

Code of Conduct and Ethics Manual



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Preamble: Culture and Values

We believe it is imperative that every employee understands the culture and values of the bank and thereby the underlying philosophy embedded in our practices, policies and actions. The Bank's strategic framework provides us with five core values – Customer Focus, Operational Efficiency, Product Leadership, People and Sustainability. Ownership of these values and its application by every employee is critical for ensuring that the core values are demonstrated through the way we work.

Customer Focus:

The customer reposes tremendous trust in us, and each of us must be customer centric in our approach which means understanding the customer needs and ensuring to assist the customer in choosing the product and services that suit his requirement the best. Market the bank's products and services on its merits without attempting to demean similar products by competition. Interact with customers in a professional and efficient manner without making exaggerated claims / false promises about the bank's product and services. Customer complaints and grievances must be taken seriously and resolved with urgency. Provide customer with all relevant information including legal prohibitions / legal implications. Strictly refrain from soliciting or advising customer on financial transactions that could violate any regulatory guideline or statute or legal provision.

Operational Excellence:

Operational excellence is a key element of our culture which constantly reminds us to strive for the highest standards of quality. We strongly believe and advocate adherence to process for consistent & defect free service delivery. Consistent focus on improvement and seamless execution and seeing something through to the last mile is a basic principle of our operating system. Strict adherence to process and working within the rules and regulations is mandatory. We encourage continuous improvement by listening to feedback and analysing our processes. Staff must inculcate a sense of pride in adhering to the highest standards which include ethical standards, professional integrity, corporate governance and regulatory and statutory compliance. Compliance with all applicable laws and regulations, in letter and spirit and strictly abide with laws that prohibit / curb corruption and money laundering.

Product Leadership:

HDFC Bank has consistently developed innovative products and services that attract its targeted customers. The Bank actively tracks the performance of various products and depending on the feedback received, tweaks product features, to better address customer needs. It is therefore important that we regularly seek feedback from customers and various stakeholders in order to improve our product and services and remain competitive in the market place. Our approach to product development involves understanding the market by scoping it properly, analysing customer needs across various segments and conforming rigidly to regulatory guidelines and statutory norms. While we strive to be amongst the "top 3" players in every product / market segment, we will never compromise on quality and ethical standards or do any act that is even remotely likely to impact the bank's reputation.

People:

We at HDFC Bank believe that the ultimate identity and success of our Bank resides in the exceptional quality of our people and their extra-ordinary efforts. For this reason, we are committed to hiring, developing, motivating and retaining the best people in the industry. As employees we will be able to go the extra mile if we take great pride and ownership in our jobs and have the dedication to succeed in the larger interests of the bank. Focus on achieving business and team goals by following an objective performance management system that places emphasis on results, processes and behavioural competencies. We strive to update our knowledge and skills to provide the best product and services with complete adherence to

internal processes and strict compliance to regulatory and legal provisions. To be an equal opportunity employer promoting meritocracy (no discrimination on grounds of race, caste, religion, colour, marital status, gender, etc.) and encourage diversity at the workplace. Treat every individual with dignity and respect.

Sustainability:

We recognize that a long-term sustainable business model must take social and environmental factors into consideration during every decision making process, viewing these aspects as opportunities rather than risks. Every employee must be aware of his responsibility towards environmental sustainability, actively participate in reducing waste and carbon footprints, be aware of and fulfil his civic and social obligations and involve himself in community development initiatives.

Following these tenets consistently in the institution building process has created a vital and engaged team that owns the success of the organization as if it flows in their veins. HDFC Bank is respected for having comprehensive processes, focus on trust and customer centricity, and consistent efforts towards improving cost efficiency which has made the bank stable and successful over the years. This will continue to be a strength with concerted efforts from each and every employee whose actions are guided by a deep rooting understanding of our values and culture.

Illustrations of some do's & don'ts that employees must adhere to as part of their day to day dealings and interactions (Annex III)

Bank's philosophy on Code of Conduct

Defining Good Corporate Practices or a code of conduct is part of our intention to enable our employees maintain the highest level of ethics and corporate governance and, in particular, to help avoid situations in which our personal interest may conflict or appear to conflict with either HDFC Bank's or its customer's interest.

A possible conflict of interest may arise, whenever we (or a member of our immediate family) have either a direct or indirect interest in any transaction or proposed transaction involving HDFC Bank that might affect our decision. The appearance of a conflict of interest may be just as damaging to HDFC Bank's reputation as a real conflict and may be even more difficult for the individuals involved to discern.

