

Corporate Governance Policy

“Corporate Governance is the system of stewardship and control that guides the Bank in fulfilling its long-term economic, moral, legal and social obligations towards its shareholders and other stakeholders which include, among others, customers, employees, Government and community in which it operates. Its purpose is to maximize the Bank’s long-term success, creating sustainable value for its shareholders, stakeholders and the country.”

SYNDICATEBANK

Ref. No. BN /20/2018-2019/2941

Date: December 11, 2018

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I) INTRODUCTION

The Corporate Governance Policy (**'Policy'**) provides the framework under which the Board of Directors operates. It includes Bank's corporate structure, culture, policies and the manner in which it deals with various stakeholders. The Policy also addresses the responsibilities, authority and administration of the Board of Directors. Further, it also includes the responsibilities of the Principal Officer and defines the reporting relationships.

The timely and accurate disclosure of information regarding the financial situation, performance, Board constitution, ownership of the Bank, etc. is an important part of Corporate Governance. Corporate Governance arrangements are those through which an organisation directs and controls itself and the people associated with it.

The Policy is reviewed once in two years and modified, when deemed necessary, to ensure proper alignment with best practices in Corporate Governance or on receipt of guidelines /updates from statutory /regulatory authorities.

This document enunciates the Corporate Governance Policy of the Bank and codifies its values, ethos and culture.

II) BANK'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a process that aims to meet Stakeholder's aspirations and societal expectations. It is not a discipline imposed by a Regulator, but is a culture that guides the Board, Management and Employees to function towards best interest of Stakeholders.

At SyndicateBank (**'Bank'**), the Corporate Governance philosophy stems from the belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence .The 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. Accordingly, the Corporate Governance philosophy has been scripted as under:

“Enhancing Shareholders’ value through ethical business practices”

At the core of its Corporate Governance practice is the Board, which oversees how the Management serves and protects the long-term interests of all the stakeholders of the Bank. The Bank believes that an active, well informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

The Bank’s Corporate Governance practices are aimed at meeting the Corporate Governance requirements as per the Government of India, Reserve Bank of India (RBI), Securities Exchange Board of India (SEBI) and The SEBI (Listing Obligation and Disclosure Requirement) Regulations-2015 (‘Listing Regulations’), Bank for International Settlements (BIS)-Corporate Governance Guidelines, The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970/1980, the Companies Law, 2013, besides good practices either recommended by professional bodies or practiced by leading Bank’s/ Companies in India.

The following Policy is proposed to be adopted by the Board of Directors to assist the Board in the exercise of its responsibilities. This Policy is subject to future amendments or changes, as may be necessary, in the light of the amendments in various regulations in force for governance requirements.

III) BANK’S VISION, VALUE STATEMENT AND MISSION

SyndicateBank is one of India's leading Public Sector Banks, which offers a range of banking solutions.

Vision: 3 S:

- ✓ *Strong Brand*
- ✓ *Stake Holder Delight*
- ✓ *Socially Committed*

Value Statement: 4 F:

- ✓ *Friendly*
- ✓ *Forward Looking*
- ✓ *Faithful*
- ✓ *Fast*

Mission: 5 C:

- ✓ *Customer Centric in Everything*
- ✓ *Caring for Employees*
- ✓ *Contemporary Technology*
- ✓ *Continuous Improvement*
- ✓ *Comprehensive Solutions*

(IV) BASEL COMMITTEE FOR BANKING SUPERVISION - CORPORATE GOVERNANCE PRINCIPLES FOR BANKS

Bank also adopt the following sound Corporate Governance principles prescribed under BASEL norms by Bank for International Settlements (BIS) Principle.

Principle 1: Board's overall responsibilities

The Board has overall responsibility for the Bank, including approving and overseeing management's implementation of the Bank's strategic objectives, governance framework and corporate culture. The Board is also responsible for providing oversight of senior management.

Principle 2: Board qualifications and composition

The persons appointed by the Government as Board members should be and remain qualified, individually and collectively, including through training, for their positions. They should understand their oversight and Corporate Governance role and be able to exercise sound, objective judgment about the affairs of the Bank.

Principle 3: Board's own structure and practices

The Board should define appropriate governance structures and practices for its own work, and put in place the means for such practices to be followed and periodically reviewed for ongoing effectiveness.

Principle 4: Senior Management

Under the direction and oversight of the Board, senior management should carry out and manage the Bank's activities in a manner consistent with the business strategy, risk appetite, remuneration and other policies approved by the Board.

Principle 5: Governance of group structures

In a group structure, the Board of the parent Company has the overall responsibility for the group and for ensuring the establishment and operation of a

clear governance framework appropriate to the structure, business and risks of the group and its entities. The Board and senior management should know and understand the Bank group's organisational structure and the risks that it poses.

Principle 6: Risk management function

Banks should have an effective independent risk management function, under the direction of a Chief Risk Officer (CRO) or equivalent, with sufficient stature, independence, resources and access to the Board.

Principle 7: Risk identification, monitoring and controlling

Risks should be identified, monitored and controlled on an ongoing Bank-wide and individual entity basis. The sophistication of the Bank's Risk Management and internal control infrastructure should keep pace with changes to the Bank's risk profile, to the external risk landscape and in industry practice.

Principle 8: Risk communication

An effective risk governance framework requires robust communication within the Bank about risk, both across the organisation and through reporting to the Board and senior management.

Principle 9: Compliance

The Bank's Board of Directors is responsible for overseeing the management of the Bank's compliance risk. The Board should establish a compliance function and approve the Bank's policies and processes for identifying, assessing, monitoring and reporting and advising on compliance risk.

Principle 10: Internal audit

The internal audit function should provide independent assurance to the Board and should support Board and senior management in promoting an effective governance process and the long-term soundness of the Bank.

Principle 11: Compensation

The Bank's remuneration structure decided by the Government of India to support sound Corporate Governance and Risk Management.

Principle 12: Disclosure and transparency

The governance of the Bank should be adequately transparent to its shareholders, depositors, other relevant stakeholders and market participants.

V) FACETS OF CORPORATE GOVERNANCE

V – 1. Board of Directors

- A. Board Composition
- B. Board Responsibilities
- C. Powers of the Board
- D. Appointment and Tenure of Nominee Directors
- E. Role and Responsibilities of Non-Executive Chairman
- F. Role of Non-Executive Directors
- G. Compensation /Sitting Fees
- H. Board Meetings
- I. Notice and Agenda for the Board Meetings
- J. Attendance at Board Meetings
- K. Minutes of the Board Meeting
- L. Committee of Board of Directors
- M. Code of Conduct of Directors and Employees
- N. Role of Company Secretary
- O. Responsibilities of the Senior Management
- P. Key Managerial Personnel (KMP)

V – 2. Investor Relations

- A. Grievance Redressal Mechanism
- B. Efficient Share Transfer Mechanism
- C. Investor Related information to be provided in the Annual/Half Yearly Report.
- D. Annual General Meeting
- E. Prevention of insider-trading

V – 3. Financial Disclosures & Controls

- A. Timely reporting of financial results
- B. Transparency and Disclosure standards
- C. Confirming to GAAP and disclosure policies
- D. Policies of the Bank
- E. Effectiveness of the system of Internal Financial Control
- F. Means of Communication

V – 4. Corporate Citizen

- A. Active participation in community development programs with Corporate Social Responsibility.
- B. Fair and ethical business practices

V - I. BOARD OF DIRECTORS

The Board is responsible to act in the best interests of the Bank and its shareholders in discharging their duties. The Directors shall comply with the Code of Conduct as adopted by the Board. The Directors are expected to attend and actively participate in Board Meetings and Meetings of Committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

The Board is responsible for overall compliance with the Corporate Governance policy of the Bank. It oversees and directs the management of the Bank's business and affairs. In doing so, it must act honestly, in good faith and in the best interests of the Bank.

A) Board Composition

In terms of Section 9(3) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970/1980, the Board of Directors of the Bank shall consist of a maximum of 14 Directors, comprising of:

One Non-Executive, part time Director as a Chairman	(U/s 9(3)(h))
Not more than three Whole time Directors	(U/s 9(3)(a))
One official Director representing the Central Government	(U/s 9(3)(b))
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.	(U/s 9(3)(c))
Two employee Directors representing workmen and officers.	(U/s 9(3)(e & f))
One Chartered Accountant Director	(U/s 9(3)(g))
Not more than three Directors (Including Chairman) to be nominated by the Central Government	(U/s 9 (3)(h))
Not more than two Directors, at present, elected by the shareholders of the Bank other than the Central Government.*	(U/s 9(3)(i))

*(The number of Directors under shareholder category is governed under clause (c) of sub-section (2B) of section 3 where the capital issued is:

- a) Not more than sixteen percent of the total paid-up capital – One Director.
- b) More than sixteen percent but not more than thirty two percent of the total paid-up capital- Two Director.
- c) More than thirty two percent of the total paid-up capital – Three Directors.)

Shareholder Director to be elected shall possess fit and proper criteria prescribed by Reserve Bank of India.

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.

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.

B) Board Responsibilities

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.

In the interest of good governance, all the key information and also important communication received from Government, regulators, Courts shall be placed before the Board, and must form part of the agenda papers. The Calendar of reviews as prescribed by Board /RBI shall normally form part of the agenda for the Board Meeting.

The Reserve Bank of India, vide their letter DBR No. BC.93/29.67.0012014-15 dated 14.05.2015 advised banks regarding Calendar of Reviews to be put up to the Board of the Banks (enclosed as Annexure – III). As per the revised guidelines RBI has quoted the recommendation of the Dr. P J Nayak Committee wherein it is recommended that “discussions in the Boards of Banks need to be upgraded and greater focus should be on strategic issues”.

Category	Description
Business Strategy	Development of new products, competitiveness of individual businesses, business reviews in relation to targets
Risk	Policies concerning credit, operational, market, liquidity risks, assessing the independence of risk function
Financial Reports and their integrity	Detailed scrutiny of quarterly and annual financial results, NPA management and reported NPA and provisioning integrity.
Compliance	Regulatory requirements, adherence to RBI and SEBI norms, observations from the annual financial inspection by RBI, and from Long Form Audit Report, review of decision in previous minutes of meetings, and key decisions within subsidiaries, review of action taken reports, appointment of Board Committees.

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Customer Protection	Mis-selling, particularly third party products, laying down appropriateness of products to different customer segments, understanding the broad trends and concentration in the growth of customer grievances and their resolution.
Financial inclusion	Review of priority sector lending, payments for the disadvantaged, deposit mobilization from weaker sections, support to microfinance institutions and other issues.
Human Resources	Appointments and approvals of directors, perks and perquisites for employees, incentive schemes for employees, promotion policies for employees, training and skill development of employees.

Bank shall put in place various policies, which are approved by the Board /Board level Committees. Bank shall conduct its operations /activities within the parameters laid down under these policies. All the policies shall be placed before the Board /Board level Committees for review at least once every year.

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.

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 Managing Director & CEO:

Some of the major responsibilities of Board of Directors are to:

- i. ensure that the Governance principles set for the Bank comply with all relevant laws, regulations and other applicable codes of conduct;
- ii. set the business policies in consultation with the Management of the Bank;
- iii. provide strategic guidance for implementation of business policy and structure a management information system for review and course correction.
- iv. ensuring proper implementation of the guidelines of the business & other policies and take action as under:
 - a) Establish appropriate systems to regulate the risk appetite and risk profile of the Bank. It will also enable identification and measurement of significant risks to which the Bank is exposed in order to develop an effective risk management system;

- b) Ensure that all supervisory /regulatory directions are submitted and the supervisor's recommendations are utilized in the assessment of the performance of the senior management in implementation of Board philosophy;
 - c) Ensure that the IT systems in the Bank are appropriate and have built-in checks and balances to produce data with integrity;
 - d) Formulate, adopt and review of the various policies prescribed by various Statutory Authorities from time to time.
 - e) Set Standards of Business Conduct and Ethical Behavior for members and Senior Management.
 - f) Ensure that the Bank has in place a robust compliance system for all applicable laws and regulations;
 - g) Prescribe the forms and frequency of reporting to the Board in respect of each of the above areas of responsibility.
- v. set up sound system of internal controls and audit including Financial, operational and Compliance controls and annual review of such system for their effectiveness.
- vi. monitor the financial performance of the Bank and must ensure that the financial results are prepared in accordance with the generally accepted accounting principles and regulations issued by the RBI and are reported to shareholders and regulators on a timely and regular basis;
- vii. ensure that all material developments of the Bank are disclosed to the public on a timely basis in accordance with the Standard Listing Regulations requirement.
- viii. delegate the responsibilities to mandated/ other recommended Empowered Committees of Directors in discharging of the above governance functions, while retaining its primary accountability.
- ix. execute such other duties as defined under the relevant Government of India / RBI Guidelines.

C) Powers of the Board

In exercise of powers conferred by Section 9 of the Act, the Central Government has framed The Nationalised Banks (Management & Miscellaneous Provisions) Scheme, 1970 /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

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acts and things as the Bank is authorized to exercise and do. However, in discharging its functions, it is guided by the directions of the Central Government on matters of policy involving public interest.

D) Appointment, Tenure of Nominee Directors and Disqualification of Directors

The appointment and tenure of office of Directors shall be as specified in the Scheme, 1970 as amended from time to time or as per terms of appointment indicated to them by the Central Government.

No person shall be appointed or continue as an Alternate Director for an Independent Director of a Listed Entity. [Regulation 25 of SEBI (LODR) Regulations, 2015].

Disqualification of Directors – A person shall be disqualified for being appointed as, and for being, a director –

- (a) if he has at any time been adjudicated an insolvent or has suspended payment or has compounded with his creditors; or
- (b) if he has been found to be of unsound mind and stands so declared by a competent Court; or
- (c) if he has been convicted by a Criminal Court of an offence which involves moral turpitude; or
- (d) If he holds any office of profit under any nationalised bank or State Bank of India constituted under sub-section (1) of section 3 of the State Bank of India Act, 1955, or any subsidiary bank as defined in section 3 of the State Bank of India (Subsidiary Banks) Act, 1959, except for holding the post of a whole-time director, including the managing director and directors nominated under clauses (e) and (f) of sub-section (3) of Section 9 of the Act from among the employees of the corresponding new bank.

(Section 10 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970/1980)

E) Role and Responsibilities of the Non-Executive Chairman

The Chairman of the Board shall be Non-Executive and shall hold office on the terms and conditions, Role and Responsibilities, as per Ministry of Finance, Department of Financial Services, Circular F. No. 4/4/2015-BO.I (pt.) dated 18th August 2015 and any amendment thereof.

