

Date :

Name:

Address:

Dear Sir / Madam,

**Sub: Your appointment as an Independent Director of DCB Bank Limited (“the Bank”)**

We are pleased to inform you that the shareholders of the Bank by way of Special Resolution [at the Annual General Meeting held on \_\_\_\_\_] / [through Postal Ballot passed on \_\_\_\_\_] have approved your appointment as an Independent Director on the Board of Directors of the Bank for a period of \_\_\_\_\_ years with effect from\_\_\_\_\_.

The terms of your appointment shall be governed by the provisions of Companies Act, 2013 and rules made thereunder, Banking Regulation Act, 1949, relevant circulars issued by the Reserve Bank of India (RBI) from time to time (including amendments, modifications, variations or re-enactments thereof), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), Memorandum of Association and Articles of Association of the Bank, as may be amended from time to time.

You will not be an employee of the Bank and this letter constitutes neither a contract for services nor a service contract.

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

**1. Appointment**

1.1 You have been appointed as an Independent Director on the Board of Directors of the Bank, not liable to retire by rotation, for a period of \_\_\_\_\_ years with effect from \_\_\_\_\_ to \_\_\_\_\_ (both days inclusive).

1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and SEBI Listing Regulations as amended from time to time.

1.3 Re-appointment before the end of your term shall be based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the Board and the shareholders. Your reappointment would be considered based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

1.4 By accepting the appointment, you confirm that you are able to allocate sufficient time to perform your role.

1.5 You are considered to be an Independent Director and will be identified as such in the Annual Report and other documentation.

## 2. Committees

During the appointment, the Board may appoint you as Member/Chairman of one or more of its existing Committee(s) or any such Committee(s) which may be constituted in future. Your appointment on such Committee(s) will be subject to applicable laws and the same shall be intimated to you separately.

## 3. Time Commitment

3.1 As an Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Bank's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Bank expects a commitment of sufficient time and attention as necessary in order to perform your duties under the Appointment. This will include attendance at regular and emergency Board and any General Meetings (both Annual and Extra-ordinary). You will be required to attend regular meetings of any Committee of which you are a member. In addition, you will also be expected to devote appropriate preparation and time ahead of each meeting. In case you wish to avail leave of absence from the meeting for any reason whatsoever, you may take prior leave of absence from the Company Secretary or the Chairperson of Board and/or Committee for the said meeting/s.

Ordinarily, all meetings are held in Mumbai. Mode of meetings will be intimated to you prior to every meeting in advance.

## 4. Expectation of the Board and fiduciary duties:

As an Independent Director you have the same general legal responsibilities to the Bank as any other Director.

You shall abide by the provisions specified in Schedule IV of the Companies Act, 2013 and the rules made thereunder.

You shall adhere to all the conditions of independence as prescribed in the Companies Act, 2013 and SEBI Listing Regulations during your term with the Bank and give a declaration of independence in every financial year during your term with the Bank. If circumstances change, and you believe that your independence may be affected, you should give a declaration to the Board as soon as possible in any case not later than 7 (seven) days of occurrence of event.

In addition to the above requirements, the role of the Non-Executive Directors has the following key elements:

**Strategy:** Non-Executive Directors should constructively challenge and help develop proposals on strategy;

**Performance:** Non-Executive Directors should challenge the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and those financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

**Reporting:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Bank; and

**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Bank's practices to accepted norms.

## **5. Code of Ethics and Conduct**

- 5.1 You shall comply with the Code of Conduct of the Bank, as present on the link- <https://www.dcbbank.com/upload/pdf/Code-of-Conduct-for-Board-of-Directors.pdf> as amended from time to time and shall provide an annual affirmation of compliance on the same.
- 5.2 You shall also comply with Bank's Code of Conduct for Prohibition of Insider Trading, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the relevant provision under the Act.
- 5.3 The Bank acknowledges that you may have business interests other than those of the Bank and that you have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Bank as soon as they become apparent but not later than 30 (thirty) days of the occurrence of such event and changes thereof.
- 5.4 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement of your independent status on the Board this should be disclosed to both, the Board and the Company Secretary of the Bank.

## **6. List of actions restrained:**

- 6.1 You should 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.
- 6.2 You should not abuse your position to the detriment of the Bank or its shareholders or for the purpose of gaining direct or indirect personal advantage(s) for any associated persons.
- 6.3 All information acquired during your appointment is confidential to the Bank and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Board, unless required by law or by the rules of any stock exchange or regulatory body.

