

Terms and conditions of Appointment of Independent Directors

The terms and conditions of appointment of Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 (**'2013 Act'**) and (ii) Articles of Association of the Bank.

The broad terms and conditions of their appointments as Independent Directors of the Bank are reproduced hereunder:

1. Appointment

The appointment will be for the period as approved by the shareholders in the Annual General Meeting ("**Term**"). The Bank may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act.

As Independent Directors, they will not be liable to retire by rotation.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

2. Role, duties and responsibilities

- A. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Companies Act, 2013
 - Accountability under the Director's Responsibility Statement.
- B. They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166).
- C. They are particularly requested to provide guidance in their area of expertise.

3. Time Commitment

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

4. Remuneration

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would

be as determined by the Board from time to time.

Further, the Bank may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Bank. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organized by the Bank for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

5. Insurance

The Bank will provide insurance cover under Directors & Officers Liability Insurance Policy.

6. Code of Conduct

As Independent Directors of the Bank, they agree to comply with the Code of Conduct for Senior Management and Directors.

Unless specifically authorised by the Bank, they shall not disclose Bank and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Their obligation of confidentiality shall survive cessation of their respective directorships with the Bank.

Code of Corporate Governance for Board Members including use of unpublished price sensitive information would be applicable to the independent Directors

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Bank. All Directors are required to sign a confirmation of acceptance of the Code of Conduct as adopted by the Board on annual basis.

7. Training and Development

The Bank may, if required, conduct formal training program for its Independent Directors.

The Bank may, 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 whole Board.

8. Performance Appraisal / Evaluation Process

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board /

Committee.

9. Disclosures, other directorships and business interests

During the Term, they agree to promptly notify the Bank of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Bank, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

During their term they agree to furnish annually a simple declaration that the information provided by them in the format “Declaration and undertaking” specified under RBI guidelines at the time of appointment under the ‘fit and proper’ criteria has not undergone change and where there is any change, they would provide the requisite details forthwith.

During their term they agree to execute a Deed of Covenants every year as per the format provided under RBI guidelines.

10. Changes of personal details

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Bank.

11. Disengagement

They may resign from the directorship of the Bank by giving a notice in writing to the Bank stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Bank or the date, if any, specified by them in the notice, whichever is later.

Their directorship on the Board of the Bank shall cease in accordance with law. The Bank may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon

- Violation of any provision of the Code of Conduct as applicable to Directors,
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.
