



**CODE OF
CONDUCT FOR
BOARD OF
DIRECTORS &
SENIOR
MANAGEMENT OF
THE BANK**

22/04/2020



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Document Control

Title	Code of Conduct for Board of Directors & Senior Management of the Bank	Version No:	3.0
Reviewed / Created By	Board Secretariat	Date	11-03-2020
Reviewed By	Company Secretary	Date	18-03-2020
Approved By	Board of Directors	Date	22-04-2020

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INTRODUCTION

This Code of Conduct shall be called “The Code of Conduct for Board of Directors and Senior Management” (herein after referred as “the code”) of the Jammu and Kashmir Bank Limited (hereinafter referred as “the Bank” or “the Company”). The code of conduct for Board Members and Senior Management adopted on 31st December 2005 and was lastly reviewed on January 31, 2018.

The basis for the growth and development of the Bank from its inception has been the transparency, trust, integrity and professional services which form the core belief of all activities at the Bank.

The Securities and Exchange Board of India (“SEBI”) has in terms of the Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as “Listing Regulations”), mandates that every listed entity shall lay down the code for its Board Members and Senior Management, duly approved by its Board of Directors.

The Board Members and the Senior Management Personnel play a pivotal role in shaping the growth of the Bank and are individually and collectively responsible to ensure that the Bank operates with the highest degree of legal and ethical standards of conduct.

APPLICABILITY

This Code shall be applicable and binding on all the Board Members and members of Senior Management of the Bank. Senior Management shall include the following:

- Executive Presidents, Senior Presidents and Presidents;
- Key Managerial Personnel, CCO, CRO, Chief Investment Officer and CTO;

It is hereby clarified that, wherever the term ‘relative’ appears in this Code, it shall have the same meaning as is provided under section 2 (77) of Companies Act 2013, and the relation with the concerned Board member or member of the Senior Management, as the case may be, will be determined accordingly.

DEFINITIONS & INTERPRETATIONS

- “Board” or “Board of Directors” shall mean the Board of Directors of the Jammu & Kashmir Bank Limited.
- “the Bank” or “the Company” shall mean Jammu & Kashmir Bank Limited.
- “Code” shall mean this Code of Conduct for Board of Directors and Senior Management.
- “Compliance Officer” shall mean the Company Secretary of the Bank.
- “Directors” shall mean director on the Board of Directors of the Bank.
- “Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- “Independent Director” shall mean Independent Director as defined under Companies Act, 2013 or Listing Regulations (including any amendment, notification thereto), as may be applicable to the Bank.
- “Relative” shall mean ‘relative’ as defined under Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014.

PHILOSOPHY OF THE CODE

The Bank expects all Directors & members of Senior Management to exercise good judgment, to ensure the interests, safety and welfare of customers, employees & other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. The Directors & members of Senior Management while discharging duties of their office must act honestly and with due diligence. They are expected to act with the extent of utmost care and prudence, which an ordinary person is expected to take in his/her own business. These standards need to be applied while working in the premises of the Bank, at offsite locations where the business is being conducted whether in India or abroad, at Bank-sponsored business and social events, or at any other place where they act as representatives of the Bank. Since no code or policy can anticipate every situation that may arise. Every member of the Board or Senior Management is expected to comply with this Code in letter and spirit as they represents the interest of all stakeholders of the Bank and shall optimize their long-term value by providing the Bank with guidance and strategic vision.

DUTIES OF DIRECTORS

All the Members of the Board shall endeavour to comply with the provisions of Sections 166, 179 and other applicable provisions of the Companies Act, 2013 and Rules made there under and all the applicable laws and regulations as prescribed by RBI and Listing Regulations from time to time and the provisions of the Memorandum & Articles of Association of the Bank, etc.

DUTIES OF THE BOARD AND ITS COMMITTEES

The Board of Directors and its Committees while exercising their duties and functions in accordance with the Companies Act, 2013, Listing Regulations, RBI Guidelines, Memorandum & Articles of Association of the Bank and other applicable laws for the time being in force shall, inter-alia adhere to the following principles: -

Principle 1: Board's overall responsibilities

The Board has overall responsibility of 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 guidance to the senior management.

The Board is responsible to act in the best interests of the Bank and its shareholders. 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.

While discharging their duty with responsibility and whenever required, the Board or its committees may obtain professional advice from external resources on any matter.

Principle 2: Board qualifications and composition

Board members should be and remain qualified, individually and collectively, which may also include appropriate and relevant training, for the positions they hold. They should understand their role & responsibilities and be able to exercise sound and 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 necessary mechanism for the proper implementation of such practices and periodically review them for ongoing effectiveness.

Principle 4: Senior management

Under the directions and subject to oversight of the Board, senior management should carry out and manage the Bank's objectives, operations and activities in a manner consistent with the business strategy, risk appetite, 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

The risk governance framework should be properly communicated within the Bank with necessary reporting to the Board.

Principle 8: Compliance Risk

The Bank's Board 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 9: 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 10: Remuneration structure

The Bank's remuneration structure should support sound corporate governance risk management and promote & incentivize talent.

Principle 11: Disclosure and transparency

The governance of the Bank should be adequately transparent to its shareholders, depositors, other relevant stakeholders and market participants. In this regard, the Board shall from time to time adopt, approve and amend the policies as per the requirement of the applicable laws or on subject matters which the Board may deem fit. The existing policies implemented in the Bank are attached as Annexure 3:

CODE OF CONDUCT

All members of the Board and Senior Management shall abide by the following guiding principles/code of conduct:

1. To lead by example

As every member of the Board and member of Senior Management are perceived to be the guiding force of the Bank, it shall be their responsibility to lead by example. Leading by example would mean and include:

- To act with honesty, integrity and fairness in all dealings for and on behalf of the Bank.
- To be in appropriate and decent dress code.
- To act with humility whilst discussing matters with junior employees.
- Restraint in use of abusive language during conversations with employees/customers and other stakeholders.
- To guide and motivate the entire organisation.
- To lead by self-commitment and self-motivation.
- To exercise powers conferred with reasonable discretion and after weighing the consequences of such use.
- To induce a feeling of loyalty towards the organisation.
- To work selflessly to achieve the business objectives of the Bank.
- To comply and ensure compliance with laws, rules and regulations as applicable to the business of the Bank.
- To act in good faith, responsibly, with due care, competence, diligence, and without misrepresenting material facts or allowing his/her independent judgment to be compromised.

- To respect the confidentiality of any information that may be acquired or accessed during the course of work and ensure that such confidential information is not used for personal gain.
- To share knowledge, maintain and develop skills essential and relevant to his/her role and responsibilities.

2. The Principle of compliances

- Adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
- Full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Bank with government and regulatory agencies.
- Compliance with applicable laws, rules and regulations.
- To address misuse or misapplication of the Bank's assets and resources.
- To maintain highest level of confidentiality and fair dealing within and outside the Bank.

3. Conduct at workplace

- a) Every Board member and member of Senior Management shall conduct himself/herself in a professional manner and treat others with respect, fairness and dignity.
- b) The Bank does not approve of any discrimination in employment based on colour, race, religion, caste or gender. The Bank is committed to providing a work environment that is fair and non-discriminatory.
- c) As a good corporate citizen, the Bank is committed to a gender friendly workplace. This is in order to enhance equal opportunities for men and women, to prevent/stop/redress sexual harassment of women at the workplace and to promote good employment practices.
- d) The organisation demands, demonstrates and promotes professional behaviour and respectful treatment of all employees.
- e) To produce full, fair, accurate, timely and understandable disclosures in reports and other declarations that are required to be filed by the Bank with statutory/ regulatory authorities and/ or forming part of the disclosures required to be made in the ordinary course of its business.
- f) Not to indulge in nepotism or favoritisms and maintain a working environment which is fair and non-discriminatory.
- g) To be supportive towards employees who may be facing personal trauma on account of ill health, family dispute, financial loss or any other reason beyond their control.
- h) To facilitate understanding and adherence to the 'Explicit Guidelines' forming part of the Code of Conduct applicable to all employees of the Bank and ensuring its compliance.
- i) Encourage the use of Corporate Whistle Blower Mechanism, which provides employees of the Bank with a platform to communicate to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct applicable to all employees or this Code, in a secure and confidential manner

4. Conflict of interest

A “conflict of interest” occurs when personal interest of any member of the Board and of the Senior Management interferes or appears to interfere in any way with the interest of the Bank. Every member of the Board and Senior Management has a responsibility to the Bank, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Bank's interest such as -

Employment/Outside Employment: The Executive Directors of the Bank along with members of the Senior Management are expected to devote their total attention to the business interests of the Bank. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Bank or otherwise is in conflict with or prejudicial to the Bank.

