



**DRAFT LETTER OF APPOINTMENT / RE-APPOINTMENT FOR INDEPENDENT DIRECTOR ALONG WITH MODEL TERMS AND CONDITIONS WITH RESPECT TO THE SAID APPOINTMENT / RE-APPOINTMENT**

Date

Director(s) Name  
Director(s) Address

Dear Director(s) Name,

We thank you for your confirmation to IDFC FIRST Bank Limited (*formerly known as IDFC Bank Limited*) ("**Bank**") that you meet the criteria of independence as envisaged in Section 149(6) of the Companies Act, 2013. Pursuant to the said confirmation, we have the pleasure in confirming your appointment / re-appointment on the Board as an Additional Director in the category of Independent Director ("**ID**") of the Bank.

This letter sets out the terms and conditions covering your appointment / re-appointment.

**Appointment / Re-appointment**

The Board of Directors of the Bank has appointed you as an Additional Director in the category of Independent Director of IDFC FIRST Bank Limited for a period of \_\_\_\_\_ (*In Figures & Words*) consecutive years with effect from \_\_\_\_\_. However, your appointment / re-appointment is subject to the approval of the Reserve Bank of India, if required and the members of the Bank.

Being an ID, your appointment / re-appointment is subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Banking Regulation Act, 1949 and other rules, regulations and circulars prescribed by the Reserve Bank of India, as amended from time to time. Accordingly, the Bank has adopted the provisions with respect to appointment / re-appointment, maximum permissible Directorships that one can hold and tenure of Independent Directors which is consistent with the Companies Act, 2013, the Listing Regulations, the Banking Regulation Act, 1949 and other rules, regulations and circulars prescribed by the Reserve Bank of India as amended from time to time.

You will not be liable to retire by rotation. In the event that you are not elected/re-elected at any AGM, your appointment / re-appointment shall terminate immediately without any entitlement to compensation in respect of any loss (including but not limited to loss of future fees).

Your appointment / re-appointment may also be terminated in accordance with the provisions of the Articles of Association of the Bank from time to time in force.

**Committees**

The Board of Directors may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee(s) that is set up in the future.

Your appointment / re-appointment on such Committee(s) will be subject to the applicable laws, rules and regulations.

There may be a separate meeting of IDs with the Auditors of the Bank without the attendance of non-IDs and members of the Management.

You shall serve on the Committee with the same diligence and commitment as a representative of the Board to ensure its working and proper functioning not only in accordance with law, but in keeping with the expectations of the external stakeholders. Your membership to the Board Committee shall co-exist with your term as Independent Director and shall automatically come to an end at the cessation of your term or revocation of this offer, whichever is earlier.

### **Time Commitment**

As a Non-Executive Director you are requested to endeavor to bring objectivity and independence of view to the Board's discussions and decision making and also to help the Board in taking effective and informed decisions in relation to the Bank's strategy, planning, performance appraisal, risk management, governance, etc. and also in ensuring highest standards of financial integrity and corporate governance.

The Board meets at least four times in a year. The Committee Meetings shall be held at such intervals as may be required. You are requested to attend Meetings of the Board and Committees on which you are a Member or you may be appointed as Member. You are also requested to attend General Meetings, meet occasionally with major shareholders, management, staff and professional advisors and to devote such time to your duties, as appropriate for you to discharge your duties effectively and independently. Ordinarily, all meetings are held in Mumbai, except for the AGM, which is held at Chennai.

By accepting this appointment / re-appointment, you confirm that you would be able to allocate sufficient time as is prudent and necessary for the proper performance of the role, duties and responsibilities as an ID.

### **Role and Duties**

Independent Directors have the same general legal responsibilities to the Bank as any other Director. The Board as a whole is collectively responsible for the success of the Bank. The Board:

- Sets the Bank's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- Provides entrepreneurial leadership to the Bank within a framework of prudent and effective controls which enable risk to be assessed and managed;
- Sets the Bank's strategic aims, ensures that the necessary financial and human resources are in place for the Bank to meet its objectives, and reviews management performance.

Your role and duties will be those as defined under the Companies Act, 2013 and the Listing Regulations, as may be amended from time to time.



In addition, as an ID of IDFC FIRST Bank Limited, you will have to comply with the provisions of the Banking Regulation Act, 1949 and other rules, regulations and circulars prescribed by the Reserve Bank of India.

### **Familiarisation and Continuing Education**

The Bank shall, wherever required, support IDs to continually update their skills and knowledge and improve their familiarity with the Bank and its business, growth plans, the peculiarities of the industry in which the Bank operates, its goals and expectations and long term plans and objectives. The Bank will arrange/fund for training on all matters which are common to the whole Board and/or in the circumstances where there are changes/amendments in the laws/rules/regulations applicable to the Bank.

### **Independent Professional Advice**

There may be occasions when you may need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Bank's expense. The Bank will reimburse all professional fees reasonably and properly incurred by you for such advice.

### **Insurance**

IDFC FIRST Bank Limited has Directors' and Officers' Liability Insurance which includes directors of IDFC FIRST Bank Limited. The Bank will ensure that the premiums for the same are paid in time. A copy of the policy document will be supplied on request.

### **IDFC FIRST Bank Code of Conduct**

As an ID of the Bank, you agree to abide by IDFC FIRST Bank's Code of Conduct. Further, you agree to abide by the Code for Independent Directors as annexed to this letter of appointment / re-appointment and marked as **Annexure 1**.

### **Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Bank. As a condition to your appointment / re-appointment, you are required to declare your directorships, appointments and interests to the Board in writing in the prescribed form and also keep the information updated as and when required. You are also required to provide such other information/declaration/documents pertaining to your interest in other entities as may be required pursuant to the applicable statutes.

In the event that, in your judgment, circumstances seem to have changed and might give rise to a conflict of interest for you or, wherever applicable, circumstances that might lead the Board to revise its judgment that you are independent, the same should be disclosed to the Board immediately. During your appointment / re-appointment, you should not get involved (whether

directly or indirectly) in any Company which might reasonably be considered to compete or have a significant relationship with the said Company without the prior written approval of the Board.

### **Remuneration**

The Commission and Sitting Fees would be payable for attending the Board Meeting and/or Committee Meeting as approved by the Board and/or Shareholders in compliance with the provisions of the Companies Act, 2013, Listing Regulations, the Banking Regulation Act, 1949 and other rules, regulations and circulars prescribed by the Reserve Bank of India as amended from time to time.

Further, the Bank may pay or reimburse to you such fair and reasonable expenditure as may have been incurred by you while performing your role as an Independent Director of the Bank.

In case any Director joins the Board during the financial year, then the amount of commission for the various roles outlined above shall be paid proportionately.

### **Reimbursement of Expenses**

In addition to the above, you will be paid for the travelling expenses including airfare, hotel stay and car on rental and other incidental expenses incurred by you in the performance of your role and duties and for attending the Board/Committee Meetings in person or through video conferencing, or any other audio-visual mode, as may be prescribed in the Companies Act, 2013.

In case, an ID has any other pecuniary relationship, as defined in the Companies Act 2013 apart from the above remuneration, the same shall be immediately disclosed to the Board.

### **Evaluation**

The Bank will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Bank'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. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairperson as soon as it is appropriate.

### **Disclosure of Interest**

The Bank must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Bank has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board 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.

### **Termination**

Your appointment / re-appointment is subject to the approval of the Reserve Bank of India, if required and the members of the Bank.

Your directorship on the Board shall terminate or cease in accordance with the applicable provisions of the Companies Act 2013, the Listing Regulations, the Banking Regulation Act, 1949 and other rules, regulations and circulars prescribed by the Reserve Bank of India as amended from time to time.

You may resign from your position 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 you in the notice, whichever is later.

If at any stage during the term, there is a change that may affect your status as an Independent Director as envisaged in Section 149 (6) of the Companies Act 2013 or if applicable, you fail to meet the criteria for Independence under the provisions of the Listing Regulations, you agree to promptly submit your resignation to the Bank with effect from the date of such change.

### **Co-operation**

In the event of any claim or litigation against the Bank, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Bank and provide such assistance and documents as are necessary and reasonably requested by the Bank or any regulatory/statutory authority.

### **Confidentiality**

All information acquired during your appointment / re-appointment is confidential to the Bank and should not be released, either during your appointment / re-appointment or following termination (by whatever means), to third parties without prior clearance from the Chairperson.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairperson or Company Secretary.

### **Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Mumbai courts.



**Acceptance of Appointment / Re-appointment**

We are confident that the Board and the Bank will benefit immensely from your rich experience and we are eager to have you as an integral part in the growth of our Bank. If these terms of appointment / re-appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

In line with the provision of clause IV sub clause 6 of Schedule IV of the Companies Act, 2013, the terms and conditions of your appointment / re-appointment as Independent director shall be available to public and also be placed on the website of the Bank.

We thank you for your continued support and commitment to the Bank.

Yours sincerely,

**For IDFC FIRST Bank Limited**

\_\_\_\_\_  
**Managing Director and Chief Executive Officer**

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed.....  
(Name of Director)

Dated.....

***Note: These are the general terms and conditions of appointment / re-appointment of Independent Directors which are subject to modification / amendment.***