IDBI BANK

CIN : L65190MH2004GOI148838

आईडीबीआई बैंक लिमिटेड
पंजीकृत कार्यालय : आईडीबीआई टॉवर,
डब्ल्यूटीसी कॉम्प्लेक्स, कफ परेड,
मुंबई - 400 005.
टेलिफोन : (+91 22) 6655 3355, 2218 9111
फैक्स : (+91 22) 2218 0411
वेबसाइट : www.idbi.com

IDBI Bank Limited
Regd. Office : IDBI Tower,
WTC Complex, Cuffe Parade,
Mumbai - 400 005.
TEL.: (+91 22) 6655 3355, 2218 9111
FAX : (+91 22) 2218 0411
Website : www.idbi.com

०१ जुलाई, २०१४

The Manager (Listing) National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051	The Manager (Listing) Bombay Stock Exchange Ltd., 25th Floor, Phiroz Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001

Dear Sir,

Appointment of Independent Directors

In continuation of the Bank's 10th AGM Notice dated May 02, 2014 filed with the Stock Exchanges on May 20, 2014, this is to inform that the Shareholders have passed the Resolutions for appointment of Shri S. Ravi, Shri Ninad Karpe and Shri P.S. Shenoy as Non Rotational Independent Directors at the aforesaid 10th AGM held on June 30, 2014 in terms of Section 149 of the Companies Act, 2013.

In terms of revised Clause 49 of the Listing Agreement, the Letters of Appointment alongwith the detailed profile of the aforesaid Independent Directors are enclosed.

You are requested to kindly take the above intimation on record in terms of the above provisions of the Listing Agreement.

भवदीय,
कृते आईडीबीआई बैंक लिमिटेड

1/07/14

[पवन अग्रवाल]
कंपनी सचिव

संलग्न : उपर्युक्त

IDBI BANK
CIN : L65190MH2004GOI148838

आईडीबीआई बैंक लिमिटेड
पंजीकृत कार्यालय : आईडीबीआई टॉवर,
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July 01, 2014

Shri S.Ravi
Ravi Rajan & Co.,
505-A, 5th Floor,
Rectangle 1, District Centre,
Saket,
NEW DELHI – 110 0017.

Appointment as Independent Director of IDBI Bank

Dear Sir,

In terms of Section 149(4) read with Schedule IV of the Companies Act, 2013, we hereby, advise that, the Members of IDBI Bank, at the 10th Annual General Meeting held on June 30, 2014, have approved your appointment as Independent Director on the Board of the Bank on the following terms and conditions:

(i) In terms of Article 116 A of the Articles of Association and Directors' Appointment Policy of the Bank, your initial term as Independent Director will be for 4 (four) consecutive years beginning w.e.f 2nd July, 2012, the date of your first appointment as Director in IDBI Bank. You will, however be eligible for reappointment for not more than one more term of consecutive 4 (four) years subject to passing of a Special Resolution in this regard at a General Meeting and on the basis of your annual performance evaluation to be conducted by the Board of Directors. As Independent Director, you will not be liable to retire by rotation. However your total term as Director of IDBI Bank will not exceed 8 (eight) years in terms of Section 10 A (2A) of the Banking Regulation Act, 1949.

(ii) You will be a member/chairman of following Board Committees of IDBI Bank (committee membership shall be subject to change by the Board from time to time) :

Name of Committee	Position	Brief Terms of Reference
Audit Committee of the Board	Chairman	The Audit Committee acts as an intermediary between the management and the Statutory and Internal Auditors overseeing the internal audit functions. The functions of the Audit Committee are set out under the Companies Act, 2013 and clause 49 of the listing agreement.
Business Review Committee	Member	The committee's functions include discussion of the Review Items (including calendar reviews) which are for information and do not involve any approval/

आई.डी.बी.आई. बैंक लि./IDBI BANK LTD. बोर्ड विभाग BOARD DEPT. प्रधान कार्यालय/HEAD OFFICE