Accepting Outside Directorships: Accepting any directorship on the Board of another Bank is strictly prohibited for the Board members and Senior Management personnel.

Business Interests: If any member of the Board of Directors and Senior Management, considers investing in securities issued by the Bank's customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Bank. Many factors including the size and nature of the investment, their ability to influence the Bank's decisions, their access to confidential information of the Bank, or of the other entity, and the nature of relationship between the Bank and the customer, supplier or competitor should be considered in determining whether a conflict exists. All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter; the person concerned will be required to take necessary actions as advised to resolve/avoid the conflict. Additionally, Directors and members of Senior Management should disclose to the Board when they are directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Bank.

Related Parties: As a general rule, the Directors and members of the Senior Management should avoid conducting Bank's business with a Relative or any other person or any firm, Company, Association in which the Relative or other person is associated in any significant role. The related party shall have the same meaning as is defined under Listing Regulations. The Board and its committee while dealing with the related party transactions shall comply with the policy made in this regard.

5. Obligations with respect to Directors & Senior Management

- i. A Director shall abide by the provisions of the Section 165 of the Companies Act, 2013 read with Regulation 17A of the Listing Regulations or any other relevant law / regulation for the time being in force regarding maximum number of directorships that can be held by a person at the same time.
- ii. A Director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

- a) The limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
 - b) For the purpose of determination of limit, chairpersonship and membership of the audit committee and the stakeholders' relationship committee alone shall be considered.
- iii. Every Director shall inform the Bank about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.
 - iv. All members of the Board and Senior Management shall affirm compliance with this code of conduct on an annual basis in the declaration form as attached in Annexure 1.
 - v. Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the Bank in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.
 - vi. No Director or key managerial personnel or promoter of the Bank shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other party with regard to compensation or profit sharing in connection with dealings in the securities of the Bank, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.

6. Payments, receipt of gifts/favours from others

- a) Under no circumstances should any member, of the Board or Senior Management solicit gifts or accept favours or hospitality, other than in the normal course of business, that might influence or appear to influence his/her independence of judgment or affect his/her decision or action concerning the business of the Bank.

However, the key determining factor for appropriateness of the gift and/or its value would be based on facts and circumstances under which such gift is provided.

The practice of giving gifts is recognised as an established and important part of doing the business. However, it is prohibited when they are used as bribes. To avoid committing a bribery offence, the gift must be:

- Reasonable and justifiable in all the circumstances; and
 - Intended to improve the image of the Bank or establish cordial relations.
- b) While conducting business abroad, the Members of the Board and Members of Senior Management are advised to seek legal advice or guidance before giving or offering or accepting any gifts, as the giving or offering or acceptance of gifts, may be construed to be unlawful under the local laws.

7. Facilitation payments and kickbacks

Neither the Members of the Board nor Members of Senior Management and any person acting on their behalf shall make or accept facilitation payments or kickbacks of any kind otherwise not permissible under law.

8. Donations

The Bank does not make any contribution to political parties, political party officials or candidates for political office. Payment or use of corporate assets of any type as payment, directly or indirectly to any person, business, political organisation or public official for any unlawful or unauthorized purpose is prohibited.

9. Use of assets & information

Each member of the Board and the Senior Management has a duty to the Bank to advance its legitimate interests while dealing with the Bank's assets and resources. Members of the Board and Senior Management are prohibited from using corporate property, information or position for personal gain, soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Bank's assets and resources, acting on behalf of the Bank in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.

10. Transparency

Every Member, of the Board and Senior Management shall ensure that his/her conduct at the workplace is transparent. Such transparency shall be brought about through adherence to policies, systems and processes framed by the Bank.

11. Trading in securities of Bank

- a) Every Member of Board and Member of Senior Management shall ensure and take reasonable steps to protect the confidentiality of any unpublished price sensitive information relating to the business of the Bank or its customers or companies with whom the Bank has or is likely to enter into a material transaction and prevent its unauthorized access or disclosure, unless he/she is required to do so under applicable laws or legal or regulatory process.
- b) No Member of Board or Member of Senior Management shall in any manner whatsoever indulge in Insider Trading, whilst he/she has access to unpublished price sensitive information relating to the Bank or its customers or companies with whom the Bank has or is likely to enter into a material transaction.
- c) Whenever necessary the Bank may seek information from any Member of Board or Member of Senior Management relating to his/her dealings in securities of the Bank, or of companies with whom the Bank has material transactions, the concerned Member of Board or Member of Senior Management shall provide the same at the earliest.

