

**TERMS AND CONDITIONS OF APPOINTMENT OF MS. CHARULATA SIPPY AS AN  
INDEPENDENT DIRECTOR OF THE COMPANY**

**1. TERM**

- 1.1 Subject to the remaining provisions of this letter, your re-appointment shall be for a term of 5 years commencing on 16<sup>th</sup> June, 2017 up to 15<sup>th</sup> June, 2022.
- 1.2 Further, after the expiration of the term or extended term, you shall be eligible for being appointed as an Independent Director only after expiration of three years of ceasing to be an Independent Director.
- 1.3 During the said period of three years, you will not be eligible to be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- 1.4 In compliance with the provisions of the Companies Act, 2013, during your tenure as an Independent Director, you shall not be liable to retire by rotation.
- 1.5 Further, the Act states that the appointment/re-appointment of Independent Director shall be approved by the Company in general meeting and the explanatory statement annexed to the notice of the general meeting called to consider the said appointment shall indicate the justification for choosing the appointee for appointment as Independent Director. It also provides for an evaluation mechanism by which the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director. Your re-appointment as an Independent Director has been on the basis of the report of performance evaluation.
- 1.6 Notwithstanding sub-paragraphs above, the Company may terminate your appointment with immediate effect if you have:
- a. committed any serious or repeated breach or non-observance of your obligations to the Company (which include an obligation to attend meetings of the Board and not to breach your statutory, fiduciary or common-law duties);
  - b. been guilty of any fraud or dishonesty or acted in any manner which, in the opinion of the Company, brings or is likely to bring you or the Company into disrepute or is materially adverse to the interests of the Company;
  - c. declared bankruptcy or have made an arrangement with or for the benefit of your creditors;
  - d. been disqualified from acting as a director in any jurisdiction;
  - e. failed to disclose your interest in any contract or arrangement in which you are directly or indirectly interested, in contravention of the relevant provisions of the Act;
  - f. been debarred from accessing capital market or financial market or penalised by any regulator for violating any rules or regulations which in view of the Company is material;
  - g. been alleged to have breached any regulation or rules of a serious nature;
  - h. not complied with SEBI Prohibition of Insider Trading Regulations and policy framed thereunder by the Company; or
  - i. been no longer considered Fit and Proper as person as per schedule II of the SEBI Intermediaries Regulations 2008.
  - j. any failure to meet the parameters of independence as defined in Section 149(6) or on occurrence of any event as defined in section 167(1) of the Companies Act, 2013

1.7 On termination of the appointment, you shall only be entitled to accrued fees as of the date of termination.

**2. TIME COMMITMENT**

2.1 As a Board member, you are expected to attend the regularly-scheduled meetings of the Board and any Board committees on which you serve, as well as attend occasional calls or special meetings of the Board. In addition, you will be required to consider all relevant papers prior to each meeting. The Company may require you to work additional hours where necessary for the proper performance of your duties. You will serve on the following Board constituted Committees:

Name of Committee	Role
Audit Committee	Member
Nomination and Remuneration Committee	Member

2.2 By accepting this re-appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role.

2.3 As per the Act, 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. All the Independent Directors of the Company are required to be present at such meeting. 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.

**3. ROLE AND DUTIES**

3.1 The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for business acumen and integrity.

3.2 As an Independent Director, your role, responsibilities and functions shall include:

- a. helping to bring an independent judgment to bear on the Board’s deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b. bringing an objective view in the evaluation of the performance of the Board and management;
- c. scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- d. satisfying yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e. safeguarding and balancing the interests of all stakeholders;
- f. approving policy related to the remuneration of executive directors, key managerial personnel and senior management, where applicable, and approving appointments of directors.

3.3 As an Independent Director, you are expected to demonstrate the following personal and professional characteristics:

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising your duties;
- c. exercise your responsibilities in a bona fide manner in the interest of the Company;
- d. devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e. refrain from any action that would lead to loss of your independence;
- f. assist the Company in implementing the best corporate governance practices.
- g. not allow any extraneous considerations that will vitiate their exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgement of the board in its decision making
- h. not to abuse their 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
- i. where circumstances arise which make an independent director lose their independence, the independent director must immediately inform the Board accordingly

3.4 As part of your duties as an Independent Director, you shall:

- a. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which you are the chair or a member;
- d. participate constructively and actively in the committees of the Board in which you are the chair or a member;
- e. strive to attend the general meetings of the Company;
- f. 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;
- g. keep well informed about the Company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. 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;
- j. 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;
- k. acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- l. as per Section 12 below, not disclose confidential information, unless such disclosure is expressly approved by the Board or required by the law;
- m. immediately keep the Board Members or the Company Secretary informed of any order/adjudication/show cause notice or investigation initiated by any regulatory authority; or
- n. provide any further information that may be required by the Board in connection with paragraph (m) above.

- o. provide any further information that may be required by the Board in connection with paragraph (m) above.
- p. 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 Company

3.5 You shall be entitled to request relevant information about the Company's affairs as is reasonably necessary in order to enable you to discharge your duties.

**4. FEES**

4.1 As per the provisions of Section 197(5) of the Act, you as an Independent Director shall be entitled to receive remuneration by way of fee for attending meetings of the Board or Committee thereof.

