



Board Secretariat

Ref:-JKB/BS/xxxx/xx
Date: DD.MM.YYYY

Mr./Ms.
.....
.....
.....

Subject: Letter of appointment as an Independent Director on the Board of the Bank

Sir,

Please be informed that the Members of the Jammu and Kashmir Bank Limited (hereinafter referred to as 'the Bank') in the --- AGM/EGM held on ----- had approved your appointment as an Independent Director on the Board of Directors of Bank for a period of -- ----- years with effect from ----- to ----- . This letter of appointment sets out the terms and conditions covering your appointment, which are as follows::

1. Appointment

- 1.1 You have been appointed as a Non-Executive Independent Director on the Board of Directors of the Bank with effect from ----- . Your appointment is subject to the extant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 1.2 The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.3 The Bank has adopted the provisions with respect to appointment and tenure of Independent Directors as are consistent with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Bank is at liberty to disengage a Non-Executive Independent Director earlier subject to compliance of the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.4 As an Independent Director you are not liable to retire by rotation.

2. Committees

The Board of Directors (the Board) may invite you for being nominated/appointed on one or more of the existing Board Committees or any Committee(s) that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulatory requirements.

3. Time Commitment

- 3.1 As a Non-Executive Independent Director you are expected to bring objectivity and independence to the Board's discussions and help provide the Board with effective leadership in relation to the Bank's strategy, performance and risk management, as well as ensuring high standards of financial probity and corporate governance. The Board and the Audit Committee of Board meet at least four times in a year. Rest of the Committees meet as per the regulatory requirements and / or the requirements of the Bank, depending upon whether the Committee is a mandatory or an optional Committee. You will be expected to attend the Board & the Committee meetings and to devote sufficient time, as required for you to discharge your duties effectively. Ordinarily, the meetings are held at Srinagar (J&K).



Board Secretariat

3.2 By accepting this appointment, you confirm that you are in a position to allocate sufficient time to meet the expectations of your role to the satisfaction of the Board.

4. Fiduciary Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature, which *inter alia* are as under:-

- I. You shall act in accordance with the Bank's Articles of Association.
- II. You shall act in good faith in order to promote the objects of the Bank for the benefit of its members as a whole, and in the best interests of the Bank.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Bank/ Subsidiary/Associate or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Bank and its stakeholders' interests, must be avoided at all costs. Please refer to clause 7 mentioned herein below for full explanation on conflict of interest.
- V. You shall not assign your office as Director and any assignments so made shall be void. There are certain roles, functions and duties prescribed for all Directors, which are listed in the '[Code of Conduct for Board Members & Senior Management](#)'. You shall abide by the said Code in force or as amended from time to time to the extent relevant and applicable to your role as a Director. The present code is available on the website of the Bank. Keeping in view the requirements of the Code, kindly forward us your acknowledgement receipt of the same, to enable us to complete requisite formalities in this regard.

Further, you should adhere to Do's and Don'ts guidelines issued by the RBI vide its circular DBOD.No.BC.94/16.13.100/92 dated March 9, 1992 which forms part of enclosed '[Code of Conduct for Board Members & Senior Management](#)'.

5. Status of Appointment and Remuneration

- 5.1 You will not be an employee of the Bank and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees and fixed remuneration as may be decided by the Board and approved by the Members from time to time.
- 5.2 The sitting fees presently paid to a Director is Rs.40,000/- for attending each Board or Committee meeting.
- 5.3 Non-Executive Directors (except Director(s) who is/are in the employment of Government and RBI Nominee Directors) are entitled to Fixed Remuneration for the relevant financial year, subject to a maximum of Rs.10,00,000/- per annum per Director.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Bank will, for the period of your appointment, reimburse you reasonable expenses incurred in the discharge of your roles/duties including:

- 6.1 Business class airfare to attend the Board or Committee meetings or General Meetings of Members, wherever applicable.
- 6.2 Accommodation in a hotel of high standing during the days of the Board and Committee meetings or General Meetings of Members and during the day prior to such meetings, as may be necessary.
- 6.3 Out-of-pocket expenses like conveyance, food and incidentals that are incurred during the days of the Board and Committee meetings or General Meetings of Members.



Board Secretariat

The Bank shall, as may be required, conduct formal induction program for its Directors which may include any or all of the following:

- a. Board roles and responsibilities, while seeking to build working relationship among the Board members.
- b. Bank's vision, strategic direction, core values, ethics and corporate governance practices.
- c. Familiarization with financial matters, management team, business operations, meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Bank shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Bank and its business. The Bank will fund/arrange for training on all matters which are common to the entire Board.

7. Conflict of Interest

- 7.1 During the term, you agree to promptly notify the Bank of any change in your directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as a Director of the Bank, you shall promptly disclose the same to the Chairman/MD & CEO and the Company Secretary of the Bank. As already confirmed by you through various declarations, as on date of this letter, you have no such conflict of interest issues with your existing directorships.
- 7.2 It is accepted and acknowledged that you may have business interests, memberships other than those of the Bank. As a condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your accepting the appointment. You are also required to disclose about your change in business interests and disclose the interest at the beginning of the financial year as required under the extant provisions of the Companies Act, 2013.
- 7.3 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement, this should be disclosed to both the Chairman/MD & CEO and the Company Secretary of the Bank.
- 7.4 During the term, you shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs, in the prescribed manner, of any change in address or contact number and personal details provided to the Bank.
- 7.5 Your attention is drawn to Section 20 of Banking Regulation Act, 1949, which prohibits a Banking Company from granting loans or advances to any of its Directors. As already confirmed by you through declaration, as on date of this letter, you are not availing any loan from the Bank.

8. Confidentiality

All information acquired during your tenure of directorship is confidential and should not be disclosed, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Bank, unless required by law or by the rules of any stock exchange or regulatory body. In the latter case, you would be required to suitably inform the Bank of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Bank. On reasonable request, you shall surrender any documents and other materials made available to you by the Bank.

9. Dealings in shares

You are required to comply with the Bank's code of fair practices and procedures for fair disclosure of unpublished price sensitive information presently in force or as amended from time to time. This code inter alia prohibits the Directors from dealing in the Bank's shares during the period when the



Board Secretariat

trading window is closed. Further, Directors, being designated officials of the Bank for the purpose of the Code, are to pre-clear all trades (buy/sell) from the Chairman/MD & CEO/ Compliance Officer of the Bank, if the trade exceeds the limit specified under Bank's Code. You are also required to comply with the applicable SEBI insider trading laws and regulations. A copy of the code of fair practices and procedures for fair disclosure of unpublished price sensitive information presently in force in Bank is available on the website of the Bank.

10. Evaluation

The Bank will carry out an evaluation of the performance of the Board as a whole, Board Committees and the Directors on an annual basis. Your appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process. The J&K Bank Performance Evaluation Policy (for the Board and Members of the Board) is available on the website of the Bank.

11. Disclosure of Interest

It is expected that any interest you may have in any transaction or arrangement that the Bank has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board/Committee meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or Bank is acceptable.

12. Termination

- 12.1 You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice alongwith the reasons to the Board.
- 12.2 Continuation of your appointment is contingent on your getting elected by the Shareholders in accordance with provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Bank, from time to time in force. You will not be entitled to any compensation if the Shareholders do not re-elect you at any time.
- 12.3 Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Bank.

A brief profile of the Bank, the latest Annual Report along with addendum and the Corporate Governance Policy are available on the website of the Bank, for your perusal and information.

Yours Sincerely,

For Jammu and Kashmir Bank Limited

Mohammad Shafi Mir
Company Secretary

Encl: a/a