		ratification/ strategy as well as reporting items, other than secretarial reportings.
Executive Committee	Member	Executive Committee takes into account the matters other than policies and those specifically required to be considered by the Board. It also considers and exercises such other powers as delegated to it by the Board.
Stakeholder Relationship Committee	Member	The Committee looks into the redressal of shareholders' and investors' grievances pertaining to share transfers, non-receipt of Annual Report, non-receipt of declared dividend etc.
Fraud Monitoring Committee	Member	Fraud Monitoring Committee (FMC) has been set up to detect frauds and advise corrective steps.
Remuneration Committee	Member	Remuneration Committee has been set up to consider and approve the payment of annual performance-linked incentives to the CMD and DMDs as well as carry on other functions given in Section 178 of the Companies Act, 2013.
Nomination Committee	Member	Nomination Committee undertakes a process of due diligence to determine the 'fit and proper' status of existing Directors elected, and the persons to be elected as Directors, by shareholders other than the Central Government and Central Government Banks and Institutions. It also carries out functions given under Section 178 of the Companies Act, 2013.
Recovery Review Committee.	Member	Recovery Review Committee has been constituted for reviewing NPAs, stressed accounts, written-off cases, OL cases, DRT cases, etc.
Independent Directors Committee	Member	The primary responsibilities of this committee are as under: 1. To review the performance of Non-Independent Directors and the Board as a whole; 2. To review the performance of the Chairman of the Bank taking into account views of Executive and Non-Executive Directors of the Bank and; 3. To assess the quality, quantity and timeliness of flow of information from the Management to the Board for the Board to

IDBI BANK LTD. BOARD DEPT. HEAD OFFICE

		effectively and reasonably perform their duties.

(iii) The Board expects you to follow the Professional Conduct for Independent Directors provided under Schedule IV of the Companies Act, 2013 during your tenure in the Bank as an Independent Director (copy of the extracts from Schedule IV is enclosed at Annexure I), and not to do any act contrary to the professional conduct.

(iv) You are also requested to kindly read the Roles and Functions as well as Duties of Independent Directors as given under Schedule IV of the Companies Act, 2013 (copy at Annexure I) and follow the same during your tenure as Independent Director of IDBI Bank.

(v) In terms of the Remuneration Policy of the Bank, you will be paid sitting fees for attending the Board and Board Committee meetings at the rate of ₹ 10,000/- for each meeting of the Board, Executive Committee & ACB and ₹ 5000/- each for the other Board Committee meetings, in case you are a member of these committees. The expenses on your travel, local transport as well as accommodation for attending the meetings will be borne by IDBI Bank. Apart from the above, you will not be entitled to any other remuneration as Independent Director of IDBI Bank.

The Bank wishes you all the best for your role as Independent Director of the Bank.

Yours faithfully,

(M.S.Raghavan)
Chairman & Managing Director

BOARD DEPT.

ANNEXURE - I

Schedule IV

[*See* section 149(8)]

Code for Independent Directors

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

(1) uphold ethical standards of integrity and probity;

(2) act objectively and constructively while exercising his duties;

(3) exercise his responsibilities in a *bona fide* manner in the interest of the company;

(4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

(5) not allow any extraneous considerations that will vitiate his 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 his 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 his independence;

(8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

(9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

(1) help in bringing 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;



(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 themselves on the integrity of financial information and that financial controls and the 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:

The independent directors shall:

(1) undertake appropriate induction and regularly update and refresh their 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 of Directors and of the Board committees of which he is a member;

(4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(5) strive to attend the general meetings of the company;

(6) where they 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 their concerns are recorded in the minutes of the Board meeting;

(7) keep themselves 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 themselves that the same are in the interest of the company;



(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) acting within his 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. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :

(a) the term of appointment;

(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) provision for Directors and Officers (D and O) insurance, if any;

(e) the Code of Business Ethics that the company expects its directors and employees to follow;

(f) the list of actions that a director should not do while functioning as such in the company; and

(g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

IDBI BANK LTD. BOARD DEPT. HEAD OFFICE

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. 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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) 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.



Detailed Profile of Shri S. Ravi, Independent Director

Shri S. Ravi (DIN 00009790) is B.Sc, M.Com, FCA and is also pursuing Ph.D from the Centre of Management Studies, Jamia Millia Islamia University, New Delhi. Shri Ravi has garnered wide exposure in the Banking Sector due to his directorship on the board of various public sector banks. During his tenure as director of PSU Banks, viz., Union Bank of India, Corporation Bank, Dena Bank, UCO Bank and Punjab & Sind Bank, he was also on various committees such as Audit Committee, Strategic Revival Committee and Risk Management Committee. He also has experience in the financial sector, viz., Mutual Fund, Home Finance, Venture Capital Fund and Capital Market Activities. He is presently on the Boards of ONGC Ltd., IDBI Capital Market Services Ltd., UTI Trustee Company Pvt. Ltd., LIC Housing Finance Ltd., among others. Shri Ravi holds 200 shares of IDBI Bank Ltd.



IDBI BANK

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Website : www.idbi.com

July 01, 2014

Shri Ninad Karpe
MD & CEO,
Aptech Ltd.,
A-65, Aptech House,
M.I.D.C., Marol,
Andheri(E),
MUMBAI – 400 093.

