Terms and Conditions of appointment of Independent Director

Terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013

I. Term

Shri. Surya Prakash Rao Pendyala has been appointed as an Independent Director of the Company for the first term of 3 (three) consecutive years by the shareholders at their Extra-ordinary Annual General Meeting held on 13th June 2024. The appointment is for a term commencing from 10th May 2024 to 09th May 2027.

Smt. Padmaja Chunduru has been appointed as an Independent Director of the Company for the first term of 3 (three) consecutive years by the shareholders at their Annual General Meeting held on 25th September 2025. The appointment is for a term commencing from 09th December 2024 to 08th December 2027.

II. Other Terms and Conditions

The terms of appointment are subject to the extant provisions of the (i) applicable laws, including Companies Act 2013 and (ii) Articles of Association of the Company ("**AOA**").

1. Role, duties and responsibilities

A. As member of the Board, the Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Accountability under the Directors' Responsibility Statement,
- Taking decisions objectively and solely in the interests of the Company,
- Overseeing the maintenance of high standards of Code of Conduct to be observed by the Company's Board of Directors and Core Management,
- Guiding the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any,
- Guiding 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,
- Guiding the Board in ensuing the integrity of the Company's accounting and financial reporting systems including independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards,
- Overseeing the Company's contribution to enhancing the quality of life of communities,
- Protecting and enhancing the SBI brand.

B. Independent Directors shall abide by the 'Code for Independent Directors' as outlined in Schedule IV and section 149(8) of the Companies Act 2013, and duties of directors as provided in the Companies Act 2013 (including Section 166).

C. Independent Directors will also be responsible for providing guidance in the area of their expertise.

2. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. Independent Directors agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities.

3. Remuneration

Independent Directors shall be paid sitting fees to attend the meetings of the Board and the Committees of which they may become a member.

Further, the Company may pay or reimburse Independent Directors for such fair and reasonable expenditure, as may have been incurred by them while performing their role as Independent Directors of the Company. This could include reimbursement of expenditure incurred by them 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 their duties as Independent Director.

4. Company's Code of Conduct and Employee Share Dealing Code as applicable to Directors

As Independent Director of the Company, Independent Directors agree to comply with the Code of Conduct to be observed by the Company's Board of Directors and Core Management.

All Directors are required to sign confirmation of compliance of the Code of Conduct on annual basis.

Unless specifically authorised by the Company, Independent Directors shall not disclose company and business information to public constituencies such as the media, the financial community, employees, agents, clients, competitors.

The obligation of confidentiality shall survive termination or cessation of directorship with the Company.

The attention of Independent Directors is also drawn towards the applicability of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Employee Share Dealing Code as applicable to the Directors, prohibiting disclosure or use of unpublished price sensitive information and setting out certain restrictions on dealing in securities.

Additionally, Independent Directors shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

5. Induction and Development

The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

6. Performance Appraisal / Evaluation Process

As a member of the Board, performance of Independent Directors as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behaviour and judgment, and
- Impact and influence.

7. Disclosures, other directorships and business interests

During the Term, Independent Directors agree to promptly notify the Company of any change in their directorships and provide such other disclosures and information as may be required under the applicable laws. Independent Directors also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary. On appointment, they are required to disclose conflict-of-interest issues with their existing directorships.

During their Term, they agree to provide a declaration at the beginning of every Financial Year under Section 149(7) of the 2013 Act, stating that they meet the criteria of Independence and upon any change in circumstances which may affect their status as an Independent Director.

8. Changes of personal details

During the Term, Independent Directors shall 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.

9. Termination

The directorship of Independent Directors on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, their directorship may be terminated for violation of any provision of the Company's Code of Conduct applicable to the Board of Directors.

They may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect their status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, they fail to meet the criteria for "independence" as provided in that Section, they agree to promptly submit their resignation to the Company with effect from the date of such change.

10. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on their part during their Term, they agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

11. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to their appointment and supersedes any previous agreement between Independent Director and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

- No waiver or modification of this letter shall be valid unless made in writing and signed by Independent Director and the Company.

- As per the 2013 Act and the Code for Independent Directors as outlined in Schedule IV to the 2013 Act, the terms and conditions of appointment of Independent Director along with the detailed profile shall be disclosed on the website of the Company.