12. Confidentiality and fair dealings

Bank's Confidential Information

- a) The Bank's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Bank and commercial, legal, scientific, technical data that are either provided to or made

available to each member of the Board of Directors and the Core Management by the Bank either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Bank. All confidential information must be used for Bank's business purpose only.

- b) The responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Bank's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which the Bank has rightfully received under non-disclosure agreements.
- c) To further the Bank's business, confidential information may have to be disclosed to potential business partners. Such disclosure should be made after considering its potential benefits and risks. Care should be taken to divulge the most sensitive information, only after the said potential business has signed a confidentiality agreement with the Bank.
- d) Any publication or publicly made statement that might be perceived or constructed as attributable to the Bank, made outside the scope of any appropriate authority in the Bank, should include a disclaimer that the publication or statement represents the views of the specific author and not the Bank.

Other Confidential Information

The Bank has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Bank to enter in to a business relationship. At other times, the Bank may request that a third party provide confidential information to permit the Bank to evaluate a potential business relationship with that party. Therefore, special care must be taken by the Board of Directors and members of the Senior Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties.

The Bank requires that every Director and the members of Senior Management and functional heads should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the members of Senior Management shall not accept any offer, payment promise to pay, or authorization to pay any money, gift, or anything of value from customers, suppliers, shareholders/stakeholders, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

The Directors and the members of Senior Management shall ensure that confidential information is not disclosed inadvertently or otherwise except in compliance with this Code.

13. Good corporate governance practices:

Each member of the Board should adhere to the following list of Do's and Don'ts, so as to ensure compliance with good Corporate Governance practices.

Do's

- i. Attend Board Meetings regularly and effectively.
- ii. Study Board papers thoroughly and use the good offices of the Chief Executive officer for eliciting any information at the Board meeting.
- iii. Ask the Chairman to furnish you with Board papers and follow-up reports on a definite time schedule.
- iv. Involve yourself as Director on Board thoroughly, in the matter of formulation of general policy and also ensure that performance of the Bank is monitored adequately at Board levels.
- v. Be familiar with the broad objective of the Bank and the policy laid down by the Government and the Reserve Bank.
- vi. All constructive ideas for better management of the Bank and for making valuable contribution would be welcome.
- vii. Must work as a team and not sponsor or be prejudicial against individual proposals.
- viii. Try to give as much of your wisdom, guidance and knowledge as possible to the Management.
- ix. Try to analyze the trends of economy, assist in the discharge of management's responsibility to public and formulation of measures to improve customer service and be, generally, of constructive assistance to the Bank's management.

Don'ts

- i. Do not send any instruction to any individual officer of the Bank or give direction to individual officer in any matter. This stipulation however does not apply to whole time Director(s) including the Managing Director of the Bank.
- ii. Do not involve yourself in any matter relating to personnel administration - whether it appointment, transfer, posting or a promotion or a redressal of individual grievance(s) of any employee. This stipulation however does not apply to whole time Director(s) including the Managing Director of the Bank.
- iii. Do not interfere in the day - to -day functioning of the bank. This stipulation however does not apply to whole time Director(s) including the Managing Director of the Bank.
- iv. Do not approach or influence for sanction of any kind of facility from an individual branch manager or any other official.
- v. Do not involve yourself in the routine or everyday business and in the management functions. This stipulation however does not apply to whole time Director(s) including the Managing Director of the Bank.
- vi. Do not participate in Board discussion, if a proposal in which you are directly or indirectly interested, comes up for discussion. Disclose your interest well in advance to the Board of Directors of the Bank.
- vii. Do not reveal any information relating to any constituent of the Bank to anyone as you are under oath of secrecy and fidelity.
- viii. Directors, other than whole time director(s) including the Managing Director should not send for individual officers of the bank or give directions to such officers on any matter.
- ix. Discourage individual employees or unions approaching you in any matter.