It is therefore, absolutely imperative for each of us as an employee of the bank, to keep customer information confidential, conduct business prudently, be objective in making decisions, candid with our fellow-employees, and not enhance our personal position by virtue of our affiliation with HDFC Bank.

The bank considers adherence to the Code of Conduct as a fundamental part of its terms of employment. While the Bank will take appropriate disciplinary action against any employee who violates the code of conduct while in service, the Bank also recognises that there may be lapses or misconduct that may come to light post the employee leaving the service. To cater to such circumstances, the Bank shall have the right to take appropriate action against any person retiring or exiting the Bank, for a time horizon of 4 years post the effective date of such exit or retirement.

1. **Personal conduct / responsibility**

It is expected of every employee to act in a just and proper manner in accordance with the established banking practice / norms in case there is a conflict or appears to be a conflict of interest with the Bank or its constituent.

Stated below are some such practices to be adhered to at all times:

- Protect the interest of the Bank, its assets and brand, and discharge duties with utmost integrity, honesty, devotion and diligence, and do nothing which is unbecoming of an officer of the Bank.
- Maintain good conduct and discipline and show courtesy and attention to all persons in all transactions and negotiations.
- Perform all official duties and exercise the powers conferred, within the corporate objectives of the Bank.
- Ensure integrity and devotion of all persons reporting under your authority and control.

1.1. **Parliamentary Behaviour** – No employee shall indulge in unparliamentary behaviour.

- 1.1.1. Do not encourage or tolerate loose or inappropriate language with any employee of the Bank, customers, vendors (i.e. any word that is impolite, rude, and abusive and /or denigrates a person, gender, community, religion, caste, colour, physical/mental ability falls in this category).
- 1.1.2. Do not indulge in physical abuse, violence, attack, or attempt thereof.

1.2. **Acceptance of Gifts / Giving Gifts & donations**

No employee shall accept or permit any member of the family or any person acting on their behalf to accept a gift, except a gift received from a member of the family or a near relative, or from a personal friend having no official dealings with the employee, including sweets customarily distributed during festive occasions.

- 1.2.1. No employee of the bank shall either receive or offer / make directly or indirectly (say, via family members as defined in Annexure IV, etc) any illegal payments, remuneration, gifts, donations, favour or comparable benefits from or to, or offer to, an existing or prospective customer, counterpart, colleague, fellow-employee of the Bank, supplier or contractor, vendor, associate and consultant of the Bank that are intended or perceived to obtain uncompetitive favours for the employee or for the conduct of Bank's business, save and except which are in consistent with the policy of the bank in this regard.

The prohibition under the gifts policy-

- Cash payments;
- non-cash "payments", benefits, and favours; and
- in certain circumstances, even gifts, entertainment, and hosted travel which would otherwise be deemed legitimate business expenditures.

- 1.2.2. **Acceptance of Gifts** - Gifts should normally not be accepted from customers or suppliers. The only exception is gifts of value of Rs. 4000/- and below and then only in instances when: The gift was not accepted in return for making a loan, renewing a loan, or the extension of any facility, for making any purchases for the Bank.

- 1.2.3. **Giving Gifts** Before gifts are offered, an employee must consider how the offer of gift appears if the recipient is a customer, supplier or government official. No gift shall be offered in case it is perceived as consideration for an official or business favour.

1.2.4.No employee shall accept any benefit from the estate or a trust created by a customer, or from an estate or trust of which the bank or its business unit is an executor, administrator or trustee without the prior written permission of the Competent Authority.

1.3. Graft and Attempted graft / Shunning corrupt practices

No employee shall deal with anyone (i.e., vendor, customer, colleague and their family member etc.) for personal gain. There shall be absolute and complete adherence to the applicable laws of the land that prohibit / curb corruption or graft or money laundering, and no employee shall enter into any agreement involving acceptance or payment of bribe or gratification or facilitation payment and kickback. The bank shall not conduct any business dealing or deal with persons known to be involved in or following corrupt practices. This may be read in conjunction with the Internal Guidelines by HDFC Bank Limited on prevention of corruption, taking gratification and commission of criminal misconduct by Bank's employees posted in Employee Portal.

1.4. Lending and borrowing

No employee of the bank shall involve in lending and/or borrowing and/or enter into any other financial transaction with customers, employees, vendors or a constituent of the bank, directly or indirectly (say, via family members as defined in Annexure IV, etc), save and except with the explicit approval of the management.

1.5. Indebtedness

An employee of the bank shall exhibit financial prudence and shall not be in a state of indebtedness or conduct his/her financial affairs (including borrowings) such that he/she runs the risk of financial stress or insolvency. In case legal proceedings have already been instituted, the employee shall immediately report full facts of the legal proceedings to the Competent Authority.