Appointment as Independent Director of IDBI Bank

Dear Sir,

In terms of Section 149(4) read with Schedule IV of the Companies Act, 2013, we hereby, advise that, the Members of IDBI Bank, at the 10th Annual General Meeting held on June 30, 2014, have approved your appointment as Independent Director on the Board of the Bank on the following terms and conditions:

(i) In terms of Article 116 A of the Articles of Association and Directors' Appointment Policy of the Bank, your initial term as Independent Director will be for 4 (four) consecutive years beginning w.e.f 2nd July, 2012, the date of your first appointment as Director in IDBI Bank. You will, however be eligible for reappointment for not more than one more term of consecutive 4 (four) years subject to passing of a Special Resolution in this regard at a General Meeting and on the basis of your annual performance evaluation to be conducted by the Board of Directors. As Independent Director, you will not be liable to retire by rotation. However your total term as Director of IDBI Bank will not exceed 8 (eight) years in terms of Section 10 A (2A) of the Banking Regulation Act, 1949.

(ii) You will be a member/chairman of following Board Committees of IDBI Bank (committee membership shall be subject to change by the Board from time to time) :

Name of Committee	Position	Brief Terms of Reference
Audit Committee of the Board	Member	The Audit Committee acts as an intermediary between the management and the Statutory and Internal Auditors overseeing the internal audit functions. The functions of the Audit Committee are set out under the Companies Act,2013 and clause 49 of the listing agreement.
Executive Committee	Member	Executive Committee takes into account the matters other than policies and those specifically required to be considered by the

आईडीबीआई बैंक लि./IDBI BANK LTD. बोर्ड विभाग BOARD DEPT. प्रधान कार्यालय/HEAD OFFICE

		Board. It also considers and exercises such other powers as delegated to it by the Board.
Fraud Monitoring Committee	Member	Fraud Monitoring Committee (FMC) has been set up to detect frauds and advise corrective steps.
Risk Management Committee	Member	The Committee assesses various risks associated with Bank's business, their mitigation and also addresses the issues related to asset liability mismatch.
Corporate Social Responsibility Committee	Member	The primary responsibilities of the CSR Committee are: (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013; (b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and (c) To monitor the Corporate Social Responsibility Policy of the Bank from time to time.
Information Technology Committee	Chairman	The Bank has established an Information Technology Committee to put in place an Information technology platform in the Bank. The objectives are to render various services to the customers; to help in streamlining the approach; to assist in launching new products and to provide services.
Nomination Committee	Member	Nomination Committee undertakes a process of due diligence to determine the 'fit and proper' status of existing Directors elected, and the persons to be elected as Directors, by shareholders other than the Central Government and Central Government Banks and Institutions. It also carries out functions given under Section 178 of the Companies Act, 2013.
Independent Directors Committee	Member	The primary responsibilities of this committee are as under: 1. To review the performance of Non-Independent Directors and the Board as a whole; 2. To review the performance of the Chairman of the Bank taking into account

IDBI BANK LTD. BOARD DEPT. HEAD OFFICE

		views of Executive and Non-Executive Directors of the Bank and; 3. To assess the quality, quantity and timeliness of flow of information from the Management to the Board for the Board to effectively and reasonably perform their duties.

(iii) The Board expects you to follow the Professional Conduct for Independent Directors provided under Schedule IV of the Companies Act, 2013 during your tenure in the Bank as an Independent Director (copy of the extracts from Schedule IV is enclosed at Annexure I), and not to do any act contrary to the professional conduct.

(iv) You are also requested to kindly read the Roles and Functions as well as Duties of Independent Directors as given under Schedule IV of the Companies Act, 2013 (copy at Annexure I) and follow the same during your tenure as Independent Director of IDBI Bank.

(v) In terms of the Remuneration Policy of the Bank, you will be paid sitting fees for attending the Board and Board Committee meetings at the rate of ₹ 10,000/- for each meeting of the Board, Executive Committee & ACB and ₹ 5000/- each for the other Board Committee meetings, in case you are a member of these committees. The expenses on your local transport for attending the meetings will be borne by IDBI Bank. Apart from the above, you will not be entitled to any other remuneration as Independent Director of IDBI Bank.

The Bank wishes you all the best for your role as Independent Director of the Bank.

Yours faithfully,

(M.S.Raghavan)
Chairman & Managing Director

BOARD DEPT.

