



Corporate Governance Policy

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PART A

1. INTRODUCTION

Corporate Governance encompasses a set of relationships between a company's management, its board, its shareholders and other stakeholders which provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance. It helps define the way authority and responsibility are allocated and how corporate decisions are made. Corporate Governance has been defined as 'to conduct the business in accordance with owner or shareholders' desires, which generally will be to make as much money as possible, while conforming to the basic rules of the society embodied in law and local customs (*Milton Friedman*)'

The timely and accurate disclosure of information regarding the financial situation, performance, board constitution, ownership of the Bank etc. is an important part of Corporate Governance. Corporate Governance arrangements are those through which an organization directs and controls itself and the people associated with it. The Policy ensures proper alignment with best practices in Corporate Governance. This document enunciates the Corporate Governance Policy of the Bank and codifies its values, ethos, and culture. Corporate Governance is a process that aims to meet Stakeholder's aspirations and societal expectations. It is not a discipline imposed by a Regulator, but is a culture that guides the Board, Management and Employees to function towards best interest of Stakeholders.

The Corporate Governance philosophy in J&K Bank (Bank) stems from the belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Bank strongly believes in ethical values and self-discipline to achieve higher standard of Corporate Governance and continues to strive for excellence in business operations through transparency, accountability to its stakeholders, Government and others who deal with the Bank.

The following Policy has been adopted by the Board of Directors to assist the members of Board / various committees of the board and Key Managerial Personnel of the Bank in the exercise of their responsibilities.

2. BANK'S VISION, MISSION AND VALUES

J&K Bank is one of India's leading old generation private sector banks, which offers a range of financial products and services.

I. VISION

“Pioneering the economic and social transformation”

To become a committed partner in fostering economic and social transformation across the country through a deep commitment to value creation for all our stakeholders, while continuing to build on our historic business relationship with Jammu & Kashmir and Ladakh.

II. MISSION

- To acquire an enhanced business footprint across geographies and emerge as a prominent national brand in the financial sector.
- To position the Bank as the “Most Preferred Bank” for Customer focus, Operational Excellence and High Integrity towards one and all stakeholders.
- To be the best-in-class financial intermediary, leveraging our digital and physical banking channels;

- To observe customer centricity through service excellence, integrity and transparency, and a comprehensive range of innovative products and services responsive to customer needs.
- To be a lean, learning and efficient banking organization focusing on prudent, sustainable, profitable growth and value creation.
- To adopt the best standards for corporate governance, business ethics and risk management.
- To vigorously promote financial inclusion as a business proposition to harness the potential at the bottom of the pyramid.

III. VALUES

Values that define how we work:

- Excellence
- People Engagement
- Integrity
- Customer Centricity

3. BASEL COMMITTEE FOR BANKING SUPERVISION - CORPORATE GOVERNANCE

PRINCIPLES FOR BANKS

Bank also adopts the following sound Corporate Governance principles prescribed under BASEL norms by Bank for International Settlements (BIS)

Principle 1: Board's overall responsibilities

The Board has overall responsibility for 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 oversight of Senior Management.

Principle 2: Board Qualifications and Composition

Board Members should be and remain qualified, individually and collectively, including through training for their positions. They should understand their oversight and corporate governance role and be able to exercise sound, 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 means for such practices to be followed and periodically reviewed for ongoing effectiveness.

Principle 4: Senior Management

Under the direction and oversight of the Board, Senior Management should carry out and manage the Bank's activities in a manner consistent with the business strategy, risk appetite, remuneration, and other policies approved by the Bank.

Principle 5: Governance of Group Structure

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 organizational structure and the risk 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, external risk landscape and in industry practice.

Principle 8: Risk Communication

An effective risk governance framework requires robust communication within the Bank about risk, both across the organization and through reporting to the Board and Senior Management.

Principle 9: Compliance

The Bank's Board of Directors 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 10: 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 11: Compensation

The Bank's remuneration structure should support sound Corporate Governance and Risk Management.

Principle 12: Disclosure and Transparency

The governance of the Bank should be adequately transparent to its shareholders, depositors, other relevant stakeholders and market participants.

4. FACETS OF CORPORATE GOVERNANCE

A. Board of Directors

- Composition of the Board
- Responsibilities of the Directors
- Powers of the Board
- Committee of Directors
- Code of Conduct
- Role of Company Secretary

B. Investor Relations

- Grievance Redressal Mechanism
- Efficient Share Transfer Mechanism

- Investor Related Information to be provided in the Annual Report
- Policy on Prohibition of Insider-trading

C. Financial Disclosures & Controls

- Timely reporting of financial results
- Disclosure Standards
- Adoption of Universally Accepted Accounting and Disclosure Policies
- Effectiveness of the system of Internal Financial Control

D. Corporate Citizen

- Active participation in community development programmes with Corporate Social Responsibility
- Fair and Ethical business practices

PART B

A. BOARD OF DIRECTORS

The Board is responsible to act in the best interests of the Bank and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board. The Directors are expected to attend and actively participate in Board Meetings and Meetings of the Committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. The Board is responsible for overall compliance with the Corporate Governance Policy of the Bank. It oversees and directs the management of the Bank's business and affairs. In doing so, it must act honestly, in good faith and in the best interests of the Bank.

Setting 'Fit and proper' criteria for Directors of Banks:

Taking cue from the recommendations of the Ganguly Committee Report, the concept of 'fit and proper' criteria for directors of banks was formally enunciated in November 2003. It included the process of collecting information, exercising due diligence and constitution of a Nomination Committee of the Board to scrutinize the declarations made by the bank directors pursuant to RBI circular DBOD.No.BC.105/08.139.001/2003-04 dated June 25, 2004 annexed as **Annexure I**.

i. BOARD COMPOSITION

The Composition of the Board of the Bank should be in line with the provisions of the Banking Regulations Act, 1949, Companies Act, 2013, Listing Regulations and RBI Guidelines vide circular DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 annexed as **Annexure II** and the Articles of Association of the Bank as reproduced hereunder:

a) Banking Regulation Act 1949 - Section 10A

(2) Not less than fifty-one per cent, of the total number of members of the Board of Directors of a banking company shall consist of persons, who- (a) shall have special knowledge or practical experience in respect of one or more of the following matters, namely:-

- (i) accountancy,*
- (ii) agriculture and rural economy,*
- (iii) banking,*
- (iv) co-operation,*
- (v) economics,*
- (vi) finance,*

(vii) law,

(viii) small-scale industry,

(ix) any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the banking company:

PROVIDED that out of the aforesaid number of Directors, not less than two shall be persons having special knowledge or practical experience in respect of agriculture and rural economy, co-operation or small-scale industry; and

(b) shall not- (1) have substantial interest in, or be connected with, whether as employee, manager or Managing agent,-

(i) any company, not being a company registered under section 25 of the Companies Act, 1956 (1 of 1956), or

(ii) any firm, which carries on any trade, commerce or industry and which, in either case, is not a small-scale industrial concern, or (2) be proprietors of any trading, commercial or industrial concern, not being a small-scale industrial concern.

1[(2A) Notwithstanding anything to the contrary contained in the Companies Act, 1956 (1 of 1956), or in any other law for the time being in force,- (i) no Director of a banking company, other than its Chairman or whole-time Director, by whatever name called, shall hold office continuously for a period exceeding eight years;

(ii) a Chairman or other whole-time Director of a banking company who has been removed from office as such Chairman, or whole-time Director, as the case may be, under the provisions of this Act shall also cease to be a Director of the banking company and shall also not be eligible to be appointed as a Director of such banking company, whether by election or co-option or otherwise, for a period of four years from the date of his ceasing to be the -Chairman or whole-time Director as the case may be.]

(3) If, in respect of any banking company the requirements, as laid down in subsection (2), are not fulfilled at any time, the Board of Directors of such banking company shall re-constitute such Board so as to ensure that the said requirements are fulfilled.

(4) If, for the purpose of re-constituting the Board under sub-section (3), it is necessary to retire any Director or Directors, the Board may, by lots drawn in such manner as may be prescribed, decide which Director or Directors shall cease to hold office and such decision shall be binding on every Director of the Board.

(5) Where the Reserve Bank is of opinion that the composition of the Board of Directors of a banking company is such that it does not fulfil the requirements of subsection (2), it may, after giving to such banking company a reasonable opportunity of being heard, by an order in writing, direct the banking company to so re-constitute its Board of Directors as to ensure that the said requirements are fulfilled and, if within two months from the date of receipt of that order, the banking company does not comply with the directions made by the Reserve Bank, that Bank may, after determining, by lots drawn in such manner as may be prescribed, the person who ought to be removed from the membership of the Board of Directors, remove such person from the office of the Director of banking company and with a view to complying with the provision of sub-section (2) appoint a suitable person as a member of the Board of Directors in the place of the person so removed whereupon the person so appointed shall be deemed to have been duly elected by the banking company as its Director.

(6) Every appointment, removal or reconstitution duly made, and every election duly held, under this section shall be final and shall not be called into question in any court.

(7) Every Director elected or, as the case may be, appointed under this section shall hold office until the date up to which his predecessor would have held office, if the election had not been held, or, as the case may be, the appointment had not been made.

(8) No act or proceeding of the Board of Directors of a banking company shall be invalid by reason only of any defect in the composition thereof or on the ground that it is subsequently discovered that any of its members did not fulfil the requirements of this section.

b) Companies Act, 2013 - Section 149

(1) Every company shall have a Board of Directors consisting of individuals as directors and shall have— (a) a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; and

(b) a maximum of fifteen directors: Provided that a company may appoint more than fifteen directors after passing a special resolution:

Provided further that such class or classes of companies as may be prescribed, shall have at least one woman director.

(3) Every company shall have at least one director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.

(4) Every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies

(7) Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6).

(8) The company and independent directors shall abide by the provisions specified in Schedule IV.

(9) Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

(10) Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

(11) Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director: Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

(12) Notwithstanding anything contained in the Act,— (i) an independent director; (ii) a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

(13) The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

c) Articles of Association

- 69 (i) Subject to the Provisions of the Companies Act, The Banking Regulation Act, SEBI Regulations and these Articles, the Chairman of the Board shall be a Non - Executive Director. The number of Directors on the Board of the Bank shall not be more than fifteen or less than six. Not more than two of these Directors shall be appointed by the Government, who will be called Government Directors; provided that no Director other than a Government Director shall be elected as Managing Director of the Bank.
- (iii) Government Directors will continue in their offices so long as their appointment is not cancelled by the Government.
- 70 (i) The Directors shall have the power from time to time and at any point of time to appoint independent directors subject to approval of Shareholders in compliance with the requirements of applicable laws.
- Provided that independent directors shall hold office for a term upto 3 consecutive years on the Board of the Bank from the date of appointment, but shall be eligible for re-appointment in accordance with the provisions of the Companies Act, 2013.
- (ii) Directors shall be entitled to payment of Sitting Fee for attending the meetings of the Board or Committees thereof. Sitting Fee shall be paid to a Director other than:
- (a) Managing Director;
 - (b) Executive Director(s);
 - (c) Director(s) nominated by the Government and who is /are in the employment of the Government, or
 - (d) Director(s) who is/are in the employment of Government, and
 - (e) Additional Director(s) appointed by the Reserve Bank of India and who is/are in the employment of RBI.
- for attending a meeting of Board or Committee irrespective of the number of days for which the meeting may continue, shall be Rs.40000/-. Besides a fee admissible to a Director for attending the meeting, any Director who comes to attend a Board Meeting or a meeting of a Committee of the Board held at a place other than the place of his usual residence, shall, besides the travelling allowance admissible, be entitled to halage as shown in the Article 70 (A) for the day/s the Director has to stay at such place, in connection with a meeting, and also for any extra day or days or onward or return journey connected with the meeting and involving air and/or rail travel.
- 70 (A) Directors shall be paid all travelling, hotel & other expenses incurred by them respectively in attending and returning from the meeting of the Board of Directors or any Committee thereof or General Meeting of the Company, or in connection with the business of the Company.

- 70 A Director including a part time Chairman who is neither in the whole time
(B) employment of the Bank nor a Managing Director, if called upon and willing to render extra services whether of a professional or non-professional nature may be paid remuneration either by way of monthly, quarterly or annual payment or by way of commission, as may be determined by the Board, subject to the provisions of the Act.

A copy of Memorandum and Articles of Association has been annexed as **Annexure III**.

d) Listing Regulations (Regulation 17)

- (1) The composition of board of directors of the listed entity shall be as follows:*
- (a) board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors;*
- (b) where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors:*
Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.
- (2) The board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.*
- (3) The board of directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.*
- (4) The board of directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management.*
- (5)(a) The board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity.*
(b) The code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.
- (6)(a) The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.*
(b) The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.
- (c) The approval of shareholders mentioned in clause (a), shall specify the limits for the maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate.*
- (d) Independent directors shall not be entitled to any stock option.*
- (7) The minimum information to be placed before the board of directors is specified in Part A of Schedule II.*
- (8) The chief executive officer and the chief financial officer shall provide the compliance certificate to the board of directors as specified in Part B of Schedule II.*
- (9)(a) The listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures.*
(b) The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

(10) The performance evaluation of independent directors shall be done by the entire board of directors: Provided that in the above evaluation the directors who are subject to evaluation shall not participate

ii. BOARD RESPONSIBILITIES

The Board of Directors has the ultimate responsibility for the overall management of the Bank. The Board guides the Bank to achieve its objectives in a prudent and efficient manner. The Board shall be primarily responsible for ensuring that all financial transactions are legal and that all disclosures are made as per regulations. The responsibility of the Management is to implement the strategy for the Bank that is designed to deliver increasing value to the shareholders. The Board shall ensure that information flows upward and the authority flows downward and thus the Bank is under their control, direction and superintendence.

In the interest of good governance, all the key information shall be placed before the Board, and must form part of the agenda papers. The calendar of agenda/reviews as prescribed by RBI from time to time shall normally form part of the agenda for the Board Meeting.

Bank shall put in place various policies, which are approved by the Board. Bank shall conduct its operations /activities within the parameters laid down under these policies. All the policies shall ordinarily be placed before the Board for review at least once every year, unless longer period is prescribed by the respective policies.

The Non-Executive/Independent Directors shall execute the 'Deed of Covenant' as per the Report of the Consultative Group of Directors on Banks and Financial Institutions (Dr. Ganguly Group) and also as per the recommendations of RBI and as per the guidelines of Reserve Bank of India for shareholder directors.

All the Directors and Senior Management of the Bank shall affirm the Code of Conduct annually as adopted by the Board of Directors of the Bank. The Annual Report shall contain a declaration to this effect signed by the Chief Executive Officer (CEO) of Bank.

Some of the major responsibilities of Board of Directors are to:

- i. Ensure that the Governance Principles set for the Bank comply with all relevant laws, regulations and other applicable codes of conduct.
- ii. Set the business policies in consultation with the Management of the Bank.
- iii. Provide strategic guidance for implementation of business policy and structure a management information system for review and course correction.
- iv. Ensure proper implementation of the guidelines of the business & other policies and take action as under:
 - a. Establish appropriate systems to regulate the risk appetite and risk profile of the Bank. It will also enable identification and measurement of significant risks to which the Bank is exposed in order to develop an effective risk management system.
 - b. Ensure that all supervisory/regulatory directions are complied and the supervisor's recommendations are utilized in the assessment of the performance of the Senior Management in implementation of Board philosophy.
 - c. Ensure that the IT systems in the Bank are appropriate and have built in checks and balances to guarantee data integrity.
 - d. Formulate, adopt and review of the various policies prescribed by various Statutory Authorities from time to time.
 - e. Set Standards of Business Conduct and Ethical Behaviour for Members and Senior Management.

- f. Ensure that the Bank has in place a robust compliance system for all applicable laws and regulations
- g. Prescribe the forms and frequency of reporting to the Board in respect of each of the above areas of responsibility.
- v. Set up sound system of internal controls and audit including Financial, Operational and Compliance controls and annual review of such system for their effectiveness.
- vi. Monitor the financial performance of the Bank and ensure that the financial results are prepared in accordance with the Generally Accepted Accounting Principles (GAAP)/ Indian Accounting Standards (Ind AS), and regulations issued by the RBI and are reported to shareholders and regulators on a timely and regular basis.
- vii. Ensure that all material developments of the Bank are disclosed to the public on a timely basis in accordance with the Standard Listing Regulations requirement.
- viii. Delegate the responsibilities to mandated/other recommended Empowered Committee of Directors in discharging of the above governance functions while retaining its primary accountability.
- ix. Execute such other duties as defined under the relevant Government of India/RBI Guidelines.

iii. POWERS OF THE BOARD

The Board of Directors is vested with the powers of general superintendence, direction and management of affairs and business of the Bank. It is entitled to exercise all such powers and do all such acts and things as the Bank is authorized to exercise and do. However, in discharging its functions, it is guided by the directions of the Government of J&K on matters of policy involving public interest. The management of the business of the Bank shall be carried on by the Managing Director subject to the control of the Board of Directors. The Directors may exercise all such powers and do all such acts and things as the Bank is, by its Memorandum & Articles of Association or otherwise, authorized to exercise and do and are not hereby or by statute directed or required to be made exercised or done by the Bank in General Meeting but subject nevertheless to the provisions of the Companies Act, and of Articles of Association and to any rules not being inconsistent with the Articles of Association from time to time made by the Bank in General Meeting provided that no such rules shall invalidate any prior act of the Directors which would have been valid if such rules had not been made. Without prejudice to the general powers stated above, the Board of Directors is conferred other powers by the Article 72 of Articles of Association.

iv. APPOINTMENT AND TENURE OF OFFICE OF DIRECTORS

The appointment and tenure of office of Directors shall be as specified in the Articles of Association - Article 69 to Article 97 as amended from time to time or as per terms of appointment indicated to them.

The upper age limit for Whole Time Directors shall be 70 years and no person can continue as a Whole Time Director beyond the age of 70 years. Subject to the statutory approvals required from time to time, the post of the MD&CEO or Whole Time Director cannot be held by the same incumbent for more than 15 years. The individual will be eligible for re-appointment as MD&CEO or Whole Time Director in the Bank, if considered necessary and desirable by the Board, after a minimum gap of three years, subject to meeting other conditions. During this three-year cooling period, the individual shall not be appointed or associated with the Bank or its group entities in any capacity, either directly or indirectly.

The upper age limit for Non-Executive Directors, including the Chair of the Board, shall be 75 years and after attaining the age of 75 years, no person can continue in these positions. The total tenure of a Non-Executive Director, continuously or otherwise, on the Board of the

Bank, shall not exceed eight years. After completing eight years on the Board of the Bank, the person may be considered for re-appointment only after a minimum gap of three years.

v. ROLE AND RESPONSIBILITIES OF MANAGING DIRECTOR AND CHAIRMAN

“Managing Director” means a Director who, subject to the superintendence, control and direction of the Board of Directors is entrusted with the substantial powers of the management of the affairs of the Bank and includes a Director occupying the position of Managing Director by whatever name called. The Chairman of the Board shall be an Independent Director. In absence of the Chair of the Board, the meetings of the Board shall be chaired by an Independent Director. Questions arising at any meeting shall be decided by majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. The Chairman of the Board of Directors shall if present and willing, preside at every General Meeting whether ordinary or extraordinary. The Chairman will:

- a. Provide leadership to the Board and would be responsible for its effective overall functioning and maintaining a relationship of trust between Board Members.
- b. Facilitate in conducting the meeting smoothly and effectively in order to enable the Board to provide overall policy direction to the Management in key areas such as business strategy, risk management, audit governance and human resources development.
- c. Chair the Board meeting and ensure that all necessary information / inputs are put up to the Board.
- d. Ensure that Board decisions are taken on a sound and well informed basis, and are properly recorded.
- e. Encourage and promote critical discussion and ensure that dissenting views can be freely expressed and discussed within the decision-making process.
- f. Promote and ensure that appropriate checks and balances are incorporated while deciding on various agenda items of the Board.