1.5.1.No employee shall issue a cheque or initiate any form of electronic transfer without adequate funds in the account. Every employee shall ensure adequate funds in account to honour pre-issued standing instructions.

1.5.2.No employee shall draw salary in advance or overdraw their account with the Bank without authorisation against security or otherwise, without the previous sanction or approval from the Competent Authority.

1.5.3.No employee shall input or authorise an entry in his/her own account.

1.5.4.An employee against whom any legal proceeding is instituted for the recovery of any debt due from him / her or for adjudging him / her as an insolvent shall report the full facts of the matter to his / her Group Head and to designated HR authority.

1.6. Concurrent employment

An employee of the bank shall not, without the requisite officially written approval of the competent authority, accept employment or engage in any trade or business or accept a position of responsibility (such as a consultant or a director) with any other company / entity nor provide freelance services to anyone with or without remuneration. This restriction does not seek to limit / prohibit voluntary services provided by an employee to an NGO or social / charitable organisation.

The Group Head of the respective Function and CHRO shall be the Competent Authorities to consider and where deemed fit, to approve such requests where such association is with entities where there is no potential conflict of interest with the bank.

1.7. Political non-Alignment

The bank is committed to and supports the constitution and governance systems of the country. Neither the bank nor an employee in **his/her official capacity** shall support or seek

support for any specific political party or candidate for political office including not to make donation or contribution in cash or kind.

1.8. **Prohibition of intoxicating drugs and drinks**

An employee shall abide by the law relating to intoxicating drinks or drugs in force in any area in which he/she is present. He/she shall not act in such manner in a public place in a state of intoxication or loss of self-control which may cause reputational damage to the Bank. Socially acceptable consumption of alcohol during official engagements with the approval of Group Head of concerned dept. and Admin dept shall be permissible.

1.9. **Seeking to influence**

No employee shall bring or attempt to bring any extraneous/ political influence to bear upon any superior authorities to further his/her interests in respect of matter pertaining to his/her service in the bank.

No employee shall misuse or exploit his/her official position to seek any personal gain i.e. for self or for family members, whether or not involving any finances.

1.10. **Equal opportunity & prohibition of sexual harassment in work place**

The Bank shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, or disability. Diversity in workplace shall be promoted and compliance with all local labour laws towards gender equality shall be strictly adhered to. Where government / regulatory policy / guidelines require or encourage banks to take “affirmative action” to promote employment to certain categories, the bank would seek to adhere to such guidelines within the overall framework of this clause / policy.

An Employee shall be treated with dignity and no employee shall indulge in any act of sexual harassment of any kind with any colleague at the work place. All employees shall be subject to the applicable law of the land including but not restricted to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

1.11. **Publication of articles or opinion in print, electronic media and social media**

The Bank recognizes the need for appropriate dissemination of information to its stakeholders and the public. In all disclosures / information relating to the Bank and its business to public constituencies such as the media, the financial community, employees, shareholders, agents, etc., the bank shall be represented only by specifically authorized employees.

Any publication by an employee of an article or opinion in a newspaper, magazine, blog, webinar, award nomination/application, etc. in particular which refers to the information pertaining to the Bank and/or its customers and/or any other related matters and/ or personnel must be reviewed by senior management representatives from the Corporate Communications, Audit and Compliance teams or such other officials as may be notified in this regard. Every employee must read the Bank’s Corporate Communication Policy & Process Manual and comply.

2. **Professional Conduct / Responsibility**

Every employee shall comply with and adhere to all policies, guidelines, standards, rules and regulations, applicable from time to time, and ensure not to commit any act that is prejudicial to the interest of the Bank, or likely to result in a financial loss or harm the reputation of the Bank.

2.1. **Transparency in financial reporting and records**

The bank shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines principles, standards, laws and regulations of the country in which the bank

conducts its business affairs. Any wilful material misrepresentation of and / or misinformation on the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws. No employee shall make, authorize, abet or collude in an improper payment, unlawful commission or bribing.

- 2.2. **Respect for law of the land** - The bank and its employees shall at all times comply with all applicable laws and regulations, in letter and spirit of the country/ in all the territories in which they operate or arising out of Stock Exchange Listing Agreements.
- 2.3. **Truth while dealing with customers** - An employee will market the bank's products and services on its own merits and will not make unfair and misleading statements about competitors' products and services. Any collection of competitive information will be made only in the normal course of business and will be obtained only through legally permitted sources and means. The bank will, on a timely basis, provide reliable and meaningful information about its products, services, operating results, shareholding structure and other activities to legitimately interested persons and as may be required by law, subject to considerations of the legal requirements, cost and confidentiality. The bank shall not make exaggerated claims about its products and, more specifically, shall not play on peoples' biases, fears and prejudices and avoid community specific or gender specific stereotypes.
- 2.4. **Care for customers & stake holders** - The Bank is committed to providing products and services which offer value in terms of price and quality, and meet the applicable standards / guidelines as decided by the regulators and other various authorities concerned.
- 2.5. **Privacy and confidentiality of customers / third party data** - The bank and its employees will treat confidential information with care to avoid disclosure of such information, unless disclosure is authorized or legally required.

