TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

..... (Name & DIN of the Director)
..... (Address)
..... (Date of appointment)

Dear [.....],

We are pleased to inform you that on recommendation of the Board of Directors of the Bank, the shareholders of the Bank at their Annual General Meeting ("AGM") held on _____ *(date of the General Meeting)* have approved your appointment as a Non-Executive Independent Director on the Board of the Bank.

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

1. TERMS OF APPOINTMENT

1.1 Your appointment as a Non-Executive Independent Director on the Board of Directors of RBL Bank Limited shall be for a term of 5 consecutive years with effect from the date of AGM of year _____i.e. _____ [date of meeting] up to the conclusion of AGM to be held in the calendar year _____, during which you shall not be liable to retire by rotation. Further, pursuant to Section 10A of the Banking Regulation Act, 1949, no Director shall hold office continuously for a period of eight years and accordingly, you shall be eligible for reappointment for one more term of three years upon successful completion of first five year term.

1.2 The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the Listing Agreement, to be entered into by the Bank upon listing.

1.3 Your appointment is subject to the provisions of the Banking Regulation Act, 1949, the Companies Act, 2013 ("Act"), Articles of Association of the Company ("AOA") and the Listing Agreements to be executed by the Bank with the stock exchanges upon listing ("Listing Agreement"), as amended from time to time.

1.4 You shall ensure that in case any situation arises as to which you may lose your independence, you will immediately inform the Board of Directors accordingly.

1.5 Your appointment as such is not as an employee of the Bank and hence this letter shall not be construed as an employment contract.

1.6 Your appointment is subject to the maximum permissible Directorships that an individual can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement. Pursuant to Section 165 of the Companies Act, 2013, no person shall hold office as a Director in more than twenty companies at the same time out of which maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

2. APPOINTMENT ON COMMITTEES OF BOARD OF DIRECTORS

During the tenure of your office, you, may be invited/ nominated for appointment on one or more committees of the Board of Directors, as set up from time to time. You will be provided with the terms of reference on your appointment to such committee. At present, following are the Committees of Board of Directors:

Audit Committee
Stakeholders' Relations Committee
Board Investment Committee
Anti-Fraud Committee
Customer Service Committee
Nomination Committee
Risk Management Committee
Board Credit Committee
Human Resource and Remuneration Committee Capital Raising Committee
CSR Committee
IT Strategy Committee
Strategic Affairs Committee

3. TIME COMMITMENT

3.1 The Board expects you to devote sufficient time and attention towards the business affairs of the bank and participate actively and constructively in:

Meetings of the Board of Directors held in each quarter or more frequently; The Annual General Meeting of the Bank;
Extra Ordinary General meetings, if any;
Meeting of various Committees of the Board of which you are a member;
Separate Meetings of Non-Executive / Independent Directors as part of the Board evaluation process.

3.2 The Board meets at least four times in a year. The Audit Committee also meets four times in a year. Besides, there are other Committee meetings as mentioned in paragraph 2.1 above.

3.3 At certain times it may be necessary to convene additional Board, Committee or Shareholders' meetings, at shorter notice if need be and it is expected that you will make every effort to attend the same.

3.4 By accepting this appointment, you undertake that, taking into account all other commitments you may have, you are able to, and will, devote sufficient time to your duties as a Non-Executive Independent Director.

4. CODE OF CONDUCT, FUNCTIONS AND DUTIES

4.1 As a Non-Executive Director you are expected to bring objectivity and independence of view to the Board's discussions in relation to the Bank's strategy, performance,

risk management as well as ensuring high standards of financial probity and corporate governance.

4.2 Your role and duties will be those that are normally required from a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Agreement. Your duties as per the Companies Act 2013 are enclosed as ***Annexure A*****.**

4.3 You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Companies Act, 2013 , and duties of directors as provided in the Companies Act, 2013 (including Section 166) and in Clause 49 of the Listing Agreement, upon listing. The code for independent directors is enclosed as ***Annexure B.***

4.4 You are also required to abide by the Code of Conduct for Prevention of Insider Trading and other codes and policies as issued by the Bank from time to time.

