



ANTI-BRIBERY & ANTI-CORRUPTION POLICY

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Distribution List

Name
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SI No	Clause No / Page No (existing)	As per existing Policy	Modifications/ Additions proposed	Reasons for modifications / additions
1	4.2 Third Parties – Vendors and Suppliers responsibility , Page 6	The Bank prohibits bribery in any form to or from any person. Accordingly, the Bank has certain expectations from its third parties (including DSAs, Collection agents, service providers and others) with respect to Anti-Bribery and Anti-Corruption policy. Following are the duties of the third-party intermediaries (including DSAs, Collection agents, service providers and others): • Must ensure that they have read and understood the anti-bribery and anti-corruption policy of the Bank and, must at all times comply with the terms and conditions of this policy. • Disclose true and fair information to Bank for due diligence conducted at time of on-boarding. • Not to offer or give to any person or accept from any person any bribes, kickbacks, or any other improper benefits.	This clause is removed from the Policy	Relevant clause of the FRM Policy stipulates that:-“ Necessary terms and conditions shall be incorporated in the agreements with third-party service providers to hold them accountable in situations where willful negligence / malpractice by them is found to be a causative factor for fraud”. Further Third party arrangements are approved by the Outsourcing committee and the terms mentioned alongside as in the existing policy is incorporated in Outsourcing Policy , Version 19, clause 8.

	• Must be particularly careful about any interactions with Government officials as provision of any business gift or hospitality to a Government official is subject to more stringent guidelines. • Must not make any Facilitation Payments or Political contributions on Bank's behalf. • Report any conflict of interest with any Bank's employee. • Must provide declaration to the Code of conduct at the time of on boarding and on renewal of contract/agreement thereafter. • Must cooperate with any internal audits/investigations conducted by Bank and provide information in a timely manner. • Participate in the anti-bribery and anti-corruption training that is provided by the Bank from time to time.		"Roles and Responsibilities of Outsourced Service Providers with respect to Anti Bribery and Anti-Corruption Policy of the Bank"
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1. Introduction

CSB Bank is committed to high standards of ethical behaviour and has zero tolerance towards bribery and corruption and the institution is especially sensitive to this aspect in the dealings with the various entities that come in contact with and remain committed to Bank's Core Values (Customer Centricity, Ethics, Transparency, Teamwork, and Ownership) in all situations. In particular, the Bank prohibits offering, promising, giving or authorizing others to give anything in excess of a certain value, either directly or indirectly, to any person or entity. Bank or Bank employees must not offer, promise or grant anything of value to anyone for the purpose of influencing the recipient under any circumstances. Payments made indirectly through any intermediary or other third party are subject to the same restrictions.

Compliance with the provisions of anti-bribery and anti-corruption policy are mandatory. If a local law or a business unit imposes stricter requirements than those described in Anti-bribery & anti-corruption policy, then the more stringent of the two shall need to be adhered to.

The objective of this policy is to ensure that neither the Bank nor any of its employees (whether full-time or contractual employees and including trainees and interns), directors, agents, associates, vendors, consultants, advisors, representatives or intermediaries indulge in any acts of 'Bribery' or 'Corruption' in discharge of their official duties towards the Bank, either in their own name or in the name of the Bank.

Non-Compliance with above laws is a serious criminal and civil offence and can result in the imposition of heavy fines and/or criminal prosecution and severe reputational damage. Hence, Bank employees, joint ventures and their third Parties (like DSAs, Collection agents, and others) and suppliers are required to fully comply with the requirements of this policy.

The policy clearly defines the terms 'bribery' and 'corruption' and enumerates the different acts of corruption and punishable offences, in line with the regulatory guidelines (RBI's 'Internal Vigilance in Private Sector/Foreign Banks') and provisions of the 'The Prevention of Corruption Act 1988.

2 Scope

This Policy applies to all the Stakeholders, or any other person associated with the Bank and who may be acting on behalf of the Bank. This Policy sets out the minimum standard that must be followed at all the times. Where any local regulations are stricter than this Policy, they will take precedence over this Policy.

3 Applicability of Anti-Bribery and Anti-Corruption Policy

Anti-bribery and Anti-corruption policy, is applicable to all officials of the Bank, joint ventures, external and internal stakeholders working with or on behalf of the Bank including across jurisdictions including but not limited to the following:

- **Employees:** All Bank board members, officers, directors and employees (including permanent, temporary, casual / contract workers, interns, and trainees) at all grades and levels, centres and jurisdictions.
- **DSAs:** All agents acting on behalf of the Bank across counter, over phone, via internet or any other method or channel.
- **Collection Agents:** All agents acting on behalf of the Bank pursuing payments of debts owed by individuals or businesses.
- **Vendors:** All material and service providers to the Bank.
- **Customers:** All current or prospective clients / customers of the Bank.

