

## **KOTAK MAHINDRA BANK LIMITED**

### **Compensation Policy for Non-Executive Directors**

#### **1. Objective**

In terms of the guidelines issued by the Reserve Bank of India on compensation of Non-Executive Directors (other than part-time Chairman) and pursuant to the applicable provisions of the Companies Act, 2013, the Board of Directors ('Board') of Kotak Mahindra Bank Ltd. ('Bank') has adopted '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 excluding the part-time non-executive Chairman.

#### **3. Forms of Compensation**

Compensation structure is broadly divided into:

- Sitting Fees
- Reimbursement of expenses
- Commission (profit based)

#### **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)	50,000

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. Commission

### a) Criteria for payment of Commission

- (i) Annual Compensation in the form of fixed remuneration – linked to the amount of profit to be made by the Bank :

<u>Annual Compensation in the form of fixed remuneration for each Non-Executive Director</u>	<u>Condition on Profit before Tax of the Bank for the financial year</u>
Rs. 10 lakh	In excess of Rs. 5,000 crore
Rs. 15 lakh	In excess of Rs. 7,500 crore
Rs. 18 lakh	In excess of Rs. 9,000 crore

- (ii) Additional Compensation in the form of fixed remuneration

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 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.

- 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 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, with effect from the financial year 2021-22.

## 7. Stock Options

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

## 8. 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.