The Chairman will

- (i) Provide leadership to the Board and would be responsible for its effective overall functioning and maintaining a relationship of trust between Board members.

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- (ii) Facilitate in conducting the meeting smoothly and effectively in order to enable the Board to provide overall policy direction to the management in key areas such as business strategy, risk management, audit, governance and human resources development.
- (iii) Chair the Board meeting, and ensure that all necessary information / inputs are put up to the Board.
- (iv) Ensure that Board decisions are taken on a sound and well informed basis, and are properly recorded.
- (v) Encourage and promote critical discussion and ensure that dissenting views can be freely expressed and discussed within the decision- making process.
- (vi) Promote and ensure that appropriate checks and balances are incorporated while deciding on various agenda items of the Board.

The Bank shall follow the tenure of appointment, Role of the non-executive Chairman, duties, List of Dos and Don'ts, Remuneration and fees, guidelines on professional conduct, roles and functions, as mentioned in the above mentioned circular of Ministry of Finance, Department of Financial Services.

Further as mentioned in Government of India, Ministry of Finance letter ref. no. F. No. 4/4/2015-BO.I (pt.) dated 30th October, 2015:

- (i) The Chairman shall not be in the Management Committee/ Credit Approval Committee.
- (ii) The following Committees of the Board shall be chaired by Non- Executive Chairman:
 - (a) Nomination Committee
 - (b) Remuneration Committee
 - (c) Risk Management Committee
 - (d) Large value Fraud Committee
- (iii) In other Committees, participation may be decided by the Bank and the Chairman.

F) Role of Non-Executive Directors

Independent Director means a Non-Executive Director, other than a Nominee Director of the Listed Entity who is not a Non-Independent Director of another Company on the Board of which any Non-Independent Director of the Listed Entity is an Independent Director. [Regulation 16 of SEBI (LODR) Regulations, 2015].

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 agriculture, rural economy Banking, cooperation, economics, business management, human resources, finance, corporate law, risk management, Industry and IT. In view of the diverse background, qualifications and experience of the non-whole time Directors, it is the endeavor of the Bank to impart internal or external training to them in matters of Banking, regulatory requirements and current trends in global banking.

The Non-Executive Directors shall play an increasingly important role as the representatives of shareholders and other stakeholders. In this connection they shall:

- attend the meetings regularly,
- be active participants in Board meetings, and not passive advisors,
- Have clearly defined responsibilities within the Board;
- analyze & interpret various statutes, laws its implications and accounts presented to them.
- play an increasingly important role as the representatives of shareholders and other stakeholders and in overseeing the performance of whole time Directors.
- be allowed to take independent professional advice, on matters of vital importance for which an agreed procedure shall be established.
- bring an independent judgment to bear on issues of strategy, performance, resource planning, appointment of key personnel and prescription of standards of conduct, and be active, have defined responsibilities and be conversant with Bank's account.

G) Compensation/ Sitting fees / Directors' Liability Insurance

The remuneration to the Whole time Directors is as per guidelines of the Government of India.

Sitting fees to other Non-Executive Directors shall be paid to them for attending the Board or Board Level Committee Meetings in accordance with the guidelines issued by Government of India, Ministry of Finance, Department of Financial Services vide ref. no. F. No. 15/1/2011-BO.I dated 20th July, 2015.

The top 500 Listed Entities by Market Capitalization calculated as on 31st March of the preceding Financial Year (as per Top 500 Companies based on Market Capitalisation as on March 31, 2018 - for Business Responsibility Report and Dividend Distribution Policy), shall undertake Directors and Officers insurance ('D and O insurance') for all their Independent Directors of such quantum and for such risks as may be determined by its Board of Directors. SyndicateBank stands at 323rd Position. [Regulation 25 of SEBI (LODR) Regulations, 2015].

H) Board Meetings

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, 1970/1980 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**.

Meetings of the Committees of the Board shall be held as required under the statutes/ guidelines /Listing Regulations governing such meetings and as often as required by the circumstances.

The Meetings of the Board /Committees of the Board shall be held with reasonable time at the Corporate Office of the Bank or at such other place as the Board /Committee may decide.

I) Notice and Agenda for the Board Meetings

The Notice of the Meetings 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. Meetings at shorter notice may also be convened to address specific urgent need or with consent of all the Directors by duly recording the reason thereof in the Minutes of the Meeting. In case of exigencies or urgency Resolutions are also being passed by circulation among Directors as per the provisions of the statutes /guidelines /Listing Regulations applicable to the Bank.

The agenda for the Board Meetings along with information relevant to the agenda shall be sent in writing or electronically to the Directors at least 7 days prior to the Meeting to facilitate informed decisions at the Meeting. In exceptional cases agenda may also be sent to Directors 2 days prior to the Meeting. Further, any sensitive matter on the agenda, relevant information shall be made available only at the time of the Board Meeting as a table agenda.

The Board Secretariat may circulate agenda matters through electronic mode through software specifically made available for conducting Board Meetings or in hard copy.

J) Attendance at Board Meetings

The Board Meetings shall be attended by the Directors and on invitation of the Board by Executives of the Bank who can provide an insight into the agenda items being discussed. All the Whole-time Directors as well as Non-Executive Directors shall endeavor to attend all meetings of the Board.

Quorum shall be one third of the number of Directors, holding office as such Directors of the Board on the day of the meeting, subject to a minimum of three Directors.

In case a Director cannot attend a specific Board Meeting, he or she shall obtain leave of absence from the Board.

Any Director, upon notice, can participate in the Board through video conferencing or such other electronic mode (guidelines issued vide Ministry of Corporate Affairs, Government of India letter No. 17/95/2011-CL.V dated 20.05.2011), as may be specified except for the agenda items which carry price sensitive information like adoption of financial results etc. The guidelines also stipulates preservation of the Video recording of the said meeting for one year from the conclusion of that meeting.

K) Minutes of the Board Meeting

The minutes of all meetings of the Board shall be circulated as soon as possible to the members of the Board from the date of the Board meeting to the Directors and shall be confirmed in the next Board Meeting.

L) Committees of the Board

The Board of Directors of the Bank has constituted various Committees of Directors and / or executives to look into areas of strategic importance in terms of Reserve Bank of India / SEBI / Government of India Guidelines on Corporate Governance and Risk Management. The important Committees are as under:

1. Management Committee of the Board
2. Credit Approval Committee of the Board
3. Audit Committee of the Board
4. Stakeholders' Relationship Committee
5. Share Transfer Committee
6. Risk Management Committee
7. Customer Service Committee
8. Remuneration Committee
9. Nomination Committee
10. Business Review Committee
11. Special Committee for Monitoring and follow up of Large Value Frauds
12. IT Strategy Committee
13. HR Committee
14. Committee For Monitoring Recovery
15. Committee for reviewing Decision of Willful Defaulter's Identification Committee.
16. Committee of the Board for perusal and disposal of GM's appeal.

17. Committee of the Board on Digital Transactions.
18. Committee for Reviewing Decision of Non-Cooperative Borrowers Classification Committee.
19. Compensation Committee of the Board.
20. Directors Promotion Committee and Committee of Directors on Vigilance.

