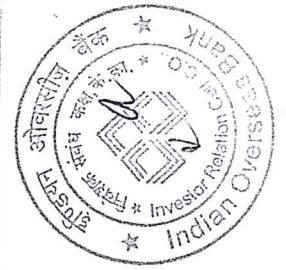


QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

NAME OF THE COMPANY : INDIAN OVERSEAS BANK
 QUARTER ENDING ON : 31.12.2014

ANNEXURE - A

| Particulars | Clause of Listing agreement | Compliance Status Yes/No | Remarks |
|---|-----------------------------|--------------------------|---|
| II Board of Directors – 49 (II) | | | |
| ⇒ (A) Composition of Board | 49(II) (A) | YES | The composition of the Board and its constitution is governed by the Nationalized Banks (Management and Miscellaneous Provisions) Scheme 1970 and formulated in exercise of the powers conferred by Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970. |
| ⇒ (B) Independent Directors | 49 (II) (B) | NA | |
| ⇒ (C) Non executive directors' compensation and disclosures | 49(II) (C) | YES | The non-executive directors are paid only Sitting fees. This is as per the latest directions issued by the GOI. |
| ⇒ (D) Other provisions as to Board and committees | 49(II) (D) | YES | The Board Meetings are governed by the provisions of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme 1970. The Bank's Board has met Five times during the quarter and more than the minimum number of times prescribed in the regulation. It is also ensured as per the Listing Agreement, that no director is a member in more than 10 committees or acts as Chairman of more than five committees across all companies in which he is a director. The Board is also periodically reviewing compliance reports of all applicable laws to the Bank. Succession for appointments to the Board rests with GOI except Shareholder Directors, who are elected by shareholders other than GOI. Succession for appointment of Senior Management is as per promotion policy approved by GOI. |
| ⇒ (E) Code of Conduct | 49(II) (E) | YES | The Code of Conduct duly approved by the Board, has been made applicable to the Board of Directors and the First Line Executives – General Managers. The Code of Conduct has been posted on the Website of the Bank also. A declaration signed by the CMD to the effect that all Board Members and Senior Management personnel have affirmed compliance with the Code has been published in the Annual Report 2013-14 |



Deepa Chellam

Deepa Chellam
 Company Secretary & Compliance Officer

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| ⇒ (F) Whistle Blower Policy | 49 (II) (F) | Yes | Bank has a Whistle Blower Policy and the same is disclosed in our website |
| III Audit Committee: 49(III) | | | |
| ⇒ (A) Qualified and Independent Audit Committee | 49(III) (A) | YES | The composition, structure and functions of the audit committee are as per the guidelines issued by RBI and GOI in this regard. a) Constitution is defined as per RBI letters ref: DOS 5116.13.100/94 dated 09.04.1994, DOS/BC.14/Admn.919/16.13.100/95 dated. 26.09.1995, BC/3/08.91.020/97 dated. 20.01.1997 and GOI letter ref: F.No. 19/20/2007 –BO-I dated February 18, 2008 which was taken on record by our Board at its meeting held on 29.03.2008 and GOI letter dated 10.06.2014. b) the functioning vide RBI Circ. ref: DOS/BC14/Admn.919/16.13.100/95 dated 26.09.1995, and taken on record by our Board at its meeting held on 27.10.1995 Both RBI and GOI guidelines are complied with. |
| ⇒ (B) Meeting of Audit Committee | 49(III) (B) | YES | The meetings are held at regular intervals and 2 meetings were held in the Third Quarter of the financial year 2014-15. |
| ⇒ (C) Powers of Audit Committee | 49(III) (C) | YES | The powers of the Audit Committee include the following : 1. To investigate any activity within its terms of reference. 2. To seek information from any employee. 3. To obtain outside legal or other professional advice. 4. To secure attendance of outsiders with relevant expertise, if it considers necessary. |
| ⇒ (D) Role of Audit Committee | 49(III) (D) | YES | The scope of the audit committee was enlarged to bring the same in line with the Listing Agreement entered into with the Stock Exchange as well as RBI guidelines with effect from 27.11.2003, The scope of the Audit Committee was broadened in line with Ministry of Finance Letter dated 2 nd April 2013, as taken on record by the Audit Committee of the Board at its meeting held on 14.06.2013 and by the Board at its meeting held on 25.07.2013. The amendments to Clause 49 of the Listing Agreement with regard to the Role of Audit Committee were taken on record by the Audit Committee of the Board(ACB) on 15.09.2014 |
| ⇒ (E) Review of Information by the Audit committee | 49 (III) (E) | YES | Already complied with. |