Confidential information **for retail customers** includes, but is not limited to, the information such as the details of clients, including their names, addresses, other personal information, portfolio transactions and portfolio holdings.

Confidential information in case of **corporate clients** includes, but is not limited to, financial information, intention of declaration of dividend, issue of securities by way of public, rights, bonus, preferential allotment, QIP, major expansion plan, major fund raising plans, amalgamation/ merger/ takeover, share buyback, delisting, strategic /non-strategic JV/ tie-up, acquisition of any entity in India or abroad, disposal of whole/substantially whole of undertaking, investment/ disposal of investment, significant changes in policies/ plans.

Where an employee is part of the "deal team" formed for a specific task, he / she shall not share or let out or make public any information to any one including employees of the department, or to any other department or outsiders, unless specifically authorized to do so by the Competent Authority.

In the course of discharging his/her duties, no employee shall part with sensitive information and/or access to sensitive information to anyone other than those who are authorized to receive it.

The employee will not disclose, use, lecture upon or publish any of the bank's confidential information, except as such disclosure, use or publication may be required in connection with his/her work on a "need-to-know" basis or unless the bank expressly authorizes such disclosure in writing.

The employee is obligated to maintain the confidentiality, privacy and security of confidential information even after his/her employment with the bank ceases so long as such confidential information remains a secret.

- 2.6. **Chinese walls / independence of policies / functions** - Within the Bank, the flow of unpublished price sensitive information is controlled by putting in place Chinese Walls around the concerned departments. The Chinese Walls controls the flow of unpublished price sensitive information / personal information of clients.

The bank has put in place, wall-crossing process and in general, the procedures require Personnel on the business side to obtain prior approvals on a company-by-company and person-by-person basis from the Compliance Officer and/or Head of business as designated in the appropriate policies, rules or guidelines before making any disclosures to Personnel on the Trading Side. Before such approval is granted, the Compliance Officer and/or Head of business must be notified of the identity of the research, trading or sales officer(s) or Employee(s) who are proposed to be brought across the Wall.

Chinese wall is put in place for separating the diverse business activities of business divisions and business activities of the trading side. The Chinese wall procedures are designed to safeguard the confidentiality of information and to prevent employees on the trading side from gaining access to Unpublished Price Sensitive Information that business side may have acquired or developed in connection with the activities of employees on the business side.

All files, papers and records containing Unpublished Price Sensitive Information shall be kept in a secure location. Access to such secure location, where the physical files/papers/records are kept, shall be restricted to concerned business division employees / personnel only. Access to computers and electronic files must have adequate security and shall be protected by login and password ids.

Any Personnel working on a confidential matter should avoid discussing the matter with Personnel not assigned to the matter, except for the Compliance Officer or others having a "need to know", unless such discussion is conducted in accordance with the Chinese Wall-crossing and other procedures described and any applicable policies, rules or guidelines in force from time to time.

Members of a business division must preserve the confidentiality of all Unpublished Price Sensitive Information they receive directly or indirectly from a Client and all information created or assembled for the benefit of the Client. In particular, no member of the business division shall provide any information concerning the transaction to someone not a member of the business division unless the head of business division specifically authorizes disclosure or unless such disclosure is in accordance with the procedures set forth.

To avoid any possible conflict of interest, departments must check at the outset with Compliance Committee to ensure that conflicts do not arise.

The following division /departments are separated by Chinese Walls and Independence Policies from all other areas within HDFC Bank.

- Corporate Banking / ECG / FIG / Business Banking
- Investment Banking Division
- Corporate Finance Department (CFD)
- Treasury
- Investment Management

Whenever officers from Corporate Banking are required to work on Corporate Finance deals, a specific Deal Team would be formed and there would be a Chinese Wall between the Deal

Team and the rest of the Corporate Banking / ECG / FI department.