The Bank shall follow the tenure of appointment, duties, remuneration and fees, guidelines on professional conduct, roles and functions, as specified for the MD & CEO and Chairman in the Articles of Association and as per regulatory guidelines.

vi. ROLES OF NON-EXECUTIVE DIRECTORS

The Non-Executive / Independent Directors play an important role in deliberations at the Board meeting and bring to the Bank their wide experience in the fields of finance, housing, accountancy, law, technology, public policy, engineering and industry. In view of the diverse background, qualifications and experience of the non-whole time directors, it is the endeavour of the Bank to impart internal or external training to them in matters of banking, regulatory requirements and current trends in global banking.

The Non-Executive Directors shall play an increasingly important role as the representatives of shareholders and other stakeholders. In this connection they shall:

- Attend the meetings regularly.
- Be active participants in board meetings, and not passive advisors.
- Have clearly defined responsibilities within the board.
- Analyse & interpret various statutes, laws, their implications and accounts presented to them.
- Play an increasingly important role as the representatives of shareholders and other stakeholders and in overseeing the performance of whole time directors.
- Be allowed to take independent, professional advice, on matters of vital importance for which an agreed procedure shall be established.

- Bring an independent judgment to bear on issues of strategy, performance, resource planning, appointment of key personnel and prescription of standards of conduct, and be active, have defined responsibilities and be conversant with Bank's account.

In accordance with the Regulation 17(5) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') the Bank has framed a policy on Code of Conduct for Board of Directors and Senior Management of the Bank in order to exercise good judgement, to ensure the interests, safety and welfare of customers, employees & other stakeholders and to maintain a cooperative efficient, positive, harmonious and productive work environment. The policy also includes Code of Conduct for Independent Directors. All the Directors are expected to adhere to the code in letter and spirit.

vii. EVALUATION MECHANISM:

The Bank has a Board approved policy for performance evaluation for the Board/ Committees of the Board and Members of the Board. The objective of this policy is to formulate the procedure and also to prescribe and lay down the criteria to evaluate the performance of the entire Board, each individual Director and the Committees of the Board of the Bank. The performance evaluation shall be carried out as per the said policy document.

viii. COMPENSATION / SITTING FEES

The remuneration and sitting fees payable to the Non-Executive Directors shall be in accordance with the Articles of Association and the Compensation Policy of the Bank. The remuneration to Whole Time Directors shall be decided by the Board of Directors in line with the compensation policy of the Bank, subject to prior approval of Reserve Bank of India.

ix. BOARD MEETINGS

The Board shall meet regularly, retain full and effective control over the Bank and monitor the executive management. The meetings of the Board shall ordinarily be held at least six times in a year and at least once in every quarter. Meetings of the Committees of the Board shall be held as required under the statutes/guidelines/Listing Regulations governing such meetings and as often as required by the circumstances.

The Meetings of the Board/Committees of the Board shall be held within reasonable time and ordinarily at the Head Office of the Bank or at such other place as the Board/Committee may decide. In no case the time period between the two continuous Board Meetings shall exceed 120 days.

x. NOTICE AND AGENDA FOR THE BOARD MEETINGS

The Notice of the Meetings of the Board generally be given at least 07 days (exclusive of the notice date and date of meeting) before the date of Meeting and in case of intervening changes in Meeting Date and/or Place be also notified in short notice due to administrative reasons, if any, after obtaining approval from the Chairman of the Board. Meetings at shorter notice may also be convened to address specific urgent need or with consent of all the Directors. In case of exigencies or urgency, resolutions can also be passed by circulation among Directors as per the provisions of the statutes/guidelines/Listing Regulations applicable to the Bank.

The agenda for the Board Meetings along with information relevant to the agenda shall be sent in writing or electronically to the Directors at least 7 days prior to Meeting to facilitate informed decisions at the Meeting. In exceptional cases, agenda may also be sent to Directors 2 days prior to the Meeting. Further, in case of any sensitive matter in the agenda, relevant information shall be made available only at the time of the Board Meeting as a table agenda.

The agenda may also be circulated electronically through software specific mode available for conducting Board Meetings.

xi. ATTENDANCE AT BOARD MEETINGS

The Board Meetings shall be attended by the Directors and on invitation of the Board by executives of the Bank who can provide an insight into the agenda items being discussed. All the Directors shall endeavour to attend all meetings of the Board.

In case, a Director cannot attend a specific Board Meeting, he or she shall obtain leave of absence from the Board.

Any Director, upon notice, can participate in the Board through video conferencing or such electronic means, as may be specified, except for the agenda items, which are expressly prohibited by law, to be transacted through video conferencing.

xii. QUORUM FOR BOARD MEETINGS

The quorum for the Board Meetings shall be one-third of the total strength of the Board or three Directors, whichever is higher. At least half of the Directors attending the Meetings of the Board shall be Independent Directors.

xiii. MINUTES OF THE BOARD MEETING

The draft minutes of all meetings of the Board/Committee shall, as soon as possible, after the conclusion of meetings, be circulated by hand or by e-mail or by any other recognized electronic means, to all the Members of the Board or the Committee, for their comments.

The Directors, whether present at the Meeting or not, shall communicate their comments, if any, in writing on the draft Minutes, so that the Minutes are finalized and entered in the Minutes Book within the statutory period of 30 days fixed by the Companies Act, 2013 and the rules framed thereunder read with Secretarial Standards issued by the Institute of Company Secretaries of India.

In the event, a Director does not comment on the draft Minutes within a reasonable timeframe, the draft Minutes shall be deemed to have been approved by such Director. A Director, who ceases to be a Director after a Meeting of the Board, is entitled to receive the draft Minutes of that particular Meeting and to offer comments thereon, irrespective of whether he attended such Meeting or not.

The minutes of all meetings of the Board or Committees shall be confirmed in the next Board/Committee Meeting.

xiv. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Bank may constitute various committees of Directors and / or executives to look into areas of strategic importance in terms of Reserve Bank of India / SEBI / Government of India guidelines on Corporate Governance and Risk Management.

The important committees are as under:

- Management Committee
- Audit Committee
- Integrated Risk Management Committee
- Information Technology Strategy Committee
- Special Committee of Board on Frauds
- Corporate Social Responsibility Committee
- Customer Service Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Human Resource Development Committee
- Legal & impaired Assets Resolution Committee
- Investment Committee

a) Management Committee (MCB):

Composition:

The Committee shall comprise of at least three directors, with at least one being an independent director.

Terms of Reference:

- i. take all credit decisions (fresh / renewal / enhancement, regular / ad-hoc) of funded and non-funded credit facilities conforming to the credit policy of the Bank within such authority as delegated to it by the Board from time to time.;
- ii. take all decisions of remission, settlement, and sale / securitization of bad debts (loans / investments), sacrifice of principal / interest on settlement of bad debts, restructuring of loans as per 'NPA Recovery Policy' of the Bank within such authority as delegated to the Committee by the Board from time to time;
- iii. take all decisions regarding modification / relaxation of terms & conditions of sanctioned loans & advances, waiver / discount of charges (LPC, Penal Interest, etc.), reduction in interest rate of loans & advances, within delegated powers.;
- iv. take credit decisions regarding proposals in deviation of credit norms / policy within its delegated powers;
- v. monitor the credit and investment exposures of the Bank, review the adequacy of the credit and investment risk management processes and policies, internal control systems and compliance of statutory, regulatory and other applicable norms.;
- vi. periodically review the large corporate loans and advances appearing in SMA lists;
- vii. take note of the details of credit facilities sanctioned by Managing Director / Executive Credit Committee and call for more particulars/comments/clarifications, if found necessary;
- viii. take note of the details of credit facilities sanctioned by Managing Director / Executive Credit Committee in deviation of Credit Policy norms and call for more particulars/comments/clarifications, if found necessary;

- ix. take note of the details of relaxations / reduction of interest rate on credit facilities sanctioned by Managing Director / Executive Credit Committee and call for more particulars/comments/clarifications, if found necessary;
- x. take note of the details of compromise settlements approved by Managing Director / President level committees and call for more particulars/comments/clarifications, if necessary;
- xi. periodically review Non-Performing Assets of large value (Rs. 5 crore and above) and also a pool of NPAs in various categories (substandard, doubtful and loss);
- xii. Committee shall recommend the compromise proposals beyond their power to the Board of Directors for approval;
- xiii. Committee shall give its suggestions regarding 'Credit Policy of the Bank' and 'NPA Recovery Policy' to the Board for consideration;
- xiv. all credit proposals submitted for approval to the Management Committee of Board must include statement containing impact of the credit proposal on the capital of the Bank by the Chief Risk Officer.

Quorum:

The quorum for a meeting of the committee shall be one third of the members of the committee or two members, whichever is greater.

Frequency of Meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee as and when required during in a year.

b) Audit Committee (ACB):

Composition:

- a) The Audit Committee shall have minimum three Directors as Members.
- b) The ACB shall be constituted with only Non-Executive Directors (NEDs).
- c) The Chair of the Board shall not be a Member of the ACB.
- d) The meetings of the ACB shall be chaired by an Independent Director who shall not chair any other Committee of the Board.
- e) The Chair of the ACB shall not be a Member of any Committee of the Board which has a mandate of sanctioning credit exposures.
- f) Two-thirds of the Members of Audit Committee shall be Independent Directors.
- g) All Members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- h) The Chair of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries.
- i) The Company Secretary shall act as the Secretary to the Audit Committee.
- j) The Audit Committee at its discretion shall invite the head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the Committee. However, occasionally the Audit Committee may meet without the presence of any executives of the listed entity.

Terms of reference:

The Audit Committee shall act in accordance with the terms of reference specified under the provisions of the Companies Act, 2013, Listing Regulations, RBI Guidelines and as specified by the Board of the Bank from time to time.

The role and functions of the Audit Committee stated under the aforesaid statutory and regulatory enactments is provided as under:-

Companies Act, 2013

- a) The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, *inter alia*, include,—
 - i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - iii. examination of the financial statement and the auditors' report thereon;
 - iv. approval or any subsequent modification of transactions of the company with related parties;
 - v. scrutiny of inter-corporate loans and investments;
 - vi. valuation of undertakings or assets of the company, wherever it is necessary;
 - vii. evaluation of internal financial controls and risk management systems;
 - viii. monitoring the end use of funds raised through public offers and related matters.
- b) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- c) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- d) The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.
- e) The Board's report under sub-section (3) of section 134 of the Companies Act, 2013 shall disclose the Composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in such report along with the reasons therefor.
- f) Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- g) The vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The

details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.

- h) The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Listing Regulations {Regulation 18 & Part C of Schedule II of SEBI (LODR) Regulations, 2015}

- (A). The role of the Audit Committee shall include the following:
- (i) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (ii) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
 - (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
 - (v) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - (vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (viii) approval or any subsequent modification of transactions of the listed entity with related parties;
 - (ix) scrutiny of inter-corporate loans and investments;
 - (x) valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - (xi) evaluation of internal financial controls and risk management systems;

- (xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) discussion with internal auditors of any significant findings and follow up there on;
- (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(B). The Audit Committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- (6) statement of deviations;
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).

RBI Regulations

*{DOS.No.BC.3/08.91.020/96 dated 20.01.1997 &
DBS.ARC.BC.01/08.91.020/2017-18 dated 13.07.2017}*

- ACB should provide direction as also oversee the operation of the total audit function in the Bank. Total audit function will imply the organisation, operationalisation and quality control of internal audit and inspection within the Bank and follow-up on the statutory/ external audit of the Bank and inspections of RBI.
- As regards internal audit, ACB should review the internal inspection/audit function in the Bank - the system, its quality and effectiveness in terms of

- follow-up. It should review the inspection reports of specialized and extra-large branches and all branches with unsatisfactory ratings.
- It should also specially focus on the follow-up on :
 - ✓ Inter-branch adjustment accounts,
 - ✓ Unreconciled long outstanding entries in inter-bank accounts and nostro accounts,
 - ✓ Arrears in balancing of books at various branches,
 - ✓ Frauds, and
 - ✓ All other major areas of house-keeping.
 - It should obtain and review half-yearly reports from the Compliance Officers appointed in the banks in terms of RBI instructions,
 - Regarding statutory audits, ACB should follow-up on all the issues raised in the Long Form Audit Report (LFAR),,
 - It should inter-act with the external auditors before the finalisation of the annual/semi-annual financial accounts and reports,
 - ACB should follow up on all the issues/concerns raised in the inspection reports of RBI.

Further in terms of RBI circular no. DBS.ARS.BC. No. 4/ 08.91.020/ 2010-11 dated 10.11.2010 a comprehensive calendar of reviews is to be placed before ACB as enumerated below:

Quarterly

- a) Exposure to sensitive sectors i.e. capital market & real estate.
- b) KYC / AML Guidelines –
 - (i) Review of implementation
 - (ii) Review of compliance of concurrent audit reports with respect to adherence to KYC / AML guidelines at branches.
- c) Review of housekeeping - particularly balancing and reconciliation of long outstanding entries Suspense / Sundries / Drafts payable / paid / Funds in Transit / Clearing / SGL / CSGL accounts.
- d) Review of compliance in respect of the Annual Financial Inspection conducted by RBI (ACB should review this on ongoing basis till the Bank furnishes full compliance. ACB should closely monitor persisting deficiencies pointed out in RBI Inspection Reports.
- e) Review of Audit plan and status of achievement thereof.
- f) Review of significant Audit Findings of the following audits along with the compliance thereof –
 - (i) LFAR
 - (ii) Concurrent Audit
 - (iii) Internal Inspection
 - (iv) I.S. Audit of Data Centre
 - (v) Treasury and Derivatives
 - (vi) Management Audit at Controlling Offices / Head Offices
 - (vii) Audit of Service Branches
 - (viii) Currency Chest
 - (ix) FEMA Audit of branches authorized to deal in foreign exchange, etc.
- g) Compliance report on directives issued by ACB / Board / RBI.
- h) Report on compliance of clause 49 and other guidelines issued by SEBI from time to time.
- i) Report on compliance of regulatory requirement of Regulators in Host Countries in respect of overseas branches.

- j) Review of Frauds (frauds of Rs.1 crore and above to be reviewed as and when reported).
- k) Review of financial results for the quarter.
- l) Review of information on violations by various functionaries in the exercise of discretionary powers.
- m) Information in respect of equity share holdings in borrower companies more than 30% of their paid up capital.

Half Yearly

- a) Status of implementation of Ghosh and Jilani Committee reports.
- b) Detailed report on fraudulent transactions relating to Internet Banking through phishing attacks pointing out in particular the deficiencies in the existing systems and steps taken by the IT department to prevent such cases.

Annual

- a) Change in accounting policy and practices which may have significant bearing on financial statements. A confirmation that accounting policies are in compliance with accounting standards and RBI guidelines.
- b) Review of IS Audit Policy
- c) Review of transactions with related parties
- d) Review of accounting policies / systems of the Bank with a view to ensuring greater transparency in the Bank's accounts and adequacy of accounting standards.
- e) Review of adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- f) Review of the bank's financial and risk management policies.
- g) Review of annual accounts of the Bank.
- h) Appointment of statutory auditors and review of performance - both for domestic and overseas operations.
- i) Penalties imposed / penal action taken against Bank under various laws and statutes and action taken for corrective measures.
- j) Review of report on revenue leakage detected by Internal / External Auditors and status of recovery thereof - reasons for undercharges and steps taken to prevent revenue leakage.

Quorum:

The Audit Committee of Board shall meet with a quorum of three Members. At least two-thirds of the Members attending the meeting of the ACB shall be Independent Directors.

Frequency of Meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee but the Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.

c) Integrated Risk Management Committee:

Composition:

The Committee shall comprise of majority of Non-Executive Directors and the meetings of Committee shall be chaired by an Independent Director who shall not be a Chair of

the Board or any other Committee of the Board. The Chair of the Board may be a Member of the Integrated Risk Management Committee only if he/she has the requisite risk management expertise.

Terms of Reference:

Risk Management Committee shall facilitate the business/operations of the Bank by establishment of an effective risk management framework through appropriate risk policies /processes, to monitor risk profile of the Bank, to ensure that it is in accordance with risk appetite of the Bank, and to provide the support necessary to enable the Management to perform their assigned duties and responsibilities in an effective manner. The role of the Committee is to review risk policies and recommend to Board for approval. It will also examine and monitor the risk issues related to Bank's business and operations and direct the Management appropriately. The Committee shall oversee all risk management functions in the Bank and undertake the following functions:

- a) review various risk policies (comprising inter-alia all areas of risk such as credit risk, credit process, market risk, operational risk, investments, liquidity risk, interest rate risk etc.) submitted by the Management and present/recommend them to the Board of Directors for approval;
- b) oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Operational Risk Management Committee (ORMC), Asset Liability Management Committee (ALCO), and Information Security (IS);
- c) review various risk related documents such as Annual Risk Management Strategy, Liquidity Strategy, Internal Capital Adequacy Assessment Process (ICAAP), Business Continuity Plan (BCP), Risk Appetite Statement, Risk Tolerance Limits, parameters / shocks for stress testing, tools & techniques and approach papers relating to Risk Management etc., and then recommending for approval of the Board wherever necessary;
- d) reviewing risk related reports presented by Integrated Risk Management Department (IRMD), support / control functions as required by various risk policies such as Investment Portfolio Performance, Industry / Sector / Geographic Concentration, Large exposures, Market Risk, Stress Testing etc;
- e) ensure management processes (including people, systems, operations, limits and controls) for implementing risk management systems;
- f) ensure integrity, robustness and effectiveness of financial / rating models and appraisal systems for assessing various risks faced by the Bank;
- g) approval / review of credit rating process, fixation of exposure ceilings for various types of exposures, geographies, sectors, industries etc. and based on internal / external rating, borrower category/ groups etc;
- h) ensure availability of qualified and competent officers and risk managers in the Integrated Risk Management Department for ensuring effectiveness of risk management systems in the Bank;
- i) review, discuss and make recommendations regarding the selection, appointment and termination where appropriate of the Chief Risk Officer, who also reports directly to the Committee;
- j) decide/approve adoption of technology/appropriate and adequate MIS system needed for risk management;
- k) reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls;
- l) ensure adequate coverage of internal audit to satisfy effective implementation of policies and procedures.

Quorum:

The Committee shall meet with a quorum of three Members. At least half of the Members attending the meeting shall be Independent Directors of which at least one Member shall have professional expertise/ qualification in risk management.

Frequency of meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee but the Committee shall meet at least four times in a financial year with at least one meeting in a quarter.

d) Information Technology Strategy Committee:

Composition:

The Committee shall comprise of at least three directors, with at least one being an Independent Director. The Chairman of the Committee should be an Independent Director.

Terms of Reference:

The Role and Functions of the Committee shall be as under:

- a) approving IT strategy and policy documents and subsequent review as and when required;
- b) ensuring that the Management has put an effective strategic planning process in place;
- c) ratifying that the business strategy is indeed aligned with IT strategy;
- d) ensuring that the IT organizational structure compliments the business model and its direction;
- e) ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- f) ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- g) monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- h) ensuring proper balance of IT investments for sustaining Bank's growth;
- i) becoming aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks;
- j) assessing Senior Management's performance in implementing IT strategies;
- k) issuing high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);
- l) confirming whether IT or business architecture is to be designed, so as to derive the maximum business value from IT.

Quorum:

The quorum for a meeting of the Committee shall be one third of the Members of the Committee or two members, whichever is greater.

Frequency of meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee but the Committee shall meet at least four times in a financial year with at least one meeting in a quarter.

e) Special Committee of Board on Frauds (SCBF):

In compliance to RBI circular DBS.FGV(F) No.1004/23.04.01A/2003-04 dated January 14, 2004 read with RBI Master Circular on Frauds - Classification and Reporting dated July 1, 2015 (updated as on July 2017) the Bank shall constitute a Special committee of Board on Frauds. The functioning of the said Committee may be reviewed on a half yearly basis and the reviews may be put up to the Board of Directors.

Composition:

The Committee shall consist of five members of the Board of Directors who will include:

- Chairman and Managing Director
- Two members from ACB, and
- Two other Members from the Board excluding RBI nominee.