Deepa-Chellam
Deepa-Chellam
Company-Secretary & Compliance Officer

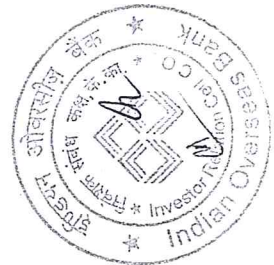
| | | | |
|--|------------|-----|---|
| IV Nomination and Remuneration Committee 49 (IV) | 49 (IV) | YES | The composition, structure and functions of the Nomination and Remuneration Committee are as per the guidelines issued by RBI and GOI in this regard. |
| V Subsidiary Companies - 49(V) | 49 (V) | NA | Our Bank has no subsidiaries. |
| VI Risk Management 49 (VI) | 49 (VI) | YES | Already complied with and reported in Annual Report 2013-14 |
| VII Related Party Transactions 49 (VII) | 49 (VII) | YES | Already complied with and reported in Annual Report 2013-14. We are governed by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970. We are complying with the requirement of Related Party Transactions as stipulated by Reserve Bank of India from time to time. |
| VIII Disclosures: 49 (VIII) | | | |
| ⇒ (A) Basis of related party transactions | 49(VIII A) | YES | Already complied with and reported in Annual Report 2013-14. We are governed by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970. We are complying with the requirement of Related Party Transactions as stipulated by Reserve Bank of India from time to time.. |
| ⇒ (B) Disclosure of Accounting treatment | 49(VIII B) | YES | Already complied with and reported in Annual Report 2013-14. |
| ⇒ (C) Remuneration of Directors | 49(VIII C) | YES | The composition, remuneration etc., of the board is governed by the provisions of Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970. The non-executive directors do not have any material pecuniary relationships or transactions with the Bank. Remuneration paid to CMD/ED is fixed by the Govt. of India and the sitting fees paid to other directors as per the scale fixed by the Govt. are disclosed in the Annual Report 2013-14. The Ministry of Finance, Department of Financial Services, Government of India, vide their letter F.No.12/1/2013-BOA dated 28.11.2013 have advised parameters for performance-linked incentives to the whole-time directors of the Bank. A Remuneration Committee - a Board subcommittee - met on 19.07.2014 and 15.09.2014 and decided that incentives are payable to the whole time directors for the year 2013-14. |
| ⇒ (D) Management | 49(VIII D) | YES | The Management Discussion and Analysis Report has been incorporated in the Annual Report 2013-14. The Code of Conduct has been posted on the Website of the Bank also. |
| ⇒ (E) Shareholders | 49(VIII E) | YES | The profile of the Directors has been incorporated in the Annual Report for the year 2013-14. The quarterly results / Audited Financial results for the year ended 31.03.2014 are displayed on the website of the Bank and Annual Report containing Audited Financial results for the year ended 31.03.2014 have |



Deepta Chellam

Deepta Chellam
Company Secretary & Compliance Officer

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| | | | grievances of the Shareholders. The committee meets four times in a year. Our Bank also has another sub-committee of the Board of Directors viz. Share Transfer Committee to expedite the process of transfer of shares etc. The committee meets at least once in a month. The Board at its meeting held on 20.09.2013 constituted Executive Level Share Transfer Approval Committee (ELSTAC), which meets twice a month, to consider transfer including rejection of share transfer and transmission of shares. The Board at its meeting held on 20.09.2014 had also delegated the power to consider Remat Requests to the Committee. The decision of the committee is placed before the Share Transfer Committee of the Board for ratification. We have an exclusive Email ID – investorcomp@jobnet.co.in for attending shareholder Grievances and our bank has designated Smt. Deepa Chellam, Company Secretary as Compliance Officer. |
| ⇒ (I) Proceeds from Public issues, Rights issues, Preferential issues etc., | 49(VIII I) | NA | As we have not come out with a Public Issue, Rights Issue etc recently, we note the same for our future compliance. |
| IX CEO/CFO Certification- 49 (IX) | 49 (IX) | YES | Has been complied with for the year ended 31.03.2014 and reported to our Board also. The same was incorporated in the Annual Report for 2013-14. |
| X Report on Corporate Governance - 49 (X) | 49(X) | YES | The same has been incorporated in the Annual Report 2013-14. |
| XI Compliance - 49 (XI) | 49(XI) | YES | Certificate has been obtained from the Statutory Auditors and has been incorporated in the Annual Report 2013-14. |



Deepa Chellam

Deepa Chellam
Company Secretary & Compliance Officer