Strict rules need to be adhered to by each department on the handling of unpublished price sensitive information. An employee must ensure that he/she is familiar with these rules. In case of any doubt, the employee must refer to the head of his/her department or Compliance Committee. The Compliance Committee shall be constituted by the Managing Director from time to time (see **Annexure I**)

- 2.7. **Avoidance of insider trading** - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992, prohibit dealing, communication of counselling on matters relating to Insider Trading (See Appendix I to this chapter for details).

The insider trading code is prescribed to ensure that employees deal in the Securities of a Client only at a time when any Price Sensitive Information that could be known to him/her is also known to the public at large and to prevent any insider dealing, knowingly or unknowingly by the employees in relation to the Securities of a Client as well as any speculative Dealings in Securities of Listed Companies.

It is HDFC Bank's policy that if an employee possesses material non-public information about a company, customer, supplier or any other company, the employee may not trade in that company's securities, either personally or for any account over which the employee exercises investment discretion. In addition, the employee may not recommend trading in those securities and may not disclose material non-public information to anyone outside HDFC Bank nor to others in HDFC Bank, other than in the proper performance of his/her employment.

A separate Share Dealing Code in terms of the aforesaid SEBI Regulations for dealing in the shares of HDFC Bank has been formulated and placed on the Bank's Information Portal. Employees are required to comply with the provisions of the said Share Dealing Code while dealing in the shares of HDFC Bank.

- 2.8. **Personal account dealing** - The Code is prescribed to ensure that employees deal in the shares only at a time when any price sensitive information that could be known to him/her is also known to the public at large and to prevent any speculative dealings, knowingly or unknowingly by the employees.

If an employee has to deal with the shares/ stocks of a company, in his/her personal capacity, which he/she is otherwise required to deal directly in his/her official capacity and/or the bank has any banking relationship with such companies, he/she is required to obtain prior permission of his/her supervisor and Compliance, before dealing in such shares/ stocks (see **Annexure II**).

All HDFC Bank Limited staff is required to comply with every aspect of the Personal Account Dealing Rules and each employee is required to sign a declaration that he/she has read and will abide by the rules. These rules must be fully understood in order to clarify the requirement placed upon the employee.

- 2.9. **Regulatory and statutory compliance** - The Bank is committed to maintaining the highest level of ethical standards, professional integrity, corporate governance and regulatory and statutory compliance. To ensure this, employees shall conduct their activities within the Bank in accordance with all applicable laws and regulations, regulatory prescriptions of the country or in all the territories in which they operate or arising out of Stock Exchange Listing agreements, all relevant internal rules, policies and procedures.

- 2.10. **Protecting Bank's interests /assets** - The assets of the Bank shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and systems, facilities, and resources as well as intangible assets such as information technology and systems proprietary information, intellectual property and relationships with customers and suppliers. The use of Bank's assets for any unlawful, unauthorized personal or unethical purpose is prohibited.
- 2.11. **Reporting of incidence/s which is/are prejudicial to the interest of the bank** - In order to ensure transparency and accountability as contemplated, the Bank has adopted a Whistle Blower Policy whereby the employees can address their concerns in respect of untoward events as listed below, without any fear whatsoever. The Whistle Blower Policy deals with information about any activity involving impropriety, abuse of power, malpractice, frauds, harassment or any untoward events.
- Every employee of the bank shall promptly report to the management when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or act not in the Bank's interest. Such reporting shall be made available to suppliers and partners too.
- The Bank shall ensure protection to the whistle blower and any attempts to intimidate him / her would be treated as a violation of the Code. All employees of the Bank shall cooperate in any investigation. No employee shall create / manipulate / destroy any record / document with malafide intention to avoid detection by the investigators. Disclosure of information learned during an internal investigation is strictly prohibited.
- 2.12. **Media Communication** – All media communication, including posts to social media via official or personal handles, shall be made in accordance with the Corporate Communication Policy & Process Manual (commonly known as Media and Social Media Policy) of the Bank published on Employee Portal and published to all employees via official communication channels of the bank from time to time. Any inquiry from the media should be referred to the designated department to respond or to provide comments, as appropriate. Employees are strictly prohibited from making any public disclosure or any communication or any statement unless specifically authorized by the designated department. This includes off-the-record disclosures of company information, sharing of internal mails or details of future projects. Leaks to journalists, bloggers, analysts or any other, whether malicious or unintentional, have the potential to damage brand reputation and shall invite disciplinary action.
- 2.13. **Demonstration** – Every employee shall ensure not to participate or engage in any demonstration that is even remotely prejudicial to the interest or reputation of the Bank, or violates any law of the land.
- 2.14. **Tendering Evidence** – Any employee who is required to tender evidence in connection with an enquiry conducted by any person, committee or authority, prior and prompt permission shall be sought from the Competent Authority.
- No employee shall suppress / conceal facts / material records or give false confirmation or fabricate / manipulate any facts/material records which is detrimental to the Bank's interest.
- 2.15. **Performance Oriented Culture** – Given a predominantly ambitious performance driven culture, all employees need to adhere to and ensure their performance is in line with the objectives of the Management.. No employee shall mis-represent his/her performance, or indulge in malpractices by inflating or deflating figures to his/her advantage of having

generated false business (e.g. intentional splitting of fixed deposits, funding customers to avoid depletion, etc).