ANNEXURE - I

Schedule IV

[*See* section 149(8)]

Code for Independent Directors

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

(1) uphold ethical standards of integrity and probity;

(2) act objectively and constructively while exercising his duties;

(3) exercise his responsibilities in a *bona fide* manner in the interest of the company;

(4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

(5) not allow any extraneous considerations that will vitiate his 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 his 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 his independence;

(8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

(9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

(1) help in bringing 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;



(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 themselves on the integrity of financial information and that financial controls and the 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:

The independent directors shall:

(1) undertake appropriate induction and regularly update and refresh their 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 of Directors and of the Board committees of which he is a member;

(4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(5) strive to attend the general meetings of the company;

(6) where they 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 their concerns are recorded in the minutes of the Board meeting;

(7) keep themselves 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 themselves that the same are in the interest of the company;



(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) acting within his 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. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :

(a) the term of appointment;

(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) provision for Directors and Officers (D and O) insurance, if any;

(e) the Code of Business Ethics that the company expects its directors and employees to follow;

(f) the list of actions that a director should not do while functioning as such in the company; and

(g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

IDBI BANK LTD. BOARD DEPT. HEAD OFFICE

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. 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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) 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.



Detailed Profile of Shri Ninad Karpe, Independent Director

Shri Ninad Karpe (DIN 00030971) is Managing Director & CEO of Aptech Ltd. He is B.Com, LLB (Gen.) and FCA. He has aggressively pursued to position Aptech Ltd. on the world stage as a truly global provider of learning solutions. Aptech is a leader in its space in China, Vietnam, Nigeria, Russia and other emerging markets. Prior to Aptech Ltd. he held the position of MD in CA India and was responsible for extending the company's technology reach and building strategic partnerships with leading Indian IT players. He also started an Independent Consulting firm after completing his CA and took on the specialized task of helping foreign companies and non resident Indians to invest in India. He authored books on Taxation during this period and also spoke at various seminars and events on the topic of Foreign Investment and Strategy in India. He was also part-time lecturer at H.R College and Guest lecturer at Jamnalal Bajaj College of Management Studies, Mumbai. He is on the Boards of BNP Paribas Asset Management India Pvt. Ltd., Savita Oil Technologies Ltd., EDC Ltd. and India SME Asset Reconstruction Co. Ltd. as Independent Director, among others.



IDBI BANK
CIN : L65190MH2004GOI148838

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Website : www.idbi.com

July 01, 2014

Shri P.S. Shenoy
'Srinivas',
Plot No.121,
Sector 8,
Gandhinagar – 382008
GUJARAT

Appointment as Independent Director of IDBI Bank

Dear Sir,

In terms of Section 149(4) read with Schedule IV of the Companies Act, 2013, we hereby, advise that, the Members of IDBI Bank, at the 10th Annual General Meeting held on June 30, 2014, have approved your appointment as Independent Director on the Board of the Bank on the following terms and conditions:

(i) In terms of Article 116 A of the Articles of Association and Directors' Appointment Policy of the Bank, your initial term as Independent Director will be for 4 (four) consecutive years beginning w.e.f 30th July, 2011, the date of your first appointment as Director in IDBI Bank. You will, however be eligible for reappointment for not more than one more term of consecutive 4 (four) years subject to passing of a Special Resolution in this regard at a General Meeting and on the basis of your annual performance evaluation to be conducted by the Board of Directors. As Independent Director, you will not be liable to retire by rotation. However your total term as Director of IDBI Bank will not exceed 8 (eight) years in terms of Section 10 A (2A) of the Banking Regulation Act, 1949.

(ii) You will be a member/chairman of following Board Committees of IDBI Bank (committee membership shall be subject to change by the Board from time to time) :

Name of Committee	Position	Brief Terms of Reference
Audit Committee of the Board	Member	The Audit Committee acts as an intermediary between the management and the Statutory and Internal Auditors overseeing the internal audit functions. The functions of the Audit Committee are set out under the Companies Act, 2013 and clause 49 of the listing agreement.
Business Review Committee	Member	The committee's functions include discussion of the Review Items (including calendar reviews) which are for information and do not involve any approval/