Terms of Reference:

Pursuant to RBI directions the major functions of the Special Committee would be to monitor and review all the frauds of Rs. 1 crore and above so as to;

- a) identify the systemic lacunae if any, that facilitated perpetration of the fraud and put in place measures to plug the same;
- b) identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI;
- c) monitor progress of CBI / Police Investigation, and recovery position and;
- d) ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;
- e) review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls;
- f) put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

Quorum:

The quorum for a meeting of the Committee shall be one third of the Members of the Committee or two Members, whichever is greater.

Frequency of meeting:

The periodicity of the meetings of the Committee may be decided according to the number of cases involved. However, the Committee should meet and review as and when a fraud involving an amount of Rs.1 crore and above comes to light. The Committee shall meet at least four times in a financial year with at least one meeting in a quarter.

f) Corporate Social Responsibility Committee:

Composition:

The Committee shall comprise of at least three Directors, with at least one being an Independent Director.

Terms of Reference:

The Role and Functions of the Committee shall be as under:

- a) formulate and recommend to the Board for approval, the Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Bank as specified in schedule VII of the Companies Act, 2013;
- b) guide and monitor the activities of the Bank in the area of CSR so that the spending are in line with the activities stipulated in the CSR Policy;
- c) provide inputs on an ongoing basis to the formulation of strategic objectives and tactical plans that would help to ensure that the Bank is able to fulfill its corporate social responsibilities in a responsible and effective manner.

Quorum:

The quorum for a meeting of the Committee shall be one third of the Members of the Committee or two Members, whichever is greater.

Frequency of meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee but the Committee shall meet at least once in a year.

g) Customer Services Committee:

Composition:

The Committee shall comprise of at least three directors, with at least one being an Independent Director and the Chairperson of the Board shall be the Chairman of the Committee.

Terms of Reference:

The Role and Functions of the Committee shall be as under:

- a) approving the various policies that relate to customer service; examples thereof include and are not limited to:
 - i. Comprehensive Deposit Policy
 - ii. Treatment of death of a depositor for operations in the account
 - iii. Grievance Handling process
 - iv. Collection of cheques;
- b) reviewing metrics and indicators that provide information on the state of customer service in the Bank; providing direction to the Management of the Bank on actions to be taken to improve the metrics;
- c) reviewing the actions taken/ being taken by the Bank to standardize the delivery of customer experience across all branches;
- d) reviewing results of the surveys conducted that provide quantitative and qualitative information on the state of customer experience;
- e) providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness;
- f) monitoring the implementation of the Banking Ombudsman Scheme with particular reference to:
- g) reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address those deficiencies

- h) reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action
- i) review, on an overall basis, the customer service aspects in the Bank on the basis of the detailed memorandum submitted in this regard and report to the Board of Directors thereafter; this is done once every six months and based on the review, the Committee will direct the Bank to initiate prompt corrective action wherever service quality / skills gaps have been noticed;
- j) monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis.

Quorum:

The quorum for a meeting of the Committee shall be one third of the Members of the Committee or two Members, whichever is greater.

Frequency of meeting:

The Committee shall meet at least four times in a financial year with at least one meeting in a quarter

h) Stakeholders Relationship Committee:

Composition:

In compliance to Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, the Committee shall comprise of at least three directors, with at least one being an independent director and the Chairperson of the Committee shall be a Non-Executive Director.

Terms of Reference:

The Role and Functions of the Committee shall be as under:

- a) considering and resolving the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- b) review of measures taken for effective exercise of voting rights by shareholders.;
- c) review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d) review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank.

Quorum:

The quorum for a Meeting of the Committee shall be one third of the Members of the Committee or two Members, whichever is greater, including at least one Independent Director.

Frequency of meeting:

The Committee shall meet at least twice in a year.

i) **Nomination & Remuneration Committee:**

Composition:

In compliance to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, the Committee shall comprise of only Non-Executive Directors out of which at least two-third of the Directors shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Board, if a Non-Executive Director, may be appointed as a Member of the Nomination and Remuneration Committee but shall not chair the Committee.

Terms of Reference:

In compliance to the regulatory requirements, the role and functions of the Committee under the aforesaid statutory and regulatory requirements are as under:

- a) the Committee shall identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- b) the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- c) the Nomination and Remuneration Committee shall, while formulating the policy under sub-section(3) ensure that—
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - iii. remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;The policy shall be placed on the website of the Bank and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's report.
- d) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- e) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- f) devising a policy on diversity of Board of Directors;
- g) identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.;

- h) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- i) recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Quorum:

The Committee shall meet with a quorum of three members. At least half of the Members attending the meeting of the Committee shall be Independent Directors, of which one shall be a member of the Integrated Risk Management Committee of the Board.

Frequency of Meeting:

The nomination and remuneration committee shall meet at least once in a year.

j) HRD Committee:

Composition:

The Committee shall comprise of at least three Directors.

Terms of Reference:

The Role and Functions of the Committee shall be as under:

- a) to review Organizational Structure, Succession Planning, HR Transfer Policy, HR Promotion Policy and make final recommendations to the Board in this regard;
- b) to meet at regular intervals, as per requirements.;
- c) to conduct the interview for promotion to senior levels of the Management i.e. Vice Presidents & above.

Quorum:

The quorum for a meeting of the Committee shall be one third of the Members of the Committee or two Members, whichever is greater.

Frequency of meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee but the Committee shall meet at least once in a year.

k) Legal and Impaired Assets Resolution Committee:

Composition:

The Committee shall comprise of at least three Directors.

Terms of Reference:

The Committee shall take review of legal and suit filed cases, review of NPA accounts and also monitor and review the performance of Impaired Assets Portfolio Management (IAPM) Vertical of the Bank for recovery/settlement of impaired assets of the Bank and other related matters.

Quorum:

The quorum for a meeting of the Committee shall be one third of the Members of the Committee or two Members, whichever is greater.

Frequency of meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee but the Committee shall meet at least once in a year.

I) Investment Committee:

Composition:

The Committee shall comprise of at least three Directors.

Terms of Reference:

The Role and Functions of the Committee shall be to review and monitor the performance of Treasury Operations of the Bank and exercise powers relating to investment decisions as delegated by the Board from time to time.

Quorum:

The quorum for a meeting of the Committee shall be one third of the Members of the Committee or two Members, whichever is greater.

Frequency of meeting:

The frequency of the meeting of the Committee shall be decided by the Chairman of the Committee but the Committee shall meet at least once in a year.

Other Committees

The Board shall have powers to form other Committees from time to time and define their terms of reference.

xv. CODE OF CONDUCT OF DIRECTORS & EMPLOYEES AND OVERALL BANK

The Code of Conduct adopted by the Bank shall be posted on the web site of the Bank. The Members of the Board and senior management of the Bank shall submit their affirmation on compliance with the Code of Conduct for the effective period. The declaration by the Whole Time Directors to that effect shall form part of the Annual Report.

Bank's Code of Conduct:

The Bank's Board of Directors, executives and employees shall continuously strive to implement and uphold the following principles:

a) Customers

To provide optimal benefits and satisfaction to the Bank's customers through delivery of quality products and services, fair treatment, and safeguards on the confidentiality of information.

b) Shareholders

To deliver satisfactory returns to the Bank's shareholders through sustained, superior operating results as well as effective internal control, auditing systems and risk management.

c) Business partners and competitors

To conduct business with the Bank's partners and competitors with fairness and confidentiality, in compliance with the applicable laws and regulations, and not using dishonest or unethical means to gain information about the Bank's partners and competitors.

d) Creditors and suppliers

To honour the agreements that the Bank makes with its creditors and suppliers, including guarantee conditions and its obligations towards effective capital and liquidity management to sustain financial strength and solid debt servicing ability, in accordance with the agreed terms and relevant laws and regulations.

e) Social responsibility

To conduct the Bank's business with responsibility towards society and with sensitivity regarding issues relevant to the public interest; and to regularly support and participate in the activities that are beneficial to communities and society.

f) Environment

To abide by environmental laws and regulations; implement effective safety and environmental management measures to prevent negative impacts on local communities; and promote employees' awareness of and concern for the environment.

g) Conflict of interest

To implement measures to control and prevent transactions that might involve conflict of interest or inappropriate transactions with connected parties; and to put in place and follow relevant policies, regulations and approval procedures; and to comply with regulatory requirements regarding approval and disclosure of information on connected transactions.

h) Information disclosure

To deliver thorough, accurate and timely information to shareholders, investors and the public in compliance with relevant laws and regulations.

i) Corporate governance

To abide by good corporate governance principles prescribed by regulators of commercial banks and listed companies, and to develop world-class governance systems for stakeholders' benefit and confidence.

Directors' Code of Conduct

Directors will pursue the highest standards of ethical conduct in the interests of shareholders and all other stakeholders under the following principles:

a) Honesty, fairness and integrity

- Directors shall act honestly and with fairness and integrity in all of their dealings for the Bank.

- Directors will not discriminate on the grounds of any person's race, religion, gender, marital status or disability.
- Directors will not make promises or commitments that the Bank does not intend, or would be unable, to honour.
- Directors' conduct will, at all times, be such that their honesty is beyond question.
- Directors shall adhere to the truth, and not mislead directly or indirectly, nor make false statements, nor mislead by omission.

b) Personal transactions

- Directors must keep their personal or other business dealings separate from their dealings as Directors of the Bank.
- Directors shall not use the name of the Bank to further any personal transaction or other business transaction.
- Directors shall use goods, services and facilities provided to them by the Bank strictly in accordance with the terms on which they are provided.

c) Confidentiality of information

- Directors will ensure that confidential information relating to customers, staff and operations is not given either inadvertently or deliberately to third parties without the consent of the Bank.
- No Director shall use information obtained by him/her as a Director of the Bank for personal financial gain, nor use that information to obtain financial benefit for any other person or business.

d) Disclosure of interest

- Directors shall fully disclose active private interests or other business interests promptly and any other matters which may lead to potential or actual conflict of interest in accordance with such policies that the Directors may adopt from time to time.
- Directors shall fully disclose all relationships they have with the Bank in accordance with policies on independence that Directors may adopt from time to time.
- Directors' dealings with the Bank will always be at arm's length to avoid the possibility of actual or perceived conflict of interest.

e) Abiding by the law

- Directors shall observe and abide by the laws, rules and regulations concerning business operations.

f) Payments, gifts, entertainment and travel

- Directors shall not use their status as Director to seek personal gain from those doing business or seeking to do business with the Bank.
- Directors shall not accept any personal gain of any material significance, if offered.

Employees' Code of Conduct

Scope

The employees of the Bank must adhere to the provisions of the applicable Service Manual (Officers Service Manual / IBA Bipartite Settlement), various policies of the Bank, rules/regulations *inter-alia* covering the following areas:

a) Compliance

- All employees must understand and strictly comply with the Code of Conduct contained in the Service Manual, along with the corporate policies, rules, regulations, and orders that supplement the Code, be they in written or non-written form, and whether they exist or arise in the future.

b) Operating with ethics

- The Bank is committed to conducting its businesses and activities in accordance with principles of ethics and integrity. Employees are expected to uphold ethical standards; perform their duties with integrity and fairness; think, speak and act within the bound of rightness and honesty; demonstrate behaviours that are socially and morally appropriate; and recognize the importance of ethical behaviours.

c) Protecting Bank's benefit

- All employees shall perform their duties with integrity, morality, and responsibility, following guidelines, policies, and regulations given by the Bank. They shall be committed to perform their duties with the utmost ability.
- Protecting Bank's benefit must be from rightful actions, not assisting, supporting, or agreeing with or facilitating the avoidance of compliance with laws and regulations in accordance with corporate governance principles.

d) Information integrity

- All Bank information must be true and accurate.
- The Bank relies on every employee to support our commitment to exemplary record-keeping and reporting by promptly and accurately capturing all transactions.

e) Information confidentiality

- Employees shall not disclose any non-public information about Bank, unless otherwise required by law or approved by the Bank.
- Information confidentiality is an important matter that requires strict employee compliance. Employees are not allowed to disclose any customer information to other parties by any means or through any communication channels, unless otherwise required by competent authorities or court orders.

f) Communications and representation of the Bank

- Bank is committed to conducting business in an open and honest manner. All communications, whether internal or external, must be accurate and forthright, and directed through appropriate channels
- The publication or circulation, either internally or externally, of any oral or written statement that is false, derogatory, malicious, or defamatory of any person or group is strictly prohibited.

g) Insider trading

- Employees having access to non-public information (inside information) shall not buy or sell stocks or other securities, disclose or exploit inside information for the benefit of their own or others, either directly or indirectly.

h) Harassment

- Bank is committed to providing its employees with a productive and positive work environment, free of any type of harassment. Reports of incidents or behaviours that undermine this commitment will be fully investigated and, if valid, could result in serious disciplinary action.

i) Gambling, alcohol and narcotic drugs

- Employees are prohibited from using, possessing, trafficking and smuggling narcotic drugs or controlled substances (except prescription medicine) of any types and by any means.
- Consumption of alcohol while on duty is prohibited, except at social functions or customer entertainment activities under bank regulations.
- All forms of gambling while employees are on duty or on Bank premises are prohibited.

j) Giving and receiving gifts and hospitality

- Employees must not explicitly or implicitly demand or solicit money and/or assets, and/or any other benefits that may affect business decisions made by employees in the name of Bank. Exception applies to receiving of gifts and hospitality on formal occasions or occasions that are considered culturally appropriate or customary business practices.

k) Conflicts of interest

- In performing duties, employees shall treat the Bank's interest as a top priority and ensure that they do not have any stakes or conflicts of interest. Potential conflicts of interest that may be direct or indirect shall also be avoided.

l) Anti-corruption and bribery

- Employees shall adhere to rules, regulations and laws and not involve in acts of bribery / corruption.

m) Organization assets

- Employees are expected to treat the Bank's assets with care and protect them from loss, damage, or misuse.

n) Anti-money laundering and combating the financing of terrorism

- Employees shall adhere to rules, regulations and laws regarding anti-money laundering and combating the financing of terrorism.

o) External employment or activities

- Employees shall not have status as employees of Bank outside Bank or perform activities which are not related to Bank while they are on duty.

p) Human rights and political activities

- Bank adheres to principles of human rights and encourages its employees to seek understanding of and adopt human rights principles as part of job performance. Bank does not support businesses that infringe human rights.
- Employees shall be careful with their political expression at workplace or during work hours or at any other places to avoid the impression that such views are expressed in their capacity as the Bank's employees.

q) Whistle-blower

- For transparent compliance with good corporate governance, the channels are provided for whistle-blowers to complain or report misconduct, corruption, or non-compliance with rules, regulations, and codes of conduct. A policy in this regard (Whistle Blower Policy) is available on Bank's website.

xvi. ROLE OF COMPANY SECRETARY

Bank, being a listed entity is also required to abide by the SEBI Regulations and the Listing Agreements of the Stock Exchanges in addition to the various statutes and guidelines applicable to it. The role, functions and responsibilities of the Company Secretary, therefore, as a key functionary in the corporate governance has become more significant. This has been further necessitated by the enhanced role of banks in moving towards Universal Banking and International Standards besides adopting the best practices in Corporate Governance.

The major responsibility areas of the Company Secretary in the Bank include acting as:-

- a) Compliance Officer as per the Listing Regulations.
- b) Secretary to the Audit Committee of the Board as per the Listing Regulations and ensuring the compliance of the stipulations by RBI in respect of requirement of coverage of the Audit Committee of the Board.

In addition, the Company Secretary is responsible for:

- i. Complying with various clauses of the Listing Regulations which *inter alia*, includes the following:
 - Reporting of Price Sensitive Information to the Stock Exchanges on an ongoing basis.
 - Intimating the Stock Exchanges of the Board Meetings for considering the financial results, declaration of dividends etc.
 - Informing the financial results within 30 minutes (or as stipulated by SEBI) of the closure of the Board Meetings.
 - Filing of shareholding pattern and distribution schedule within the stipulated time.
 - Giving Notice for the Book Closures/Record Date.
 - Promptly notifying the changes in the Bank's Board.
 - Publication of financial results.
 - Reporting on Corporate Governance in accordance with the Listing Regulations including the certification by the Central Statutory Auditors.
 - Certification under the Listing Regulations.
- ii. Ensuring the process of Share Transfers and disposal of investor's references as convener of Share Transfer/Shareholder Grievance Committees and placing the Minutes of the Meetings to the Board of Directors of the Bank.

- iii. Coordinating with RBI, SEBI, Stock Exchanges, Government of India (Ministry of Finance) on relevant issues.
- iv. Organizing Meetings of Directors.
- v. Holding of General Body Meetings of shareholders (AGM/EGM).
- vi. Maintaining statutory registers and records.
- vii. Raising of capital - Obtaining requisite permission from the Regulatory Authorities and coordination with various intermediaries.
- viii. Monitoring of FDI limits with reference to allotment of shares to FII etc.
- ix. Preparing of MIS, follow up of legal matters with Bank's solicitors, legal authorities.
- x. Inspecting RT Agents' activities in relation to Bank's shares.
- xi. Formulating requisite Policies for approval of the Board.
- xii. Coordinating the publication and distribution of Bank's Annual Report and Accounts besides Notices etc.
- xiii. Ensuring Payment of Dividends on declaration by the Board.

B. RESPONSIBILITIES OF THE SENIOR MANAGEMENT

The Managing Director & CEO of the Bank and other key functionaries are responsible for the operations and day to day management of the Bank in line with the directions of the Board and the Committees set up by the Board.

i) KEY MANAGERIAL PERSONNEL ('KMP')

Pursuant to the provisions of the Companies Act - 2013 and relevant Accounting Standards, the Bank shall have the following Whole-time Key Managerial Personnel:

- i. Managing Director & CEO
- ii. Chief Financial Officer
- iii. Company Secretary

The Key Managerial Personnel would guide the Board to achieve their defined objectives, and purposes by adherence to good Corporate Governance practices. KMP would also be looked upon by the Regulators for the non-compliances.

CRITERIA FOR APPOINTMENT OF KMP/SENIOR MANAGEMENT

- Should possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- Should practice and encourage professionalism and transparent working environment.
- Should build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- Should adhere strictly to the Code of Conduct laid down by the Bank.

PART C

INVESTOR RELATIONS

Maintaining good and cordial relationship with existing and prospective investors, through transparency in operations and by means of an efficient and timely communication of accurate information.

a. Grievance Redressal Mechanism

In order to redress the grievances and to provide prompt and expeditious service to the shareholders, a separate department viz. Investor Relation Department has been set up at the Head Office of the Bank. The Department shall serve as a contact point for shareholders on issues such as share transfers, dividends and other matters related to the shares issued by the Bank. The Department shall endeavour to redress the grievance of the shareholders at the earliest opportunity. Towards this end, the Department shall work in close coordination with the Registrar and Share Transfer Agent.

b. Efficient Share Transfer Mechanism:

The endeavour of the Bank shall be to dispose of the share transfer proposals received within a maximum period of 15 days from the date of its receipt. The Bank shall appoint the Registrar and Share Transfer Agent for speedy & expeditious processing of share transfer proposals. The Share Transfer Agent shall scrutinize and process the share transfer proposals, requests for transmission of shares, issue of Duplicate Share Certificates as received from the shareholders/investors on weekly basis, as required under clause 40 (2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and report the matter to the Bank. A Share Transfer Committee designated by the Board for the purpose shall note the transfer, transmission of shares and other updation of Register of Members.

c. Investor Information in the Annual / Half Yearly Report

The management shall be responsible for the preparation, integrity and fair presentation of the financial statements and other information in the Annual Report. The Annual Report would be sent to all the shareholders of the Bank at least 21 clear days before the General Meeting. The main source of information for the shareholders is the Annual Report which includes *inter-alia*, Notice calling Annual General Meeting, the Chairman's Statement, the Report of the Board of Directors, Management Discussion and Analysts, Corporate Governance Report, Cash flow Statements and the Audited Financial Results (both standalone and consolidated). Alternatively, the Bank may also prepare and send to all the shareholders, an Abridged Annual Report in which the information on Balance Sheet and Profit and Loss account shall be given in an abridged format as specified. Bank recognizes the importance of regular dialogue with its shareholders to ensure that the Bank's strategy is clearly understood. The annual financial results of subsidiary companies are presented to the shareholders of the Bank in the Annual Report as part of the Corporate Governance Report as per the guidelines of Statutory/Regulatory Authorities/Listing Regulations.

