

DEPT: SECRETARIAL
REF. No: SEC/GEN/18A/2024-25

18 July, 2024

Sri. Jose Joseph Kattoor
(DIN: 09213852)
Flat No 1703, Tower 5, Crescent Bay,
Jerbai Wadia Road, Bhoiwada Parel,
Mumbai – 400012

Sir,

Sub: Appointment as Additional Director (Independent)

Pursuant to Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and the provisions of Section 149 (4) read with Schedule IV and the provisions of section 161 (1) of the Companies Act, 2013, we have great pleasure in informing you that, the Board of Directors of The South Indian Bank Limited, at the Meeting held on July 18, 2024, have approved your appointment as an **Additional Director (Non-Executive Independent Director) (under Majority Category- Banking, Human Resource, Risk, Law, Agriculture and Rural Economy)** on the Board of the Bank on the following terms and conditons:

I. Appointment

- i. You are appointed with effect from July 18, 2024.
- ii. Your appointment shall be subject to the provisions of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 and the provisions of Section 149 (4) read with Schedule IV and section 161 (1) of the Companies Act, 2013 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 and other applicable provisons 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 per Regulation 17 (1C) of SEBI (LODR) Regulations, 2015, shareholders need to regularize your appointment by way of special resolution within a period of 3 months and you shall hold office for a period of three (3) consecutive years, subject to the approval of Shareholders of the Bank, with effect from July 18, 2024.

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- iv. Being an independent director you may comply with the provisions of sub rule (1) and sub rule (2) to Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and may also comply with other regulations, as applicable to an Independent director.

II. Board Committees

- i. 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.
- ii. The Board and Committee meeting dates shall be intimated well in advance from time to time.

III. Functions, Responsibilities and Duties of Directors

- i. You shall act in accordance with the Bank's Articles of Association.
- ii. Your role and duties will be those normally required of a Non-Executive Director under Schedule IV of the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 and Banking Regulation Act 1949. Copy of the extracts from Schedule IV of the Companies Act, 2013 is enclosed as **Annexure I**.

IV. Remuneration

- i. In terms of remuneration policy of the Bank, you will be paid sitting fees of Rs.80,000/- for attending each Board meetings and Rs. 60,000/- for each meetings of the Committees of the Board or such other terms as may be fixed from time to time.
- ii. By the resolution passed by the shareholders at its 95th Annual General Meeting, you will be eligible for a compensation by way of fixed remuneration up to ₹20,00,000/- (Rupees Twenty Lakh Only) per annum, for each financial year, on a proportionate basis of your office of directorship in the respective financial year, based on profitability at the end of each financial year, as may be approved by the Board of Directors from time to time, in addition to sitting fees payable for attending Board/Committee meetings.
- iii. In addition to the remuneration described in clause iv(i) and (ii), the Bank will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

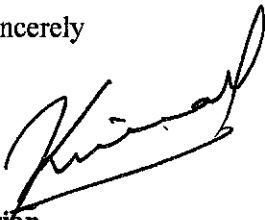
V. Dealing in Securities and Code of Conduct

- i. Directors are prohibited from dealing in the Bank's securities during the period when the trading window is closed. Directors, being an insider, are entitled to execute trades in pursuance of pre-determined trading plan which has been approved by the Compliance Officer and has been publicly disclosed six months prior to commencement of such trading. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear trades as mentioned in the policy from the Compliance Officer. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade.
- ii. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Bank's code of conduct and ethics.

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

Warm regards,

Yours sincerely


V J Kurjan
Chairman of the Board

Encl: a/a

Schedule IV

[See section 149(8)]

Code for Independent Directors

The Code is a guide to professional conduct for independent Directors. Adherence to these standards by independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent Directors.

I. Guidelines of professional conduct:

An independent director shall:

- (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 company;
- (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 company 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 company 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 company 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) scrutinise 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 that 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 company 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 company;
- (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 company;
- (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 company;
- (6) where they have concerns about the running of the company 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 company 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 company;
- (10) ascertain and ensure that the company 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, 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.

IV. Manner of appointment:

- (1) Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out :

- (a) the term of appointment;
- (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
- (d) provision for Directors and Officers (D and O) insurance, if any;
- (e) the Code of Business Ethics that the company expects its Directors and employees to follow;
- (f) the list of actions that a director should not do while functioning as such in the company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent Directors and members of management;
- (2) All the independent Directors of the company 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 company, 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 company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies.

