

# CITY UNION BANK LTD.

## (Terms & Conditions of appointment for Independent Director)

### TERMS:

#### 1. APPOINTMENT

Your appointment shall be for a period \_\_\_\_\_ yrs till \_\_\_\_\_. Your appointment terms have been structured/ re-structured as per the companies Act 2013 and other regulations as applicable to the Bank in this regard.

#### 2. COMMITTEE MEMBERSHIPS

As per the Board, you will be the member of the following committee(s) of the Bank.

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_

The Bank may reconstitute the composition of all/any committees, from time to time and any such change shall be promptly intimated to you. You may also be required to serve on other committees of the Board.

#### 3. CODE OF CONDUCT AND DUTIES & RESPONSIBILITIES

All Non-Executive Directors including Independent Directors are governed by the code of conduct adopted by the Bank and schedule IV of the Companies Act, 2013, a copy of which has been enclosed as Annexure I.

#### Roles & Duties

Your role & duties as Independent Director will be those as required of all Directors under the Companies Act 2013 and the Listing Agreement the Bank has entered into with the stock exchanges, some of which are specifically outlined below:

- a) To act in accordance with the Articles of Association of the Bank.
- b) To act in good faith in order to promote the objects of the Bank for the benefit to all its stakeholders and employees in the best interests of the Bank.
- c) To discharge duties with due and reasonable care, skill and diligence and exercise Independent judgment.
- d) Not to achieve or attempt to achieve any undue gain or advantage either to the Director concerned or to his/ her relatives, partners or associates.
- e) Not to assign his/ her office as Director; any assignment, if made, shall be void.
- f) Not to involve in a situation in which the Director may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Bank.

## **Responsibilities & Functions**

Independent Directors have the same general responsibilities as that of other Directors on the Board. The major functions of the Board of Directors of the Company besides other are:

- a) Review and approve annual and medium long term plans
- b) Provide strategic guidance
- c) Oversee the performance of the Bank in meeting agreed goals & objectives and monitor the reporting of performance.
- d) Ensure integrity of financial information.
- e) Oversee internal control processes including legal and regulatory compliance framework of the Bank.
- f) Succession planning.

## **4. REMUNERATION**

- a) As an Independent Director you shall be paid sitting fees for attending each Board and Committee meetings of which you are a member.

The sitting fees payable to you is as follows:

Board	-	Rs. _____/-
Committee	-	Rs. _____/-

- b) You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, General meetings and in relation to the business of the Bank towards hotel accommodation, travelling and other out of pocket expenses.
- c) Any other form of remuneration payable to you shall be subject to the provisions of the Act and the Listing agreement and all other applicable laws.

## **5. DISCLOSURES AND CONFLICT OF INTERESTS**

During your term, you agree to promptly notify any change in your Directorships and such other disclosures and information's as required under applicable laws. You shall also notify the Chairman and Company Secretary of the Bank of any potential interest or conflict of interest with your position as Independent Director.

Further, you shall promptly provide declaration under Section 149(7) of the Companies Act, 2013, upon change in any circumstances which may affect your status as an Independent Director.

## **6. CHANGES IN PERSONAL DETAILS**

You shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in your personal details as provided to the Bank.

## **7. CONFIDENTIALITY**

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 Chairman 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 Banks Code of Conduct which concern the disclosure of price sensitive information and dealing in the securities of Bank. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

## **8. TERMINATION**

- a) Your Directorship on the Board of the Bank shall terminate/ cease in accordance with Law and as per the provisions of the Articles of Association of the Company from time to time in force.
- b) You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.

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