1. MANAGEMENT COMMITTEE OF THE BOARD:

a Role

The Management Committee of the Board is constituted as per the provisions of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 and it exercises all the powers vested in the Board in respect of financial sanctions, compromises/write off proposals and filing of suits/appeals etc. The other relevant guidelines relevant to/ governing Management Committee are:

- 1) Notification No. F4/1/94/B.O.I (ii) dated 10.11.1995 issued by Government of India, Ministry of Finance, New Delhi – regarding constitution of Management Committee of the Board and the members of the Committee.
- 2) Composition of Management Committee of the Board guidelines as per Government of India Gazette Notification dated 19th February, 2007 read with corrigendum dated 8th March 2007 for nominating Directors appointed under Clause (e)/(f)/(h) or (i) of the sub-section (3) of Section 9 of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970/1980.
- 3) The Government of India, Ministry of Finance, DFS, letter F.No. 13/1/2006-BO.I dated 10th June, 2014 - exclusion clause - Directors who are on the Management Committee / Credit Approval Committee shall not be on the Audit Committee in any capacity.
- 4) The Govt. of India Gazette Notification F.No. 131/2006-BO.I/80061042 dated 24th August, 2015 – exclusive clause – Directors nominated by the Board shall hold Office for not more than six months at a time.

The role and responsibility of the Committee:

- (1) To exercise such powers of the Board subject to total exposure including proposed exposure to an individual /Company or to all the borrowers /Companies in the same group amounting to ₹400.00 crore and above.
- (2) Similarly, loan compromise /write off proposals in respect of recovery matters where the total sacrifice amounting to ₹400.00 lakh and above and OTS proposal irrespective of amount in respect of borrowal accounts where frauds are reported.
- (3) To take note the credit proposals sanctioned by Credit Approval Committee of the Board.
- (4) To accord financial sanctions for Capital and Revenue expenditure.

b Membership

It comprises of (i) The Managing Director & CEO (ii) The Executive Director(s) (iii) RBI Nominee Director and (iv) Two other part-time non-official Directors nominated by the Board. Directors nominated by the Board shall hold office for not more than six months at a time.

c Operations

The meetings of the Management Committee may be convened by the Chairman of the Management Committee i.e. MD & CEO, as often as he feels necessary. Four members (out of which one should be Non-Executive Director) shall be the quorum for a meeting of the Management Committee.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

2. CREDIT APPROVAL COMMITTEE OF THE BOARD:**a Role**

The Bank has constituted the Credit Approval Committee of the Board in accordance with the directions of the Government of India, Ministry of Finance, Department of Financial Services, New Delhi, vide their communication reference No.13/1/2006-BO.1 dated 31st January 2012. Other guidelines covering scope for the Committee is as per Credit Sanctioning Powers adopted in the Board approved Policy.

The Credit Approval Committee performs the critical function and exercises the powers of the Board:

- 1) in respect of any single credit proposal up to ₹400 crore.
- 2) Loan compromise /write off proposals in respect of recovery matters where total sacrifice does not exceed ₹400 lakh.

Limits in excess of such amount shall be considered by the Management Committee.

b Membership

It comprises of (i) Managing Director & CEO – Chairman of the Committee (ii) The Executive Director(s) and (iii) Chief Risk Officer (iv) Chief Financial Officer (vi) General Manager for respective agenda item.

c Operations

The meetings of the Committee may be convened as often as required. Three members shall be the quorum for a meeting and presence of MD & CEO and one of the Executive Directors is mandatory to constitute the quorum.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

3. AUDIT COMMITTEE OF THE BOARD:**a Role**

The Audit Committee of the Board (ACB) has been constituted by the Board of Directors as per the guidelines of the Reserve Bank of India. Relevant guidelines relevant to/ governing Audit Committee are:

- 1) RBI circular DOS No. BC 14 Admn/919/16.13.100-95 dated September 26, 1995 –regarding constitution of Audit Committee of the Board.
- 2) RBI ref. No. RBI/2015-16/181/DBS.ARS.BC 4/08.91.020/2015-16 dated 24.09.2015 where Bank has more than one ED, the ED in charge of Internal Audit and Inspection shall be member of the Committee and the other ED can be an Invitee.
- 3) The Ministry of Finance, Government of India, Ref. F. No. 13/1/2006-BO.I dated 10.06.2014 - exclusion clause - Directors appointed under Section 9 (3) who are on the Management Committee / Credit Approval Committee shall not be on the Audit Committee in any capacity.
- 4) Ministry of Finance, Government of India, Ref. F. No. 16/11/2015-BO.I dated 17.06.2016 – clarification in respect of above exclusion clause – this provision not applicable to Directors appointed under Section 9 (3)(a) and 9 (3)(c).

The ACB provides direction and also oversees the operation of the total audit function of the Bank.

The primary function of the Audit Committee shall be to assist the Board in matters relating to applicable accounting or related financial expertise etc. The management of the Bank has the overall responsibility to prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and any applicable regulations. The Bank's Independent Auditors have the responsibility to audit these financial statements. The Audit Committee's responsibility is to oversee the financial reporting, and disclosure processes both on an annual and quarterly basis. It shall set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms. However, the Audit Committee has no obligation to provide any expert or other special assurance as to the Bank's financial statements.

The scope of Audit Committee of the Board includes reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; evaluation of internal financial controls and risk management

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systems; reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; discussion with internal auditors of any significant findings and follow up.

b Membership

The members of the Audit Committee are appointed by the Board of Directors. It shall have a Non-Executive Director as its Chairman from the Chartered Accountant category. Other members shall be the Executive Director in-charge of Inspection and Audit Dept. (other Executive Director can be invited to the meeting if the agenda includes any item for discussion from their domain), Government and RBI Nominee Directors and one Non-Executive Director.

c Operations

The Audit Committee Meeting shall be attended by;

The members of the Audit Committee

- Statutory auditors (during meeting on Financial Results)
- Company Secretary to act as the Secretary to the Committee
- Such other invitees at the discretion of the Chairman of the Committee

The meetings of the Audit Committee shall at least be held **six (6)** times a year and once in each quarter, usually preceding the Board Meeting and not more than **120 days** shall elapse between two successive meetings. The quorum shall be three members, presence of an Independent Director should be necessary to form a quorum.

The quarterly /annual financial statements shall be reviewed by the Committee before placing the same before the Board. In addition to its members, the Committee may at its discretion require the attendance of senior management of the Bank at its meetings. The Committee would be free to meet without the presence of any or all of such invitees if it so desires. The Company Secretary will maintain minutes of the meetings of the Audit Committee. The meetings can also be conducted through teleconference / video conference, where permitted by applicable regulations except for the agenda items which carry price sensitive information like adoption of financial results etc. The terms of reference of the Committee shall be as prescribed by Reserve Bank of India.

d. Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE;

a. Role

Guidelines: Regulation no. 20 of SEBI (Listing Obligations and Disclosure Requirements), 2015 Regulations, of the Listing Agreement. – composition of Committee.

