on receipt of the complaint, will examine and decide on the steps to investigate the issues raised by the petitioner; if the same is prima facie found to be serious, a report shall be placed before the Chairman & Managing Director / the Executive Director of the Bank suggesting further course of action. All those who have associated in the process of investigation, discussion on the subject and reporting shall maintain strict confidentiality of the Whistle Blowers identity at any point of time.
- 4.7** The petitioner shall invariably disclose his / her name in the communications sent to the Chief Vigilance Officer of the Bank or the Designated Official nominated for the purpose, who in turn will not disclose the same.
- 4.8** The Bank shall, therefore, ensure that the petitioner (whistle blower) will not be at a risk of suffering from retribution as a result. However, if the identity of the petitioner employee is required to be disclosed during the course of investigation (say for evidence in Court etc.), the Bank shall have the right to disclose the same.

4.9 Where the employee has disclosed his / her concerns about the said adverse activities in good faith, no action would be taken against him / her even if the same could not be proved during the subsequent investigation. However, the Bank can take punitive measures if the issues raised are found to be maliciously motivated or he / she is found to be a habitual vexatious petitioner.

4.10 The Bank reserves its right to amend and/or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, the said amendment / modification are notified to the employees in advance by means of circular.

5.0 SYSTEMS AND PROCEDURE FOR ADMINISTRATION OF WHISTLE BLOWER POLICY:

5.1 As per the "Policy" any person coming across any information on any adverse events shall promptly report the same, if possible, along with material which may substantiate his/her suspicion, to the Chief Vigilance Officer of the Bank or the designated officer immediately on noticing the said adverse activity. The source of information shall necessarily be kept strictly confidential.

5.2 To facilitate flow of information from the field to the designated officer, it is essential that a proper flow chart is designed and the information furnished is given utmost confidentiality. It is proposed to adopt and communicate to all concerned, the following administrative flow chart:

5.3 The Whistle Blower shall ensure that all basic precautions are taken while forwarding the letter/ information to the CVO / designated officer. He / She should ensure that the letter/ information is sent by them in person and devoid of any '**from address**' on the envelope. All details of the whistle blower should be provided by them only in an enclosed letter and there should not be anything except CVO's name and address on the envelope marked "strictly confidential". The mail should be sent through '**Speed Post**' or proper postal channel. It can also be sent to the personal e-mail address of the CVO / the designated officer.

5.4 No other officer/ employee shall open the envelope/ letter marked to the CVO without his authority. Such lapses would be viewed very seriously.

5.5 Based on the contents of the whistle blower's letter, the CVO, without disclosing the source, shall decide whether a probe/ investigation is required in such matters.

- 5.6** It shall be the responsibility of the CVO / designated officer to safe keep the letter and protect the identity of the whistle blower. A separate whistle blower mail register be maintained by the CVO, who shall record such mails personally and keep all such mails in safe custody.
- 5.7** The investigation shall be conducted, wherever it is decided to conduct investigation, through the Officials of Vigilance Division of the Bank by giving only the gist of the information received by the CVO to the investigating officer while maintaining secrecy of the source of information. The CVO may brief the CMD/ ED in such matters.
- 5.8** The investigation reports, received by the CVO, shall be placed before the Executive Director/ the Chairman and Managing Director for information recommending therein the course of further action.
- 5.9** In case, arising out of the information supplied by the whistle blower, it is decided to take any disciplinary action against any employee/ official of the Bank, only the investigation report shall be forwarded to the Personnel Administration Division (Industrial Relations Wing) of the Bank for taking further course of action, keeping the identity of the informant a "**secret**".
- 5.10** The original source information received by the CVO shall be held by the CVO in his personal custody and shall not be divulged to anyone except to the CMD/ED and in case when compelled by the law of the land.
- 5.11** In case the information furnished by the whistle blower is leaked out, he/ she may lodge a complaint with the Chairman & Managing Director of the Bank seeking redressal.