- x. Directors may indicate directorship of the Bank on their visiting card/letter head, but Directors other than whole-time director(s) including the Managing Director should not, display the logos or distinctive design of the bank on their visiting cards/letterheads.
- xi. Directors, other than Whole time director(s) including the Managing Director, should not directly call for papers/files/notes recorded by various departments for scrutiny etc. In respect of agenda items to be discussed in the meetings, all information/clarification that they may require for taking a decision will be made available by the executives concerned (Divisional Heads of the Bank).
- xii. Directors must ensure confidentiality of the agenda papers/notes. xiii. Do not sponsor any loan proposal, building and sites for Bank's premises, enlistment or empanelment of contractors, architects, doctors and lawyer's etc.
- xiii. Do not do anything, which will interfere with and/or be subversive of maintenance of discipline, good conduct and integrity of staff.

ADDITIONAL REQUIREMENTS FOR INDEPENDENT DIRECTORS

The Directors and Senior Management should facilitate the Independent Directors to perform their role effectively as a Board member and also as a member of any committee of the Board. In addition to the compliance of this Code, Independent Directors are also required to adhere to the Code of Conduct (in line with Schedule-IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations) meant for Independent Directors of the Bank (Annexure - 2).

COMPLIANCE OFFICER

The Company Secretary shall act as Compliance officer for the purpose of the Code, who shall be available to Directors and Senior Management to help them to comply with the Code.

VIOLATION

It shall be the responsibility of every Member of the Board and Member of Senior Management to help enforce this Code. They shall bring to the notice of the Chairman of the Bank any observed material violation of this Code or any other policies or laws as applicable to the Bank or any probability of occurrence of such violations.

DECLARATION

Every member of the Board and member of the Senior Management shall affirm compliance with the Code of Conduct as applicable to them on an annual basis and submit a declaration to that effect in the format prescribed as per Annexure 1, on or before 15th April every year.

A declaration confirming the above duly signed by the Managing Director of the Bank shall be disclosed in the Annual Report of the Bank every year.

DISCLOSURE OF THE POLICY

In compliance to the Listing Regulations, the policy will be posted on the Company's website and the necessary disclosure about the Policy will also be made in the Annual Report of the Bank as per requirements of Listing Regulations and Companies Act, 2013.

OWNERSHIP & REVIEW OF THE POLICY

The policy shall be subject to annual review by the Board. The Board Secretariat shall be responsible for placing the review of the Policy before the Board. Approved revised Policy & Guidelines will remain in force till next review. In case of exigencies and to be in line with regulatory / statutory guidelines the Managing Director is empowered to approve changes /modifications/ amendments/ relaxations/exemptions, if any, required to be made in the policy and same will be placed before the Board for ratification.

Any guideline(s) issued by Regulator/s with regard to Board Diversity and / or any other matter dealt with by this Policy shall be deemed to be part & parcel of this policy for operational purpose with immediate effect.

Annexures 1, 2 & 3

- Annexure 1: Declaration
- Annexure 2: Schedule IV
- Annexure 3: List of Policies

Annexure 1

DECLARATION

To,
The Board of Directors
The Jammu & Kashmir Bank Limited
Corporate Headquarters
M A Road Srinagar-190001
Srinagar India

Dear Sir/Madam,

Sub: Declaration confirming compliance with the Code of Conduct

I, Mr./Mrs./Ms. _____, _____(designation) do and hereby acknowledge and confirm that during the financial year _____, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Members of the Board and Members of Senior Management of the Bank.

Signature:

Name:

Designation:

Place:

Date:

Annexure 2

SCHEDULE IV
[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices

II. Role and functions:

The independent directors shall:

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;

6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there

- is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
 3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
 4. The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
 - a) the term of appointment;
 - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) provision for Directors and Officers (D and O) insurance, if any;
 - e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the company; and
 - g) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
 5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
 6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1. The independent directors of the company shall hold at least one meeting 3["in a financial year"], without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

1. A person shall not serve as an independent director in more than seven listed entities: Provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities.
2. The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.
3. The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.
4. The independent directors in the meeting referred in sub-regulation (3) shall, *inter alia*-
 - a) review the performance of non-independent directors and the board of directors as a whole;
 - b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
5. An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.

6. An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:
Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.
7. The listed entity shall familiarize the independent directors through various programmes about the listed entity, including the following:
 - a) nature of the industry in which the listed entity operates;
 - b) business model of the listed entity;
 - c) roles, rights, responsibilities of independent directors; and
 - d) any other relevant information.