आईडीबीआई बैंक लि./IDBI BANK LTD. बोर्ड विभाग BOARD DEPT. प्रधान कार्यालय/HEAD OFFICE

		ratification/ strategy as well as reporting items, other than secretarial reportings.
Executive Committee	Member	Executive Committee takes into account the matters other than policies and those specifically required to be considered by the Board. It also considers and exercises such other powers as delegated to it by the Board.
Risk Management Committee	Chairman	The Committee assesses various risks associated with Bank's business, their mitigation and also addresses the issues related to asset liability mismatch.
Information Technology Committee	Member	The Bank has established an Information Technology Committee to put in place an Information technology platform in the Bank. The objectives are to render various services to the customers; to help in streamlining the approach; to assist in launching new products and to provide services.
Remuneration Committee	Member	Remuneration Committee has been set up to consider and approve the payment of annual performance-linked incentives to the CMD and DMDs, as well as carry on other functions given in Section 178 of the Companies Act, 2013.
Nomination Committee	Chairman	Nomination Committee undertakes a process of due diligence to determine the 'fit and proper' status of existing Directors elected, and the persons to be elected as Directors, by shareholders other than the Central Government and Central Government Banks and Institutions. It also carries out functions given under Section 178 of the Companies Act, 2013.
Customer Service Committee	Member	Customer Service Committee has been set up to look into customer grievances and effectively service customers in the retail banking segment.
HR Steering Committee	Member	The HR Steering Committee has been constituted to deal with the matters related to human resources, namely; Policies pertaining to recruitment and training, Performance management, Compensation and Career development initiatives, Management development and Succession

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		planning, Alignment of the HR strategy to the business strategy and plan, etc.
Independent Directors Committee	Chairman	The primary responsibilities of this committee are as under: 1. To review the performance of Non-Independent Directors and the Board as a whole; 2. To review the performance of the Chairman of the Bank taking into account views of Executive and Non-Executive Directors of the Bank and; 3. To assess the quality, quantity and timeliness of flow of information from the Management to the Board for the Board to effectively and reasonably perform their duties.

(iii) The Board expects you to follow the Professional Conduct for Independent Directors provided under Schedule IV of the Companies Act, 2013 during your tenure in the Bank as an Independent Director (copy of the extracts from Schedule IV is enclosed at Annexure I), and not to do any act contrary to the professional conduct.

(iv) You are also requested to kindly read the Roles and Functions as well as Duties of Independent Directors as given under Schedule IV of the Companies Act, 2013 (copy at Annexure I) and follow the same during your tenure as Independent Director of IDBI Bank.

(v) In terms of the Remuneration Policy of the Bank, you will be paid sitting fees for attending the Board and Board Committee meetings at the rate of ₹ 10,000/- for each meeting of the Board, Executive Committee & ACB and ₹ 5000/- each for the other Board Committee meetings, in case you are a member of these committees. The expenses on your travel, local transport as well as accommodation for attending the meetings will be borne by IDBI Bank. Apart from the above, you will not be entitled to any other remuneration as Independent Director of IDBI Bank.

The Bank wishes you all the best for your role as Independent Director of the Bank.

Yours faithfully,

(M.S.Raghavan)
Chairman & Managing Director

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ANNEXURE - I

Schedule IV

[*See* section 149(8)]

Code for Independent Directors

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

(1) uphold ethical standards of integrity and probity;

(2) act objectively and constructively while exercising his duties;

(3) exercise his responsibilities in a *bona fide* manner in the interest of the company;

(4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

(5) not allow any extraneous considerations that will vitiate his 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 his 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 his independence;

(8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

(9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

(1) help in bringing 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;



(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 themselves on the integrity of financial information and that financial controls and the 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:

The independent directors shall:

(1) undertake appropriate induction and regularly update and refresh their 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 of Directors and of the Board committees of which he is a member;

(4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(5) strive to attend the general meetings of the company;

(6) where they 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 their concerns are recorded in the minutes of the Board meeting;

(7) keep themselves 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 themselves that the same are in the interest of the company;



(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) acting within his 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. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :

(a) the term of appointment;

(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) provision for Directors and Officers (D and O) insurance, if any;

(e) the Code of Business Ethics that the company expects its directors and employees to follow;

(f) the list of actions that a director should not do while functioning as such in the company; and

(g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

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(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. 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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) 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.



Detailed Profile of Shri P.S. Shenoy, Independent Director

Shri P.S. Shenoy (DIN 00108547) is a Gold Medalist in B.Com from University of Mysore and Fellow of Indian Institute of Banking & Finance. He retired as Chairman and Managing Director of Bank of Baroda after a five year tenure from the year 2000 to 2005. He has nearly 41 years of experience in Banking Industry encompassing 4 Banks, viz., Bank of Baroda, Bank of India, Canara Bank and Syndicate Bank. He has rich experience of International Banking as he was posted abroad for several years. He has been on various committees of Reserve Bank of India as well as Government of India.

Shri Shenoy's current assignments include Directorships of ICRA Management Consulting Services Ltd., Tamboli Castings Ltd. and Reliance Capital Pension Fund Ltd. He is also the Chairman of Audit Committee of ICRA Management Consulting Services Ltd., and Member of Audit Committee of Tamboli Castings Ltd.

