

***Terms and conditions  
of Appointment of  
Independent Directors***



***Investor Relations Cell  
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Karur***

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### Terms and conditions of Appointment of Independent Directors

The terms and conditions of appointment of Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 (**'2013 Act'**) and relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 here after called (**LODR**) (as amended from time to time) and (ii) Articles of Association of the Bank and having regard to the provisions of the Banking Regulation Act, 1949 as amended from time to time and the extant guidelines of RBI.

<b>S. No.</b>	<b>Name of the Independent Director</b>	<b>Date of Appointment</b>	<b>Tenure</b>
1.	Dr Meena Hemchandra	26.05.2022	For a period of three (3) years with effect from 26th May, 2022.  Further, appointed as Non-Executive Part-time Chairperson of the Bank for a period of 3 years with effect from 25th July, 2022.
2.	Shri K G Mohan	01.02.2020	For the second term of three years with effect from 12.10.2022 till 11.10.2025.
3.	Dr Harshavardhan Raghunath	30.07.2020	For the second term of five years with effect from 30.07.2023 till 29.07.2028.
4.	Shri Murali Ramaswami	14.06.2022	For a period of three years with effect from June 14, 2022.
5.	CA Dr Chinnasamy Ganesan	25.04.2023	For a period of three years with effect from April 25, 2023.
6.	R Vidhya Shankar	22.04.2024	For a period of three years with effect from April 22, 2024.
7.	Srimathy Sridhar (Additional Director)	26.09.2024	For a period of three years with effect from September 26, 2024.



The broad terms and conditions of their appointments as Independent Directors of the Bank are reproduced hereunder:

## 1. Appointment

The appointment will be for the period as approved by the shareholders in the Annual General Meeting ("Term"). As Independent Directors, they will not be liable to retire by rotation.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

## 2. Role, Duties and Responsibilities

- A. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - Requirements under the Companies Act, 2013
  - "Responsibilities of the Board" as outlined under LODR
  - Accountability under the Director's Responsibility Statement.
- B. They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and relevant regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (as amended from time to time).
- C. They are particularly requested to provide guidance in their area of expertise.
- D. Directors shall adhere to the DOs and DON'Ts guidelines issued by the RBI vide its circular DBOD. No.BC.94/16.13.100/92 dated March 9, 1992.

### 3. Time Commitment

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

### 4. Remuneration

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In terms of RBI Circular DBR. No. BC. 97/29.67.001/2014-15 dated 1st June, 2015 with regard to Guidelines on Compensation payable to Non-Executive Directors (other than Non-Executive Chairman) of Private Sector Banks, RBI Governance Circular RBI/2021-22/24 DOR. GOV. REC. 8/29.67.001/2021-22 dated April 26, 2021 and RBI circular no. RBI/2023-24/121 DoR.HGG.GOV.REC. 75/29.67.001/2023-24 dated February 9, 2024, as approved by the shareholders in 105<sup>th</sup> Annual General Meeting, Non-Executive Directors of the Bank including Independent directors (Other than Non-Executive (Part-time) Chairperson) are eligible for fixed remuneration to the tune of 0.2% of the profit available for distribution subject to a maximum of ₹ 20 Lakhs for each Director per annum with effect from FY 2024-25, for a period of three (3) years. The fee payable shall be in proportion to the tenure of the Directors on the Board during the year.

Further, the Bank may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the bank. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Bank for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

### 5. Insurance

Bank has a Directors and Officers insurance ('D and O insurance') policy with a coverage of Rs.100Cr and also appropriate personnel accident coverage Insurance policy. It is intended to maintain such insurance



cover for the Term of your appointment, subject to the terms of such policy in force from time to time.

## **6. Code of Conduct**

As an Independent Director of the Bank, they agree to comply with the Code of Conduct & ethics for Directors and Senior Management of the Bank.

Unless specifically authorised by the Bank, they shall not disclose any business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers, etc. Their obligation of confidentiality shall survive cessation of their respective directorships with the Bank.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Bank. All Directors are required to sign a confirmation of acceptance of the Code of Conduct as adopted by the Board on annual basis.

## **7. Training and Development**

The Bank may, if required, conduct formal training program for its Independent Directors.

The Bank may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Bank and its business. The Bank will fund/arrange for training on all matters which are common to the whole Board.

## **8. Performance Appraisal / Evaluation Process**

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation 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.



## 9. Disclosures, other directorships and business interests

During the term, they 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 and the Company Secretary.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

During their term they agree to furnish annually a simple declaration that the information provided by them in the format "Declaration and undertaking" specified under RBI guidelines at the time of appointment under the 'fit and proper' criteria has not undergone change and where there is any change, they would provide the requisite details forthwith.

During their term they agree to execute a Deed of Covenants every year as per the format provided under RBI guidelines.

## 10. Changes of personal details

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Bank.

## 11. Disengagement

They may resign from the directorship of the Bank 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 them in the notice, whichever is later.

Their directorship on the Board of the Bank shall cease in accordance with law. The Bank may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon

- Violation of any provision of the Code of Conduct as applicable to Directors,
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.

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