Details of Membership in Board Committees

<u>Name of the Committee</u>	<u>Chairman/ Member</u>
Customer Service Committee	Chairman
Audit Committee	Member
Risk Management Committee	Member
Corporate Social Responsibility Committee	Member

Functions, Roles and Responsibilities of Board of Directors

A Director is part of a collective body of Directors called the Board, which is responsible for the superintendence, control and direction of the affairs of the company. The Board of Directors has the ultimate responsibility for the overall management of the Bank. The Board guides the Bank to achieve its objectives in a prudent and efficient manner. The Board shall be primarily responsible for Ensuring that all financial transactions are legal and that all disclosures are made as per regulations.

The Non-Executive/Independent Directors shall execute the 'Deed of Covenant' as per the Report of the Consultative Group of Directors on Banks and Financial Institutions (Dr. 9 Ganguly Group) and also as per the recommendations of RBI and as per the guidelines of Reserve Bank of India for shareholder directors. All the Directors and Senior Management of the Bank shall affirm the Code of Conduct annually as adopted by the Board of Directors of the Bank in compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and should adhere to the provisions of Code of Conduct to ensure compliance with good Corporate Governance practices. The Annual Report shall contain a declaration to this effect signed by the Managing Director & CEO.

The main functions/responsibilities of the Banks Board as a whole includes the following and is in line with the requirements of Reserve Bank of India, Companies Act, 2013 and Listing Regulations, as amended from time to time:

1. To act in accordance with the articles of the company;
2. Maintain high ethical standards and act in good faith in order to promote the objects of the company for the benefit of its stakeholders as a whole;
3. Ensure that the Governance principles set for the bank comply with all relevant laws, regulations and other applicable codes of conduct;
4. Set the business policies in consultation with the Management of the Bank;
5. Provide strategic guidance for implementation of business policy and structure a management information system for review and course correction;
6. To appoint and replace the Chairman, the Managing Director & Chief Executive Officer and Executive Vice Presidents, determine their compensation, counsel and guide them on important issues, oversee and review their performance, and plan their succession;

7. Ensuring proper implementation of the guidelines of the business & other policies and take action as under:-
- a) establish appropriate systems to regulate the risk appetite and risk profile of the Bank. It will also enable identification and measurement of significant risks to which the Bank is exposed in order to develop an effective risk management system;
 - b) ensure that all supervisory/regulatory directions are submitted and the supervisor's recommendations are utilized in the assessment of the performance of the senior management in implementation of Board philosophy;
 - c) ensure that the IT systems in the Bank are appropriate and have built-in checks and balances to produce data with integrity;
 - d) formulate, adopt and review of the various policies prescribed by various Statutory Authorities from time to time.
 - e) set Standards of Business Conduct and Ethical Behavior for members and Senior Management.
 - f) ensure that the Bank has in place a robust compliance system for all applicable laws and regulations;
 - g) prescribe the forms and frequency of reporting to the Board in respect of each of the above areas of responsibility.
8. Set up sound system of internal controls and audit including Financial, operational and Compliance controls and annual review of such system for their effectiveness;
9. Monitor the financial performance of the Bank and must ensure that the financial results are prepared in accordance with the generally accepted accounting principles and regulations issued by the RBI and are reported to shareholders and regulators on a timely and regular basis;
10. Ensure that all material developments of the Bank are disclosed to the public on a timely basis in accordance with the Standard Listing Regulations requirement;

11. Delegate the responsibilities to mandated/ other recommended Empowered Committees of Directors in discharging of the above governance functions, while retaining its primary accountability.
12. 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 Bank.
13. In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
14. To exercise due and reasonable care, skill and diligence and Independent judgment;
15. To ensure a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors;
16. To monitor and manage 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;
17. To avoid undue gain or advantage either to himself or relatives, partners or associates; and
18. Execute such other duties as defined under the Articles of Association of the Bank, Government of India, Banking Regulations, RBI Guidelines, the Companies Act, 2013, *SEBI (Listing Obligations and Disclosure Requirements) Regulations*, and other rules and regulations applicable to the Bank

Duties of Directors

1. shall act in good faith and as per the provisions contained in the Articles of Association of the Bank, to promote the objects of the Bank for the benefit of its members as a whole, and in the best interests of the bank, its employees, the shareholders, the community and for the protection of environment.
2. shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
3. 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 Bank.
4. 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.

5. shall not assign his office and any assignment so made shall be void.

The list of agenda items to be placed to the Board.