- 2.16. **Nepotism** – No employee shall enter into or accept a reporting relationship or recommend hiring, in the Bank or with Bank's vendors and associates, of his/her/spouse's relative (not restricted to immediate family members or blood relations only) or prospective relative (e.g. fiancé, etc.) or partner. Each employee shall suo moto promptly report the information upon receipt relating to the candidature in the Bank, hiring or reporting relationship with all aforesaid relations/associations.

No employee shall in any way put himself in a situation of 'conflict of interest' by recommending or empanelling or causing or leading the Bank to associate, with any person or entity, directly or indirectly belonging to or run by, any employee or ex-employee or his/her relatives, without prior written ER / disciplinary / other reference checks as prescribed from time to time of all past employment / association with HDFC Bank. In case of clearance by all stakeholders respective business may engage such employee/his or her relatives with approval of respective GH under intimation to RIC . However, In case of reference check/records of such ex-employee not being positive, additional approval of CHRO shall be required. Definition of relatives is as per Company Act (refer Annexure IV).

- 2.17. **Absence from duties** – Leave cannot be taken as a matter of right, and must be planned, mutually agreed upon, and approved by the Supervisor on an application submitted by the employee. The Bank trusts its employees to perform their role sincerely and display empathy towards their colleagues or team members. A professional conduct, discipline and punctuality must be made a way of life. Prior approval and sanction must be taken from the respective supervisor before proceeding on any leave. In case of prolonged sickness / accident a proper medical certificate of fitness acceptable to the Bank shall be submitted before resuming duties. An employee shall not overstay sanctioned leave without sufficient ground and approval of the immediate supervisor.
- 2.18. **Consumption of intoxicating drinks, drugs or any other such substances** - No employee shall be under the influence of any intoxicating drink or drug or substance during the course of duty within the Bank's premises or outside (including outbound training venue or reward program venue or any others). Needless to say this includes forbiddance of consumption of aforesaid inside Bank's premises. /
- 2.19. **Damage or attempt to cause damage to property** – No employee shall deliberately or inadvertently cause any type of damage to a property belonging to a colleague, the Bank, the customer, or vendor.
- 2.20. **Insubordination or disobedience of any lawful or reasonable order** – Deliberate defiance of a lawful order received from a Superior / Competent authority shall be construed as insubordination. Disobedience is refusal to carry out lawful instructions of the Superior. No employee shall deviate from the laid down process or procedure of banking services unless employee has sought an approval in writing to adopt a faster/quicker process due to exigent circumstances.
- 2.21. **Slowing down in performance of work** – No employee shall either intentionally or inadvertently bring down or slow down the speed and level of performance.
- 2.22. **Making a false statement in any document pertaining to or in connection with the employment at the Bank** – Information provided in the joining application shall be complete, true and must not misrepresent any fact. In the event of any suppression or

misrepresentation of material fact found subsequent to an appointment, such appointment shall be liable to be annulled.