Others: Any other stakeholder working on behalf of the Bank not included in the above like Third party agents, intermediaries, professional consultants etc.

4 Responsibility

4.1 Employee responsibility

Compliance with provisions of anti-bribery and anti-corruption policy is expected from all employees of the Bank as under:

- Read and understand the anti-bribery and anti-corruption policy and must ensure compliance with the terms and conditions mentioned in the anti-bribery and anticorruption policy.
- Participate in and complete the anti-bribery and anti-corruption training that is provided by the Bank from time to time.
- Should not offer or give to any person or accept from any person any bribes, kickbacks, or any other improper benefits. The Bank prohibits bribery in any form to or from any person.
- Must be particularly careful about any interactions with Government officials as provision of any business gift or hospitality to a Government official is subject to more stringent guidelines.
- Must not make any Facilitation Payments or Political contributions.

- Must cooperate with any internal audits/investigations conducted by the Bank and provide information in a timely manner.
- Report any violation of anti-bribery and anti-corruption policy or instances of bribery / corruption noticed to their Supervisor / Reporting manager/ Business Head or Functional Head.

5. Bribery

Bribery is defined as:

- Offering, paying, promising, giving or authorizing others to give; or requesting, accepting, obtaining, accepting to obtain, agreeing to receive, to any person or entity either directly or indirectly (may be of a government or commercial organisation as defined) to improperly influence his / her act or decision in order to obtain or retain business or to obtain an improper business advantage.

Bribery includes not only direct payments, but also authorising or permitting a third party to commit any of the acts or take any part in the actions.

Where an offence is committed by a commercial organisation and such offence is proved in the court to have been committed with the consent or connivance of any director / manager / secretary or other officer shall be of the commercial organization, such director / manager / secretary or other officer shall be guilty of the offence as defined under The Prevention of Corruption (Amendment) Act, 2018.

Some typical areas that are most susceptible to bribery and corrupt practices are as mentioned below:

5.1 Conflict of Interest

All employees, third parties and suppliers must be selected on the basis of merit and requirements of the Bank and must not obtain any unfair advantages based on any relationship with an existing or prospective client or government/public official or employee.

Further, hiring of relatives in the Bank will be discouraged. As there is a potential conflict of interest and governance issue around pre-existing relationships, the Bank will ensure that these employees are not posted in a direct or indirect supervisory chain of command, in which one has influence over the other's status.



No employee shall use his/her position or influence directly or indirectly, to secure employment for his/her son, daughter or any other member of family in any private undertaking having official dealings with the company (this will include the Bank's borrowers, contractors, consultants and vendors).

All such referrals must be brought to the notice of the HR/ Department Head /Vigilance Department and should be taken ahead subject to necessary approval.

5.2 Business dealings with Third Parties (Including vendors, DSAs, collection agents etc.)

Third party intermediaries who work on behalf of Bank are considered as an extension of Bank and any unlawful act committed by them may have adverse consequences for Bank.

Thus, we should take appropriate steps to demonstrate that adequate measures were in place to identify and / or prevent the Third parties like DSAs, collection agents, or suppliers etc. from indulging in any unlawful activity.

5.3 Facilitation Payments

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine action (e.g., the issuance of licenses, registering property under rental agreement etc.) by an official. While the same may be allowed by law in certain jurisdictions, however the Bank prohibits making or accepting, facilitation payments of any kind.

5.4 Travel and Entertainment expenses

Travel and entertainment expenses such as tickets, hotel, food, incidentals etc. may be incurred by the employees for bonafide official / business development purposes. All such expenses must be supported by original receipts / invoice and details of the guests, if applicable.

5.5 Business Gifts

Business Gifts include gift, hospitality, entertainment or other benefits from persons or companies with whom the Bank does or may do business or compete with. It means anything of value, including but not limited to meals, accommodation, loans, cash, favourable terms or discounts on any product or service, services, equipment, products, transportation, use of vehicles, vacation or other facilities, securities, home improvements, tickets, gift certificates, gift cards, discount cards, memberships or consulting relationships. While as an organization, we do not encourage or solicit gifts or entertainment from any persons or entities, employees are not, in any case, permitted to accept or provide business gift as defined hereinabove in any form or amount from or to any entity that does or seeks to do business with the Bank or competes with the Bank.

5.6 Charitable Donations

Charitable donations include donations of money or in-kind donations of goods or services by the Bank, such as to schools or community organisations.

