

[Date]

Ms./ Mr. \_\_\_\_\_

\_\_\_\_\_

Dear [Name],

**Re: Appointment as Independent Director**

I am pleased to inform you that the shareholders at the Extraordinary General Meeting of Kotak Mahindra Prime Ltd. ('the Company') held on \_\_\_\_\_, have approved your appointment as an Independent Director of the Company for a term upto \_\_\_\_\_. The main terms and conditions of your appointment are summarised below.

**Committees**

The Board of Directors have also inducted you on the following Board-level Committees of the Company:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Your Role**

All directors are expected to take decisions objectively in the interests of the Company. The Board as a whole is collectively responsible for the success of the Company.

The role of Non-Executive Director of the Company has the following key elements:

- Strategy – Formulate and review strategy;
- Performance – Performance of business with agreed goals and objectives;
- Risk – Risk Control Mechanism;
- Compliance – Governance and compliance with the applicable laws/regulations.

## **Fiduciary Duties**

All directors must act the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director you shall:

- a. have fiduciary duty to act in good faith and in the interests of the Company and not for any collateral purpose;
- b. have duty to act only within the powers as laid down by the Company's Memorandum and Articles of Association and by applicable laws and regulations;
- c. have duty to acquire proper understanding of the business of the Company;
- d. be fully responsible in regard to matters entrusted to you by the Board and shall not evade your responsibility;
- e. not let interference in the performance of your duties by the other directors and officers of the Company and wherever you have reasons to believe otherwise, you shall forthwith disclose your concerns to the Board; and
- f. make proper use of the information disclosed to you and shall not use such information as a member of the Board or otherwise for your own or someone else's advantage or benefit. You shall use the information disclosed to you by the Company in your capacity as director of the Company only for the purposes of performance of your duties as a director and not for any other purpose.

## **Code of Conduct**

You will abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in Schedule IV of the Companies Act, 2013, an extract of the said Schedule IV is set out in Annexure - 1. You may refer to Schedule IV of the Companies Act, 2013 for the full text.

You are required to adhere to the Insider Trading Code of the Company (copy enclosed and marked as 'Annexure - 2') & such other requirements as the Board of Directors may from time to time specify.

## **Deed of Covenants**

Your appointment as a Director of the Company is subject to the applicable laws and regulations including the Memorandum and Articles of Association of the Company and the provisions of the Deed of Covenants (copy enclosed and marked as 'Annexure - 3').

## Remuneration

You would be entitled to sitting fees for attending the meetings of the Board and Board Committees as may be determined by the Board from time to time, as per the limits set out under the Companies Act, 2013.

You would also 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 -Company towards hotel accommodation, travelling and other out-of-pocket expenses.

Please note that this is a contract for services and is not a contract of employment.

## Confidentiality

Information acquired during your appointment is confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to third parties except as when required to be disclosed by law and when so required to disclose you shall (subject to being permitted under the applicable law) get the information proposed to disclosed cleared (prior to disclosure) from the Chairman.

Please signify your acceptance to the above terms and conditions that govern your appointment by signing and returning the duplicate copy of this letter.

We look forward to your association with us.

Yours sincerely,  
For **Kotak Mahindra Prime Limited**

**Chairman**

Encl: As above

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I hereby accept the terms and conditions of appointment as set out in this letter.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Date : \_\_\_\_\_

## Kotak Mahindra Prime Limited

### Annexure 1

#### Guidelines of professional conduct, Role, Functions and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013)

##### I. Guidelines for Professional conduct:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising your duties;
3. Exercise your responsibilities in a bona fide manner in the interest of the Company;
4. Devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate your 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 your 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 your independence;
8. Where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly;
9. Assist the Company in implementing the best corporate governance practices.

## **II. Role and functions:**

1. Assist in bringing an independent judgement 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 yourself on the integrity of financial information and that financial controls and 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:**

1. Undertake appropriate induction and regularly update and refresh your 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 including a separate meeting of the independent director and of the Board committees of which you are a member.

4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Company.
6. Where you 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 your concerns are recorded in the minutes of the Board meeting.
7. Keep yourself 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 yourself 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 behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
12. Acting within your 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. 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.