

DEPT: SECRETARIAL

REF. No: SEC/PER/ 05/2018-19

August 31, 2018

M.George Korah

DIN: 08207827

3 DD Village,
May First Road,
Thammanam,
Cochin 682032,
Kerala

Sir,

Sub: Appointment as Independent Director

Pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the provisions of Sections 149 (4) read with Schedule IV of the Companies Act, 2013, we hereby inform you that, the Board of Directors of the South Indian Bank Limited, at their Meeting held on August 30, 2018 have approved your appointment as Independent Director on the Board of the Bank on the following terms and conditons.

- i. You are appointed with effect from August 31, 2018 till the conclusion of next Annual General Meeting.
- ii. Your appointment shall be subject to the provisions Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A (2), 16 and 20 of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India.
- iii. As advised by the Board, during the tenure of your office, you may be required to serve on one or more of the Committees of the Board established by the Bank. Upon your appointment to any one or more Committees, you will be provided with the appropriate committee charter which sets out the functions of that committee.
- iv. You shall act in accordance with the Bank's Articles of Association.
- v. Your role and duties will be those normally required of a Non-Executive Independent Director under Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Copy of the extracts from Schedule IV is enclosed at Annexure I).

- vi. In terms of remuneration policy of the Bank, you will be paid sitting fees for attending the Board and Committee meetings of the Board at the rate of Rs. 60,000/- for each meetings of the Board and Rs.40,000/- for each Committee meetings.

It is a pleasure to have you on board. I am confident that your association, expertise and advice will immensely benefit the Bank and the Board.

Best Regards,

Yours sincerely



Salim Gangadharan
Chairman of the Board

Encl: Code for Independent Directors (Schedule IV of Companies Act, 2013).
Duties and Responsibilities of Board of Directors.

SCHEDULE IV
[See section 149(8)]
CODE FOR INDEPENDENT DIRECTORS

I. Guidelines of professional conduct:

The Bank requires every Independent director should adhere to the following so as to ensure compliance with good Corporate Governance practices:

- (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 Bank;
- (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 Bank 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 Bank 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 Bank 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) scrutinize 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 those 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 Bank 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 Bank;
- (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 Bank;
- (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 Bank;
- (6) Where they have concerns about the running of the Bank 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 Bank 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 Bank;

(10) Ascertain and ensure that the Bank has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(11) Report concerns about unethical behavior, actual or suspected fraud or violation of the Bank's code of conduct or ethics policy;

(12) Acting within his authority, assist in protecting the legitimate interests of the Bank, 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.

VII. Separate meetings:

(1) The independent directors of the Bank 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 Bank 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 Bank, 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 Bank management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Duties and Responsibilities of Board of Directors:

Duties of Board Directors:

1. Subject to the provisions of the Companies Act, a director of a company shall act in accordance with the articles of the company.
2. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void. [Section 166 of Companies Act, 2013]
7. In addition to the above, the Independent Directors shall adhere to the code of conduct and to fulfill the roles and duties as specified under o Schedule IV of the Companies Act, 2013.

Responsibilities of the Board of Directors:

The board of directors of the listed entity shall, inter alia, have the following responsibilities:

i. Disclosure of information:

1. Members of board of directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.
2. The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

ii. Key functions of the Board of Directors-

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
6. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders; including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the 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. The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity

[Regulation 4(2) of LODR]

8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing board of director's evaluation framework.

iii. Other responsibilities:

1. The Board of Directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
2. The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
3. Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

4. The Board of Directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
5. Where decisions of the Board of Directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
6. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
7. The Board of Directors shall exercise objective independent judgement on corporate affairs.
8. The Board of Directors shall consider assigning a sufficient number of nonexecutive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
9. The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
10. The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
11. When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
12. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
13. In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
14. The Board of Directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.
15. Carry out all other duties and responsibilities as may be stipulated under the Articles of Association of the Bank, Banking Regulation Act, RBI Guidelines and other applicable rules and regulations issued by any Statutory Authority from time to time.

Details of Membership in Board Committees

Sl No.	Name of Committee	Chairmanship/Membership
1.	Audit Committee	Chairman
2.	Management Committee	Member
3.	Risk Management Committee	Member
4.	Committee to Prevent and Review Frauds in the Bank	Member
5.	IT Strategy Committee	Member