

**TERMS AND CONDITIONS
FOR INDEPENDENT
DIRECTORS**

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1. Appointment

The appointment will be for the period as approved by the shareholders in the Annual General Meeting ("Term"). 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 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 Bank should appoint such persons as independent directors whose name is in the database of independent director maintained by the Indian Institute of Corporate Affairs and who is in the opinion of the Bank, are persons with integrity, possessing relevant expertise and experience and satisfy the given criteria for independence as mentioned in the Companies Act, 2013, Banking Regulation Act, 1949.

2. Committee membership

The independent 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 by the Board of Directors.

3. 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
 - ✓ "Responsibilities of the Board" as outlined under LODR
 - ✓ 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) and relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (as amended from time to time).
- c. They are particularly required to provide guidance in their area of expertise.
- d. Directors shall adhere to the DOs and DON'Ts guidelines issued by the RBI vide its circular DBOD. No.BC.94/16.13.100/92 dated March 9, 1992.

- e. They shall 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 / any other meetings.

5. Disclosures and conflict of interests

During their term, they shall promptly notify any change in their Directorships and such other disclosures and information's as required under applicable laws. Independent Director shall also notify the Chairman and Company Secretary of the Bank of any potential interest or conflict of interest in their position as Independent Director.

Further, the director shall promptly provide declaration under Section 149(7) of the Companies Act, 2013, upon change in any circumstances which may affect their status as an Independent Director.

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

6. Insurance

Bank has a Directors and Officers insurance policy with a coverage of Rs.5.00 crore. This insurance cover is available to the director for the Term of his / her appointment, subject to the terms of such policy in force from time to time.

7. Code of Conduct

As an Independent Director of the Bank, shall agree to abide by the Code of Conduct & ethics for Directors and Senior Management of the Bank.

Unless specifically authorised by the Bank, they shall not disclose any business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers, etc. Their obligation of confidentiality shall survive cessation of their respective directorships with the Bank.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or 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 shall sign a confirmation of acceptance of the Code of Conduct as adopted by the Board on annual basis.

8. 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.

9. 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.

10. Changes of personal details

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

11. Confidentiality

All information acquired during your appointment is confidential to the Bank and should not be released, either during appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any Stock Exchange or regulatory body. On request, the directors shall surrender any documents and other materials made available by the Bank.

Attention is also drawn to the requirements under the applicable regulations and the Banks Code of Conduct which concern the disclosure of price sensitive information and dealing in the securities of Bank. Consequently director shall avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

12. Disengagement

The director 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.

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