

## INDUSIND BANK LIMITED

### **Terms and Conditions of Appointment of Independent Directors**

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the Companies Act, 2013 (“the Act”), Clause 49 of the Listing Agreement (as amended from time to time) and Articles of Association of the Bank.

#### **1. Appointment**

An Independent Director can be appointed for two consecutive terms of 4 years each. The tenure of an Independent Director would be in line with the provisions of the Banking Regulation Act, 1949.

Independent Directors are not liable to retire by rotation. Re-appointment at the end of the term shall be based on the recommendations of the Nomination and Remuneration Committee, and subject to the approval of the Board and of the shareholders.

In considering reappointment, the Board would take into consideration the outcome of the performance evaluation process and the Director continuing to meet the independence criteria as defined under the Companies Act, 2013.

Directors may be appointed Member / Chairman of any one or more Committees of the Board.

#### **2. Role, duties and responsibilities**

A. As members of the Board, Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board, which include:

(a) Requirements under the Companies Act, 2013 and the Banking Regulation Act, 1949, as applicable;

(b) “Responsibilities of the Board” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement; and

(c) Accountability under the Directors’ Responsibility Statement.

B. Independent Directors need to ensure compliance with Bank’s “Code of Ethics and Conduct for Directors and Senior Management”, which also outline the duties of Independent Directors as prescribed under Schedule IV and Section 166 of the Act and

Clause 49 of the Listing Agreement and the other Polices and Codes adopted by the Bank from time to time.

### **3. Code of Internal Procedures and Conduct for Prevention of Insider Trading:**

During the term, Independent Directors need to ensure compliance with the “Code of Internal Procedures and Conduct for Prevention of Insider Trading” adopted by the Bank and such other policies / requirements as the Board of Directors may from time to time devise in terms of the applicable Laws / Rules and Regulations.

### **4. Insurance**

The Bank has in place for all its Directors, a “Directors’ and Officers’ Liability” Insurance Policy, which is renewed on yearly basis.

### **5. Remuneration**

All Non-executive Directors of the Bank receive remuneration by way of Sitting Fees as may be determined by the Board of Directors of the Bank from time to time, and reimbursement of expenses incurred on travelling and accommodation for attending the meetings of the Board and of the Committees.

### **6. Training and Development**

The Bank may continually familiarise the Directors with development in the industry through training and development events. The Bank may nominate any of its Directors for various training programmes organised by RBI, SEBI, MCA, IMC, ICAI and ICSI, etc., from time to time.

The Bank has in place “Familiarization Programme for Independent Directors”. The Programme aims to provide to the Independent Directors an insight into the Bank’s functioning, to help them understand its business in depth so as to help them contribute fully during the deliberations in the Board / Committee meetings.

### **7. Performance Evaluation**

As members of the Board, performance of the Independent Directors as well as the performance of the entire Board and Committees of the Board will be evaluated annually.

Performance evaluation of Independent Directors shall be done by the entire Board, excluding the Director being evaluated. The criteria for performance evaluation, as may be determined by the Nomination Committee, 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.

## **8. Disclosures and intimations**

Independent Directors 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 or to the Company Secretary.

Independent Directors shall at all times ensure compliance with Section 149(7) of the Act, and immediately disclose any change in circumstances which may affect their status as an Independent Director.