The Board is regularly presented with all information under the following heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board/Committee meetings or are tabled in course of the Board/Committee meetings. Video conferencing facility is provided to facilitate Directors to participate in the meetings. The members of the Board exercise due diligence in performance of their functions as Directors of the Bank and follow highest degree of business ethics, transparent practices and code of good governance amidst cordial environment.

The approval required/information provided to the Board shall include but not be limited to the following:

1. Approval of Bank's strategic and business plans and forecasts; periodical review of achievement of business targets, implementation of strategic initiatives and plans.
2. Approval of Annual operating plans and budgets including capital budgets and updates.
3. Detailed scrutiny and approval of quarterly and annual financial results
4. Status of NPA management and reported NPA and provisioning integrity
5. Preparation, modification, deviation and review of Policies of the Bank including policies concerning credit, operational, market and liquidity risks
6. Assessing the independence of the risk management function in the Bank. Consider the effectiveness of overall risk management framework in meeting sound corporate risk governance principles and identifying, managing and monitoring the key risks of the Bank.
7. Periodical assessment of Capital Adequacy.
8. Appointment or Removal of Board of Directors, Key Managerial Personnel, other senior managerial personnel one level below Board of Directors and Chief Information Officer, Chief Security Officer, Chief Risk Officer, Chief Compliance Officer.
9. Approval of remuneration, perks and perquisites for Directors including Managing Director, Chairman and other Directors, employees, incentive schemes for employees, promotion policies for employees, training and skill development of employees.
10. Review of priority sector lending; support to microfinance institutions, deposit mobilization from weaker sections; Financial Inclusion initiatives of the Bank etc.
11. Review of observations from the Risk Based Supervision by RBI and from the Long Form Audit Report.
12. Review of action taken report on Board Directions.
13. Sale of investments, assets, Purchase and Sale of subsidiaries which are material nature and not in the normal course of business and other key decisions pertaining to the Subsidiaries.

14. Constitution/re-constitution of Board Committees and review of minutes of meetings of audit committee and other committees of the board including Board minutes of Subsidiary Company.
15. Information and updates as appropriate on Bank's products; development of new products and review of status of customer complaints/grievances.
16. Recruitment/Manpower assessment/succession planning aligning with business strategy of the Bank.
17. According sanction for related party transactions which are not in the ordinary course of business or which are not on arm's length basis.
18. Recommendation of Dividend
19. Issue of Securities/Bonds/Debentures.
20. Review corporate and management controls and systems including procedures;
21. Items arising out of separate meeting of the Independent Directors if so decided by the Independent Directors.
22. Review/Approval of new tie up with exchange houses/ MTSS arrangements/ Correspondent banks.
23. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
24. Any material default in financial obligations by the Bank and non-compliance of any regulatory, statutory or listing requirements.
25. Review of Employee grievance redressal systems/ disciplinary proceedings against Officers/employees.
26. Staff accountability review in NPA accounts with GNPA of C 25.00 crores and above (Quarterly).
27. Review of report on annual compliance risk assessment.
28. Review on quarterly certificate on compliance for RBI directions.
29. Show cause, demand, prosecution notices and penalty notices which are materially important. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Bank or taken an adverse view regarding another enterprise that can have negative implications on the Bank.
30. All agenda items required to be placed to the Board in compliance with Policies of the Bank and as directed by the Board from time to time.
31. Any other agenda items which are not specifically delegated by the Board to any other Committees/ sub-Committees.
32. Review of all reports as per the Calendar of Reviews stipulated by the RBI from time to time.
33. Delegation/modification of authority/power entrusted to the Board and change in Organisational structure of the Bank.
34. All relevant information for taking informed decisions in respect of matters brought before the Board.

35. Any other items/information, including the operations/other statements pertaining to the subsidiary Company, as may be prescribed under SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.
36. Review the implementation of Environmental, Social and Governance (ESG) Framework of the Bank.

TERMS OF REFERENCE OF CUSTOMER SERVICE COMMITTEE OF THE BOARD

The terms of reference of the committee inter-alia, include the following:

1. Review & recommend to the Board various policies which inter-alia includes:
 - a) Any new policy formulated with regard to customer service as and when directed by the Board.
 - b) Bank's policies on Deposits, Grievance Redressal, Cheque Collection, Dishonor of cheque, Customer Education, Rights, Compensation & Protection.
 - c) In addition, Bank's Policy on New Product / Procedure Approval Process is also reviewed annually by the committee.
2. Review & Recommend Bank's policy on New Product / Procedure Approval Process
3. To review performance of Branch Level Customer Service Committee (BLCSC).
4. Reviewing the metrics and indicators that provide information on the state of customer services in the Bank;
5. Reviewing the action taken/being taken by the Bank to standardize the delivery of customer experience across all branches
6. Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness.
7. Monitoring the implementation of the Integrated Ombudsman Scheme with particular reference to:
 - i. Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address these deficiencies.
 - ii. Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action
8. Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis.
9. To review the business transacted through E-commerce/M commerce aggregators.
10. To review of downtime of all digital channels for the quarter.
11. To ensure implementation of the directives issued by the RBI, from time to time, with respect to rendering services to customers of the Bank
12. Status/action taken report on the observations of the earlier Committee meetings
13. To review cases of dispute between the Bank and Internal Ombudsman where the final decision is taken by MD & CEO

14. Review the performance / functioning of Office of Internal Ombudsman on a quarterly basis.
15. Review of progress of implementation of door step banking process.
16. Review of Annual survey of depositor satisfaction.
17. Review the Tri-ennial audit of services.

TERMS OF REFERENCE OF AUDIT COMMITTEE OF THE BOARD

The terms of reference of the committee inter-alia, include the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.
2. Recommending to the Board, the appointment, reappointment and terms of appointment of auditors or, if required, the replacement of the statutory auditor together with the fixation of audit fees and approval of payment for any other services rendered by the statutory auditors.
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
4. Reviewing, with management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
6. Valuation of undertakings or assets of the company, wherever it is necessary.
7. Review, with the management, the quarterly financial statements before submission to the board for approval.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. Management letters/letters of internal control weaknesses issued by the statutory auditors.

10. Review of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) & Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
11. Evaluation of Internal Financial Controls and Risk Management System including reviewing the adequacy of the Audit and Compliance functions, including their policies, procedures, techniques and other regulatory requirements.
12. Review, as far as the situation necessitates all other finding in the audit reports (along with brief details of special reports) including Risk based internal Audit Reports, Credit audit reports, management audit reports of head office departments and regional offices, concurrent audit reports, surprise inspection reports and gold asset verification reports.
13. Monitoring the end use of funds raised through public offers and related matters.
14. Review with the management, the financial statement, review and monitor the performance of statutory and internal auditors, adequacy of the internal control systems.
15. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and discussion with internal auditors of any significant findings and follow up there on.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
17. Management discussion and analysis of financial condition and results of operations.
18. Internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
19. To review the functioning of the whistle blower mechanism;
20. Approval or any subsequent modification of transactions of the company with related parties and review of statement of significant related party transactions (as defined by the audit committee), submitted by management;
21. The appointment, removal and terms of remuneration of the chief internal auditor
22. Review Ind AS Pro-forma Financial Statements.
23. Opening of internal office accounts/GL opened during the quarter.
24. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
25. Scrutiny of inter-corporate loans and investments.
26. Recommend the appointment of Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer and Head of Internal audit and Chief of internal Vigilance Officer, after assessing the qualifications, experience and background etc. of the candidate.
27. Review of report on compliance risk assessment on quarterly basis
28. Risk Assessment Report (RAR) and its periodic compliance status reviews.
29. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time.

30. Any show cause, demand and prosecution notice and penalty notices issued by any Government/Quasi Government/regulatory authority with its implication and action taken.
31. Monitoring the Concurrent Audit function and internal audit of all outsourced activities.
32. Recommending to the Board, the appointment, reappointment and terms of appointment of secretarial auditors or, if required, the replacement of the Secretarial auditor together with the fixation of audit fees and yearly review of secretarial audit report.
33. Approval/review of the financial statements, investments and other information pertaining the Subsidiary Company as prescribed under SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.
34. Valuation of undertakings or assets of the Bank, wherever it is necessary;
35. To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
36. To investigate into any matter in relation to the items specified in terms of reference or referred to it by the Board and for this purpose the Committee has power to obtain professional advice from external sources.
37. Review the performance of Chief Compliance Officer and Head of Internal audit and Chief of internal Vigilance Officer.
38. Any other terms of reference as may be included from time to time in SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and by Reserve Bank of India.
39. Any other items which may be required to be placed to the Audit Committee as per the Policy of the Bank and as may be permitted by the Board/Committee from time to time.

