

# KOTAK MAHINDRA BANK LIMITED

## Compensation Policy for Non-Executive Directors

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### 1. Objective

In terms of the circulars / guidelines issued by the Reserve Bank of India (“RBI”) on compensation of Non-Executive Directors (other than part-time Chairman) and pursuant to the applicable provisions of the Banking Regulation Act, 1949 and the Companies Act, 2013, as applicable, the Board of Directors (‘Board’) of Kotak Mahindra Bank Limited. (“Bank”) has adopted the ‘Kotak Mahindra Bank Limited Compensation Policy for Non-Executive Directors’ in order to appropriately compensate the Non-Executive Directors of the Bank for bringing in professionalism to the Bank’s Board.

### 2. Applicability

This Policy is applicable to the Non-Executive Directors of the Bank including the part-time non-executive Chairman.

### 3. Forms of Compensation

Compensation structure is broadly divided into:

- Sitting Fees
- Reimbursement of expenses
- Fixed Remuneration

### 4. Sitting Fees

Pursuant to the relevant provisions of the Companies Act, 2013 and the Rules thereunder, the Non-Executive Directors shall also be paid fees as mentioned below for attending meetings of the Board or Committee(s) thereof:

<b>Meetings</b>	<b>Sitting Fees per meeting (Amount in Rs.)</b>
Board	1,00,000
Audit Committee	75,000
Other Committees (including meeting of Independent Directors)	60,000

The aforesaid amount of sitting fees, subject to the regulatory limits, may be revised by the Bank’s Board from time to time.

### 5. Reimbursement of expenses

The Non-Executive Directors shall also be reimbursed expenses incurred by them for participation in the Board/Committee meetings.

## **6. Fixed Remuneration (Non-Executive Directors other than Part-time Non-Executive Chairman)**

The remuneration payable to the Non-Executive Directors, other than Part-time Non-Executive Chairman, would be in accordance with the provisions of the Circular bearing Ref. No. RBI/2021-22/24DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 which, inter alia, provides for payment of compensation to NEDs, other than the Chair of the Board, in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals, for an amount not exceeding Rs. 20 lakh per annum, including any statutory modification or amendment or re-enactment thereof for the time being in force, and the provisions of the Companies Act, 2013.

- (a) (i) Compensation in the form of fixed remuneration not exceeding Rs. 18 lakh per annum.
- (ii) Additional Compensation in the form of fixed remuneration of Rs. 2 lakh for each Non-Executive Director attending at least two thirds of the Board meetings he/she is eligible to attend.

In case of an Non-Executive Director, joining the Board during the year, such Fixed Remuneration Compensation as above would be paid on a pro-rata basis, based on the number of quarters for which he/she was on the Board, with a part of quarter being considered as a full quarter.

The aforesaid amount of Compensation in the form of fixed remuneration, subject to the regulatory limits, may be revised by the Bank's Board, from time to time, in line with applicable regulations.

- (b) Overall cap on Compensation in the form of fixed remuneration for each Director will be Rs.20 lakh per annum or such other amount as may be prescribed by the Reserve Bank of India, from time to time.
- (c) In terms of the provisions of the Companies Act, 2013, the Shareholders Members of the Bank at the Annual General Meeting held on August 25, 2021 have approved the payment of Compensation in the form of fixed remuneration to the Non-Executive Directors of the Bank, up to the overall ceiling of Rs. 20 lakh per annum or such higher amount as may be prescribed by RBI the Reserve Bank of India ("RBI"), from time to time, and as determined by the Board of Directors of the Bank or a Committee thereof, for a period of 5 years, with effect from the financial year 2021-22.

## **7. Fixed Remuneration (Part-time Non-Executive Chairman)**

The remuneration payable to the Part-time Non-Executive Chairman of the Bank would be in accordance with the provisions of Section 10B (1A) of the Banking Regulation Act, 1949, the guidelines / circulars issued from time to time by the RBI, the provisions of the Companies Act, 2013 and rules made thereunder and such other laws / regulations / rules, as may be applicable from time to time.

Such Fixed Remuneration may be paid on a monthly, quarterly, semi-annually or annually, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee and as approved by the shareholders and the RBI, from time to time.

The above mentioned Fixed Remuneration shall be in addition to the Sitting fee for attending meetings of the Board / Committees as approved by the Board from time to time, within the limits prescribed under the Companies Act, 2013 and rules made thereunder.

The Part-time Non-Executive Chairman would also be entitled to reimbursement of expenses for attending Board/Committee meetings, and such other matters as may be decided from time to time by the Board and / or such other authority as may be necessary.

## **8. Stock Options**

The Non-Executive Directors shall not be eligible for any stock options of the Bank.

## **9. Disclosures**

The Bank shall make a disclosure on remuneration paid to the directors on an annual basis in the Annual Financial Statements or such other disclosures as may be prescribed by the regulatory/statutory authorities.