



[Date]

Ms/Mr. _____

Dear [Name],

Re: Appointment as Non-Executive Independent Director

I am pleased to inform that the Board of Directors of Kotak Mahindra Bank Ltd. ('the Bank') on _____ [date], on the recommendation of its Nomination & Remuneration Committee, has appointed you as a Non-Executive Independent Director of the Bank. The main terms and conditions of your appointment are summarised below.

Appointment Term

Your appointment is subject to the approval of the shareholders as per the provisions of the Companies Act, 2013. Your tenure of appointment will be subject to the provisions of Section 10 A (2-A) of the Banking Regulation Act, 1949.

Your appointment on the terms mentioned in this letter shall in addition be subject to stipulations (if any) which may be prescribed under any statute or regulation. The terms stated herein may be varied by the Board or any relevant committee of the Board and you agree to continue to act as independent director on such changed terms, so long the said changed terms are brought to your notice.

Committees

The Board of Director may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in future. Your appointment on such Committee(s) will be subject to the applicable regulations.

Following are the existing Board Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Share Transfer and Routine Transactions Committee

5. Management Committee
6. ESOP Allotment Committee
7. Customer Service Committee
8. Committee on Frauds
9. Corporate Social Responsibility Committee
10. Risk Management Committee

Your Role

All directors are expected to take decisions objectively in the interests of the Bank. The Board as a whole is collectively responsible for the success of the Bank.

The role of Non-Executive Director of the Bank has the following key elements:

- Strategy – Formulate and review strategy;
- Performance – Performance of business with agreed goals and objectives;
- Risk – Risk Control Mechanism;
- Compliance – Governance and compliance with the applicable laws/regulations.

Fiduciary Duties

All directors must act the way they consider, in good faith, would be most likely to promote the success of the Bank for the benefit of its members as a whole. In doing so, as a director you shall:

- a. have fiduciary duty to act in good faith and in the interests of the Bank and not for any collateral purpose;
- b. have duty to act only within the powers as laid down by the Bank's Memorandum and Articles of Association and by applicable laws and regulations;
- c. have duty to acquire proper understanding of the business of the Bank;
- d. be fully responsible in regard to matters entrusted to you by the Board and shall not evade your responsibility;
- e. not let interference in the performance of your duties by the whole-time directors and other officers of the Bank and wherever you have reasons to believe otherwise, you shall forthwith disclose your concerns to the Board; and

- f. make proper use of the information disclosed to you and shall not use such information as a member of the Board or otherwise for your own or someone else's advantage or benefit. You shall use the information disclosed to you by the Bank in your capacity as director of the Bank only for the purposes of performance of your duties as a director and not for any other purpose.

Code of Conduct

The Bank in order to enhance ethical and transparent process of managing its affairs and to sustain the trust and confidence reposed in the Board of Directors and Officers by the shareholders of the Bank, has laid down a Code of Conduct (copy enclosed and marked as 'Annexure – 1') which has been adopted by the Board of Directors of the Bank and is applicable to Directors and senior managerial personnel. You are expected to adhere to, comply with and uphold the provisions of this Code and standards laid down and affirm compliance with the Code on your appointment and thereafter on an annual basis.

You are also required to adhere to the Insider Trading Code of the Bank (copy enclosed and marked as 'Annexure – 2') & such other requirements as the Board of Directors may from time to time specify.

You will abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in Schedule IV of the Companies Act, 2013, an extract of the said Schedule IV is set out in Annexure - 3. You may refer to Schedule IV of the Companies Act, 2013 for the full text.

Deed of Covenants

Your appointment as a Director of the Bank is subject to the applicable laws and regulations including the Memorandum and Articles of Association of the Bank and the provisions of the Deed of Covenants (copy enclosed and marked as 'Annexure – 4').

Remuneration

You would be entitled to sitting fees for attending the meetings of the Board and Board Committees as may be determined by the Board from time to time, as per the limits set out under the Companies Act, 2013.

You would also be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Bank towards hotel accommodation, travelling and other out-of-pocket expenses.

Please note that this is a contract for services and is not a contract of employment.

Directors' & Officers Liability Insurance

The Bank provides all its directors and officers with, and pays the premiums for, indemnity and insurance cover up to a defined amount, while acting in their capacities as directors or officers.

Confidentiality

Information acquired during your appointment is confidential to the Bank and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as when required to be disclosed by law and when so required to disclose you shall (subject to being permitted under the applicable law) get the information proposed to disclosed cleared (prior to disclosure) from the Chairman.

Please signify your acceptance to the above terms and conditions that govern your appointment by signing and returning the duplicate copy of this letter.

We look forward to your association with us.

Yours sincerely,

Chairman

Encl: As above

I hereby accept the terms and conditions of appointment as set out in this letter.

Signature : _____

Name : _____

Date : _____

**Guidelines of professional conduct, Role, Functions and Duties as an Independent Director
(As provided in Schedule IV of the Companies Act, 2013)**

I. Guidelines for Professional conduct:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising your duties;
3. Exercise your responsibilities in a bona fide manner in the interest of the Bank;
4. Devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate your exercise of objective independent judgment in the paramount interest of the Bank as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. Not abuse your position to the detriment of the Bank or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. Refrain from any action that would lead to loss of your independence;
8. Where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly;
9. Assist the Bank in implementing the best corporate governance practices.

II. Role and functions:

1. Assist in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
2. Bring an objective view in the evaluation of the performance of Board and management.
3. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. Satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.
6. Balance the conflicting interest of the stakeholders.
7. Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
8. Moderate and arbitrate in the interest of the Bank as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

1. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Bank.
2. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Bank.
3. Strive to attend all meetings of the Board including a separate meeting of the independent director and of the Board committees of which you are a member.

4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Bank.
6. Where you have concerns about the running of the Bank or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting.
7. Keep yourself well informed about the Bank and the external environment in which it operates.
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
9. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Bank.
10. Ascertain and ensure that the Bank has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
11. Report concerns about unethical behavior, actual or suspected fraud or violation of the Bank's code of conduct or ethics policy.
12. Acting within your authority, assist in protecting the legitimate interests of the Bank, shareholders and its employees.
13. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.