

August 30, 2014

Name of Director

Address

Dear Sir,

Sub: Appointment as an Independent Director

On behalf of the Company, I am pleased to appoint you as a Non Executive Independent Director on the Board of Directors of PNB Gilts Ltd. for a period of 5 consecutive years with effect from 30th August, 2014. Terms and conditions of your appointment, in letter or spirit, are as envisaged under the provisions of the Companies Act, 2013, Rules made thereunder, Listing Agreement and other applicable laws in India, as may be applicable for the time being and as amended from time to time. The detailed terms and conditions of your appointment are as below:

1. The Board of Directors (the Board) may, as it may deem fit, appoint you on one or more existing Board Committee or any such Committee that is set up in the future. Your appointment on such Committees will be subject to the applicable laws and will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.
2. As an Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help and provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. The Board and Audit Committee meet atleast 4 times a year. Besides, there are other Committee meetings like Nomination & Remuneration Committee, Stakeholders' Relationship Committee, CSR Committee etc. which are ordinarily convened in accordance with requirements of Companies Act, 2013 and Listing Agreement. You will be expected to attend Board, Board Committees to which you may be appointed & Shareholders meetings and the "only independent Directors meeting" and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Delhi.
3. As an Independent Director, you will be subject to adherence of Section 166 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with regard to guidelines of professional conduct, role, functions and duties of independent directors. You are also expected to abide by the "Code for Independent Directors" outlined in the Schedule V of the Companies Act, 2013.
4. The remuneration of directors is subject to the provisions of Section 197 of the Companies Act, 2013 & Rules made thereof and Articles of Association of the Company.

You will be entitled for a sitting fee of Rs. 10000/- for attending each meeting of the Board and Rs. 5000/- for attending each Committee meeting. In addition to sitting fee, the Company will reimburse you all travelling, hotel, and other incidental expenses reasonably incurred by you in performance of duties as a Director in conjunction with the Company rules/ policies/ practices.

5. The Company will ensure compliance of Clause 49(II)(7) of Listing Agreement in relation to training of Independent Directors.
6. By accepting this appointment you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are requested to notify the Company Secretary.
7. Your liabilities as an Independent Director shall be in accordance with Section 149 (12) of the Companies Act, 2013 and Clause 49 II(E)(4) of Listing Agreement .
8. At present, the company is not having director and officer liability insurance to pay for the personal liability of directors and officers for the claims made against them while serving on the Board and / or as an officer of the company. However, the company may procure such policy shortly for all its existing, future directors and officers. If the company procures it, the details of the same will be sent to you in due course.
9. In terms of Code of Conduct for Independent Directors and Clause 49 III(IV)(2) of Listing Agreement, the Company's policy shall provide for criteria for evaluation of Board and the individual directors. The company will carry out an evaluation of the performance of the Board as a Whole and individual directors on an annual basis. Your appointment on the Board shall be subject to the outcome of the yearly evaluation process.
10. As an independent Director, you are expected to comply with the following -
 - a. Company's Code of Conduct for Board of Directors and Senior Management Personnel.
 - b. Section 194 and 195 of the Companies Act, 2013, SEBI (Prohibition of Insider Trading), 1992, as may be amended from time to time and Company's Code of Conduct for Prevention of Insider Trading

It is indeed a pleasure to have an expert like you on the Board. I am confident that your continued association, guidance and advice will immensely benefit the Company and the Board. If you are willing to accept these terms of appointment relating to your appointment as a non-executive independent director of PNB Gilts, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Best regards,

Yours sincerely,

Sd/-

(K. R. Kamath)

Chairman – Board

DIN - _____

I hereby acknowledge the receipt of and accept the terms and conditions set out in this letter.

Signed : _____

Date : _____