At a minimum, all charitable contributions must be:

- Made to a legitimate, bonafide organisation for causes such as Education, Health & Sanitation, Environment etc.
- Reasonable in nature and amount;
- Permitted under all applicable laws and regulations; and
- Properly documented

Personal donations made by the employees of Bank are allowed provided those donations should not interfere or in any way conflict with the official work of the employee or with the Bank in any manner.

5.7 Political Contributions

We should not take an active part in politics anywhere even outside the Bank and shall not involve other employees, clients, suppliers, vendors or any other party with whom the company does business.

We should not make political contributions on behalf of the Bank to any political party official or political party unless such contribution is expressly permitted by law/ regulation / directive and has been pre-approved by the appropriate authority in the Bank.

6. Training, Certification and Communication

Compliance Certification and Training

- The Bank requires all employees including those in senior management, sales, procurement, government or regulatory relations, legal or other functions are required to undergo training conducted by Bank's training institute, as per requirement.
- Chief Vigilance Officer may also require other employees to participate in supplementary training as and when conducted.
- Bank shall communicate to all third-party intermediaries, DSAs and suppliers about the importance of adhering to the norms laid down in the subject Policy on six monthly basis, through the respective department heads.

7. Record Keeping and Internal Controls

- All employees must provide accurate and complete information relating to gifts, hospitality, travel and entertainment claims etc., together with approvals for recording in the books of accounts. All transactions must be recorded and all transactions must be classified in accounts appropriately according to their nature.
- All books and records along with the supporting documentation w.r.t. the transactions covered under the policy must be maintained in line with the laid down guidelines.

8. Reporting violations and Monitoring

8.1. Reporting:

- I. It is the duty of all those covered under anti-bribery and anti-corruption policy to comply with this policy and report any concern or information that they may have in relation to the violation of this provision of this document in respect of anti-bribery. The report may be submitted to the Chief Vigilance Officer.
- II. Alternatively, concerns on the violations of the company policies may be reported through the Whistle Blower mechanism. Person reporting may choose to remain anonymous; however, identifying yourself is encouraged to facilitate communications.
- III. The Bank takes all potential violations of this policy and applicable anti-corruption laws seriously. Thus, all allegations will be kept confidential and proper investigation will be conducted as directed by the Chief Vigilance officer.
- IV. A quarterly report on the findings under this Policy will be submitted to the Audit Committee of the Board for information by the Chief Vigilance Officer.
- V. If any question arises as to the application or interpretation of any of these regulations, it shall be referred to the Chief Vigilance Officer for a decision in the matter.
- VI. Violation of this Policy, may result in legal action / disciplinary action.

8.2. Monitoring

The Chief Vigilance Officer will be responsible for review of compliance of this document on an on-going basis through virtual surprise tests, filling detailed questionnaires by Employees, DSAs and Suppliers. Further, periodic independent reviews of documentation of third parties such as DSAs and suppliers may be conducted as part of monitoring. Regular revisions to Anti-bribery and anticorruption policy shall be ensured as and when required by any statute or by any change in internal policies of the Bank, which have a direct impact on this policy.

Exceptions to the anti-bribery and anti-corruption policy

There are no exceptions to anti-bribery and anti-corruption policy. However, in case a payment is done where Bank / any employee / associate faces situations of threat to health or safety, the incident must be brought to the notice of the Chief Vigilance Officer as soon as it is safe to do so but no later than 15 days.

9. Breach of Anti-bribery and Anti-corruption Policy

- a Failure to comply with this policy or any misrepresentation, violation may be grounds for disciplinary action to be initiated by the Bank, as considered appropriate, including termination of employees as per Bank code of conduct & Ethics. In respect of vendors, in addition to termination of services, penalties may be applied. Non awareness of this policy shall not be an excuse for misrepresentation.
- b Bribery is a criminal offence. The defaulting Designated Person will be accountable whether she/he pays a bribe herself/himself or authorizes, assists, or conspires with someone else to violate this Policy or an anti-corruption/anti-bribery law. Such cases will be referred by the Bank to the law enforcement agencies and no support will be rendered by the Bank to the concerned employee or vendor.
- c In case of violations of this policy, the Chief Vigilance Officer shall take appropriate steps such as:
 - Assigning an Investigation Team / Committee
 - Conducting an Investigation
 - Disciplinary Actions and Penalties

10. Restrictive Practices Illustrative list

Acts / practices that are restricted / prohibited under this Policy shall include but not be limited to:

- Dishonest misappropriation of property / money, criminal breach of trust and cheating, as defined under Indian Penal Code 1860 ("IPC");
- Receiving or giving bribe;
- Acceptance / giving of gifts over and above the extent and the manner as allowed in this Policy;
- Gifts on behalf of Bank, its employees and other stakeholders in the form of cash or kind, in any currency;
- Charity or sponsorship in order to obtain commercial advantages;
- Participation / contribution in / to political activities;

- Payment of any costs for Government Officials and their relatives (or in their interests);
- Any other unethical act or omission; and
- To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-bribery and anti-corruption law.