The role of the Committee shall be as specified in Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements), 2015 Regulations is to:

Specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of declared dividends, non-receipt of Annual Report etc. Further, any conditions with regard to number of members, frequency of the meetings, quorum for the meeting, etc. has not been specified.

b. Membership

It shall consist of two or more Directors. The Company Secretary shall act as Secretary to this Committee as per Regulation no. 20 of SEBI (Listing Obligations and Disclosure Requirements), 2015 Regulations.

c. Operations

The Chairman of the Committee shall convene the Committee meeting atleast once in every quarter. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or two Directors whichever is more. Presence of one Non- executive director is mandatory to constitute the quorum. The meetings can also be conducted through teleconference /video conference.

d. Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

5. SHARE TRANSFER COMMITTEE:

a Role

Guidelines: In accordance with the Syndicate Bank (Shares & Meetings) Regulations, 1998 – composition of Committee.

The Committee monitors and approves share transfers, issue of duplicate share certificates, transmission, transposition and deletion of names and re-materialisation of shares and matters relating thereto.

b Membership

Guidelines: It shall consist of two or more Directors. The Company Secretary shall act as Secretary to this Committee.

c Operations

The Chairman of the Committee shall call the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or two Directors whichever is more. Presence of one Non-executive director is mandatory to constitute the quorum.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

Executive Level Share Transfer Approval Committee (ELSTAC)

Regulation 40 of Securities and Exchange Board of India (“SEBI”) [Listing Obligations and Disclosure Requirements (“LODR”)] Regulations, 2015 (Annexure – I) empowers the Board of Directors of a listed entity to delegate the power of transfer of securities **to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s)**. Provided that the Board of Directors and/or the Delegated Authority shall attend to the formalities pertaining to transfer of securities at least once in a fortnight. Provided further that the Delegated Authority shall report on transfer of securities to the Board of Directors in each meeting.

In view of above, and to issue any valid objection or intimation to the transferee or transferor, as the case may be, within a period of fifteen (15) days from the date of such receipt of request for transfer, a sub-committee named “Executive Level Share Transfer Approval Committee (ELSTAC)” was constituted to grant prima-facie approval for Memorandum of Share Transfers (“MOT”), submitted by the Registrar and Share Transfer Agent (RTA) of the Bank (presently- M/s Karvy Fintech Private Limited), and to adhere with the extant guidelines as well.

6. RISK MANAGEMENT COMMITTEE:

a Role

RBI guidelines on Credit Risk Management and Market Risk Management vide letter No. BP. 520/21.04.103/2002-03 dated October 12, 2002 – Guidance Notes on Management of Credit Risk and Market Risk- regarding basic features of the organisational structure and setting up of risk management architecture - To review and evaluate the overall risks assumed by the Bank.

The role and responsibility of the Committee:

Risk Management is independent of any business targets and related responsibilities. A Board approved policy defining the roles and responsibilities of Chief Risk Officer (CRO) in accordance with RBI guidelines is in place. The CRO is part of credit sanctioning committee with voting rights.

b Membership

The Chairman of the Bank, Managing Director & CEO, Executive Directors and two part time non-official directors.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or two Directors whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

7. CUSTOMER SERVICE COMMITTEE:

a Role

RBI guidelines vide letter Nos.D.O.DBOD.No.Leg.96/09.07.007/2004-05 dated 14.08.2004 and dated 17.08.2004 regarding constitution of Committee.

The role and responsibility of the Committee:

To review & monitor the customer's complaints and to provide necessary guidelines for strengthening deficiencies if any in customer service for improving the quality of customer service rendered.

b Membership

Managing Director & CEO, Executives Directors, Government Nominee Director and other part time non-official Directors.

c Operations

The Chairman of the Committee shall convene the Committee meeting at least once in a quarter. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or four Directors, whichever is more. Presence of at least one non-executive Director is mandatory.

d Reporting

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The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

8. REMUNERATION COMMITTEE:

a Role

Guidelines: Government of India, Ministry of Finance, Dept. of Economic Affairs (Banking Division) letter No. 20/1/2005-BOI dated 09.03.2007 regarding composition of Committee.

Government of India announced Performance Linked Incentive Scheme for Whole Time Directors of Public Sector Banks. The incentive is based on certain qualitative as well as quantitative parameters fixed for Performance Evaluation Matrix on the basis of the Statement of intent on goals and benchmarks based on various compliance reports during the previous financial year. In compliance of the said directive, a remuneration Committee of the Board was constituted for evaluation of the performance and incentive amount to be awarded / paid during the year.

b Membership

Chairman of the Bank as Chairman of the Committee, Govt. Nominee Director, RBI Nominee Director and two other part time non-official directors.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or four directors, whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

9. NOMINATION COMMITTEE:

a Role

The Committee undertakes the process of due diligence to determine "fit & proper" status of existing elected Directors/ the person to be elected as director, Shareholder Directors elected in terms of Section 9 (3) (i) of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 [ACT], cannot be made members of the Committee.

Reserve Bank of India (RBI), in exercise of powers conferred on it under sub-sections (3AA) and (3AB) of Section 9 of the Banking Companies (Acquisition & Transfer of undertakings) Act, 1970 /1980 had issued notification DBOD BC

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No.46/29.39.001/2007-08 dated November 01, 2007, has laid down 'Fit and Proper' criteria to be fulfilled by the persons to be elected as Directors on the Boards of the Nationalised Banks.

b Membership

In terms of the said guidelines, a Nomination Committee consists of Chairman and three Directors (all independent / non-executive Directors excluding RBI Nominee Director, Workmen and Non-workmen Directors).

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or three Directors, whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

10. BUSINESS REVIEW COMMITTEE:

a Role

The Board, vide resolution No.BD 07/2017-18/A11/495/2941 dated 31.10.2017, has approved for constitution of a Sub-Committee of the Board – BUSINESS REVIEW COMMITTEE:

To review the regulatory calendar items and notes which are periodical in nature so as to enable the Board to concentrate mainly on Policy matters.

b Membership

This committee consists of Managing Director &CEO, Executive Directors and two other Part time non-official Directors.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or four Directors whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

11. SPECIAL COMMITTEE FOR MONITORING AND FOLLOW UP OF LARGE VALUE FRAUDS:

a Role

Version 1.0

Ref. No. BN /20/2018-2019/2941

Date: December 11, 2018

Guidelines: RBI circular DBS.FGV (F) No. 1004/23.04.01A/2003-04 dated 14.01.2004 - inclusion clause- two members from ACB and two other members from the Board excluding RBI nominee and role.

The role and responsibility of the Committee:

- (1) To monitor and review all frauds of ₹1.00 crore and above.
- (2) Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- (3) Identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI.
- (4) Monitor progress of CBI/Police investigation and recovery position.
- (5) Ensure the staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- (6) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.

b Membership

It consists of Chairman, Managing Director &CEO, Executive Directors, Government Nominee Director and two part time non-official Directors of the Bank in terms of RBI circular DBS.FGV (F) No. 1004/23.04.01A/2003-04 dated 14.01.2004.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or four Directors, whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

12. IT STRATEGY COMMITTEE:

a Role

Guidelines: RBI Working Group on IT Governance as conveyed vide Circular dated 01.02.2012 – regarding constitution of the Committee.

The role and responsibility of the Committee being:

Guiding/ monitoring the various IT projects including Cyber Security, in place/ contemplated from time to time.

b Membership

It consists of Chairman, MD & CEO, Executive Directors and two part time non-official Directors. It meets on quarterly interval.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or four Directors, whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

13. H R COMMITTEE:

a Role

Guidelines: Government of India guidelines vide letter F.NO.9/18/2009-IR dated 21.03.2012 – regarding constitution of the Committee.