5. LIABILITIES

You as an Independent Director shall be held liable, in respect of such acts of omission or commission by Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

6. DIRECTOR'S LIABILITY INSURANCE

6.1 The Bank has in place a Directors' and Officers' Liability Insurance Policy, which will also be applicable to an Independent Director from the date of his appointment and it is intended to maintain appropriate and adequate cover at all the time. The present amount of the Insurance cover is Rs. 25 crores (Rupees Twenty Five Crores).

6.2 The copy of the policy can be furnished on request to the Company Secretary.

7. REMUNERATION

7.1 You will be paid such remuneration by way of sitting fees for attending the meetings of Board and Committees of the Board (of which you are a member) as may be decided by the Board.

7.2 Pursuant to the provisions of the Companies Act, 2013, you will not be entitled to any stock options.

8. REIMBURSEMENT OF EXPENSES

In addition to the remuneration, the Bank will, for period of your appointment, reimburse you for inland travel, hotels and other incidental expenses incurred by you in the performance of your roles and duties as an Independent Director of the Bank.

9. INDUCTION& TRAINING

You shall be eligible for an induction so as to familiarize you with the Bank and its business.

10. CONFLICT OF INTEREST

By accepting this appointment you will be deemed to have confirmed that any other position you hold, including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to promptly notify the same to the Company.

11. DISCLOSURES

During the term of your appointment, you are required to submit all statutory disclosures/confirmations required to be made under applicable laws including but not limited to:

- Annual / Event based disclosures under the Companies Act, 2013.
- Disclosures under Listing Agreement with the Stock Exchanges, upon listing.
- Disclosures under the Banking Regulations Act and under RBI circular, notifications etc.
- Disclosures under Prevention of Insider Trading Code.

12. CONFIDENTIALITY OF INFORMATION

Any information acquired during your term as director of the Company is confidential and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance in writing from the Chairman, unless required by law or by any regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you whilst holding the directorship with the Bank.

13. PERFORMANCE APPRAISAL / EVALUATION

13.1 As a member of the Board, your performance as well as the performance of the entire Board and its Committees thereof shall be evaluated annually and evaluation of each director shall be done by all the other directors.

13.2 On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as a Non-executive Independent Director.

13.3 Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

14. TERMINATION

You may resign from your position of a Non-Executive Independent Director at any time by giving a reasonable written notice to the Board of Directors. However, you shall also have to forward to the Registrar of Companies in the prescribed e-form a copy of your resignation with reasons therefor.

15. APPLICABLE LAW

This letter of appointment shall be governed by the laws of India and your engagement shall be subject to the jurisdiction of the Indian courts.

15.1 The terms and conditions of your appointment shall be open for inspection at the registered office of the company by any member during normal business hours.

15.2 The terms and conditions of your appointment shall also be posted on the website of the Bank.

A copy of this letter shall be open for inspection at the registered office of the company by any member during normal business hours and shall also be posted on the website of the Bank.

Please acknowledge your acceptance by signing where indicated below and returning to us the enclosed copy of this letter.

Yours sincerely

(Name of the Chairperson)
For and on behalf of RBL Bank Limited

I have read and agree to the above terms regarding my appointment as a Non-Executive Independent Director.

I hereby affirm my acceptance to the same.

Sign
(Name of the director)
Date _____
Place _____

ANNEXURE A

Duties of directors (Section 166 of the Act)

1. Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.

2. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

6. A director of a company shall not assign his office and any assignment so made shall be void.

ANNEXURE B

SCHEDULE IV
[See section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. **Guidelines of professional conduct:**

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a *bona fide* manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company 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 his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. Assist the company in implementing the best corporate governance practices.

II. **Role and functions:**

The independent directors shall:

1. help in bringing an independent judgment 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 themselves on the integrity of financial information and that financial controls and the 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 company as a whole, in situations of conflict between management and shareholder's interest.

III. **Duties :**

The independent directors shall—

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
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 company
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company 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 themselves that the same are in the interest of the company;
10. ascertain and ensure that the company 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the company, 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. **Manner of appointment:**

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in

the Act and the rules made thereunder and that the proposed director is independent of the management.

4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
   a) the term of appointment;
   b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
   c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
   d) provision for Directors and Officers (D and O) insurance, if any;
   e) the Code of Business Ethics that the company expects its directors and employees to follow;
   f) the list of actions that a director should not do while functioning as such in the company; and
   g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. **Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. **Resignation or removal:**

The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

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.

VII. **Evaluation mechanism:**

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.