- 2.23. **Doing any act prejudicial to the interest of the Bank / Gross negligence / negligence involving or likely to result in a financial or reputational loss to the bank** – No employee shall commit any act that is prejudicial to the interest of the Bank or of gross negligence or negligence, likely to put the Bank in a financial loss or cause damage to the image of the Bank.
- 2.24. **Habitually commit minor misconduct** – Habitually committing acts that amount to minor misconduct as defined under Conduct Regulations. Wherein on two previous occasions a warning had been imposed, would automatically tantamount to a Major misconduct.
- 2.25. **Misappropriation or criminal breach of trust**
- 2.25.1. **Misappropriation:** An employee shall not misappropriate or convert to personal use, any tangible and intangible property of the Bank or its constituent. No employee shall hold in his/her custody any documents / blank instruments / Funds of the customer without proper authorisation/ratifications and following the process laid down by the Bank.
- 2.25.2. **Criminal Breach of Trust:** Misappropriation or conversion of property entrusted in the discharge of duties, to personal use or disposal of such property shall be a breach.
- 2.26. **Computer related offences**
- 2.26.1. **Hacking of Computer Systems:** Any damage to the Bank's computer system that destroys, deletes or alters any computer related information and diminishes the value or utility or damages it in any way, is termed as hacking of the computer systems.
- 2.26.2. **Tampering with Computer Source Documents:** Knowingly or intentionally conceal, destroy or alter any computer source code used for the computer, computer programme or system or computer network or any computer related activity, and includes the sharing of passwords or divulging the ID which could lead to acts prejudicial to the interest of the Bank.
- 2.26.3. **Publishing/Communicating obscene information in Electronic form:** Not to publish or transmit in electronic form any information which is lascivious or appeals to the prurient interest or effects or tends to deprave and corrupt those who are likely to read, see or hear the matter contained or embodied therein. Strictly adhere to all computer related policies published on lotus notes from time to time.
- 2.26.4. **Official Communication** - Except with prior written permission, employees shall never send electronically or in physical classified information to any party outside the Bank including employees' own personal email or click photographs of Bank's official information available in physical or electronic form. All the official information shall be shared by the employees through authorized channels only. WhatsApp and other social media/messaging applications are not the authorized channel for official communication.
- 2.26.5 Password Sharing** – Except with prior written permission and by abiding with the password handover procedure approved by the Audit/ISG department, no employee shall share (give or accept) password of any of the Bank's applications or customers' credentials.
- 2.27. **Abandonment** - Being absent from work for a period of 15 or more consecutive days without submitting any application for leave or an extension or without any leave to his / her credit or beyond the leave originally sanctioned, such that there is substantial/satisfactory

evidence that the employee has taken up employment elsewhere or where the Management is reasonably satisfied that the employee does not have any intentions to join back duties or is not interested to continue his/her employment at the Bank, appropriate action would be initiated ex parte.

2.28 Voluntary disclosure of legal encumbrances – Every employee shall promptly declare details of arrest or legal suit or charge sheet or FIR (First Information Report) filed against him/her in personal or professional capacity to his/her Group Head and to designated HR authority

3. Social Conduct / Responsibility

3.1. Upholding national interest - The bank is committed to ensuring benefit to the countries in which it operates. The bank at no point of time shall undertake any project or activity to the detriment of the wider interests of the communities in which it operates.

The bank in the course of its business activities shall respect the culture, customs and traditions of each country and region in which it operates.

3.2. Joining associations prejudicial to the interest of the country - No employee shall join or continue to be a member of an association, the objects and activities of which are prejudicial to the interests of the sovereignty and integrity of India or public order or morality or reputation of the Bank.

3.3. Respect for human rights - The bank reiterates its belief in and adherence to the principles of human rights as enshrined in the Universal Declaration of Human Rights of the United Nations and to act in accordance with the principles laid down in it. It will also respect and abide by the requirements, in this behalf, of the countries in which it operates.

3.4. Health, safety and environment - The bank shall strive to provide a safe, healthy, clean and ergonomic working environment for its people. It shall prevent any wasteful use of natural resources and be committed to improving the environment particularly with regard to the emission of greenhouse gases and shall endeavour to offset the effect of climate change in all spheres of its activities.

3.5. Display of ethical behaviour - Every employee of the bank shall exhibit culturally appropriate deportment in the regions / countries they operate in and deal on behalf of the Bank with professionalism, honesty and integrity while conforming to the highest moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be so by third parties. Every employee of the Bank shall preserve and respect the human rights of every individual and the community.

3.6. Dowry – As responsible citizens and in the larger interest of society, no employees shall:

- Demand dowry directly or indirectly
- Give, take or abet the giving or taking of dowry

3.7. Restrictions regarding marriage – An employee shall not enter into or contract a marriage with a person having a living spouse, nor an employee having a living spouse enter into or contract a marriage with any person, unless such a marriage is permitted under the Personal law of the employee.

3.8. Responsible personal social media usage – No employee shall via his/her personal social media handle make defamatory, malicious, communal or racial comments. All employees

shall maintain a civilised & parliamentary personal conduct in social media, and comply with the Corporate Communication Policy & Process Manual.

In case of any query / clarification that you may need, please contact Mr. Arun Mohanty, Chief Compliance Officer of the bank on arun.mohanty@hdfcbank.com

DECLARATION

I have read the Code of Conduct and Ethics Manual and have understood the rules and procedures. I hereby agree to abide by both, in letter and spirit the mentioned rules and procedures detailed therein. I am also aware that any violation / non-compliance of the provisions of this code / manual would invite disciplinary action as per the HDFC Bank conduct regulation.