On reasonable request, you shall surrender any documents and other materials, made available to you by the Bank.

Your attention is also drawn to the requirements under the applicable regulations and the Code of Conduct of the Bank, which concern the disclosure of price sensitive information and dealing in the securities of the Bank and other listed securities in the market. You should avoid making any statements or performing any transactions that might risk a breach of those requirements without prior clearance from the Board or the Company Secretary.

6.4. You shall not engage in forward dealings in securities of the Bank nor shall you enter into insider trading in the securities of the Bank.

6.5 You shall not be involved in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Bank.

## **7. Remuneration**

7.1 You shall be entitled to remuneration by way of sitting fees for attending meetings of the Board and its Committees. Such payments shall be subject to the overall limits under the relevant provisions of Companies Act, 2013 and the Rules made thereunder, as amended, from time to time.

Presently, the sitting fees for each meeting of the Board, Audit Committee, Credit Committee, Nomination and Remuneration Committee, Risk Management Committee and Information Technology Strategy Committee is Rs. 70000/-. For all other Board Committees, the sitting fees for each meeting is Rs. 50000/-.

The sitting fee shall be paid by way of crossed account payee cheque and / or direct credit to your account or your designated bank account and shall be subject to deduction of all applicable taxes, if any

7.2 You may also be paid any other form of remuneration as may be decided by the Bank and as per the provisions of the Banking Regulation Act, 1949, RBI guidelines from time to time, Companies Act 2013 and SEBI Listing Regulations.

7.3 You will not be entitled to any stock options neither can you participate in any stock option schemes of the Bank unless permitted under any regulatory norms and subject to such permissions and authorizations as may be required in this behalf.

7.4 In addition to the remuneration, the Bank shall, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

## **8. Evaluation**

In terms of the Companies act, 2013 and SEBI Listing Regulations, the Bank will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

As a member of the Board, your individual performance and the performance of the entire Board and its Committees shall be evaluated annually. Your evaluation shall be done on the basis of the criteria as may be

determined by the Nomination and Remuneration Committee of the Board (NRC). The evaluation criteria shall be disclosed in the Bank's Annual Report. The actual evaluation process shall be confidential and shall be aimed to improve the effectiveness of the Board / Committees. Following important parameters, inter alia, would be considered by the NRC while setting up the criteria for evaluation:

- Effectiveness as an Independent Director
- Time allocated for participation
- Contributions made in the meetings and policy matters.
- Relationship with the Management and other stakeholders.
- Sharing of knowledge, expertise and ability to guide.
- Confidentiality, secrecy and integrity.

### **9. Directors' & Officer Liability Insurance**

The Bank has Directors' and Officers' liability insurance and it is intended that the Bank will insure and maintain such cover for the full term of your appointment. The policy document is available with the Company Secretary of the Bank.

### **10. Independent Professional Advice**

- a) There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director.
- b) It will be appropriate for you to consult independent advisers at the Bank's expense with prior approval of the Board / Chairman of the Committee, where you intend to use the professional advice.
- c) The Bank will reimburse the expenditure incurred in accordance with the Bank's policy.

### **11. Disclosure of Interest**

The Bank is required to 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 no later than when the transaction or arrangement comes up at a Board meeting, so that the minutes may record your interest appropriately and the Bank's records are updated. In terms of the provisions of the Companies Act, 2013, you are required to disclose your interest in other entities in the prescribed format at the beginning of the financial year. If there is any change in the status after the first disclosure during the year, you are required to intimate the change immediately.

### **12. Termination**

You may resign from the directorship of the Bank by giving 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. The Bank shall be liable to disclose the reasons of your resignation while intimating the same to the Stock Exchanges as required under SEBI Listing Regulations.

Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949, SEBI Listing Regulations and the Articles of Association of the Bank from time to time in force.

**13. Publication of the letter of appointment:**

In line with Schedule IV of the Companies Act, 2013, the Bank will make public a generic copy of this letter on its website at [www.DCBBank.com](http://www.DCBBank.com) and shall be open for inspection at the registered office of the Bank by any member during normal business hours.

**14. Governing Law**

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

Please confirm your acceptance to the terms of appointment by signing and returning the enclosed duplicate copy of this letter as a token of your acknowledgement.

Yours sincerely,

**For DCB Bank Limited,**

**Company Secretary / Managing Director and Chief Executive Officer**

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

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**DIN:**

Dated: