



**SURYODAY SMALL FINANCE BANK LIMITED**

Terms and Conditions of Appointment of Independent Directors  
[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”)]

## **A. Preliminary:**

1. Your appointment as an Independent Director and tenure is subject to the compliance of the provisions of the Companies Act, 2013 (“Act”) and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Banking Regulation Act, 1949 (“BR Act”) and rules made thereunder including extant directions, guidelines and circulars issued by Reserve Bank of India (“RBI”), the Articles of Association of the Bank and any other circular and/or guidelines issued by the Ministry of Corporate Affairs, SEBI and RBI from time to time in this regard.
2. As an Independent Director, you will satisfy the criteria of independence specified under section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.
3. You are required to submit a declaration under section 149 (7) of the Act and Regulation 25(8) of the SEBI Listing Regulations at the beginning of every financial year during your tenure stating that you meet the criteria of independence.
4. As an Independent Director of the Bank, the number of companies in which you hold office as a Director, or Chairman or Committee member shall not exceed the limit stipulated under the Act and the SEBI Listing Regulations you will promptly notify the Bank of the number of companies in which you hold office as a Director or Chairman or Committee member. Further, you cannot be appointed as a director in any other Bank.
5. You are required to promptly notify the Bank of any changes in your directorships, contact details and any other relevant information.
6. You may please ensure that you do not get disqualified to act as a director pursuant to the provisions of section 164 of the Act.
7. As an Independent Director, you may be appointed as member/ Chair of one or more Committees of the Board.

## **B. Code of Conduct, Role and Responsibilities:**

1. You will abide by the Suryoday Small Finance Bank Limited Code of Conduct for Directors and Senior Management (attached as **Annexure 1**) and affirm compliance with the Code on your appointment and thereafter, on an annual basis.
2. You will abide by the guidelines of professional conduct, role, function and duties as an Independent Director as provided in Schedule IV of the Act and Regulations 25 and 26 of the SEBI Listing Regulations (attached as **Annexure 2**).
3. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Bank under applicable laws, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.

4. You are required to adhere to the Bank's Policy under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Fair Disclosure and such other requirements as the Board of Directors may specify from time to time.
5. As a Board member, you will be responsible along with other Board members for meeting the requirements of the Act, BR Act, SEBI Listing Regulations and will be accountable under the Directors' Responsibility Statement.
6. You are expected to:
  - (i) take decisions objectively and solely in the interests of the Bank;
  - (ii) facilitate the Bank's adherence to high standards of ethics and corporate behaviour;
  - (iii) guide the Board in monitoring the effectiveness of the Bank's governance practices and to recommend changes required, if any;
  - (iv) guide the Board in monitoring and managing potential conflicts of interest of management, Board members and stakeholders, including misuse of corporate assets and abuse in related party transactions.

### **C. Remuneration and reimbursement of expenses:**

1. Your remuneration will be as under:
  - (a) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, subject to the limits prescribed by the Act; and
  - (b) any other fees subject to the provisions of the Act, BR Act and policies of the Bank in this behalf.
2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, General meetings and in relation to the business of the Bank towards hotel accommodation, travelling and other out-of-pocket expenses.
3. Pursuant to applicable law, you will not be entitled to any stock options.

### **D. Insurance:**

The Bank subscribes to a Directors and Officers insurance Policy for such amount as may be determined by the Board of Directors to cover the personal liability of directors arising out of claims made against them while serving on the Board of the Bank. A copy of the Policy can be furnished on request to the Company Secretary.

### **E. Performance Evaluation:**

Your re-appointment or extension of term will be recommended by the Nomination and Remuneration Committee (NRC) to the Board subject to the performance evaluation carried out by the Board and will be subject to requisite approvals from the shareholders of the Bank.

### **F. Confidentiality:**

1. You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Bank and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information and intellectual property rights including trade secrets ("**Confidential Information**").

2. You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.
3. If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

**G. Termination:**

Your directorship shall terminate or cease in the event of:

1. applicability of any grounds of termination as specified in the Companies Act, 2013.
  2. violation of any of the provisions of the Suryoday Small Finance Bank Limited Code of Conduct for Directors and Senior Management.
  3. any change that may affect the status of your independence adversely as envisaged under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
  4. your resignation by giving a notice in writing to the Bank stating the reason(s) for resignation.
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