As part of the Green initiative in Corporate Governance, the Bank shall send all periodic communications and documents such as Notices of Annual General Meetings and other general meetings, explanatory statements thereto, Annual Reports, Balance sheets, Directors' Reports, Auditors' Reports, Half yearly results and other day to day shareholder communications to the email address registered by the shareholders with the Bank/ Depository Participant.

d. Annual General Meeting

Shareholders shall have an opportunity to attend the Annual General Meeting (AGM), which shall be held within six months from the date of the balance sheet. There shall not be a time period of more than 15 months in between the date of one AGM to the next. In the Annual General Meeting, the shareholders have to discuss, approve and adopt the annual accounts of the Bank, besides the business outlook and the relevant aspects of the Bank's operations. The final dividend shall be declared by the shareholders at the AGM on recommendation of the Board of Directors of the Bank. Approval of the shareholders, if required, to be obtained on any other item of the business, shall be obtained at the AGM. A maximum of three Directors representing the shareholders shall be elected at the AGM or at another General Meeting of the shareholders of the Bank. The AGM shall be held at the place of the Head Office of the Bank.

e. Prevention of Insider Trading

Insider trading means trading in the shares of the Bank by persons who are in possession of undisclosed price sensitive information regarding the working of the Bank, and which is not available to others. Such trading, as it involves misuse of confidential information, is unethical and tantamount to betrayal of fiduciary position of trust and confidence. In order to prevent and curb the insider trading in securities, the SEBI has issued guidelines - SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. The Bank endeavours to curb the insider trading by its personnel, who are privy to certain price sensitive information viz. financial results, intended declaration of Dividend, further issues etc. Key / Designated Personnel, who are associated with these activities shall refrain from purchasing or selling securities of the Bank during this 'relevant period' nor do they communicate such information to any other person. The Bank shall put in place a Policy on Prevention of Insider Trading as per SEBI Regulation.

PART D

FINANCIAL DISCLOSURES AND CONTROLS

a. Timely Reporting of Financial Results:

The working results shall be furnished to the Stock Exchanges within 30 minutes of closure of the Board Meeting, where the Board takes the results on record. The working results of the Bank would also be published in at least two major dailies of Srinagar and Jammu on quarterly basis, within 48 hours of taking on record the financial results of the Board. Further, the financial results are also put on the website of the Bank www.jkbank.net. The working results of the Bank shall be published as per statutory requirements on quarterly basis. The working results (subject to Limited Review by Auditors) for the quarters ending 30th June, 30th September and 31st December would be published within 45 days from the end of the relevant quarter. The working results of the last quarter viz. 31st March in case of Audited Financial Results would be published within 60 days. Financial Results, Shareholding Pattern, Directors' Report, Corporate Governance Report, Management Discussion and Analysis and other information as per the instruction of SEBI shall be disseminated to the shareholders and investors, by electronically filing the information on the website prescribed by SEBI and also upload on the website of the Bank. The Bank communicates with its institutional shareholders through a combination of Analysts briefings and individual discussions between the fund managers and the management team. Institutional investors shall be encouraged to have a regular, systematic contact at senior executive level, to exchange views and information on strategy, performance, board membership and quality of management. To have a fair play and for the benefit of other small shareholders, the regular briefings made to the institutional shareholders would also be released in the press and also

uploaded on the website of the Bank. At the time of meetings with the analysts, brokers, institutional investors, there shall be at least two representatives of the Bank. The Bank shall make available the press release on its website.

b. Transparency and Disclosures

There are several systems and procedures to disseminate relevant information to the stakeholders, including shareholders, analysts, suppliers, customers, employees and the society at large. The primary source of information is Bank's corporate website www.jkbank.com. All official news releases and presentations made to investors and analysts are posted on the website.

- i The Bank shall make timely and correct disclosures; follow consistency in transparency and qualitative analysis of performance aimed at investors' protection, prudential regulations, customers' and employees' satisfaction and satisfaction of the public at large. Bank shall make the disclosures strictly in accordance with the RBI master circular on matters relating to disclosures in the 'Notes to Accounts' to the Financial Statements and as stipulated in the Schedule V of Listing Regulations of the Stock Exchanges and also as per the guidelines and instructions received from the statutory/ regulatory authorities from time to time. Bank shall also use its dedicated website for posting the disclosures to the extent feasible.
- ii The Bank shall also endeavour to meet the international disclosure standards.
- iii The accounting policies and principles shall conform to the standard practices and where they do not, full disclosure would be made of material departures. All applicable Accounting Standards issued by the Institute of Chartered Accountants of India as applicable to the Bank should be complied with.
- iv Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.
- v The Bank will ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the company.
- vi Conflict of Interest & Related Party Transactions:

The Board of Directors have adopted the "Related Party Transaction Policy" and it is communicated and being implemented across the Bank. The Board of Directors has authorized the Audit Committee to review the key transactions and disclosures received under the Policy on periodical basis. Transactions with related parties shall be annexed to the financial statements for the year. Adequate care shall be taken to ensure that the potential conflicts of interest do not harm the interests of the Bank at large.

The Bank shall comply with the requirements prescribed under the Listing Regulations and Accounting Standards with regard to the related party transactions. The Bank shall have a framework for undertaking transactions with related parties. Further, all related party transactions shall be approved by the Audit Committee / Board, as may be applicable. Wherever required under the Listing Regulations and depending on nature of the transaction, the approval of Shareholders will also be obtained. All pecuniary relationship or transactions or shareholding including convertible instrument of the Non-

Executive Directors of the Bank in relation to the Bank shall be disclosed in the Annual Report.

vii Disclosures in the Annual report -

The Bank shall disclose the following in its annual report:

a. Number of meetings held of the Board of Directors and the Committees mandated under the guidelines, in the financial year:

- Details of the Composition of the Board of Directors and the Committees mandated, setting out name, qualification, field of specialization, status of Directorship held in other companies etc.
- Number of meetings attended by the Directors and the Members of the Committee;
- Details of the remuneration paid, if any, to the Independent Director;
- Annual report to have certification from the Compliance Officer;
- Such other matters as prescribed under the Listing Regulations and other applicable Regulations.

viii Compliance Officer - Company Secretary or any other official of the Bank as designated by the Board from time to time, shall be the "Compliance Officer" for dissemination of the information to the Stock Exchanges as per the Listing Agreements executed with them.

ix Corporate Governance Certification - The Bank shall obtain a certificate from the Auditors of the Bank or Company Secretary in Practice regarding compliance of conditions of corporate governance as stipulated by SEBI and annex the certificate with the Directors' Report, which is sent annually to all the shareholders of the Bank. The same certificates shall also be sent to the Stock Exchanges along with the annual reports submitted by the Bank.

x CEO/CFO Certification: A Certificate from the **CEO** and officer designated as CFO of the Bank, shall be submitted to the Board and be attached to the Annual Report of the Bank.

xi The Bank agrees to maintain a functional website containing basic Information about the company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated official of the company, who are responsible for assisting and handling investor grievance details of agreements entered into with the media companion and/or their associates. The Bank also agrees to ensure that the contents of the said website are updated at any given point of time.

c. Conforming To GAAP & Disclosure Policies

The Bank shall endeavour to conform to the Generally Accepted Accounting Practices (GAAP) / Ind AS and Disclosure Policies. Further, the Bank shall also endeavour to align with the International Financial Reporting Standard (IFRS) or other accounting standard as applicable, in line with the regulatory guidelines, to ensure highest accounting standard and enhanced disclosures. Bank is committed to adopt the best practices to achieve global standards and enhance the reputation.

d. Policies of the Bank

Bank has put in place various policies, which are approved by the Board. Bank shall conduct its operations/activities within the parameters laid down under these policies. All the policies

shall be placed before the Board for review once every year or as decided by the Board. The list of policies of the Banks is annexed as **Annexure IV**.

e. Whistle Blower Policy

The Bank has put in place the Whistle Blower Policy. The Audit Committee periodically reviews the effectiveness of the said policy. It is further stated that no employee has been denied access to the Audit Committee. The Bank has implemented a Whistle Blower Policy pursuant to which Whistle Blowers can raise concerns relating to reportable matters (as defined in the policy) such as breach of J&K Bank Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/misappropriation of Banks funds/assets, etc. Further, the mechanism adopted by the Bank encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism and also provides for direct access to Chairman of the Audit Committee, in exceptional cases. The details of the Whistle Blower Policy are available on the website of the Bank (www.jkbank.com)

f. Effectiveness of the System of Internal Financial Control

The Bank shall take the help of Internal Auditors, Concurrent Auditors etc. to assess and ensure the effectiveness of the system of Internal Financial Control.

PART- E

(i) CORPORATE CITIZEN:

The Bank shall participate actively in community development programmes. The Bank shall adopt fair and ethical business practices in all its dealings with the customers, employees, investors, vendors, government and the society at large and to take Corporate Social Responsibility in an earnest and modest manner and shall ensure active participation in community development programmes with CSR.

(ii) CONCLUSION:

To survive and attain sustainable growth levels in competitive business environment, good Corporate Governance practices must be effectively implemented and enforced preferably by self-regulation and voluntary adoption of ethical code of business conduct and if necessary through relevant regulatory laws and rules framed by the Government or regulators such as RBI, SEBI etc. This Corporate Governance Policy should serve as an effective instrument to ensure greater accountability on the part of the Board of Directors to the stakeholders. J&K Bank is committed to ensure highest level of Corporate Governance in its business dealings.

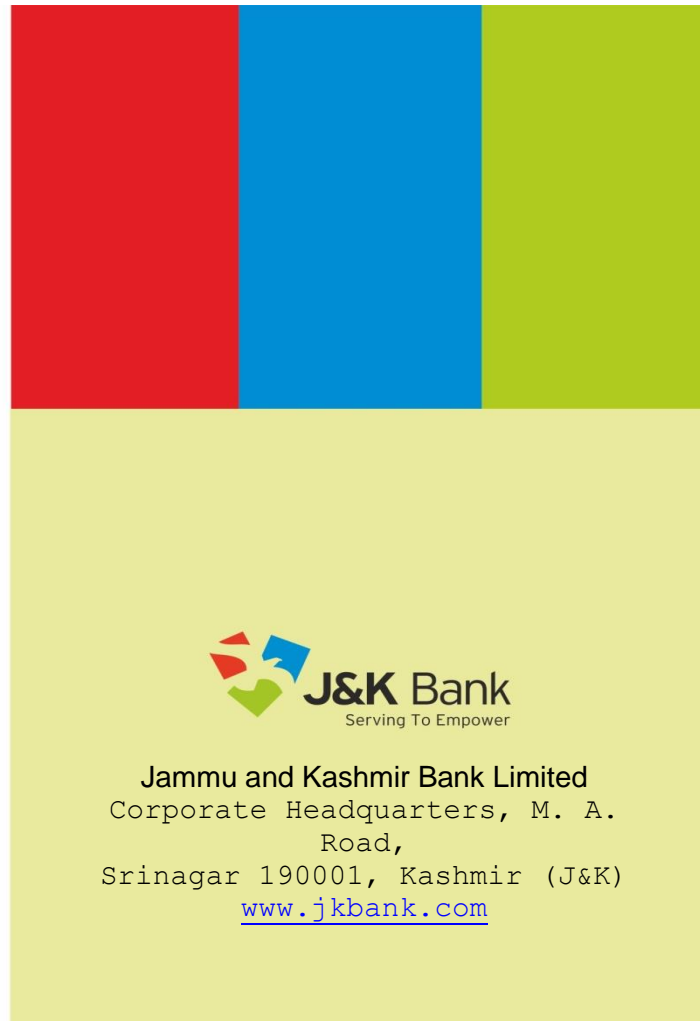
OWNERSHIP & REVIEW OF THE POLICY

The policy shall be subject to biennial 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 Corporate Governance 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 I, II, III & IV

- Annexure I: RBI Circular (DBOD.No.BC.105/08.139.001/2003-04)
- Annexure II: RBI Circular (DOR.GOV.REC.8/29.67.001/2021-22)
- Annexure III: Memorandum and Articles of Association of the Bank
- Annexure IV: List of Policies of the Bank



RBI/2004/268

DBOD.No.BC.105/08.139.001/2003-04

June 25, 2004

The Chairmen and Managing Directors / Chief Executive Officers of banks in private sector

Dear Sir,

'Fit and proper' criteria for directors of banks

Please refer to our circular [DBOD.No.BC.116/08.139.001/2001-02 dated June 20, 2002](#), forwarding a list of recommendations of Dr. Ganguly Group Report to be implemented by banks based on the decision taken by the Board.

2. The Group, *inter alia*, recommended that banks should require the directors to execute a covenant binding them to discharge their responsibilities to the best of their abilities, individually and collectively. Further, the issue related to the broader issue of fit and proper status of directors and signing of the covenants should be one of the criteria to be eligible to be a director of a bank. Dr. Ganguly Group Report has also recommended that due diligence of directors should be done in regard to their suitability for the post by way of qualifications, technical expertise, track record, integrity, etc.
3. It has, thus, become imperative to lay down specific criteria to be fulfilled by the persons before they are appointed on the Boards of banks and therefore it has been decided that:
 - a. the banks in private sector should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. Banks should obtain necessary information and declaration from the proposed / existing directors for the purpose in the format enclosed.
 - b. the process of due diligence should be undertaken by the banks in private sector at the time of appointment / renewal of appointment.
 - c. the boards of the banks in private sector should constitute Nomination Committees to scrutinize the declarations.
 - d. based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance and may make references, where considered necessary to the appropriate authority / persons, to ensure their compliance with the requirements indicated.
 - e. banks should obtain annually as on 31st March a simple declaration that the information already provided has not undergone change and where there is any change, requisite details are furnished by the directors forthwith.
 - f. the board of the bank must ensure in public interest that the nominated / elected directors execute the deeds of covenants as recommended by Dr. Ganguly Group (cf. our circular [DBOD.No.BC.116/08.139.001/2001-02 dated June 20, 2002](#)) every year as on 31st March.
4. Accordingly, our Directive [DBOD.No.BC.104/08.139.001/2003-04 dated June 25, 2004](#) is [enclosed](#).
5. Please acknowledge receipt.

Yours faithfully,

(**B. Mahapatra**)

Chief General Manager

Encl : As above

'Fit and proper' criteria for directors of banks

In exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and on being satisfied that it is necessary and expedient in public interest so to do, the Reserve Bank of India hereby directs, with immediate effect that :

- i. the banks in private sector should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other fit and proper criteria. Banks should obtain necessary information and declaration from the proposed / existing directors for the purpose.
- ii. the process of due diligence should be undertaken by the banks in private sector at the time of appointment / renewal of appointment.
- iii. the boards of the banks in private sector should constitute Nomination Committees to scrutinize the declarations.
- iv. based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance and may make references, where considered necessary to the appropriate authority / persons, to ensure their compliance with the requirements indicated.
- v. banks should obtain annually a simple declaration that the information already provided has not undergone change and where there is any change, requisite details are furnished by the directors forthwith.
- vi. the board of the bank must ensure in public interest that nominated / elected directors execute the deeds of covenants as recommended by Dr. Ganguly Group every year.

(Usha Thorat)

Executive Director



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2021-22/24

DOR.GOV.REC.8/29.67.001/2021-22

April 26, 2021

To Commercial Banks
(as per applicability)

Madam / Sir,

**Corporate Governance in Banks -
Appointment of Directors and Constitution of Committees of the Board**

A Discussion Paper on '[Governance in Commercial Banks in India](#)' was issued by the Reserve Bank on June 11, 2020 to review the framework for governance in the commercial banks. Based on the feedback received, a comprehensive review of the framework has been done, and a Master Direction on Governance will be issued in due course. In order to address a few operative aspects received through such feedback, it has been decided to issue instructions with regard to the Chair and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors (WTDs).

Applicability

2. The revised instructions would be applicable to all the Private Sector Banks including Small Finance Banks (SFBs) and wholly owned subsidiaries of Foreign Banks. In respect of State Bank of India and Nationalised Banks, these guidelines would apply to the extent the stipulations are not inconsistent with provisions of specific statutes applicable to these banks or instructions issued under the statutes. The contents of this circular must be read along with other relevant governing statutes and shall be applicable notwithstanding anything to the contrary contained in the licensing conditions, notifications, directions, regulations, guidelines, instructions, etc., issued by the Reserve Bank before the issue of this circular. The circular will not be applicable in the case of foreign banks operating as branches in India. The applicability to other commercial banks viz., Local Area Banks, Payments Banks and Regional Rural Banks will be notified separately.



Chair and meetings of the Board

3. The Chair of the board shall be an independent director. In the absence of the Chair of the board, the meetings of the board shall be chaired by an independent director. The quorum for the board meetings shall be one-third of the total strength of the board or three directors, whichever is higher. At least half of the directors attending the meetings of the board shall be independent directors.

Committees of the Board

(a) Audit Committee of the Board (ACB)

4. The ACB shall be constituted with only non-executive directors (NEDs). The Chair of the board shall not be a member of the ACB. The ACB shall meet with a quorum of three members. At least two-thirds of the members attending the meeting of the ACB shall be independent directors¹. The ACB shall meet at least once in a quarter. The meetings of the ACB shall be chaired by an independent director who shall not chair any other committee of the Board. The Chair of the ACB shall not be a member of any committee of the board which has a mandate of sanctioning credit exposures. All members should have the ability to understand all financial statements as well as the notes/ reports attached thereto and at least one member shall have requisite professional expertise/ qualification in financial accounting or financial management [e.g., experience in application of accounting standards and practices, including internal controls around it].

(b) Risk Management Committee of the Board (RMCB)

5. The board shall constitute an RMCB with a majority of NEDs. The RMCB shall meet with a quorum of three members. At least half of the members attending the meeting of the RMCB shall be independent directors of which at least one member shall have professional expertise/ qualification in risk management². Meetings of RMCB shall be chaired by an independent director who shall not be a Chair of the board or any other committee of the board. The Chair of the board may be a member of the RMCB only if he/she has the requisite risk management expertise. The RMCB shall meet at least once in each quarter.

¹ Refer para (A) of DOS.No.BC.14/Admn./919/16.13.100/95 dated September 26, 1995

² Refer para (1.5) of 'Guidance Note on Management of Credit Risk' issued with [DBOD.No.BP.520/21.04.103/2002-03 dated October 12, 2002](#).



(c) Nomination and Remuneration Committee (NRC)

6. The board shall constitute an NRC made up of only NEDs. The NRC shall meet with a quorum of three members. At least half of the members attending the meeting of the NRC shall be independent directors, of which one shall be a member of the RMCB. The meetings of the NRC shall be chaired by an independent director. The Chair of the board shall not chair the NRC. The meeting of NRC may be held as and when required³.

Age and tenure of NEDs

7. The upper age limit for NEDs, including the Chair of the board, shall be 75 years and after attaining the age of 75 years no person can continue in these positions⁴.

8. The total tenure of an NED, continuously or otherwise, on the board of a bank, shall not exceed eight years. After completing eight years on the board of a bank the person may be considered for re-appointment only after a minimum gap of three years.⁵ This will not preclude him/her from being appointed as a director in another bank subject to meeting the requirements.

Remuneration of NEDs

9. In addition to sitting fees and expenses related to attending meetings of the board and its committees as per extant statutory norms/ practices, the bank may provide for payment of compensation to NEDs in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract-qualified competent individuals. However, such fixed remuneration for an NED, other than the Chair of the board, shall not exceed ₹20 lakh per annum⁶.