4.2 The Board of Directors has approved the following sitting fees to the Non-Executive Directors for attending meetings of the Board/committees:

<b>Type of Meeting</b>	<b>Sitting Fees (in Rs.)</b>
Board	100,000
Audit Committee	50,000
Nomination and Remuneration Compliance Committee	50,000

4.3 Reimbursement of Expenses.

The Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

**5. CODE OF CONDUCT**

You shall report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct (the "Code"), a copy of which is attached as Schedule 1. By signing this agreement, you acknowledge that you have read, understand, and agree to comply with the Code. You are not presently aware of any circumstances involving you or any family member or any other employee that would conflict with the Code. If you become aware of any such circumstances, you will immediately notify the Ethics and Compliance Hotline at 000-800-100-1036 or [www.reportlineweb.com/bankofamerica](http://www.reportlineweb.com/bankofamerica). You commit to participate in any training as offered to you by the Company related to your compliance with the Code.

**6. LIABILITY**

Section 149(12) of the Act inter-alia states that, notwithstanding anything contained in this Act, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

## **7. INDEPENDENT LEGAL ADVICE**

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisors at the Company's expense. In these circumstances you should notify the General Counsel, India in advance of seeking advice so that it can be discussed whether it is appropriate to obtain such advice and the procedure for doing so.

## **8. INDEPENDENCE & CONFLICTS OF INTEREST**

It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. Where circumstances arise which make you lose your independence, you must immediately inform the Chairman and company secretary. If you become aware of any potential conflicts of interest, these should be disclosed to the Chairman and company secretary as soon as you become aware of them.

## **9. INDEMNITY AND INSURANCE**

The details of your right to indemnification as a director of the Company are contained in Article VIII of the bylaws of the Company's ultimate parent company, Bank of America Corporation. The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment.

## **10. DISCLOSURES**

- 10.1 You consent to any Group company performing background checks on you during the course of your appointment for the purpose of compliance with applicable laws and regulations.
- 10.2 You also hereby undertake to disclose forthwith to the Company the making of any disqualification direction against you by any regulatory body or other similar professional association.
- 10.3 You must not, without the prior consent of the Board of Directors of the Company, in any way directly or indirectly (i) be engaged or employed in, or (ii) concerned with (in any capacity whatsoever, including being a director or assuming another position of office) or (iii) provide services to, any other business or organisation where this is, or is likely to be, in conflict with the interests of the Company and Group companies or where this may adversely affect the efficient discharge of your duties, including your independent director status.
- 10.4 You further undertake to comply in full with any rules, regulations, guidelines and policies issued, or to be issued, by the Company or any regulatory organisation as may from time to time be applicable to your appointment.

## **11. DATA PROTECTION**

By signing this Letter, you consent to the Company, and/or any Group company and/or any third party entity authorised by the Company or any Group company, holding and processing, both electronically and manually, personal and employment data it collects relating to your engagement (whether in manual, electronic or any other form). Such data may be used for the purposes of the Company's administration and management and its business and for compliance with applicable procedures, laws and regulations and for other purposes stated in any notification the Company may have made, or will make to you from time to time. Data can be held by management and by

the Human Resource Department. You also consent to the disclosure, transfer, storage and processing of such data outside the Asia Pacific region, in particular in any other jurisdiction in which the Company and the Group have offices.

## **12. INFORMATION SECURITY AND CONFIDENTIALITY**

- 12.1 “Confidential Information” means information relating to the business, products, affairs and finances of the Company (or any of its Group companies or any of its clients) which is for the time being confidential to the Company or is treated as confidential by it (including but not limited to processes, policies, methods, technical data and know-how, client lists, details of confidential employee information, details of suppliers), or information which amounts to a trade secret relating to the business of the Company or any of its Group companies or any of their clients, customers or suppliers.
- 12.2 You undertake to observe the strictest secrecy in all matters pertaining to the Company, Group companies, their clients, correspondents or stockholders and not to divulge or disclose at any time Confidential Information received as a director of the Company to any unauthorised person during or after your appointment. The Company prohibits the use of Confidential Information for your own benefit or for the benefit of any other person, firm or company.
- 12.3 You specifically understand and agree that all documents (including, without limitation, all files, reports, manuals, books and records, account information, client names, addresses and account numbers, planners, holding book or client book pages, financial statements, or any models, spreadsheets, computer programmes, databases or client lists created or modified for the Company’s business purposes by an employee of the Company and/or the Group) related to the businesses of the Company and in your possession or to which you may have access as a result of your directorship, (whether in written or electronic form), are and will remain the sole and exclusive property of the Company. You will not reproduce or appropriate for your own use, or for the improper use by others, any property of the Company.
- 12.4 You undertake not to make any untrue or misleading statement in relation to the Company or the Group (or any of their officers and employees) and will not make, publish, or cause to be made or published (whether directly or indirectly, or “on” or “off” the record) in relation to (a) the Company, (b) the Group or (c) any employee, agent or officer of the Company or the Group any comment or statement (in writing or otherwise) which is disparaging, derogatory or damaging to them or their business, or which could reasonably be expected to be so disparaging, derogatory or damaging. You must not make or communicate (or cause or facilitate the making or communication of) any oral or written statement to any representative of the press, television, radio or other media on any matter connected with or relating to the Company or any Group company, without the prior written consent of the Company’s Marketing and Communications Department.

## **13. MONITORING**

- 13.1 By signing this Agreement, you hereby acknowledge and agree to the Bank and/or the Group monitoring your electronic communications on Bank systems (whether accessed from a Bank-issued or a personal device) and any activities conducted on Bank-issued devices and using Bank property, subject always to local laws. The Bank’s position regarding monitoring is set out in the Cyber Security Monitoring Notice (as amended from time to time), a copy of which is attached as Schedule 2. It is a requirement that you review the Cyber Security Monitoring Notice at the commencement of your engagement and fully comply with its terms and with other related policies on an ongoing basis.