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE OF THE BOARD

The terms of reference of the committee inter-alia, include the following:

1. Review and recommend on a regular basis the risk management policies including policies concerning credit risk, market risk, and operational risk and also the Business Continuity policy/plan and monitor & oversee implementation of the risk management framework, policy, including evaluating the adequacy of risk management systems, which shall include;
 - a) A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
2. Recommend risk management governance structure of the Bank and deciding the allocation of resources.
3. Define the risk appetite framework of the Bank and periodic review of the same.
4. Approve the vendors for risk data warehouse and other risk management software requirements.
5. Approve revisions in existing systems and policies to address risk management requirements and good practices.
6. Consider the effectiveness of overall risk management framework, sound corporate governance principles and identifying, managing and monitoring the key risks of the Bank.
7. Oversee and monitor the Bank's compliance with regulatory requirements.
8. Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities.
9. Review risk mitigation plans on significant risks, which affects policy or procedure level changes for effective implementation.
10. To review the direction of various risks attributable to the Bank based on an analytical model articulated by RBI.
11. Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC).
12. Reviewing and approving the Internal Capital Adequacy Assessment Process.
13. Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
14. Status/action taken report on the observations of the earlier Committee meeting.
15. Risk associated with outsourced activities of the Bank.
16. Review of Cyber Risk.
17. Monitoring of Liquidity Risk Parameters.
18. Review of Stress Testing.
19. Discussion with CRO for ensuring independence of risk functions.
20. Ensure robustness and effectiveness of financial / rating models and their appraisal systems for assessing various risks faced by the Bank.

21. Decide/approve adoption of technology/appropriate and adequate MIS system needed for risk management.
22. Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
23. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.
24. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
25. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
26. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
27. Review and recommend all credit and treasury policies to Board for approval.
28. Any other agenda items required to be placed to RMCB in compliance with the SEBI LODR, RBI Guidelines, policies of the Bank and as directed by the Board/RMC from time to time.

TERMS OF REFERENCE OF CORPORATE SOCIAL RESPONSIBILITY
COMMITTEE OF THE BOARD

The terms of reference of the committee inter-alia, include the following:

1. Articulate and recommend to the Board, a Corporate Social Responsibility Policy which should stipulate the scope of activities to be undertaken by the Bank as specified in Schedule VII to the Companies Act, 2013. Schedule VII includes the following items:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PMCARES Fund) or any other fund setup by the Central Government for socio-economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government and;
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and

Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Rural development projects
- Slum area development.

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- Disaster management, including relief, rehabilitation and reconstruction activities.

2.

- (i) Sanction of CSR proposals from Rs.25.00 lakhs to Rs.50.00 lakhs which are evaluated and recommended by SIB Foundation and vetted by CFO.
- (ii) To evaluate and recommend to the Board for sanctioning CSR proposals above Rs.50.00 lakhs which are evaluated and forwarded by SIB Foundation and vetted by CFO.
- (iii) To review the CSR sanctions up to 25 lakh. To evaluate and recommend to the Board to modify/amend/cancel the ongoing projects.

3. Monitor and update, as and when warranted, the Corporate Social Responsibility Policy of the company from time to time.
4. To recommend to the Board any other activities/ programmes/projects, which may be recommended by the regulatory authorities from time to time.
5. Ensure that the activities which are included in Corporate Social Responsibility Policy of the Bank are undertaken by the bank
6. Provide inputs, on an ongoing basis, to the formulation of strategic objectives and tactical plans that would help ensure the Bank is able to fulfil its corporate social responsibilities in a responsible and effective manner.
7. Overseeing Environmental, Social and Governance (ESG) Reporting and review of various activities of the Bank under the prescribed ESG Framework.
8. Review of Annual Action Plan and Fund utilization certificate issued by CFO.

COMMITTEE OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the performance of non-independent directors and the Board as a whole to be evaluated by a Committee comprising of all the Independent Directors of the Bank as on the date of the meeting of the said committee.

The terms of reference of the Committee inter-alia, includes:

1. To review the performance of non-independent directors and the Board as a whole.
2. To review the performance of the Chairman of the Bank taking into account the views of executive directors and non-executive directors.
3. To 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.
4. To perform such other roles as may be prescribed by the Companies Act, 2013, SEBI (LODR) Regulations, 2015, Banking Regulation Act, 1949 and the Circulars/Regulations issued by the Regulatory Authorities from time to time.
5. To give reasoned recommendation of any preferential issue after considering all the aspects relating to the preferential issue including pricing, which may result in a change in control of the Bank, and the voting pattern of the said committee's meeting shall be disclosed in the notice calling the general meeting of shareholders. The said meeting of the independent directors for giving reasoned recommendation of the preferential issue shall be attended by all the independent directors on the Board.