The role and responsibility of the Committee:

The Committee will review the existing policies relating to recruitment, Training System, promotion in all cadres, transfer/placement and performance appraisal system, suggest improvements to the Board and to consider the HR related matters.

b Membership

The Members of this Committee are Managing Director &CEO, Executive Directors and two part time non-official Directors.

c Operations

The Chairman of the Committee shall convene the Committee meeting at least once in every quarter. Minutes of every meeting will be maintained. The quorum of the meetings shall be 3 persons with presence of at least one Non-Executive Director and one HR Professional is Mandatory.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

14. COMMITTEE FOR MONITORING RECOVERY:

a Role

Ref. No. BN /20/2018-2019/2941

Date: December 11, 2018

Guidelines: Government of India, Ministry of Finance, Department of Financial Services directives vide letter F.No. 7/112/2012-BOA dated 21st November, 2012. – regarding constitution of the Committee and role- To monitor Recovery & Review of NPAs.

The Committee to meet regularly and monitor stressed assets of the Bank and its record of proceedings, to suggest, if required, a robust monitoring mechanism for recovery and recommendations be placed before the Board regularly.

b Membership

The Members of this Committee are Managing Director & CEO, Executive Directors, Government Nominee Director and non-executive Director.

c Operations

The Chairman of the Committee shall convene the Committee meeting at least once in a month. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or three Directors, whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

15. COMMITTEE FOR REVIEWING DECISION OF WILLFUL DEFAULTERS IDENTIFICATION COMMITTEE.

a Role

Guidelines: RBI directions vide Master Circular No. DBR.No.CID.BC. 57/20.16.003/2014-15 dated 01.07.2014, and updated up to 07.01.2015, Banks were directed to form Committees to identify the cases of Wilful Defaulters.

To review the decision of the Committee headed by Executive Director and consisting of two GMs/DGMs in classifying non performing borrowal accounts with aggregate outstanding balance of ₹25 lakh and above as wilful defaulter.

b Membership

The Committee consists of Managing Director & CEO and two other part time non-official directors.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be three.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

16. COMMITTEE OF THE BOARD FOR PERUSAL AND DISPOSAL OF GM'S APPEAL.

a Role

In terms of SyndicateBank Officer Employees' (Discipline & Appeal) Regulations 1976 guidelines the Committee will hear and dispose of the appeals, if any, from General Managers against the penalty imposed on them by the Disciplinary Authority.

b Membership

The Committee consists of three part time non-official Directors. One of the Non-Official Directors will be nominated as Chairman of the Committee.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be one third of the total strength or three Directors, whichever is more.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

17. COMMITTEE OF THE BOARD ON DIGITAL TRANSACTIONS.

a Role

Guidelines: Government of India, Ministry of Finance, Department of Financial Services (Banking Operation & Accounts) letter ref. no. F.No. 8/02/2015-BOA dated 4th August 2017.

To monitor the progress of digital transactions, publish the progress made by them in promoting digital transactions on their website, and mention the same in Annual Director's Report.

b Membership

The Committee consists of MD&CEO, Executive Directors and two non-official Directors.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be three.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

18. COMMITTEE FOR REVIEWING DECISION OF NON-COOPERATIVE BORROWERS CLASSIFICATION COMMITTEE.

a Role

Guidelines: RBI guidelines vide Circular No. DBOD.BP.BC.No. 54/20.16.064/2014-15 dated 25.12.2014, Banks were directed to form Committees to identify the cases of Non-Cooperative borrowers and to review the same and to report all the cases of Non-cooperative borrowers of ₹5.00 crore and above every quarter to RBI in CRILC (Central Repository of Information on Large Credits).

To review the decision of the Committee headed by Executive Director and consisting of two GMs/DGMs in identifying borrowers with outstanding balance of ₹5 Crore and above as Non-Cooperative.

b Membership

The Committee consists of Managing Director & CEO two part time non-official Directors of the Bank.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be three.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

19. COMPENSATION COMMITTEE OF THE BOARD.**a Role**

The Board, vide resolution Ref.No.BD 05/2018-19/A11/249/2941 dated 06.08.2018, has approved for constitution of a Sub-Committee of the Board – Compensation Committee of the Board, pursuant to SEBI (Share Based Employee Benefits –SBEB) Regulations 2014., for administration and superintendence of the Employee Stock Purchase Scheme (ESPS) scheme.

b Membership

The Committee consists of four part time non-official Directors of the Bank.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be two.

d Reporting

The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

20. DIRECTORS PROMOTION COMMITTEE AND COMMITTEE OF DIRECTORS ON VIGILANCE.**a Role**

The Board, vide resolution Ref. No. BD Cir 07/2018-2019/2941 dated 07.12.2018, has approved for constitution of a Sub-Committee of the Board – The Directors Promotion Committee and Committee of Directors on Vigilance for dealing with the promotions at senior levels and for review of vigilance disciplinary cases and departmental enquiries on a quarterly basis.

b Membership

The Committee consists of MD&CEO, EDs, the Government of India Nominee Director, RBI Nominee Director and one part time non-official Director of the Bank.

c Operations

The Chairman of the Committee shall convene the Committee meeting as and when required. Minutes of every meeting will be maintained. The quorum of the meetings shall be three.

d Reporting

Ref. No. BN /20/2018-2019/2941

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The Committee shall report to the Board of Directors of the Bank. The minutes of the Committee encapsulating its actions and recommendations, if any, shall be placed before the Board, for information.

M. Code of Conduct of Directors & Employees;

The Code of Conduct adopted by the Bank shall be posted on the web site of the Bank. The members of the Board and senior management in the General Manager cadre of the Bank shall submit their affirmation on compliance with the Code of Conduct for the effective period. The declaration by the Whole Time Directors to that effect shall form part of the annual report.

Senior Management: Definition in terms of SEBI Circular No. SEBI/LAD-NRO/GN/2018-10 dated 09.05.2018.

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the “Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer”.

N. Role of Company Secretary

Bank, being a listed entity is also required to abide by the SEBI Regulations and the Listing Agreements of the Stock Exchanges in addition to the various statutes and guidelines applicable to it. The role, functions and responsibilities of the Company Secretary, therefore, as a key functionary in the corporate governance has become more significant. This has been further necessitated by the enhanced role of Banks in moving towards Universal Banking and International Standards besides adopting the best practices in Corporate Governance.

The major responsibility areas of the Company Secretary in the Bank include acting as: -

- Compliance Officer as per the Listing Regulations.
- a) Secretary to the Audit Committee of the Board as per the Listing Regulations and ensuring the compliance of the stipulations by RBI in respect of the requirement of the coverage of the Audit Committee of the Board.