Signature of Employee: _____

Name of Employee: _____

Employee Code: _____

ANNEXURE I

The current composition of the Compliance Committee is as follows:

1. Arun Mohanty, Chief Compliance Officer
2. Kaizad Barucha, Executive Director
3. Sanmoy Chakrabarti, Chief Risk Officer
4. Rakesh Singh, Head Investment Banking
5. V. Chakrapani, Head Internal Audit

Quorum is 3, of which at least 2 must be from other than the Business.

ANNEXURE – II
HDFC Bank Limited
Code of Conduct & Ethics Manual
Personal Account Dealing
REQUEST FOR APPROVAL TO DEAL IN SHARES
(Other than HDFC Bank Ltd. Shares)

From Date: _____

Name: _____

Employee No. : _____

Department: _____

Employee's Signature: _____

Supervisor's Name: _____

Supervisor's Signature: _____

To: **The Compliance Officer**

Approval is hereby requested for effecting the following transactions:

Purchase / Sale Name of Issuer/Company No. of Shares Approx.

Consideration

The authorization as granted above extends from _____ to _____.

Compliance Officer:

Name: _____

Signature: _____

Note: Form to be submitted in duplicate. After approval of Compliance Officer, original to be returned to applicant and copy to be retained by Compliance Officer.

ANNEXURE - III

Illustrations of some Do's and Don'ts that employees must adhere to as part of their day to day dealings and interactions are given below:

DOs:

1. Market the bank's products and services of the bank on its own merit without attempting to demean similar products by competition
2. Extend all assistance to customers to understand the features , benefits, charges and other important terms and conditions pertaining to the product / service that are being considered for buying from the bank
3. Provide timely & reliable information to the customers on the bank's products
4. Report any suspicious transactions conducted / attempted to be done by customers to the competent regulatory authority through the channels defined by the bank in its internal processes
5. Use the whistle blower policy of the bank to report any dealings by peers or superiors with customers which violates / potentially can violate any law of the land or could damage the reputation / credibility of the bank
6. Assist customers in choosing the product / service that suits their requirement best
7. Conduct thorough research to ensure that all facts / statements that are shared with customers while soliciting business from them are accurate to the best of one's knowledge
8. Ensure to educate the customer on any legal prohibitions / legal implications pertaining to any financial dealing that the customer may seek to undertake through us
9. Maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory and statutory compliance.
10. Comply with all applicable laws and regulations, in bold letter and spirit and adhere to the applicable laws that prohibit / curb corruption and money laundering.
11. Complete all such certifications (eg. NISM, etc.) as may be necessary for your appointed job role within the stipulated time,

DON'Ts:

1. Accepting gifts of significant value (as defined by the bank from time to time) from customers
2. Offering gifts to customers in return for a business favours
3. Entering into personal dealings with customers and/or vendors
4. Assisting / offering to assist a customer to conduct financial transactions that would violate any of the laws of the land
5. Soliciting business from people who are known to be involved in activities which violate the law of the land
6. Making exaggerated claims / false promises about the bank's products and services
7. Concealing material information on the bank's products / services from the customer while soliciting business from customers
8. Playing on customer's biases / fears / prejudices for further business objectives
9. Sharing any confidential information pertaining to the customers with third parties excepting in situations where it is authorized or is required under any law of the land
10. Stereotyping / discriminating amongst customers based on their gender / community
11. Pushing a product / service that may not be suitable to the customer's needs purely for the sake of achieving business objectives
12. Ensure that the nature and type of transactions do not raise any conflict of interest in the functional role of the employee concerned.
13. Ensure that transactions of third party/customers/vendors are not routed through the employee's own account to bypass internal guidelines and thereby jeopardize the interest of the bank.

14. No employee shall swipe a credit card at a merchant for availing cash except via authorised & legitimate procedure permitted under the product features / policy.

ANNEXURE - IV

Meaning of Relative / Family:

Section 2(77) of the Companies Act 2013 read with Rule 4 of the Companies (Specification of Definitions Details) Rules 2014.

Section 2(77) of the Act:

‘Relative’ with reference to any person, means anyone who is related to another, if-

- (i) They are member of Hindu Undivided Family (HUF);
- (ii) They are husband and wife; or
- (iii) One person is related to the other in such manner as may be prescribed.

Rule 4 of the Companies (Specification of Definitions Details) Rules 2014:

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

1. Father: Provided that the term ‘Father’ includes step-father.
2. Mother: Provided that the term ‘Mother’ includes step-mother.
3. Son: Provided that the term ‘Son’ includes step-son.
4. Son’s wife.
5. Daughter.
6. Daughter’s Husband
7. Brother: Provided that the term ‘Brother’ includes step-brother.
8. Sister: Provided that the term ‘Sister’ includes step-sister.