Tenure of MD&CEO and WTDs

10. Subject to the statutory approvals required from time to time, the post of the MD&CEO or WTD cannot be held by the same incumbent for more than 15 years. Thereafter, the individual will be eligible for re-appointment as MD&CEO or WTD in the same bank, if considered necessary and desirable by the board, after a minimum

³ Refer part of para B(II)(1.2) of Annex of [DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019](#).

⁴ Refer para (3) of DBOD.No.BC.24/08.139.001/2002-03 dated September 9, 2002

⁵ Refer para (2) & (3) of DBOD.No.BC.25/08.95.004/2000 dated September 25, 2000

⁶ Refer para (1.2) of Annex of [DBR.No.BC.97/29.67.001/2014-15 dated June 1, 2015](#).



gap of three years, subject to meeting other conditions. During this three-year cooling period, the individual shall not be appointed or associated with the bank or its group entities in any capacity, either directly or indirectly.

11. It is clarified that the extant instructions on upper age limit for MD&CEO and WTDs in the private sector banks would continue and no person can continue as MD&CEO or WTD beyond the age of 70 years. Within the overall limit of 70 years, as part of their internal policy, individual bank's Boards are free to prescribe a lower retirement age for the WTDs, including the MD&CEO.

12. MD&CEO or WTD who is also a promoter/ major shareholder, cannot hold these posts for more than 12 years. However, in extraordinary circumstances, at the sole discretion of the Reserve Bank such MD&CEO or WTDs may be allowed to continue up to 15 years. While examining the matter of re-appointment of such MD&CEOs or WTDs within the 12/15 years period, the level of progress and adherence to the milestones for dilution of promoters' shareholding in the bank shall also be factored in by the Reserve Bank.

Transition Arrangement

13. While the instructions shall come into effect from the date of issue of this circular, in order to enable smooth transition to the revised requirements, banks are permitted to comply with these instructions latest by October 01, 2021. Specifically:

- (i) The Chair of board who is not an independent director on the date of issue of this circular shall be allowed to complete the current term as Chair as already approved by the Reserve Bank.
- (ii) Banks with MD&CEOs or WTDs who have already completed 12/15 years as MD&CEO or WTD, on the date these instructions coming to effect, shall be allowed to complete their current term as already approved by the Reserve Bank.

Yours faithfully,

(Shrimohan Yadav)
Chief General Manager





Memorandum

&

Articles of association

of

The Jammu & Kashmir Bank Ltd.



Certificate of Incorporation

NO. 46 OF 1994 - 1995

I hereby rectify *that the* Jammu and Kashmir Bank,
Limited *is this day incorporated under the Jammu and*
Kashmir Companies Regulations No.XI of 1977, and
that the Company is a public Limited.

Given under my hand at Srinagar
this first day of October
one thousand nine hundred and thirtyeight

M. G. Katiwaskar
Registrar of Joint Stock Companies

Certificate of Commencement of Business



Pursuant to section 103 (2) of the Jammu and Kashmir
Companies Regulation No: XI of 1977.

I hereby certify that the Jammu and Kashmir Bank,
Limited

which was incorporated under the J&K Companies
Regulations No.XI of 1977 on the 1st day of
October 1938 and which has this day filed a duly verified
declaration in the prescribed form that the conditions
of section 103 (I) (a) to (d) of the said Act have been
complied with, is entitled to commence business.

Given under my hand at Srinagar this
4th day of July one thousand nine hundred and
thirty-nine

Registrar of Joint Stock Companies

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MEMORANDUM OF ASSOCIATION OF THE JAMMU AND KASHMIR BANK LIMITED

- I. The name of the Company is the Jammu and Kashmir Bank Ltd.
- II. The Registered Office of the Company will be situated at Srinagar.
- III. The objects for which the Company is established are :
 - a) to establish and carry on the business of a banking Company whereof the Head Office shall be in Srinagar and a Branch in Jammu and such other Branches or Agencies in India and abroad as may from time to time be determined by the Directors;
 - b) the borrowing, raising, or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, traveller's cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing, on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds scrips or other forms of securities; on behalf of constituents or others; the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit, or for safe custody or otherwise, the collecting and transmitting of money and securities;
 - c) acting as agents for Governments or local authorities or any other person or persons; the carrying on of agency business of any description excluding the business of a managing agent, but including the power to act as attorneys and to give discharges and receipts;
 - d) contracting for public and private loans and negotiating and issuing the same;
 - e) the promoting, effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture stock of any Company, corporation or association and the lending of money for the purpose of any such issue;
 - f) carrying on and transacting every kind of guarantee and indemnity business;
 - g) promoting or financing or assisting in promoting or financing any business undertaking or industry, either existing or new and developing or forming the same either through the instrumentality of syndicates or otherwise;
 - h) acquisition by purchase, lease, exchange, hire or otherwise of any property immovable or movable and any rights or privileges which the Company may think necessary or convenient to acquire or the acquisition of which in the opinion of the Company is likely to facilitate the realisation of any securities held by the Company or to prevent or diminish any apprehended loss or liability;
 - i) managing, selling and realising all property movable and immovable which may come into the possession of the Company in satisfaction or part satisfaction of any of its claims;
 - j) acquiring and holding and generally dealing with any property and any right, title or interest in any property movable or immovable which may form the security or part of the security for any loans or advance or which may be connected with any such security;
 - k) undertaking and executing trusts;
 - l) undertaking the administration of estates as executor, trustee or otherwise;

- m) taking or otherwise, acquiring and holding shares in any other Company having objects similar to those of the Company;
- n) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons; granting pensions and allowances and making payments towards insurance; subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object;
- o) the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the Company;
- p) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the Company;
- q) acquiring and undertaking the whole or any part of the business of any person or Company; when such business is of a nature enumerated or described in this section;
- r) to enter into any arrangement or agreement with His Highness' Government Jammu and Kashmir;
 1. to act as Bankers for and to pay, receive, collect and remit money, bullion and securities, on behalf of the said Government.
 2. to undertake and transact any other business having objects altogether or in part similar to those of the Company which the said Government may from time to time entrust to the Bank including the making of loans to Co-operative credit Banks or for agricultural and industrial purposes.
 3. to obtain from the said Government all rights concessions and privileges that may seem to the Bank's objects or any of them.
 4. to arrange and settle with the said Government the terms and conditions on which such business shall be undertaken by the Bank.
- s) to act as agents for the sale and purchase of stocks, shares, debentures, securities, bullion or specie, or for any other monetary transactions.
- t) to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person or Company carrying on or engaged in any business or transaction which the Company is authorised to carry on or engage in.
- u) to take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert and or minimise financial disturbance which affect the Company.
- v) to establish and carry on the business (amongst others) of a Savings Bank.
- wi)ⁱ to sponsor, promote, establish, incorporate, float and manage Mutual Funds Investment Trusts Companies, Asset Management Companies, Insurance Companies, Housing Development and Finance Companies, Infrastructure Company or Companies undertaking Venture Capital Funds, or Credit Rating Services, Property Development, Merchant Banking, Stock Holding or Custodial Services and Other Financial and Consultancy Services.
- wii)ⁱⁱ to provide Custodial and Depository Services and to do all such things as may be advised, permitted or required for this purpose.
- wiii)ⁱⁱⁱ to donate, contribute, subscribe, promote, support or aid or otherwise assist or grant money to charitable, benevolent, religious, scientific, national public or other institutions, Funds, Trusts, exhibitions, or for any public, general or other objects for discharging what is considered to be social & moral responsibilities of the Company to the public or any section of the public.
- wiv)^{iv} any other form of business which the Government of India or Reserve Bank of India may specify as form of business in which it is lawful for the banking Company to engage.

- wv)^v To sponsor, promote, solicit, establish, procure and carry on the Insurance business and to do all such things as may be advised, permitted or required for this purpose.
- x) to do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- y) to procure the Company to be registered or recognised in any British or foreign country or place and establish and maintain local registries, agencies and branch places of business in any parts of the world.
- z) to abandon any one of the above mentioned objects without reference to others and to do all such other things as are incidental or conducive to the attainment of the above objects.

And it is hereby declared that in the interpretation of this clause the meaning of the Company's objects shall not be restricted by a reference to any other object or by the juxtaposition of two or more objects and that in the event of any ambiguity the clause shall be considered in such a way as to widen and not to restrict the powers of the Company.

IV. The liability of the members is limited.

V.^{vi} The capital of the Company is Rs. 2,50,00,00,000/- (Two Hundred and Fifty Crores)^{ix} divided into 2,50,00,00,000^{ix} equity shares of Rs. 1/-^{vii} each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of Shares in the capital of the Company set opposite our respective names.

Name of subscribers	Address and Description	Number of Share taken ^{viii}	Witness
1. Bishandas	Major-General Rai Bahadur, Dewan, Srinagar	200	Sohanlal Kothari Organiser The Jammu & Kashmir Bank Ltd., Srinagar
2. Tej Ram	General Treasurer, His Highness' Govt., Srinagar	100	
3. Abdul Hamid	Advocate, State Councillor, Jammu	200	
4. Chandrajoo	Advocate, Srinagar	200	
5. B.N. Pestonjee	Merchant, The Bund, Srinagar	150	
6. Sri Nivas Magotra	Banker, Jammu	200	
7. Anand Sarup	Retired Asst. Suptd. of Police, Amira Kadal, Srinagar	200	
8. Abdul Aziz Mantoo	Merchant, Sri Ranbir Gunj, Srinagar	200	

List of Amendments to Memorandum of Association of the Bank.

- (i) Inserted vide Special Resolutions passed in the AGM held on 10-07-99 and pursuant to permission granted by RBI vide their letter DBOD.558.16.063/99-2000 dated 26-11-99
- (ii) Inserted vide Special Resolutions passed in the AGM held on 10-07-99 and pursuant to permission granted by RBI vide their letter DBOD.558.16.063/99-2000 dated 26-11-99
- (iii) Inserted vide Special Resolutions passed in the AGM held on 10-07-99 and pursuant to permission granted by RBI vide their letter DBOD.558.16.063/99-2000 dated 26-11-99
- (iv) Inserted vide Special Resolutions passed in the AGM held on 10-07-99 and pursuant to permission granted by RBI vide their letter DBOD.558.16.063/99-2000 dated 26-11-99
- (v) Inserted vide Special Resolutions passed in the AGM held on 12-06-04 and pursuant to permission granted by RBI vide their letter PSBS.514/16.01.063/2004-05 dated 18-10-04
- (vi) The Authorized capital of the Bank was reduced from Rs. 100 crores divided into 1,000,000,000 equity shares of Rs. 1/- each to Rs. 95 Crore divided into 950,000,000 equity shares of Rs. 1/- each vide special resolution passed in the AGM held on 22nd Aug. 2015 and pursuant to permission granted by RBI vide their letter DBR.No. PSBD.8357/16.01.063/2015-16 dated December 30, 2015
- (vii) Rs. 10 per share prior to splitting of shares vide special resolution passed in the AGM held on 2nd Aug. 2014
- (viii) Rs. 25/- per share prior to splitting
- (ix) The Authorized capital of the Bank was increased from Rs. 95 crores to Rs. 250 vide Special Resolutions passed in the AGM held on 28-09-2020 and pursuant to permission granted by RBI vide their letter DOR.PSBD.No.830/16.01.063/2020-21 dated 16-10-2020

**ARTICLES OF ASSOCIATION OF
THE JAMMU AND KASHMIR BANK LIMITED**

I. PRELIMINARY

- | | | |
|---|----|--|
| Bank a Government Company | 1. | The Jammu and Kashmir Bank Limited, has been established with limited liability, in accordance with the provisions of the Jammu and Kashmir Companies Act, 1977 (1920 A. D.) XI of 1977. By the Jammu and Kashmir (Extension of laws) Act, 1956 such provisions of the Companies Act, 1956 as relate to the incorporation, regulation and winding up of banking, insurance and financial corporations, have been made applicable to the State of Jammu and Kashmir. The Banking Regulation Act, 1949 and Reserve Bank of India Act, 1934 have also been extended to the State. It is a Government Company within the meaning of section 2(45) of the Companies Act, 2013 ¹⁶ . |
| First Schedule not to apply | 2 | The regulations contained in table "F" in Schedule I to the Companies Act, 2013 ¹⁶ shall not apply to the Company except so far as they are embodied in or expressly made applicable by these Articles |
| Company to be governed by these Articles | 3 | The regulations for the management of the Company and for observance thereof by the members and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed or permitted by the Companies Act, 2013 ¹⁶ and subject to the provisions of the Banking Regulation Act, 1949 be such, as are contained in these Articles |

II. INTERPRETATION

- | | | |
|--|----|---|
| Interpretation clauses | 4 | In the Interpretation of these Articles, the following words and expressions shall have the following meanings unless repugnant to the subject or context thereof:- |
| The Banking Regulation Act | a) | "The Banking Regulation Act" means the Banking Regulation Act, 1949 as modified from time to time. |
| Board or the Board of Directors | b) | "Board" or "the Board of Directors" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board or the Directors of the Company collectively. |
| Company or Bank | c) | "The Company" or "the Bank" means "The Jammu and Kashmir Bank Ltd". |
| The Companies Act | d) | "The Companies Act" means the Companies Act, 2013 as modified from time to time ¹⁶ . |
| Company's rules | e) | "Company's rules" mean the rules for the time being for the management of the Company. |
| Chairman. | f) | "Chairman" means the Chairman of the Board of Directors of the Bank. |
| Directors. | g) | "Directors" means the Directors for the time being of the Company, or, as the case may be, the Directors assembled at a Board or the Directors of the Company collectively. |
| Executive Director | h) | "Executive Director" means a Whole-time Director (other than the Managing Director & Chief Executive Officer (MD & CEO) ²¹ of the Bank) who is in the whole time employment of the Bank, entrusted with the duty of whole-time Director. |

Managing Director & Chief Executive Office (MD & CEO) ²¹	ha)	“Managing Director & Chief Executive Officer (MD & CEO)” means a Director who, subject to the superintendence, control and direction of the Board of Directors is entrusted with the substantial powers of management of the affairs of the Bank and includes a director occupying the position of Managing Director & Chief Executive Officer (MD & CEO) ²¹ , by whatever name called. ²¹
Dividend ¹	i)	“Dividend” includes any interim Dividend.
Gender	j)	Words importing the masculine gender also include the feminine gender, unless the contrary intention appears from the context
General Manager ¹⁴	k)	“General Manager” means a person appointed as such to do such acts and things for carrying on the business of the Bank as he may be authorized and to exercise such powers as may be delegated to him, by the Board/ Managing Director & Chief Executive Officer (MD & CEO) ²¹ , or an Executive Director but subject always to the supervision, control and direction of the Managing Director & Chief Executive Officer (MD & CEO) ²¹ and/or an Executive Director, as the case may be.
Meeting.	l)	“Meeting” means the meeting of the Shareholders or of the Directors as the case may be.
Month.	m)	“Month” a English calendar month.
Office	n)	“Office” means the Registered Office of the Company for the time being.
Ordinary resolution and special resolution.	o)	“Ordinary resolution” and “special resolution” have the meanings assigned thereto respectively by Section 2(63) and 114 of the Companies Act, 2013. ¹⁶
Permanent resident of Jammu and Kashmir	p)	Deleted. ²⁰
Person.	q)	“Person” includes artificial persons, s as well as individuals. ¹⁶
Plural Number.	r)	Words importing the plural number also include the singular number unless the contrary intention appears from the context.
Singular number.	s)	Words importing the singular number also include the plural number unless the contrary intention appears from the context.
Secretary.	t)	“Secretary” means a person, subordinate to the Chairman, appointed as such who, subject to the supervision, control and direction of the Chairman, besides working as Secretary to the Board, performs such administrative and ministerial duties as may be laid down for him by the Chairman.
Shareholder or member ²	u)	iv. “Shareholder” or “Member” means any person(s) whose name is entered in the Register of Members from time to time as owner or joint owner of any share in the Company and also every person holding Equity Shares of the Bank and whose name has been entered as Beneficial Owner on the records of depository of Beneficial Owner.
Beneficial Owner ²	v)	v. “Beneficial Owner” shall mean the Beneficial Owner as defined in clause (a) of sub section(1) of section 2 of Depositories Act, 1996.
Depositories Act ²	w)	vi. “Depositories Act” means Depositories Act, 1996 and shall include any statutory modification or reenactment thereof for the time being in force.
Depository ²	x)	vii. “Depository” shall mean as Depository as defined under clause (e) of sub section (1) of section 2 of the Depositories Act, 1996.
SEBI ²	y)	“SEBI” shall mean the Securities and Exchange Board of India.
Security	z)	“Security” shall mean such security as may be specified by RBI/SEBI from time to time.

III. SHARE CAPITAL

Amount of Capital	5	The Capital of the Company is Rs.250 Crores ³ & ²¹ divided into 250,00,00,000 ^{15 & 21} Equity Shares of Rs. 1 each. ³
Allotment of Shares.	6	Subject to the provisions of the Companies Act, 2013 ¹⁶ the allotment of so many of the said shares in the original capital as have not been allotted at the date of the registration of these Articles shall exclusively appertain to, and be vested, in the Directors at their absolute discretion, who shall have the power to allot all or any of such shares as fully or in partly paid up in such manner and to such person or persons as they, in their absolute discretion, shall think fit.
Increase of Capital by the Company and how carried into effect	7	The Company in General Meeting may, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meetings of the Company in conformity with Sections 47 of the Companies Act, 2013 ¹⁶ . Whenever the Capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 64 of the Companies Act, 2013 ¹⁶ .
How carried out	8	Whenever an increase of capital has been made or sanctioned in manner aforesaid, the Board shall carry the resolution into effect in such manner as they deem most expedient, subject nevertheless to the legislative provisions for the time being in force in this behalf, and to these presents and to the special directions (if any) given in reference thereto by the General Meeting at which such resolution may have been passed.
New Capital same as existing Capital.	9	Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Reduction of capital	10 (A)	¹⁶ Subject to the provisions of section 61 of the Companies Act, 2013, the company may, by ordinary resolution,— (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
	(B)	The Company may (subject to the provisions of Sections 52,56,66 of the Companies Act, 2013) ¹⁶ from time to time by special Resolution, reduce its

Capital and any Capital redemption reserve fund or other premium account in any manner for the time being authorized by law, and in particular Capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted

Register and index of Members	11	The Company shall cause to be kept a Register and Index of members in accordance with Sections 88 of the Companies Act, 2013 ¹⁶ .
Shares to be Numbered progressively and no share to be sub-divided	12	The shares in the Capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided.
Further issue of Capital	13(1)	⁴ Where the Board decide to increase the Subscribed Capital of the Company by the allotment of further shares either out of the unissued capital or out of the increased share capital then. a) Such further shares shall be offered to the persons who at the date of Offer are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date. b) Such offer shall be made by a notice signifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed, to have been declined. c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason shares to allot to any shares to any person in whose favour any member may renounce the shares offered to him. d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such a manner and to such person/s as they may think, in their sole discretion, fit.
	(2)	Notwithstanding anything contained in sub clause (1) thereof, the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever. a) If a special resolution to that effect is passed by the Company in General Meeting, or; b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any, of the Chairman) by the members, who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

- (3) Nothing in sub clause (c) of (1) hereof shall be deemed :
- a) To extend the time within which the offer should be accepted, or;
 - b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the Subscribed Capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company :
- a) To convert such Debentures or Loans into shares in the Company, or;
 - b) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

- i. either has been approved by the Central Government before the issue of Debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- ii. in the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the Debentures or raising of the loans.