In addition the Company Secretary is responsible for

- (i) Complying with various clauses of the Listing Regulations which inter alia, includes the following:

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- Reporting of Price Sensitive Information to the Stock Exchanges on an ongoing basis.
 - Intimating the Stock Exchanges of the Board meetings for considering the financial results, declaration of dividends, etc
 - Informing within 30 minutes (or as stipulated by SEBI) of the closure of the Board meetings the financial results.
 - Filing of shareholding pattern and distribution schedule within the stipulated time.
 - Giving Notice for the Book Closures/Record Date.
 - Promptly notifying the changes in the Bank's Board. □ Publication of financial results.
 - Reporting on Corporate Governance in accordance with Listing Regulations including the certification by the Central Statutory Auditors.
 - Certification under of the Listing Regulations.
- ii) Ensuring the process of Share Transfers and disposal of investor's references as convener of Share Transfer/Shareholder Grievance Committees and placing the Minutes of the meetings to the Board of Directors of the Bank.
 - iii) Coordinating with RBI, SEBI, Stock Exchanges, Government of India (Ministry of Finance) on relevant issues.
 - iv) Organizing meetings of Directors.
 - v) Holding of General Body Meetings of shareholders (AGM/EGM).
 - vi) Maintaining statutory registers and records.
 - vii) Raising of capital – Obtaining requisite permission from the Regulatory Authorities and coordination with various intermediaries.
 - viii) Monitoring of FDI limits with reference to allotment of shares to FII etc.
 - ix) Preparing of MIS, follow up of legal matters with Bank's solicitors, legal authorities.
 - x) Inspecting of R&TA activities in relation to Bank's shares.
 - xi) Formulating requisite Policies for approval of the Board.
 - xii) Coordinating the publication and distribution of Banks' Annual Report and Accounts, besides Notices etc.
 - xiii) Ensuring Payment of Dividends on declaration by the Board.
 - xiv) Appointing of required number of shareholder directors in general body meeting.

O. RESPONSIBILITIES OF THE SENIOR MANAGEMENT

The Managing Director & CEO of the Bank and other key functionaries are responsible for the operations and day to day management of the Bank in line with the directions of the Board and the Committees set up by the Board.

P. KEY MANAGERIAL PERSONNEL ('KMP')

Pursuant to the provisions of relevant Accounting Standards, the Bank, shall have the following whole-time Key Managerial Personnel,

- i) Managing Director & CEO,
- ii) Company Secretary,
- iii) Executive Directors (Whole Time Directors)

The Board vide Board Resolution No. BD 07/2017-18/A21/505/2941 dated 31.10.2017 has identified the following departments as Key Departments in the Bank and the Executives heading the Department and the Executives who are second in command are designated as Key Man/Person:

S.No.	Key Departments	Key Man/Person	
1.	Treasury & International Banking Department ("T&IBD")	General Manager (T&IBD)	Dy. General Manager
2.	Department of Information Technology ("DIT")	General Manager (IT) /Chief Information Officer	Dy. General Manager (DIT) Dy. General Manager / Asst. General Manager / Chief Manager (Cyber Security Officer)
3.	Risk Management Department ("RMD")	General Manager (RMD) /Chief Risk Officer	Dy. General Manager Asst. General Manager Chief Information Security Officer ("CISO")
4.	Credit Department	General Manager (Credit)	Dy. General Manager/ Asst. General Manager
5.	Account & Audit Cell	General Manager (Audit & Tax Cell)	Dy. General Manager/ Asst. General Manager
6.	Human Resources Department	General Manager (HR)	Dy. General Manager/ Asst. General Manager

Key Management Personnel under the Companies Act, 2013

Under Section 2(51) of the Companies Act, 2013, Key Management Personnel in relation to a company means:

- Chief Executive Officer or the Managing Director or the Manager;
- Company Secretary;
- Whole-time director;
- Chief Financial Officer; and
- Other officer as may be prescribed.

Roles and Responsibilities of Key Management Personnel

Key Management Personnel carry a huge responsibility of being liable for any non-compliance with the provisions of the Companies Act, 2013. The

management function of implementing important decisions comes under the responsibilities of Key Management Personnel. The future of a company depends on the effectiveness of its Key Management Personnel and the consequences of KMP's errors would influence the company negatively. Some of their main roles and responsibilities are given below:

- As per Section 170 of the Act, the details of securities held by Key Management Personnel in the company or its holding, subsidiary, a subsidiary of company or associate companies should be disclosed and recorded in the Registrar of the Books.
- Key Management Personnel has a right to be heard in the meetings of the Audit Committee while considering the Auditor's Report. However, they do not have the right to vote.
- According to Section 189(2), Key Management Personnel should disclose to the company, within 30 days of appointment, relating to their concern or interest in the other associations, which are required to be included in the register.

V – 2. INVESTOR RELATIONS

Maintaining good and co-ordinal 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 with existing and prospective investors.

A. GRIEVANCE REDRESSAL MECHANISM

In order to redress the grievances and to provide prompt and expeditious service to the shareholders, a separate department viz. Investor Relation Department has been set up at the Head 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.

The Department shall endeavor 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.

B. EFFICIENT SHARE TRANSFER MECHANISM:

The endeavor of the Bank shall be to dispose of the share transfer proposals received within a maximum period of **15** days from the date of receipt of proper/complete documentation.

The Bank shall appoint the Registrar and Share Transfer Agent for speedy & expeditious processing of share transfer proposals. The Share Transfer Agent shall scrutinize and process the share transfer proposals, Transmission of Shares, Issue of Duplicate Share certificates as received from the shareholders /investors on weekly basis, as required under clause 40 (2) of SEBI (Listing Obligation and Disclosure Requirement Regulations)- 2015 and report the matter to the Bank .

A Share Transfer Committee designated by the Board for the purpose shall note the transfer, Transmission of shares and other updation of Register of Members.

C. INVESTOR RELATED INFORMATION TO BE PROVIDED IN THE ANNUAL /HALF YEARLY REPORTS

The management shall be responsible for the preparation, integrity and fair presentation of the financial statements and other information in the Annual Report.

The Annual Report would be sent to all the shareholders of the Bank at least 21 clear days before the Annual General Meeting along with the Notice calling Annual General Meeting. The main source of information for the shareholders is the Annual Report, which includes inter-alia, the Chairman's 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 may 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. Bank recognizes the importance of regular dialogue with its shareholders to ensure that the Bank's strategy is clearly understood.

The annual financial results of subsidiary companies are presented to the shareholders of the Bank in the Consolidated Balance Sheet.

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 / Listing Regulations.

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.

D. ANNUAL GENERAL MEETING

The AGM shall be held at the place of the Registered Office of the Bank.

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, 1970/1980.

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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.

The final dividend shall be declared by the shareholders at the AGM on recommendation of the Board of Directors of the Bank.

Approval of the shareholders, if required, to be obtained on any other item of the business, shall be obtained at the AGM /Extraordinary General Meeting (EGM).

A maximum of three Directors representing the shareholders shall be elected at the AGM or at another General Meeting (EGM) of the shareholders of the Bank.

E. PREVENTION OF INSIDER TRADING

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 - SEBI (Prohibition of Insider Trading) Regulations 2015 effective 15th May 2015. The Bank has formulated and put in place "SYNDICATEBANK CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING- 2015" effective 16th May 2015 as per the above guidelines.

The Bank endeavors 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.