11. Standard Operating Procedures (SOP)

Objective

The objective of this policy is to ensure that neither the Bank nor any of its employees (whether full-time or contractual employees and including trainees and interns), directors, agents, associates, vendors, consultants, advisors, representatives or intermediaries indulge in any acts of 'Bribery' or 'Corruption' in discharge of their official duties towards the Bank, either in their own name or in the name of the Bank.

Scope

The complaints / disclosures under the scheme would include the areas such as corruption, misuse of office, malpractice, misconduct, criminal offences, suspected / actual fraud, failure to comply with existing rules and regulations such as Reserve Bank of India Act, 1934, Banking Regulation Act 1949, Securities and Exchange Board of India Act, 1992 and the rules and regulations issued thereunder, circulars and notifications issued by SEBI, other applicable laws, rules and regulations and acts resulting in financial loss / operational risk, loss of reputation, etc., detrimental to the interest of the Bank, the depositors and the public.

Coverage

The policy is applicable to:

- Employees: All Bank board members, officers, directors and employees (including permanent, temporary, casual / contract workers, interns, and trainees) at all grades and levels, centres and jurisdictions.
- DSAs: All agents acting on behalf of the Bank across counter, over phone, via internet or any other method or channel.
- Collection Agents: All agents acting on behalf of the Bank pursuing payments of debts owed by individuals or businesses.
- Vendors: All material and service providers to the Bank.
- Customers: All current or prospective clients / customers of the Bank.
- Others: Any other stakeholder working on behalf of the Bank not included in the above like Third party agents, intermediaries, professional consultants etc.

Bribery

Some typical areas that are most susceptible to bribery and corrupt practices are:

- Conflict of Interest
- Business dealings with Third Parties (Including vendors, DSAs, collection agents etc.)
- Facilitation Payments
- Travel and Entertainment expenses
- Business Gifts
- Charitable Donations
- Political Contributions

Training, Certification and Communication

- The Bank requires all employees including **those** in senior management, sales, procurement, government or regulatory relations, legal or other functions are required to undergo training conducted by Bank's training institute, as per requirement.
- Bank shall communicate to all third-party intermediaries, DSAs and suppliers about the importance of adhering to the norms laid down in the subject Policy on six monthly basis, through the respective department heads.

Record Keeping and Internal Controls

- All employees must provide accurate and complete information relating to gifts, hospitality, travel and entertainment claims etc., together with approvals for recording in the books of accounts. All transactions must be recorded and all transactions must be classified in accounts appropriately according to their nature.
- All books and records along with the supporting documentation w.r.t. the transactions covered under the policy must be maintained in line with the laid down guidelines.

Reporting violations Monitoring

- If any employee believes reasonably and in good faith that bribery and corruption practices or activities exist in the workplace, then he/she should report this immediately to the Chief Vigilance Officer.
- Alternatively, concerns on the violations of the company policies may be reported through the Whistle Blower mechanism. Person reporting may choose to remain anonymous; however, identifying yourself is encouraged to facilitate communications.
- The Bank takes all potential violations of this policy and applicable anti-corruption laws seriously. Thus, all allegations will be kept confidential and proper investigation will be conducted as directed by the Chief Vigilance officer.

- The Chief Vigilance Officer will be responsible for review of compliance of this document on an on-going basis.

Breach of Anti-bribery and Anti-corruption Policy

- Failure to comply with this policy or any misrepresentation, violation may be grounds for disciplinary action to be initiated by the Bank, as considered appropriate, including termination of employees as per Bank code of conduct & Ethics. In respect of vendors, in addition to termination of services, penalties may be applied. Non awareness of this policy shall not be an excuse for misrepresentation.

Processes at Vigilance Department

- Chief Vigilance Officer will analyses the complaints received and will assign an investigation Team as required.
- Recommended actions will be taken in light of the outcome of the investigation, including disciplinary steps as applicable.
- A quarterly report on the findings under this Policy will be submitted to the Audit Committee of the Board for information by the Chief Vigilance Officer.
- Regular revisions to Anti-bribery and anticorruption policy shall be ensured as and when required by any statute or by any change in internal policies of the Bank, which have a direct impact on this policy.
- Ensure to give training to all employees including those in senior management, sales, procurement, government or regulatory relations, legal or other functions by Bank's training institute, as per requirement.
- Ensure to communicate to all third-party intermediaries, DSAs and suppliers about the importance of adhering to the norms laid down in the subject Policy on six monthly basis, through the respective department heads.