Terms of Issue of Debentures

13(A)

⁴ Any debentures, debenture-stock or other securities¹⁶ may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors or otherwise. Debentures with a right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Shares under control of Directors

14¹⁶

⁴ Subject to the provisions of Section 81 of the Companies Act, and these Articles, the shares in the capital of the Company for time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, may issue and allot shares in the Capital of the Company on payment in full or part of any property sold or transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid up shares

Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Buy back of own shares

14(A)

² Notwithstanding anything contained in these Articles, but subject to the approval of the Reserve Bank of India and provisions of the Act and all other

applicable provisions of law as may be in force at any time and from time to time, the Bank may, as and when it thinks fit, buy back such of its own shares or securities as it may think necessary, subject to such limits, and on such terms and conditions and at such times the Board may in its discretion decide and deem fit

Power also to Company in General Meeting to issue shares	15	<p>(a) In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons in such proportion and on such terms and conditions, and either (subject to compliance with the provisions of Sections 52 and 54 of the Companies Act, 2013) ¹⁶ at a premium or at par, as such General Meeting shall determine and with full power to give any person the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Companies Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting; or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.</p> <p>(b) ⁵The Company in its General Meeting may increase its Paid-up capital through capitalisation of its General Reserves (over and above the statutory reserve fund) by issue of Bonus Shares to its existing shareholders on the pattern as may be decided by the Company in its General Meeting whose names appear in the books of the Company on the date of such meeting of the Company, subject to compliance with the provisions of the Companies Act 2013¹⁶ and other guidelines issued by Government or other Regulatory Bodies in this regard from time to time.</p>
Acceptance of Shares	16	<p>An application signed by or on behalf of the applicant for shares in the Company followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares shall, for the purposes of these Articles, be deemed a shareholder.</p>
Deposit etc. to be paid immediately	17	<p>The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit call, or otherwise in respect of any shares allotted by them, shall immediately after such allotment, become a debt due to, and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly. The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.</p>
Liability of Members for proportion of Capital	18	<p>Every member, his heirs or successors, executors or administrators shall pay to the Company the proportion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Directors shall from time to time, in accordance with the Company's rules, require or fix for the payment thereof</p>
Joint Shareholders	19	<p>If two or more persons be registered as Joint holders of any share, any one of such persons may give effectual receipts for any dividend payable in respect of such share and the certificates of shares registered in the names of two or more persons shall unless otherwise directed by them, be delivered to the person first named on the register.</p>
Company not bound to recognize any but registered shareholder	20	<p>The Company shall not be bound to recognise any equitable, contingent future or partial interest, in any share or (except as is by these presents otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these presents, in the person or persons, from time to time registered as the holder or holders thereof</p>

Notice of change of name or abode or marriage of a female shareholder	21	a) Any shareholder who shall change his name or place of abode, shall not be entitled to recover any dividend or to vote until notice of change of name, or abode, be given to the Company for registration. b) ¹⁴ Deleted
Rights of a member	22	No person shall exercise any of the rights or privileges of a member until he shall have paid all calls and all other moneys for the time being due on every share held by him or due on any account or in any manner whatsoever to the Company.
Company not to invest money in its own shares	23	No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of, the Company's shares.
Register of Directors	24	The Directors shall keep a register showing as in respect of each Director the number, description and amount of any shares or debentures in the Company which are held or in trust for him or of which he has any right to become the holder as required by Section 170 of the Companies Act, 2013 ¹⁶ .
Shareholdings		

IV. SHARE CERTIFICATE

Share Certificate by whom to be signed	25	⁴ Every member shall be entitled to receive gratis one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the common Seal of the Company signed by two of the Directors and countersigned by the Secretary, or by any person or persons authorised for the purpose by the Directors and such certificate(s) shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
Renewal Certificate	26	⁴ If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, or if any certificate comprising of more than one share is to be splitted into two or more separate certificates then upon production and surrender thereof to the Company, new certificate(s) may be issued in lieu thereof without charging any fee and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and upon execution of such indemnity as the Company deem fit and adequate, being given, and on payment of out of pocket expenses incurred by the Company in investigating evidence, new certificate(s) in lieu thereof shall be given to the party entitled to such lost or destroyed certificate, without payment of fees, if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the

rules made under the Act or the rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

Endorsement of Certificate	27	Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by the Secretary or some person for the time being duly authorized by the Directors in that behalf. In case any transferee shall apply for a new certificate thereof, in lieu of the old or existing certificate, he shall be entitled to receive a new certificate on payment by him (in addition to the transfer fee) of the sum of fifty paise or any less sum which the Directors may from time to time fix for every share in respect of which a new certificate is applied for, and upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new
Issue of new certificates & their splitting up	28	⁴ Deleted

V. LIEN ON SHARES

Company's lien on shares	29(A)	(1) The Company shall have a first and paramount lien : (a) on every share (not being a fully-paid share,) for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company.
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Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(B) (2) The Company's lien, if any on a share shall extend to all dividends payable thereon.

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:-

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payments of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

(C)

- (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

VI. CALLS

Board may make calls in respect of amount unpaid on shares	30	⁴ The Directors may subject to Section 49 of the Companies Act, 2013 ¹⁶ from time to time, subject to any terms on which any share may have been issued, make such calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof, and each member shall pay the amount of every call so made on him to the persons and at the time appointed by the Board. A call may be made payable either in one sum or by installments.
Board may make further calls in respect of amount unpaid on shares	31	The Directors may, from time to time, make such call as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively whether on account of the nominal value of the shares or by way of premium and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Directors. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Directors authorising such call was passed.
Notice of calls how to be given and for how long	32	⁴ Twenty one days notice at the least shall be given by the Bank at the time and place appointed by the Board for the payment of every such call by written notice sent to the respective registered addresses of the shareholders through the post.
Payment in anticipation of calls at interest	33	⁴ The Directors may, if they think fit, subject to provisions of Section 50 of the Companies Act, 2013, ¹⁶ agree to receive from any member willing to advance the some whole or part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
Calls when made	34	A call shall be deemed to have been made at the time when the Directors pass a resolution making such call and notice thereof has been given to the shareholder.
Directors may extend time.	35	The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who by reason of residence at a distance or other cause, the Board may deem fairly entitled to such extension; but no Member shall be entitled to such extension save as a matter of grace and favour.
Calls to carry interest.	36	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18% ⁴ but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
Proof on trail of suit for money due on share	37	On the trial or hearing of any action or suit brought by the Company against any Member or his representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears as entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member

or his representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt

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| Part payment on account of calls. | 38 | Neither the receipt by the Bank of a portion of any money which shall, from time to time, be due from any shareholder to the Bank in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Bank in respect of the payment of any such money shall preclude the Bank from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided |
| The money due to shareholders from the Bank | 39 | Any money due from the Bank to a shareholder may, without the consent of such shareholder, be applied by the Bank in or towards payment of any money due from him to the Bank for call or otherwise. |

VII. FORFEITURE OF SHARES

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| If money payable on share not paid, notice to be given to member | 40 | If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. |
| Terms of notice. | 41 | The notice shall name a day (not being less than fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non- payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited |
| In default of payment shares to be forfeited | 42 | If the requirements of any such notice as aforesaid shall not be complied with every or any share, in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect |
| Notice of forfeiture to a Member | 43 | When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members. |
| Forfeited share to be sold, reallocated or otherwise disposed of. | 44 | ⁴ Every share which shall be so declared forfeited shall thereupon be the property of the Bank and may, at any time thereafter, be sold, reallocated or otherwise disposed off, to the original holder thereof or to any other person, either by public auction or by private sale, upon such terms and in such manner as the Directors shall think fit and in accordance with the listing agreement. |
| Member still liable to pay money owing at time of forfeiture and interest | 45 | Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Bank on demand, all call, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit. |
| When share is forfeited, all dividends and bonuses due thereon to the | 46 | The forfeiture of the share shall involve the extinction, at the date of the forfeiture, of all interest in and of all claims and demands against the Bank in respect of the share and all dividends and bonuses due and payable in respect thereof and also all other rights incident to the share, except only such of the rights as by these Article are expressly saved |

shareholder
shall be
forfeited

- Certificate of forfeiture** 47 A certificate in writing under the signatures of two Directors and countersigned by the Secretary or any other person who may be appointed for the purpose by the Directors, that the call in respect of a share was made, or as the case may be, interest in respect of a call was payable and notice thereof specified in Clause 41 of these Articles was given but not complied with, and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to or interested in such share and such declaration and the receipt of the Bank for the price of such share shall constitute a good title to such share and a certificate such as specified in Clause 26 of these Articles shall be delivered to the purchaser and thereupon he shall be deemed to be the holder of such share discharged from all calls due prior to such purchase and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity in the proceedings in reference to such forfeiture of the share and after his name has been entered in the register in respect of such share or shares, the validity of the sale shall not be impeached by any person and the remedy, if any, of the person aggrieved by the sale shall be in damages only and against the Bank exclusively.
- Annulment for forfeiture.** 48 Before any share so forfeited is sold, reallocated or otherwise dealt with as aforesaid, the forfeiture thereof, may, at the discretions and by a resolution of the Directors, be annulled on such conditions as they may think fit to impose.

VIII. TRANSFER AND TRANSMISSION OF SHARES

- Transfer Register** 49 The Bank shall keep a book to be called the –Register of Transfer¹¹ and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share in the Bank.
- Form of transfer** 50 ⁶ Shares in the Company shall be transferred by an instrument in writing in such form as may from time to time be prescribed under the relevant provisions of the Companies Act in that behalf. The Directors may from time to time alter or vary the form of such transfer deed so as to comply with the provision of the Companies Act in that behalf
- Transfer deed by whom to be executed** 51 Every such instrument of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Shareholders in respect thereof
- The Board may decline to register transfer** 52 ⁴ Subject to the provisions of Section 58 of the Companies Act, 2013, ¹⁶ the Directors may at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares in whatsoever lot shall not be refused
- Transfer of Shares with the** 52 (A) ⁷ No Transfer of Share shall be made without the Prior Approval of Reserve Bank of India where that acquisition of shares by a person/group which would

prior approval of RBI		take his/its holding to a level of 5% (Five percent) or more of the total issued Capital of the Bank (or such other percentage as may be prescribed by the Reserve Bank of India from time to time)
Board may decline to register transfer if transferee not approved.	53	4 Deleted.
Death of one or more Joint-holders of shares.	54	In case of the death of any one or more of the persons named in the Register of members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Nomination of Shares/ Debentures	54 (A)	<ol style="list-style-type: none"> 1. ⁸ Every holder of the Shares in, or every holder of debentures of, a Company may, at any time, nominate in the prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his death. 2. Joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or the debentures of the Company shall vest in event of the death of all the joint holders. 3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or where, in respect of such shares in or debentures of the Company, where nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee, shall, on the death of the shareholder or the holder of debentures of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be, or all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless nomination is varied or cancelled in the prescribed manner 4. Where the nominee is a minor, the holder of shares or of debentures, may make nomination to appoint in the prescribed manner, any person to become entitled to shares in or debentures of the Company in the event of his death, during the minority.
Title of shares of deceased.	55	<p>Subject to the provisions of Section 72 of Companies Act, 2013¹⁶ and Article 54A of Articles of Association, on the death of a Member, his legal representative, executor or administrator, when he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares; but the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained a Probate or Letters of Administration or a Succession Certificate as the case may be, from a competent Court.</p> <p>Provided that in special cases, and in such only, it shall be lawful for the Directors to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnify or otherwise as to the Directors may appear fit.</p>
Registration of person entitled to shares otherwise than by transfer	56	Any person becoming interested in a share in consequence of the death or insolvency of any shareholder or by any lawful means other than by a transfer in accordance with these Articles shall be registered in the Register of shareholders as proprietor of such share upon his producing such evidence as to title and otherwise as the Directors may deem sufficient.

		This clause is hereinafter referred to as -the transmission Clause.
Application for transfer	57	<p>(1) An application for the registration of a transfer of the shares or other interest of a member in a Company may be made either by the transferor or by the transferee.</p> <p>(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.</p> <p>3) For the purposes of sub-section (2) notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p>
Certificate be produced previous to registration	58	Prior to the Registration of a transfer, the transferee shall produce for the inspection of the Directors the certificate of the share to be transferred.
Transfer to be presented with the evidence of title	59	⁶ The instrument of transfer shall be presented to the Bank together with such evidence as the Directors may require to prove the title of the transfer or and generally under the subject to such conditions and regulations as the Directors shall from time to time prescribe and the Directors shall thereupon register the name of the transferee in the Register of shareholders in respect of the shares so transferred and shall also endorse the transfer on the Certificate. Every registered instrument of transfer shall remain permanently in the custody of the Bank.
Fee on transfer or transmission	60	⁴ Deleted.
Condition of Registration of Transmission	61	Every transmission of a share shall be verified in such manner as the Directors may require and the Bank may refuse to register any such transmission until the same be so verified. Whenever the Bank registers any such transmission an endorsement of such transmission shall be made on the Certificates of the shares so transmitted.
Transfer Books to be closed for not more than 45 days in the year	62	<p>The Directors shall have power to close the transfer books of the Bank for such period of time in every year as to them may seem fit, but not exceeding forty five days in the whole year.</p> <p>Previous notice of not less than seven days shall be given by advertisement in some Newspaper circulating in the District where the Registered Office of the Company is situated, before closing of the transfer books.</p>
The Bank not liable for disregard of any notice prohibiting transfer	63	The Bank shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of share made or purporting to be made, by an apparent legal owner thereof to the prejudice to persons having or claiming any equitable right, title or interest to or in the same share, notwithstanding that the Bank may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Bank, and the Bank shall not be bound or required to attend or give effect to any notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Bank but the Bank shall nevertheless be at

liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

Copy of Memorandum and Articles to be furnished to shareholders

64 Copies of Memorandum and Articles of association shall be furnished by the Directors to every shareholder at his request in writing, on payment of such sum not exceeding one rupee as from time to time the Directors may think fit.

VIIIA. DEMATERIALISATION OF SECURITIES

Issue of securities in Demat Form

64 (A) (i) ² Notwithstanding anything contained in these Articles, the Bank shall be entitled to dematerialize its shares/debentures and other securities pursuant to Depositories Act 1996 and offer its shares/debentures and other securities for subscription in a dematerialised form.

Option for Investors

(ii) Every person subscribing to securities offered by the bank shall have the option to receive share certificates to hold the securities with a depository. Such a person who is a beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Bank shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities.

If a person opts to hold his security with a depository, the Bank shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be held in fungible form

(iii) All securities held in the depository shall be dematerialised and be in the fungible form. Nothing contained in sections 89 of the Companies Act, 2013¹⁶ shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

iv) (a) Notwithstanding anything to the contrary contained in the Companies Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.

(b) save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) every person holding securities of the Bank and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Bank. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(d) save as herein otherwise provided, the Bank shall be entitled to treat the person whose name appears on the registers of Members as the holders of any share, as also the person whose name appears as the beneficial owner of the shares in the records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with

the bank, and accordingly, the Bank shall not (except as ordered by court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

Service of Documents

(v) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Bank by means of electronic mode or by delivery of floppies or Disks.

Transfer of Securities

(vi) Nothing contained in section 56 of the Companies Act, 2013,¹⁶ or these articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt within a Depository

(vii) Nothing contained in the Companies Act or these Articles, where securities are dealt with by a depository, the Bank shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive Number of Securities held in a Depository

(viii) Nothing contained in the Companies Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Bank shall apply to securities held with a depository.

Register and index of beneficial owners

(ix) The Register and Index of beneficial owners maintained by depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders for the purpose of these Articles.

IX. BORROWING POWERS

Power to Borrow

65

⁴ Subject to the provisions of Section 179, 180 and 181 of the Companies Act, 2013¹⁶ the Directors may, from time to time, at their discretion, by means of a resolution passed at their meeting, borrow, or secure the payment of, any sum or sums of money for the purposes of the Company, PROVIDED that the Directors shall not, without the sanction of a General Meeting of the Company, borrow money where the moneys to be borrowed, together with the moneys already borrowed by the Company, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves, not set apart for specific purposes.

Conditions on which money may be borrowed

66

The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and, in particular by the issue of bonds, perpetual or redeemable debenture stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company, both present and future, but so that no charge shall be created upon any unpaid capital of the Company PROVIDED HOWEVER no debenture shall carry any voting right at any meeting of the Company whether generally or in respect of a particular class of business.

Register of Mortgage to be kept

67

The Directors shall cause a proper register to be kept in accordance with Section 85 of the Companies Act, 2013¹⁶ of all mortgages and charges specifically affecting the property of the Company; and shall duly comply with the requirements of Section 77 of the Companies Act, 2013¹⁶ in regard to the registration of mortgages and charges therein specified and otherwise

Indemnity may be given

68 If the Directors or any of them, or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

X. DIRECTORS

69 (i) ¹⁹ Subject to the Provisions of the Companies Act, The Banking Regulation Act, SEBI Regulations and these Articles, the Chairman of the Board shall be a ²⁰ Non - Executive Director. ¹⁰The number of Directors on the Board of the Bank shall not be more than fifteen¹⁸ or less than six.²⁰ Not more than two¹⁷ of these Directors shall be appointed by the Government, who will be called Government Directors; provided that no Director other than a Government Director shall be elected as Managing Director & Chief Executive Officer (MD & CEO) ^{20 & 21} of the Bank ¹⁹.

(ii) The Directors at the time of adoption of these articles are:—

1. Shri Abdul Aziz Fazili, Chairman.
2. Shri Janki Nath Kaul, Secretary of the Government of Jammu and Kashmir, Finance Department.
3. Shri Nand Kishore Sharma, Assistant Chief Officer, Incharge Regional Office of Department of Banking Operations and Development, Reserve Bank of India, Jammu.
4. Raja Upendra Kishan Kaul.
5. Kh. Khurshid Ahmad Muntoo.
6. Capt. Diwan Singh.
7. Shri Degamber Sen Sawhny.
8. Shri Mohomad Amin.

The first three are the Government Directors of the Board

(iii) Government Directors will continue in their offices so long as their appointment is not cancelled by the Government.

70 (i) The Directors shall have the power from time to time and at any point of time to appoint independent directors subject to approval of Shareholders in compliance with the requirements of applicable laws.²⁰

Provided that independent directors shall hold office for a term upto 3 consecutive years on the Board of the Bank from the date of appointment, but shall be eligible for re-appointment in accordance with the provisions of the Companies Act, 2013. ²⁰

(ii) ⁹ Directors shall be entitled to payment of Sitting Fee for attending the meetings of the Board or Committees thereof. ²⁰Sitting Fee shall be paid to a Director other than¹⁹:

- (a) Managing Director & Chief Executive Officer (MD & CEO) ²¹;
- (b) Executive Director(s);

- (c) Director(s) nominated by the Government and who is /are in the employment of the Government, or
- (d) Director(s) who is/are in the employment of Government, and
- (e) Additional Director(s) appointed by the Reserve Bank of India and who is/are in the employment of RBI.

for attending a meeting of Board or Committee irrespective of the number of days for which the meeting may continue, shall be Rs.40000/-¹⁸. Besides a fee admissible to a Director for attending the meeting, any Director who comes to attend a Board Meeting or a meeting of a Committee of the Board held at a place other than the place of his usual residence, shall, besides the travelling allowance admissible, be entitled to halage as shown in the Article 70 (A) for the day/s the Director has to stay at such place, in connection with a meeting, and also for any extra day or days or onward or return journey connected with the meeting and involving air and/or rail travel.

70 (A) ¹¹Directors shall be paid all travelling, hotel & other expenses incurred by them respectively in attending and returning from the meeting of the Board of Directors or any Committee thereof or General Meeting of the Company, or in connection with the business of the Company

70 (B) ¹⁹ A Director including a part time Chairman who is neither in the whole time employment of the Bank nor a Managing Director & Chief Executive Officer (MD & CEO) ²¹, if called upon and willing to render extra services whether of a professional or non-professional nature may be paid remuneration either by way of monthly, quarterly or annual payment or by way of commission, as may be determined by the Board, subject to the provisions of the Act.

XI. POWERS OF DIRECTORS

Powers of the Board

71 The management of the business of the Bank shall be carried on by the Managing Director & Chief Executive Officer (MD & CEO) ¹⁹ & ²¹ subject to the superintendence, control and direction of the Board of Directors. The Directors may exercise all such powers and do all such acts and things as the Company is, by its Memorandum of Association or otherwise, authorised to exercise and do and are not hereby or by statute directed or required to be made exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Companies Act, and of these presents and to any rules not being inconsistent with these presents from time to time made by the Company in General Meeting provided that no such rules shall invalidate any prior act of the Directors which would have been valid if such rules had not been made.

Express Powers of the Board

72 Without prejudice to the general powers conferred by last proceeding clause and of other powers conferred by these Articles the following powers and authorities are expressly given to and conferred upon the Directors:—

- a) Subject to the provisions of the Banking Regulation Act, to purchase, buy, take on lease, or otherwise acquire any land (whether freehold, leasehold, or otherwise) from any person including a Director with or without a house or houses, building or buildings thereon in the Jammu and Kashmir State and elsewhere in India and to erect, construct and build or alter any building or buildings thereon for the purposes of banking house or banking houses office or offices or as a residence for the Managing Director & Chief Executive Officer (MD & CEO) ¹⁹ & ²¹ or the General Manager or any other person in the employ of the Bank and to pay for such land and buildings whether

- purchased, leased or acquired, or built, or constructed by the Bank either in cash or otherwise.
- b) To purchase all furniture, utensils, and other things necessary for a banking house, office or residence and to purchase, and fit up the banking premises, with all things which the Directors may deem necessary or convenient for carrying on the business of the Bank.
 - c) Subject to the provisions of the Banking Regulation Act, to open and establish branches and agencies for the conduct of the Bank's business from time to time in any part of the Jammu and Kashmir State or India as the Directors may think it expedient to do and to close such branches or agencies.
 - d) To appoint at any time and from time to time by Power of Attorney under the Seal of the Bank any person or persons to be the Attorney or Attorneys of the Bank for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Directors may from time to time think fit and any such Power of Attorney may contain such powers for the protection or conveniences of persons dealing with such Attorneys as the Directors may think fit.
 - e) From time to time frame rules regarding the conditions of service of the employees of the Bank and to nominate and appoint and at pleasure to remove or suspend as the Directors deem best for the management of the business of the Bank, Agents, Officer, Clerks, Engineers, workmen and all other employees of the Bank and to fix all remunerations, salaries and wages to be paid by the Bank to officers of the Bank respectively¹⁹.
 - f) To authorise the Managing Director & Chief Executive Officer (MD & CEO)^{19 & 21} or other officers for the time being of the Bank to exercise and perform all or any of the powers, authorities and duties conferred or imposed upon the Directors by the Memorandum or Articles of Association subject to such restrictions and conditions, if any, as the Directors may think proper.
 - g) To raise or borrow money from time to time by bonds, debentures, or promissory notes, or by opening current accounts or by receiving advances with or without security or by mortgaging lands, buildings, machinery, goods or other property of the Bank or by such other means as the Directors may deem expedient.
 - h) To draw, accept, endorse, negotiate and sell bills of exchange and other negotiable instruments with or without security
 - i) To undertake on behalf of the Bank the payment of all rent and the performance of all covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Bank.
 - j) To insure or keep insured if deemed expedient all or any of the buildings, goods, stores, or other property or any securities of the Bank either separately or conjointly for such period and to such extent as the Directors may think proper and sell, assign, surrender, or discontinue any Policies of Assurance effected in pursuance of this power.
 - k) To purchase the reversion, and otherwise to acquire the freehold or free simple of all or any of the lands of the Bank for the time being held under lease or for an estate less than freehold estate by the Bank.
 - l) To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purpose of the Bank.
 - m) To compromise any debt or claim or to give time to any debtor for the payment of his debt or to refer any matter or dispute to arbitration.

- n) To commence, institute, prosecute and defend all such actions and suits, as the Directors may think necessary, or proper to bring or defend on the part of the bank and to compromise or submit to arbitration the said actions and suits as the Directors in their discretion may think fit The Directors for the time being or any person duly authorised by them shall be entitled to make, give, sign and execute all and every warrant to sue or defend on behalf of the Bank and all and every submission to arbitration as may be requisite and for the purposes aforesaid the Directors shall be empowered to use their own names on behalf of the Bank or the name or names of any person or persons connected with the Bank or duly authorised by the Directors and such Director or Directors or such person whose name shall be so used shall be saved harmless and indemnified out of the funds and property of the Bank from all costs and damages which he or they may incur or be liable to by reason of his or their names being so used as aforesaid and such person or persons shall not be entitled to do anything whereby the Directors may be prevented from effectually conducting and bringing to an issue any such action or suit
- o)
 - (i) To set apart from time to time a sum of money (out of the balance of profit of each year of the Bank before declaring any dividend) a sum equivalent to not less than 20% of such profit to a reserve fund (hereinafter referred to as Statutory Reserve Fund).
 - (ii) Over and above the Statutory Reserve Fund referred to in the preceding Articles the Directors before recommending any dividend may set aside out of the profits of the Company, such sums as they think proper as Reserve Fund to meet the contingencies or for special dividends or for repairing, improving and maintaining any of the property of the Company or for meeting bad debts and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company; and may invest the several sum so set aside upon such investments (other than shares of the Company) as they may think fit and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve fund into such special fund as they think fit and employ the reserve fund or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.
- p) From time to time provide for the management of the affairs of the Bank at all its Branches and Head office in such manner as the Directors shall think fit.
- q) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof in such securities (not being shares in this Company) and in such manner as they think fit and from time to time vary or realise such investments.
- r) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.
- s) ⁴ To pay donations to any individuals or institutions or constitute to any charitable, religious, benevolent, national, public or general or other funds not directly relating to the business of the Company or the welfare of its employees any sums the aggregate of which will, in any financial year, not exceed Rs. 50,000/- or 5% of the average net profits of the Company during three financial years immediately preceding, whichever is greater, and may, with the consent of the Company in General Meeting contribute may sums in excess of such limits.

XII. DISQUALIFICATION OF DIRECTORS

Vacation of office by Directors

73¹⁶

The office of a director shall become vacant in case—

- a) He incurs any of the disqualifications specified in section 164 of the Companies Act, 2013;
- b) He absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- c) He acts in contravention of the provisions of section 184 of the Companies Act, 2013; relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- d) He fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184 of the Companies Act, 2013;
- e) He becomes disqualified by an order of a court or the Tribunal;
- f) He is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:
Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
- g) He is removed in pursuance of the provisions of this Act;
- h) He, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company

Exceptions

74

- (i) Except with the consent of the Company accorded by a special resolution, no Director of the Company, no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private Company of which such a Director is a Director or member, and no Director⁸, or manager of such private Company shall hold any office or place of profit carrying a total monthly remuneration of⁸ “such sum as may be prescribed by Central Government from time to time” or more except that of Managing Director & Chief Executive Officer (MD & CEO)²¹, manager, legal or technical adviser, banker or trustee for the holders of debentures of the Company:—

- (a) under the Company; or
- (b) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company.

PROVIDED that it shall be sufficient if the special resolution according the consent of the Company is passed at the General Meeting of the Company held for the first time after the holding of such office or place of profit.

PROVIDED FURTHER that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.

- (ii)¹⁶ Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Board, Bank shall not enter into any contract or arrangement with a related party with respect to—

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;
- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services

XIII. ROTATION OF DIRECTORS

Directors how long to remain in office	75	All the Directors shall retire by rotation except Government Directors who will, continue in their offices so long their appointment is not cancelled by the Government.
Appointment of their successors	76	<p>(1) At every Annual General Meeting of the Company one-third of the Directors for the time being who are liable to retire by rotation or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office;</p> <p>(2) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot;</p> <p>(3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto;</p> <p>(4) (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National holiday, till the next succeeding day which is not a National holiday¹⁶, at the same time and place;</p> <p>(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:—</p> <ul style="list-style-type: none"> (i) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost; (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed; (iii) he is not qualified or is disqualified for appointment; (iv) resolution, whether special or ordinary is required, for his appointment or reappointment by virtue of the provisions of the Companies Act; (v) the proviso to sub-section (2) of Section 162 of the Companies Act, 2013 is applicable to the case.¹⁶

Board may fill up vacancies	77	<p>If the office of any Director appointed by the Company in the General Meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.</p>
Power of Directors to add to their number	78	<p>The Directors shall have power from time to time and at any time to appoint any other persons to be additional Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed as above and so that no such appointment shall be effective unless two-thirds of the Directors concur therein.</p> <p>Provided that such additional Directors shall hold office only upto the date of the next Annual General Meeting of the Company.</p>
Notice of candidature for office of Director except in certain cases	79	<p>1) Subject to the provisions of the Companies Act and these Articles, any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has at least fourteen clear days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be.</p> <p>2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013¹⁶ signifying his candidature for the office of a Director) proposed as a candidate for the office of Director shall sign and file with the Company, his consent in writing to act as a Director, if appointed.</p> <p>3) A person other than :-</p> <ul style="list-style-type: none"> (a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or (b) an additional or alternate Director, or a person filling a casual vacancy in the office of a Director, under Section 161 of the Companies Act, 2013¹⁶ appointed as a Director or reappointed as an additional or alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director. <p>4) The Company shall inform its members of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting;</p> <p>Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English Language and other in the Regional Language of that plac</p>

A Director may resign	80 ¹⁶	<p>A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be prescribed and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company.</p> <p>The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later:</p>
Directors may be removed and successors appointed	81	<p>The Company may, by ordinary resolution, remove any Director before the expiration of his period of office and may subject to the provisions of Section 169 of the Companies Act, 2013,¹⁶ appoint another person in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. Special notice of any resolution to remove a Director shall be given as provided by Section 169 of the Companies Act,2013¹⁶</p>
Register of Directors, etc. and notification of change to Register	82	<p>The Company shall keep at its Registered Office a register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 170 of the Companies Act,2013¹⁶ and shall otherwise comply with the provisions of the said Section in all respects.</p>
Disclosure by Director of appointment to any other body corporate	83 ¹⁶	<p>Every Director and key managerial personnel shall within a period of 20 days from the date of appointment, give notice to the company of such matters relating to himself as may be necessary for the purpose of enabling the company to comply with the provisions of Section 170 of the Companies Act, 2013 or any amendment thereof from time to time.</p>

XIV. PROCEEDINGS OF DIRECTORS

Meeting of Directors	84	<p>¹ The Directors may meet together for the disposal of Business, adjourn, and otherwise regulate their meeting as they think fit. The quorum for a meeting of the Board of Directors of a Company shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher, one of whom must be a Govt. Director. Provided that where at any time number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. Questions arising at any meeting shall be decided by majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. Save as otherwise expressly provided by the Companies Act, 2013¹⁶ a resolution in writing signed by all the Directors shall have the same effect as a resolution passed by the Directors at their meeting</p>
	85	<p>The Chairman of the Board of Directors shall preside at all meetings of the Directors or a Committee thereof, but if the Chairman is not a member of such a Committee or if at any meeting the Chairman is not present the Directors may choose one amongst them to be the Chairman of that meeting.</p>

Committees how and when to be appointed	86	<p>¹² The Directors may subject to the provisions of Section 179 of the Companies Act, 2013¹⁶ delegate any of their powers to Committee or committees consisting of such member or members of their body as they think fit, and may from time to time revoke such delegation. Any committee so formed shall, in exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors. The meetings and proceedings of any such committee, consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under this clause.</p>
Acts of Board or Committees valid notwithstanding informal appointment	87	<p>All acts, not ultra vires, done by any meeting of the Board or by a Committee of Board, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated.</p> <p>Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.</p>
Meetings and proceedings of Committee	88	<p>The meetings and proceedings of such Committees shall be governed by the provisions herein contained for regulating the meetings and proceedings of Directors so far as the same are applicable thereto and so far as the same shall not be superseded by the express terms of the appointment of such Committee respectively or regulations imposed by the Board.</p>
Quorum for Committee Meetings	88A ¹⁶	<p>The quorum for a meeting the Committee of Board of Directors of a Bank shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher. Provided that where at any time number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. Questions arising at any meeting shall be decided by majority of votes. In case of an equality of votes the Chairman of the Meeting shall have a second or casting vote.</p>
Minutes of meetings of Boards and Committees	89	<ol style="list-style-type: none"> 1. The Directors shall cause minutes of all proceedings of General Meetings, and of all proceedings at meetings of its Board of Directors or of Committees of the Board, to be entered in the books kept for that purpose within 30 days of the conclusion of the meeting concerned; 2. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat; 3. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting; 4. In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain:- <ol style="list-style-type: none"> (a) The names of the Directors present at the meeting; and

- (b) In the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- Signature of minutes and effect thereof** 90 Each page of such minute books shall be initialed or signed and the last page of the record of proceedings of each meeting in each books shall be dated and signed:-
- (a) In the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the said meeting or the chairman of the next succeeding meeting;
- (b) In the case of minutes of proceedings of a General Meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorised by the Board for the purpose.

XV. GENERAL MEETING

- Meetings of shareholders to be held** 91 All General Meetings, whether Annual or Extra-ordinary shall be held at the Registered Office of the Company or at some other place within the city in which the Registered Office of the Company is situated.
- Subsequent meetings when to be held** 92 The Directors shall, in addition to any other meetings hold a General Meeting which shall be styled its Annual General Meeting at the intervals, and in accordance with the provisions, specified below :-
- (a) An Annual General Meeting shall be held by the Company within six months¹⁶ after expiry of each financial year.
- (b) Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.
- (c) Every Annual General Meeting shall be called for a time during business hours, on a day that is not a National holiday¹⁶, and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated, and the notices calling the meeting shall specify it as the Annual General Meeting.
- (d) All General Meetings other than Annual General Meeting shall be called Extra-Ordinary General Meeting.
- Extra-Ordinary General Meeting** 93 The Directors may, whenever, they think fit convene an Extra-Ordinary General Meeting, and they shall, on the requisition of members of the Company representing not less than one-tenth of such of the paid-up capital of the Company as at the date of deposit of the requisition carries the right of voting in that matter, forthwith proceed duly to call an Extra-Ordinary General Meeting and in the case of such requisition the following provisions shall have effect:-
- (1) The requisition shall set out the matter for the consideration of which the meeting is called and shall be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more of the requisitionists.
- (2) If the Directors do not, within twenty-one days from date of the deposit of a valid requisition, proceed duly to convene a meeting on a day not later than 45 days from the date of deposit of the requisitions, the meeting may be called by the requisitionists themselves or such of the requisitionists as represent either a majority in value of the paid-up

share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as at that date carries the right of voting, whichever is less, but any meeting so convened shall not be held after three months from the date of deposit of the requisition.

- (3) In the case of meeting at which a resolution is to be proposed as a Special Resolution, the Directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by Sub-Section (2) of Section 114 of the Companies Act, 2013¹⁶
- (4) Any meeting convened under this clause by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

On receipt of requisition directors to convene meeting	94 ¹⁶	The Directors shall, on the requisition in writing of members representing not less than one-tenth of the total voting power of all the members having at the date of the requisition a right to vote on the resolutions or business to which the requisition related, give to members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting alongwith any statement supplied by the requisitionists in accordance with the provisions of Section 111 of the Companies Act.
Notice of Meetings	95	Twenty-one clear days' notice shall be given in the case of Annual General Meeting and of meeting where it is proposed to pass a special resolution. Seven days' clear notice shall, unless the meeting otherwise resolves, be given of an adjourned meeting and fourteen days' clear notice of any other meeting. The notice in each case shall specify the place, day and hour of the meeting and shall contain a statement of the business to be transacted thereat. The notice shall in each case be given to the members either by advertisement or by notice sent by post, or otherwise served as hereinafter provided. Every notice convening a meeting of the Company shall also state that the member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend instead of him and that a proxy need not be a member of the Company
Notice by whom to be signed	96	Every such notice shall be signed by the General Manager or such officers of the Company as the Directors may in that behalf appoint, except in the case of an Extra-Ordinary General Meeting convened in manner aforesaid by the requisitionists under a requisition of shareholders in which case the notice shall be signed by the said shareholders being not less than ten in number.
Omission to give notice not to invalidate a resolution passed	97	The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting

XVI. PROCEEDINGS AT GENERAL MEETINGS

Business of Annual General Meeting	98	The business of an Annual General Meeting shall be the consideration of the accounts, Balance Sheet and the reports of the Board of Directors and Auditors, the declaration of dividend, the appointment of Directors in the place of those retiring and the appointment of and the fixing of the remuneration of the Auditors. All other business transacted at an Annual General Meeting and all business transacted at any other meeting shall be deemed special.
No Business without quorum	99	The quorum for a General Meeting shall be Thirty members ¹⁶ personally present, being the holders of ordinary shares. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business.

When if quorum not present meeting to be dissolved and when to be adjourned	100	If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the meeting, if convened upon requisition of members as aforesaid, shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place or if that day is public holiday, till the next succeeding day which is not a public holiday at the same time and place or such other day, time and place as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, any two members who are personally present shall be a quorum and may transact business for which the meeting was called.
Chairman of Directors to be Chairman of meeting. In his absence a Director to be chosen as Chairman. If chair not taken be Chairman of Board in half an hour shareholders to elect a chairman.	101	The Chairman (if any) of the Board of Directors shall if present and willing, preside at every General Meeting whether ordinary or extraordinary but if there be no such Chairman or in case of his absence or refusal someone of the Directors (if any be present) shall be chosen to be Chairman of the meeting and if the chair be not taken by the Chairman of the Board or by a Director at the expiration of fifteen minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the chair or if there be no Director present the shareholders present shall choose one of their own member to be Chairman of the meeting
When chair vacant no business to be transacted except election of Chairman.	102	No business shall be discussed at any General Meeting except the election of Chairman while the chair is vacant.
Chairman with consent of shareholders may adjourn meeting.	103	<p>(1) The Chairman, may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(3) ¹⁶ “In the case of an adjourned meeting, the Bank shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.”</p>
Resolution how decided	104	Every resolution submitted to a meeting shall be decided by the votes cast, whether on a show of hands, or electronically or on a poll, as the case may be and in case of equality of votes the chairman shall in all cases have a casting vote in addition to his own,” ¹⁶
Business through postal ballot	104(A)	⁸ Subject to the provisions of Section 110 of Companies Act, 2013 ¹⁶ and any other rules and regulations which may be framed by the Central Government from time to time the Company may transit such business as may be notified by the Central Government from time to time or which the Company may consider necessary through postal ballot.

Questions at General Meeting how decided.	105	At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five Members having the right to vote on the resolution and present in person or by proxy or by the Chairman of the meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid-up which in not less than one-tenth of the total sum paid-up on all the shares conferring that right, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands been carried unanimously, or by a particular majority, or lost, an entry to that effect in the Minute books of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
Form of demand for poll	106	The demand for Poll shall be in the following form :— We, the undersigned, shareholders of the Jammu and Kashmir Bank Limited, hereby demand that the votes of this day's meeting on the under-mentioned proposition submitted to it may be taken by poll. Dated this day of.....20.....
Poll to be taken	107	a) If a poll is demanded as aforesaid it shall be taken in such manner and at such time not being later than forty-eight hours from the time and place as the Chairman of the Meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive. b) Any poll demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken forthwith and without adjournment. If a poll is demanded on the election of the Chairman, the Chairman elected on a show of hands shall exercise all the powers of the Chairman. If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting.
In what cases poll taken without adjournment		
Demand for a poll not be prevent continuance	108	The demand for a poll shall not prevent the continuance of the meeting for the transaction any business other than the question in which the poll has been demanded
Chairman's decision conclusive	109	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of the poll shall be the sole judge of the validity of every vote tendered at such poll.

XVII. VOTES OF SHAREHOLDERS

What shareholders may	110	(a) ⁶ On a show of hands every member present in person shall have one vote, and Electronically ¹⁶ every member present in person or by proxy shall have voting right in proportion to his share of the paid-up equity Capital of the Company. (b) Any person entitled under Article 56 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours atleast before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any
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member be a lunatic, idiot or non compos-mentis, he may vote whether by a show of hands or at a poll by his committee curator-bons or other legal curator and such last mentioned persons may give their votes by proxy.