The Code is applicable to Promoters/ Directors / Connected Persons / Designated Persons and the Bank has established and is maintaining and enforcing following procedures to prevent insider trading:

1. Information or access to Information to Un-published Price Sensitive Information (UPSI) relating to the Bank is limited to Promoters/ Directors / Connected Persons / Designated Persons of the Bank on a need-to-know basis and in furtherance of their duties.
2. Bank has formulated Trading Window Mechanism. Trading Window is the period during which all Promoters/ Directors / Connected Persons / Designated Persons of the Bank are eligible to deal in the Securities of the Bank subject to the compliance of following requirements:

- a. Promoters/ Directors / Connected Persons / Designated Persons of the Bank and their Immediate relatives who during the valid Trading window intend to deal in the Securities of the Bank needs to get preclearance of transactions from the Compliance Officer beyond the threshold trade value fixed by the Bank.
- b. Promoters/ Directors / Connected Persons / Designated Persons of the Bank and their Immediate Relatives shall be required to forward Annual/Half yearly/Quarterly Statement of all holdings in Securities of the Bank.
- c. The Compliance Officer shall inform SEBI in case it is observed that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- d. Any dealing in Securities of the Bank in violation of code of conduct shall lead to penalties and appropriate action may be taken by the Bank.

V – 3.FINANCIAL DISCLOSURES AND CONTROLS

A. TIMELY REPORTING OF FINANCIAL RESULTS:

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 www.syndicatebank.in.

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 30th June, 30th September and 31st December would be published within 45 days from the end of the relevant quarter. The Working Results of the last quarter viz. 31st March in case of Audited would be published within 60 days.

Financial Results 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 placed in the Website of the Bank.

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 placed in the Website of the Bank.

At the time of meetings with the analysts, brokers, institutional investors, there shall be at least two Top Management representatives of the Bank. The Bank shall make available the press release on its website.

B. TRANSPARENCY AND DISCLOSURES STANDARDS

There are several systems and procedures to disseminate relevant information to the stakeholders, including shareholders, analysts, suppliers, customers, employees and the society at large. The primary source of information is Bank corporate website www.syndicatebank.co.in. All official news releases and presentations made to investors and analysts are posted on the website as per Regulation 46 of SEBI (LODR) Regulations, 2015.

Regulation 46 of SEBI (LODR) Regulations, 2015:

- (1) The listed entity shall maintain a functional website containing the basic information about the listed entity.
- (2) The listed entity shall disseminate the following information on its website:
 - (a) details of its business;
 - (b) terms and conditions of appointment of independent directors;
 - (c) composition of various committees of board of directors;
 - (d) code of conduct of board of directors and senior management personnel;
 - (e) details of establishment of vigil mechanism/ Whistle Blower policy;
 - (f) criteria of making payments to non-executive directors , if the same has not been disclosed in annual report;
 - (g) policy on dealing with related party transactions;
 - (h) policy for determining 'material' subsidiaries;
 - (i) details of familiarization programmes imparted to independent directors including the following details:-
 - (i) number of programmes attended by independent directors (during the year and on a cumulative basis till date),
 - (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and
 - (iii) other relevant details
 - (j) the email address for grievance redressal and other relevant details;
 - (k) contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
 - (l) financial information including:
 - (i) notice of meeting of the board of directors where financial results shall be discussed;
 - (ii) financial results, on conclusion of the meeting of the board of directors where the financial results were approved;
 - (iii) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;

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- (m) shareholding pattern;
 - (n) details of agreements entered into with the media companies and/or their associates, etc.;
 - (o) schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;
 - (p) new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change;
 - (q) items in sub-regulation (1) of regulation 47.
- (3) (a) The listed entity shall ensure that the contents of the website are correct.
- (b) The listed entity shall update any change in the content of its website within two working days from the date of such change in content.
- a. The Bank will 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 and as stipulated in the Listing Regulation 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.
 - b. The Bank will also endeavor to meet the international disclosure standards;
 - c. 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 Bank, will be complied with.
 - d. Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.
 - e. The Bank will ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the Company.
 - f. Conflict of Interest & Related Party Transactions- The Bank has adopted the "Related Party Transaction Policy" and the same is communicated and being implemented across the Organization. The Board of Directors have authorized the Audit Committee to review the key transactions and Disclosures received under the Policy on periodical basis. Transactions with related parties shall be annexed to the financial statements for the year.

Adequate care shall be taken to ensure that the potential conflicts of interest do not harm the interests of the Bank at large.

The Bank will comply with the requirements prescribed under the Listing Regulations and Accounting Standards with regard to the related party transactions. The Bank will have a framework for undertaking transactions with related parties. Further, all related party transactions shall be approved by the Audit Committee / Board, as may be applicable. Wherever required under the Listing Regulations and depending on nature of the transaction, the approval of Shareholders will also be obtained.

All pecuniary relationship or transactions or shareholding including convertible instrument of the Non-Executive Directors of the Bank in relation to the Bank will be disclosed in the Annual Report.

- g. Disclosures in the Annual report - The Bank will disclose the following in its annual report:
- i. Number of meetings held of the Board of Directors and the Committees mandated under the guidelines, in the Financial year;
 - ii. Details of the Composition of the Board of Directors and the Committees mandated, setting out name, qualification, field of specialization, status of Directorship held etc.;
 - iii. Number of meetings attended by the Directors and the members of the Committee;
 - iv. Details of the remuneration paid, if any to the Independent Director;
 - v. Annual report to have certification from the Compliance Officer;
 - vi. Such other matters as prescribed under the Listing Regulations and other applicable Regulations
- h. Compliance Officer - Company Secretary OR any other official of the Bank as designated by the Board from time to time, will be the "Compliance Officer" for dissemination of the information to the Stock Exchanges as per the Listing Agreements executed with them.
- i. Corporate Governance Certification - The Bank will 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.
- j. CEO/CFO Certification – A Certificate from Managing Director & CEO and General Manager designated as CFO of the Bank, submitted to the Board, be attached to the Annual Report of the Bank.
- k. The Bank agrees to maintain a functional website containing basic information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with Corporate Governance,

contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements entered into with the media companies and/or their associates, etc. The Bank also agrees to ensure that the contents of the said website are updated at any given point of time within two working days from the date of such change in content.

C. CONFORMING TO GAAP AND DISCLOSURE POLICIES

The Bank will endeavor to conform to the Generally Accepted Accounting Practices (GAAP) and Disclosure Policies. Further, the Bank also endeavor to align with the International Financial Reporting Standard (IFRS) or other accounting standard as applicable, in line with the regulatory guidelines to ensure highest accounting standard and enhanced disclosures.

Bank is committed to adopt the best practices to achieve global standards and enhance the reputation.

D. POLICIES OF THE BANK:

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.

All the policies will be placed before the Board for review once every year or as decided by the Board.

The Corporate Governance Policy will be reviewed every year or once in two years or as decided by the Board. This Corporate Governance Policy shall be posted in the website of the Bank and shall be available in print on any shareholder of the Bank requesting it.

E. EFFECTIVENESS OF THE SYSTEM OF INTERNAL FINANCIAL CONTROL:

The Bank will take the help of Internal Auditors, Concurrent Auditors etc. to ensure the effectiveness of the system of Internal Financial control.

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The Listed Entity shall also disseminate the following information on its website: [Regulation 46 of SEBI (LODR) Regulations, 2015]

- All Credit Ratings obtained by the entity for all its outstanding instruments, updated immediately as and when there is any revision in any of the ratings.

F. MEANS OF COMMUNICATION:

The Bank will send the notice of Annual General Meeting, Annual Report by electronic means to email IDs of shareholders wherever email ID is provided by the Shareholder and hard copies by way of Post /Courier other cases where email id is not made available.

V - 4. CORPORATE CITIZEN

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.

- A.** Active participation in community development programmes with CSR.
- B.** Fair and ethical business practices.