

**The Jammu & Kashmir Bank Ltd.**  
**CODE OF CONDUCT FOR BOARD MEMBERS**  
**AND**  
**SENIOR MANAGEMENT PERSONNEL**

***1.0 Introduction***

1.1 This code of Conduct shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Jammu & Kashmir Bank Ltd. ("Bank"). This code of Conduct is hereinafter referred to as "this Code".

1.2 The subject code has been framed in compliance with the provisions of clause 49 of the listing agreement with stock exchanges.

1.3 It shall come into force with effect from 31st day of December 2005.

***2.0 Bank's Belief System & Philosophy***

2.1 The Bank being a value driven organization, has always endeavored to blend corporate goals with corporate sustainability and good corporate governance with professional approach for enhancing stakeholders' value. This Code of Conduct attempts to set-forth the guiding principles on which the Bank shall operate and conduct its daily business. Customer sovereignty, passion for excellence, continuous innovation, transparency and integrity, people orientation and social responsibilities are the core values of the Bank. Appreciating that over 25,000 shareholders and millions of stakeholders have placed their trust in us, the Bank as a trustee and custodian of public money and in order to fulfill its fiduciary obligations and responsibilities, has to maintain and continue to enjoy the trust and confidence of public at large.

2.2 The Bank acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour. The Bank is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations. The Bank shall continue to initiate policies, which are customer centric and which promote financial prudence.

***3.0 Definitions & Interpretations:***

3.1 The term "Board Members" shall mean Directors on the Board of Directors of the Bank.

3.2 The term "Whole-time Director" shall mean Directors on the Board of Directors of the Bank who are in whole-time employment of the Bank.

3.3 The term "Part-time Director" shall mean Directors on the Board of Directors of the Bank who are not in whole time employment of the Bank.

3.4 The term "Senior Management Personnel" shall mean the Executive President and General Managers of the Bank.

3.5 The term "Relative" shall have the same meaning as defined in Section 6 of the Companies Act, 1956.

3.6 In "this Code" words imparting the masculine shall include feminine and words imparting singular shall include the plural or vice versa.

***4.0 Applicability:***

4.1 This code shall be applicable to the following persons:

a) All whole-time Directors including the Chairman of the Bank.

b) All part-time Directors.

c) Senior Management Personnel of the Bank.

***5.0 GENERAL STANDARDS OF CONDUCT***

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Bank and observe the following code of conduct:

5.1 Shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Bank, without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.

5.2 Shall not involve themselves in making any decision on a subject matter in which a conflict of interest arises or could arise. In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing, explaining the circumstances that create or could create the conflict of interest to the: (a) Board of Directors in case of Directors (whole-time & part-time) and (b) Chairman in case of Senior Management Personnel, for further directions in the matter.

A “conflict of interest” for purpose of this clause occurs when personal interests of any member of the Board of Directors and/or the Senior Management personnel interferes or appears to interfere in any way with the interests of the Bank.

5.3 Shall avoid having any personal financial interest in works or contract awarded by the Bank.

5.4 Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Bank.

5.5 Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interest of the Bank.

5.6 Shall not exploit for their own personal gain, opportunities that are discovered through Bank’s business, information or position, unless the opportunity is disclosed fully in writing to the Bank’s Board of Directors by the Board Members or to the Chairman by the Senior Management personnel, as the case may be.

5.7 Shall not seek or accept any offer, payment, promise to pay, or authorization to pay any money, any gifts, donations, remuneration, hospitality, favour in whatsoever form and howsoever described 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 commitment of fraud, opportunity for committing any fraud.

5.8 Shall comply with all applicable laws, rules and regulations.

5.9 Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Bank, not in public domain and therefore constitute insider information.

5.10 Any information concerning the Bank’s business, its customers, suppliers, etc, which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

5.11 Shall protect the Bank’s assets, labour and information and may not use these for personal use, unless authorized to do so.

#### ***6.00. GOOD CORPORATE GOVERNANCE PRACTICES***

Each member of the Board of Directors of the Bank should adhere to the following list of Do’s and so as to ensure compliance with good Corporate Governance practices.

##### **6.1 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. Management on its part is supposed to furnish full facts and complete papers in advance.
- 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.

## **6.2 Don't's**

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 Chairman & CEO 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 Chairman & CEO 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 Chairman & CEO 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 Chairman & CEO 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 Chairman 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 Chairman 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 Chairman, 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, lawyers etc.

xiv. Do not do anything, which will interfere with and/or be subversive of maintenance of discipline, good conduct and integrity of staff.

## **7.0 Enforcement of Code of Conduct**

7.1 All Functions relating to adherence to “this code” and matters incidental thereto, shall be monitored by the Board of Directors of the Bank.

7.2 Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.

7.3 Breach of this Code, if any, will be reported to the:

(a) Board in case of all Board members; and

(b) Chairman in case of Senior Management Personnel

7.4 All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this Code.

7.5 The Bank shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this Code or other Bank policies, or against any person who is assisting in any investigation or process with respect to such a violation.

7.6 Penalty for breach of this Code by Senior Management Personnel shall be determined by Chairman. In case of breach of this Code by Whole-time Directors and/or Part-time Directors, the same shall be examined by the Board.

7.7 Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any penalty, to the extent permitted by law and as considered appropriate under the circumstances.

**8.0 Waiver and Amendments of the code**

8.1 No waiver of any of the provisions of this Code shall be valid unless, the Board of Directors of the Bank approves such waiver in case of Board members and by Chairman in case of Senior Management Personnel

8.2 The provisions of this Code can be amended by the Board of Directors of the Bank from time to time.

8.3 All decisions by the Board of Bank with regard to interest, interpretation, or application of this code shall be binding upon me.

**9.0 Insertion of the code in website**

As required under clause 49 of the listing agreement this Code and any amendments thereto, shall be posted on the website of the Bank.

**10.0 Affirmation of compliance of the code**

In terms of clause 49 of the listing agreement all Board members and Senior Management Personnel shall within 30 days of close of every financial year, affirm compliance with this Code. A proforma of Annual Compliance Report is annexed to this Code as Appendix-I.

Annual Compliance Report shall be forwarded to the Board of Directors of the Bank through the Board Secretary.

**11.0 Acknowledgement of receipt of the code**

All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code in the acknowledgement form annexed to this Code (Appendix-II) indicating that they have received, read and understood, and agreed to comply with the code. Upon revision of this Code, the Board Members and Senior Management Personnel shall acknowledge the amended Code (Appendix-II) indicating that they have received, read and understood, and agree to comply with the amended code.

**APPENDIX I**

**ANNUAL CERTIFICATION: CODE OF CONDUCT FOR THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

I, ..... hereby certify and acknowledge that:

- (i) I am a member on the Board of Directors/Senior Management personnel of the JK Bank,
- (ii) I have received, read, and understood the Code of Conduct for the Board Members and Senior Management Personnel of the Jammu & Kashmir Bank Ltd
- (iii) such Code has been and is applicable to my duties as a member of such Board of Directors/Senior Management Personnel;
- (iv) I have complied and am in compliance with such Code; and
- (v) I am not aware of any non-compliance with such Code by others.

Signed: \_\_\_\_\_

Name : \_\_\_\_\_

Designation \_\_\_\_\_

Date : \_\_\_\_\_

**APPENDIX II**

**ACKNOWLEDGEMENT RECEIPT**

*(Acknowledging my receipt of a copy of the Code of Conduct for the Board Members and Senior Management Personnel and my understanding of the policies described therein)*

I .....have received, read and understood Code of Conduct/Code of Conduct as amended\* for the Board Members and Senior Management Personnel of the Jammu & Kashmir Bank Ltd.

I understand that all policies as presented are subject to change at the sole desecration of the Board of Directors of Jammu & Kashmir Bank Ltd. ( JK Bank) at any time. I understand and agree that any

revision(s) or Update(s) to the code, whether posted on JK Bank's website, sent to my web mail account, or otherwise communicated to me, shall apply to me.

Signed : \_\_\_\_\_

Name : \_\_\_\_\_

Designation \_\_\_\_\_

Date : \_\_\_\_\_