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| Vote of Joint members | 111 | If there be joint registered holders of any share, the shareholder whose name stands first on the register and no other shall be entitled to speak and vote in respect of such share but the other or others of the joint holders shall be entitled to be present at the General Meeting but not to speak or vote. |
| Vote may be given personally or by proxy | 112 | <p>(a) No member not personally present shall be entitled to vote on a show of hands, unless such member is a Company or corporation present by a representative duly authorised under Section 113 of the Companies Act, 2013¹⁶ in which case such representative may vote on the show of hands as if he were a member of the Company.</p> <p>(b) Any member of a Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person, whether a member or not, as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.</p> |
| Instrument of proxy | 113 | <p>a) The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate be under its Seal or be signed by an Officer or an attorney duly authorised by it. A person may be appointed a proxy though he is not a member of the Company.</p> <p>(b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or an office copy or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time of holding the meeting at which the person named in such instrument purports to vote in respect thereof but no instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution.</p> |
| Deposit of instrument of proxy | | |
| Form of proxy | | <p>(c) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is given PROVIDED that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at its office or by the Chairman of the meeting before the commencement of the meeting or adjourned meeting at which the proxy is used.</p> <p>(d) Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in the Form MGT 11 reproduced as under:—</p> |

FORM MGT 11

THE JAMMU AND KASHMIR BANK LTD.

I/We.....of.....in the District of being member/members of the above named Company hereby appoint of..... in the District of..... or failing him of..... in the District ofas my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting/ General Meeting (not being an Annual General Meeting) of the Company to be held on the day of and at the adjournment thereof.

SIGNED this day of 20....

General and special proxy with whom to remain	114	The instrument of proxy shall remain in the custody of the Bank for such time as the Directors may determine.
Time for objections of votes	115	No objection shall be made to the validity of the vote after the Chairman's declaration as provided in Article 105 and every vote tendered or given either personally or by proxy shall be deemed to be valid for all purposes of such meeting after such declaration by the Chairman and shall not be questioned afterwards by any person in any manner whatsoever
Chairman of any Meeting to be the judge or validity of any vote	116	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
Minutes of General Meeting and inspection thereof by Members	117	The Company shall cause to be kept minutes of all proceedings of General Meetings which shall contain a fair and correct summary of the proceedings there at, and a book containing such minutes shall be kept at the Registered Office of the Company and shall be open, during business hours for such periods not being less in the aggregate than two hours in each day as the Directors may determine to the inspection of any Member without charge. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting, (a) is, or could reasonably be regarded as, defamatory of any person, (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non inclusion of any matter in the minutes on aforesaid grounds. Any such minutes, if purporting to be signed by the Chairman of the Meeting at the the proceedings took place or by the Chairman of the next succeeding Meeting, shall be evidence of the proceeding.

XVIII. THE MANAGEMENT OF BUSINESS

Conduct of Business	118	<p>a) Subject to the provisions of the Companies Act, 2013, and the Banking regulation Act, 1949, the Directors may, from time to time, appoint one among themselves, who shall be a Government Director, to be the Managing Director & Chief Executive Officer (MD & CEO) ²¹ for such period not exceeding five years at any one time as may be fixed by the Board of Directors.</p> <p>b) The business of the Bank shall be conducted by the Managing Director & Chief Executive Officer (MD & CEO) ²¹ subject to the superintendence, control and direction of the Board of Directors. Subject to the provisions of any law for the time being in force, the Board of Directors shall entrust the Managing Director & Chief Executive Officer (MD & CEO) ²¹, the management of the whole of the affairs of the Bank and also delegate to him such powers as may be necessary for carrying on the business of the Bank.</p> <p>c) Subject to the provisions of the Companies Act, 2013, and the Banking Regulation Act, 1949, the Board of Directors may, from time to time, appoint one among themselves, to be the Chairman of the Board of Directors for such period not exceeding five years at any one time as may be fixed by the Board of Directors.²⁰</p> <p>d) The Chairman of the Board shall be a Non-Executive Director.</p> <p>e) Subject to the provisions of the Companies Act, 2013 and the Banking Regulation Act, 1949, the Board of Directors shall, from time to time, appoint through promotion /elevation from within the Bank or through</p>
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recruitment from outside the Bank, not more than two officials / persons to be the Executive Director(s) of the Bank on such terms and conditions as may be fixed by the Board of Directors with the approval of Reserve Bank of India. ²¹

- f) The Executive Director(s) shall exercise such powers as may be delegated to him/them, by the Managing Director & Chief Executive Officer (MD & CEO) ²¹, subject to the superintendence, control and directions of the Managing Director & Chief Executive Officer (MD & CEO) ²¹.
- g) The remuneration of the Chairman, Managing Director & Chief Executive Officer (MD & CEO) ²¹ and Executive Director(s) or any modification thereof shall be decided by the Board of Directors subject to the approval of the Reserve Bank of India.

Prohibition against private dealing	119	No Manager, Agent Accountant, Cashier Shroff or other officer or servant of the Bank, without the previous sanction of the Board of Directors, shall engage in any other banking or commercial business either on his own account or as agent for any other person or persons or shall act as broker or agent for the sale or purchase of Government or other securities.
Security	120	Every officer or servant of the Bank from whom the Directors may from time to time think fit to require, it shall give security to the Directors for the faithful discharge of his duty to the satisfaction of the Directors in such amount and in such manner as they think proper.

XIX. DIVIDENDS AND BONUS

	121	Subject to the provisions of Section 15, 17 and 18 of the Banking Regulation Act, the Company may pay dividend and bonus in the manner hereinafter set out.
No dividend on capital paid-up in advance and carrying interest	122	<p>(a) The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these articles, and subject to the provisions of these articles as to the reserve fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively at the date of declaration of the dividend.</p> <p>Provided that where capital is paid-up on any shares in advance of calls up on the footing that the same shall carry interest such capital shall not, whilst carrying interest confer a right to participate in profits.</p>
Declaration of dividend and restriction on amount		(b) The Company in the Annual General Meeting may declare a dividend to be payable out of the profit to the members according to their rights and interests in the profits. No large dividend shall be declared than is recommended by the Directors, but the Company in Annual General Meeting may declare a smaller dividend. No dividend shall carry interest as against the Company
Interim dividends		(c) The Directors may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.
Debts may be deducted		(d) The Directors may retain any dividend on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Dividend can be set off against calls		e) Any Annual General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the

call. The making of a call under this clause shall be deemed ordinary business of Annual General Meeting which declares a dividend.

- Effect of transfer** f) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- Dividend to joint holders** g) Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
- Payment by post** (h) Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
- Notice of Dividend** (i) Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.
- Unpaid or Unclaimed Dividend** (j) ⁸ Where the Company has declared a dividend but for one reason or the other is not paid or the dividend warrant thereof has not been posted within a period of 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of The Jammu & Kashmir Bank Limited" and transfer to the said account, the total amount of dividend which remain unpaid/ unclaimed or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remain unpaid/ unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the "Investor Education and Protection Fund" established by Central Govt. under Section 205C of Companies Act, 1956. No claim shall lie against the Company in respect of individual amounts transferred by the Company to the "Investor Education and Protection Fund" which were unclaimed / unpaid for a period of seven years from the date that they first became due for payment and no payment shall be made in respect of any such claim. No unclaimed or unpaid dividend shall be forfeited by the Board

XX. BOOKS, DOCUMENTS, ACCOUNTS AND BALANCE SHEET

123 The Directors shall at the Registered Office of the Company or subject to the provisions of the Companies Act, at such other place as the Directors may think fit, keep or cause to be kept proper books of account with respect to:—

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- (b) All sales and purchases of goods by the Company; and
- (c) The assets and liabilities of the Company.

The books so kept shall be such as are necessary to give a true and fair view of the State of the Company's affairs and to explain its transaction. All such books shall be open to inspection by the Directors during business hours.

Inspection of account books	124	The Directors shall from time to time, subject to the provisions of sections 94, 119 and 136 of the Companies Act, 2013 determine whether and to what extent, and what times and places and under what conditions, the accounts and books of the Company, or any of them shall be open to the inspection of the members; and no member shall have any right of inspecting any account books or documents of the Company, except as conferred by the Companies Act or authorised by the Directors, or by resolution of the Company in General Meeting and no member not being a Director, shall be entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process of or used by the Company.
Profit and loss account and Balance Sheet	125	<ol style="list-style-type: none"> 1) At the Annual General Meeting in every year, the Directors shall lay before the Company a Balance Sheet and Profit and Loss Account made upto a date not earlier than the date of the meeting by more than nine months, or if the Company is carrying on business or has interests outside India by more than twelve months, subject in either case to the right of the Registrar to extend the period for any special reason as provided in the Companies Act; 2) The said Balance Sheet and the Profit and Loss Account shall be in the form provided for in Section 29 of the Banking Regulation Act, 1949 and shall be signed by the general manager or the Principal Officer of the Company and by at least three Directors.
Report of Directors	126	Every such Balance Sheet and Profit and Loss Account shall be accompanied by a Report of the Directors as to the State of the Company's affairs and as to the amount (if any) which they recommend to be paid out of the profits by way of dividend to the members, and as to the amount which the Company proposes to carry to any reserves and as to material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report and shall otherwise contain such information as may be required by the provisions of Section 134 of the Companies Act, 2013 ¹⁶ and such report shall be signed by the Chairman if he is so authorised in that behalf by the Board, and where the Chairman is not so authorised, the report will be signed by at least three of the Directors. The Balance sheet and Profit and Loss Account be signed by the General Manager or other Principal Officer of the Company and by at least three of the Directors.
Copies to be sent to members	127	A printed copy of such Profit and Loss Account and Balance Sheet and of all documents annexed thereto including the Reports of the Auditors and Directors shall as provided in Section 136 of the Companies Act, 2013 ¹⁶ at least twenty-one days before the meeting, be sent to every member of the Company to every holder of debentures issued by the Company, (not being the holder of the bearer debenture) to every trustee for the holders of any debentures issued by the Company and to all persons otherwise so entitled to receive.

XXI. AUDIT

- Accounts to be audited annually** 128 (a) Once at least in every year, the Accounts of the Company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet ascertained by the Auditors of the Company.
- (b) Without prejudice to the provision of 139(5) of the Companies Act, 2013¹⁶, the Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting. Their appointment, retirement, remuneration, rights and duties shall be regulated by Sections 224 to 231 of the Companies Act.

XXII. THE SEAL

- The Common Seal its custody and use** 129 ⁸ The Board shall have power to provide a common seal for the purpose of the Bank and from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for time being and it shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least two Directors and of the Secretary or such other person as the Board may appoint for the purpose
- Deeds how executed** 130 ⁸ Every deed or other instrument to which the seal is required to be affixed shall be sealed in the presence of and shall be signed by the two Directors and countersigned by the Secretary or such officer of the Bank as shall from time to time be authorised by the Board for the purpose.

The seal shall be in the personal custody of the Secretary.

XXIII. SERVICE OF DOCUMENTS ON COMPANY

- Service of documents on the Company** 131 A document may be served on the Company or an officer thereof by sending it to the Company or officer by registered post, or by leaving it at its Registered Office.
- Service of documents on members by Company** 132 (1) A document may be served by a Company on any member thereof either personally or by sending it by post to him to his registered address, or if he has no registered address in India, to the address, if any, within India supplied by him to Company for the giving of notices to him.
- (2) Where a document is sent by post:—
- (a) Service thereof shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
- (b) unless the contrary is proved, such service shall be deemed to have been effected:
- (i) in the case of a notice of meeting, at the expiration of forty-eight hours after the letter containing the same is posted and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

- (3) A document advertised in a Newspaper circulated in neighborhood of the Registered Office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him;
- (4) A document may be served by the Company on the joint holders of a share by serving it on the joint-holder named first in the register in respect of the share.
- (5) A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purposes by the persons claimed to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

Service of documents on Register

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A document may be served on the Register by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office

XXIV. EVIDENCE

Evidence in action by company against shareholders

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On the trial or hearing of any action or suit to be brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the defendant or of the person whom he represents is or was when the claim arose on the register of shareholders of the Company as a holder of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

XXV. SECRECY CLAUSE

Secrecy Clause

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Every member of the Board of Directors, General Manager, Auditor, member of a Committee, Officer, Servant Agent, Accountant or other person employed in the business of the Company, shall be bound to observe strict SECRECY respecting all transactions of the Company with the customers and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters, which may come to his knowledge in the discharge of his duties except when required so to do by the Board of Directors or by any meeting, or by a Court of Law, or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions herein contained.

XXVI. INDEMNITY

Indemnity	136	Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with an application under Section 463 of the Companies Act, 2013 ¹⁶ in which relief is granted to him by the Court.
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XXVII. WINDING UP

Winding Up	137	The winding up of the Company shall be in accordance with the provisions of Part III and Part III A of the Banking Regulation Act
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List of Amendments to Articles of Association of the Bank.

1. Amended by Special Resolution passed in the A.G. M held on 2nd June, 2003
2. Amended by Special Resolution passed in the A.G. M held on 10th July, 1999
3. As amended by special Resolution passed in the 20th AGM held in July, 1958 and further amended as under:
 - Rs. 30 Lakhs to Rs. 1.20 crore - AGM held on 27-06-1981
 - Rs. 30 1.20 Crore to Rs. 5.00 crore - AGM held on 25-06-1987
 - Rs. 5.00 Crore Rs. 10.00 crore - AGM held on 26-09-1991
 - Rs. 10.00 Crore to Rs. 20.00 crore - AGM held on 26-12-1992
 - Rs. 20.00 Crore to Rs. 75.00 crore - AGM held on 27-09-1997
 - Rs. 75.00 Crore to Rs. 100.00 crore - AGM held on 09-07-2007
 - Rs. 100.00 Crore to Rs. 95.00 crore - AGM held on 22-08-2015
 - Rs. 95.00 Crore to Rs. 250.00 crore - AGM held on 28-09-2020
4. Amended by Special Resolutions passed in the AGM held on 25-07-1998
5. Amended by Special Resolutions passed in the AGM held on 27-09-1997
6. Amended by Special Resolutions passed in the AGM held on 01-07-2000
7. Amended by Special Resolutions passed in the AGM held on 11-06-2001
8. Amended by Special Resolutions passed in the AGM held on 03-06-2002
9. Amended by special resolution passed at the AGM held on 05-09-88,25-07-98,01-07-2000, 02-06-2003, 26-08-2006, 09-07-2011 and 20-07-2016
10. Amended by the special resolution passed at the AGM held on 10-07-1999 and pursuant to the permission from RBI vide their letter DBOD.No. PSBS.811/16.01.083/99-2000 dated 27-01-2000.
11. Amended by the special resolution passed at the AGM held on 10-07-1999 & 01-07-2000
12. As amended by the Special Resolution passed at the AGM held on 25-06-1984 and further amended in AGMs held on 20-12-93, 25-07-98 & 10-07-99
13. Amended by the Special Resolution passed at the AGM held on 12-06-2001.
14. Amended by the Special Resolution passed at the AGM held on 08-06-2005 and pursuant to the permission from RBI vide their letter DBOD.No. 1285/06.39.001/20047-2005 dated June 07, 2005
15. As amended by the Special Resolution passed at the AGM held on 02-08-2014 and pursuant to the permission from RBI vide their letter DBOD.No. 130/08.39.001/2006-07 dated September 7, 2006
16. As amended by Special Resolution passed at the AGM held on 22-08-2015
17. Amended by Special Resolution passed in the AGM held on 20-07-2016
18. Amended by Special Resolution passed in the AGM held on 17-06-2017
19. Amended by Special Resolution passed in the AGM held on 26-09-2019
20. Amended by Special Resolution passed through Postal Ballot on 18-03-2020
21. Amended by Special Resolution passed in the AGM held on 28-09-2020

**Form No. SH-4
SECURITIES TRANSFER FORM**

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule
(1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L65110JK1938SGC000048

Name of the company (in full): JAMMU AND KASHMIR BANK LIMITED

Name of the Stock Exchange where the company is listed, if any: NSE & BSE

DESCRIPTION OF SECURITIES

Kind/Class of Securities (1)	Nominal Value of each unit of security (2)	Amount called up per unit of security (3)	Amount Paid up per unit of security (4)

No. of securities being transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures
Distinctive number	From		
	To		
Corresponding Certificate Nos.			

Transferor's Particulars

Registered Folio Number:

S. No.	Name(s) in full	Signature(s)
1.		
2.		
3.		

I, hereby confirm that the Transferor has signed before me.

Signature of Witness _____

Name & Address _____

P.T.O.

Transferee's Particulars

Name in full	Father's/ mother's/ Spouse Name	Address & E-mail id	Occupation	Existing folio No., if any.	Signature
(1)	(2)	(3)	(4)	(5)	(6)

Folio No. Transferee

Specimen Signature of Transferee

.....

.....

Value of stamp affixed:..... (Rs.)

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, letter of allotment.
- (3) Others, specify.....

Stamps

For office use only

Checked by.....

Signature tallied by.....

Entered in the Register of Transfer on..... vide Transfer No.....

Approval Date.....

Power of attorney / Probate / Death Certificate / Letter of Administration

Registered on.....at No.....

On the reverse page of the certificate

Name of the Transferor

Name of the Transferee

No. of shares

Date of
Transfer

.....

.....

.....

.....

Signature of the authorized signatory



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 Service Policy
25	Cyber Crisis Management Policy
26	Cyber Security Policy
27	Debit Card Policy
28	Desktop Management and Replacement
29	Determination of Materiality of Information / Events
30	Determining Material Subsidiaries
31	Dividend Distribution Policy
32	Empanelment of Lawyers
33	Empanelment of Valuers

S.No.	Name of Policy Document
34	Engagement of direct selling agents for home loans, and model code of conduct for direct selling agents
35	Foreign Currency Loans
36	Forensic Audit Policy
37	Forex Treasury Operations
38	Framework on Fraud Risk Management & Vigilance
39	Frequent dishonor of cheques / ECS mandates
40	Funding of Defined Benefit Superannuation Schemes
41	Gold Loan Audit Policy
42	Grievance Redressal
43	Hedging of foreign currency exposures
44	Incentivising business units / employees for customer services
45	Information Security Policy
46	Information Systems (IS) Audit Policy.
47	Inoperative and Unclaimed Accounts Policy.
48	Integrated Risk Management Policy
49	Intraday Liquidity Management Policy
50	Investment / Trading Policy for Domestic Treasury
51	IT Assurance Policy.
52	Key Risk Indicators (KRI)
53	Know Your Customer Norms & Anti-Money Laundering Standards
54	Laptop Policy For Executives
55	Legal Audit Policy
56	Loan against Gold Jewellery and Ornaments
57	Loan and Investment Recovery Policy
58	Loss Event Management Policy
59	Maintaining close vigil at operational levels for financial discipline
60	Management and Monitoring of Devolvement / Invocation Of LCs & BGs Respectively
61	Management Audit Policy
62	Management of Intra Group Transactions and Exposures (ITES)-policy.
63	Mandatory Leave Policy
64	Market Risk Management Policy
65	MIS Policy & Data and Information Governance (DAIG) framework.
66	Nomination Policy
67	Operational Risk Management Policy
68	Outsourcing Policy

S.No.	Name of Policy Document
69	Performance Evaluation Policy
70	Physical Security Policy
71	Policy Document on Transfer of Ownership / Operation of a Khidmat Centre
72	Policy for soliciting and servicing of insurance products
73	Policy on disbursal of government pension
74	Policy on undertaking government business (non-pension)
75	Policy on Wilful Defaulters
76	Preservation of documents
77	Pricing of credit products
78	Procurement of goods & services, execution of works, engagement of consultants and acquisition of premises - Manual.
79	Product development and approval policy
80	Project loans policy.
81	Promotion of banking associates/cashier-cum-clerks
82	Promotion policy.
83	Purchase / procurement policy in line with CVC guidelines.
84	Recruitment Policy
85	Related Party Transactions Policy
86	Resolution of Stressed Assets Policy.
87	Risk & Control Self-Assessment (RCSA) Policy
88	Risk Based Internal Audit (RBIA) - Policy
89	Risk Management Procedures - CTS 2010 Standard Cheques
90	Secretarial Audit Policy
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	Preventive Vigilance Framework with Special Emphasis on Activation & Promotion of Whistle Blower Policy