Annexure 3


List of Policies

S.No.	Name of Policy Document
1	Acceptable Use Policy
2	ALM Policy
3	ATM Deployment & Management Policy
4	ATM Replacement Policy
5	Board Diversity Policy
6	Cheque Collection Policy (CCP).
7	Closure of Fraud Cases
8	Code of conduct for Board of Directors & Senior Management of the Bank
9	Code of Practices and Procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by insiders of the Bank.
10	Compensation Policy
11	Compliance Policy
12	Comprehensive Deposit Policy
13	Compromise/Negotiated/One Time Settlement of NPA's
14	Concurrent Audit Policy
15	Corporate Governance Policy
16	Counter Party Credit Risk Policy
17	Creation of Additional / Specific Provisions
18	Creation, Accounting, Disclosure and Utilization of floating provisions
19	Credit Audit Policy
20	Credit Card Policy
21	Credit Information Management - Use of CIBIL services.
22	Credit Policy
23	CSR Policy
24	Customer Compensation Policy
25	Customer Rights Policy
26	Cyber Crisis Management Policy
27	Cyber Security Policy

S.No.	Name of Policy Document
28	Debit Card Policy
29	Desktop Management and Replacement
30	Determination of Materiality of Information / Events
31	Determining Material Subsidiaries
32	Dividend Distribution Policy
33	Empanelment of Lawyers
34	Empanelment of Valuers
35	Engagement of direct selling agents for home loans, and model code of conduct for direct selling agents
36	Foreign Currency Loans
37	Forensic Audit Policy
38	Forex Treasury Operations
39	Framework on Fraud Risk Management & Vigilance
40	Frequent dishonor of cheques / ECS mandates
41	Funding of Defined Benefit Superannuation Schemes
42	Gold Loan Audit Policy
43	Grievance Redressal
44	Hedging of foreign currency exposures
45	Incentivising business units / employees for customer services
46	Information Security Policy
47	Information Systems (IS) Audit Policy.
48	Inoperative and Unclaimed Accounts Policy.
49	Integrated Risk Management Policy
50	Intraday Liquidity Management Policy
51	Investment / Trading Policy for Domestic Treasury
52	IT Assurance Policy.
53	Key Risk Indicators (KRI)
54	Know Your Customer Norms & Anti-Money Laundering Standards
55	Laptop Policy For Executives
56	Legal Audit Policy
57	Loan against Gold Jewellery and Ornaments

S.No.	Name of Policy Document
58	Loan and Investment Recovery Policy
59	Loss Event Management Policy
60	Maintaining close vigil at operational levels for financial discipline
61	Management and Monitoring of Devolvement / Invocation Of LCs & BGs Respectively
62	Management Audit Policy
63	Management of Intra Group Transactions and Exposures (ITES)-policy.
64	Mandatory Leave Policy
65	Market Risk Management Policy
66	MIS Policy & Data and Information Governance (DAIG) framework.
67	Nomination Policy
68	Operational Risk Management Policy
69	Outsourcing Policy
70	Performance Evaluation Policy
71	Physical Security Policy
72	Policy Document on Transfer of Ownership / Operation of a Khidmat Centre
73	Policy for soliciting and servicing of insurance products
74	Policy on disbursal of government pension
75	Policy on undertaking government business (non-pension)
76	Policy on Wilful Defaulters
77	Preservation of documents
78	Pricing of credit products
79	Procurement of goods & services, execution of works, engagement of consultants and acquisition of premises - Manual.
80	Product development and approval policy
81	Project loans policy.
82	Promotion of banking associates/cashier-cum-clerks
83	Promotion policy.
84	Purchase / procurement policy in line with CVC guidelines.
85	Recruitment Policy
86	Related Party Transactions Policy
87	Resolution of Stressed Assets Policy.

S.No.	Name of Policy Document
88	Risk & Control Self-Assessment (RCSA) Policy
89	Risk Based Internal Audit (RBIA) - Policy
90	Risk Management Procedures - CTS 2010 Standard Cheques
91	Safe Deposit Locker Policy
92	Sale of Financial Assets Policy
93	Stock Audit Policy
94	Stress Testing Policy
95	Succession Policy
96	Training Policy
97	Transaction Monitoring Policy
98	Transfer Policy
99	Video Surveillance System (VSS) Policy
100	Web and Application Development Policy
101	Whistle Blower Policy



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